



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

**September 30, 2024**

## FINANCIAL SECTION

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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, 2024, 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 the reports of 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, 2024, 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 42% and 14%, respectively, of the assets and expenditures/deductions of the aggregate remaining fund information as of September 30, 2024. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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 accompanying 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 - Bartow Municipal Airport Development Authority (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 our report dated June 24, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Purvis Gray*

June 24, 2025  
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 2024 by \$149,341,130 (net position). Of this amount, \$7,417,883 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$18,664,328 during the year or a 14% increase compared to the prior year's net position. Net position for governmental activities increased by \$8,925,800 (32%) while the business-type activities' net position increased by \$9,738,528 (10%).
- Total combined revenues resulting from governmental activities and business-type activities increased \$9,148,738 or 10% when compared to the prior year.
- Total combined expenses resulting from governmental activities and business-type activities increased \$1,305,038 or 2% 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 \$32,993,925 an increase of \$2,464,302 or 8% 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, 2024 and 2023.

### **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, 2024

**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 \$149,341,130. 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,**

|                                  | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                       | <b>Total Primary Government</b> |                       |
|----------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|
|                                  | <b>2024</b>                    | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>           | <b>2024</b>                     | <b>2023</b>           |
| Current and other assets         | \$ 37,860,420                  | \$ 35,441,941        | \$ 73,405,351                   | \$ 77,103,315         | \$ 111,265,771                  | \$ 112,545,256        |
| Capital assets                   | 37,879,091                     | 29,404,604           | 105,879,632                     | 92,507,504            | 143,758,723                     | 121,912,108           |
| <b>Total assets</b>              | <b>75,739,511</b>              | <b>64,846,545</b>    | <b>179,284,983</b>              | <b>169,610,819</b>    | <b>255,024,494</b>              | <b>234,457,364</b>    |
| Deferred outflows                | 15,483,544                     | 17,850,035           | 4,529,678                       | 5,144,163             | 20,013,222                      | 22,994,198            |
| Current liabilities              | 3,852,119                      | 4,233,661            | 10,780,602                      | 13,182,171            | 14,632,721                      | 17,415,832            |
| Non-current liabilities          | 39,410,814                     | 36,352,986           | 40,859,580                      | 41,979,427            | 80,270,394                      | 78,332,413            |
| <b>Total liabilities</b>         | <b>43,262,933</b>              | <b>40,586,647</b>    | <b>51,640,182</b>               | <b>55,161,598</b>     | <b>94,903,115</b>               | <b>95,748,245</b>     |
| Deferred inflows                 | 11,189,390                     | 14,265,001           | 19,604,081                      | 16,761,514            | 30,793,471                      | 31,026,515            |
| Net position:                    |                                |                      |                                 |                       |                                 |                       |
| Net investment in capital assets | 36,464,962                     | 28,672,356           | 80,604,235                      | 63,867,631            | 117,069,197                     | 92,539,987            |
| Restricted                       | 7,716,129                      | 5,922,549            | 17,137,921                      | 13,290,133            | 24,854,050                      | 19,212,682            |
| Unrestricted                     | (7,410,359)                    | (6,749,973)          | 14,828,242                      | 25,674,106            | 7,417,883                       | 18,924,133            |
| <b>Total net position</b>        | <b>\$ 36,770,732</b>           | <b>\$ 27,844,932</b> | <b>\$ 112,570,398</b>           | <b>\$ 102,831,870</b> | <b>\$ 149,341,130</b>           | <b>\$ 130,676,802</b> |

On September 30, 2024, approximately 78% 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 71% 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 17% 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, \$7,417,883 or 5% of the City's net position in 2024, compared to 18% 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 \$11,506,250 or 61% for the year.

**CITY OF BARTOW, FLORIDA**

## Management's Discussion and Analysis

September 30, 2024

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,

|                                  | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                       | <b>Total Primary Government</b> |                       |
|----------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|
|                                  | <b>2024</b>                    | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>           | <b>2024</b>                     | <b>2023</b>           |
| <b>Revenues:</b>                 |                                |                      |                                 |                       |                                 |                       |
| <i>Program Revenues:</i>         |                                |                      |                                 |                       |                                 |                       |
| Charges for services             | \$ 6,355,585                   | \$ 4,626,416         | \$ 56,605,847                   | \$ 56,697,839         | \$ 62,961,432                   | \$ 61,324,255         |
| Operating grants/contrib.        | 1,311,727                      | 1,811,730            | -                               | -                     | 1,311,727                       | 1,811,730             |
| Capital grants/contrib.          | 4,614,816                      | 1,196,595            | 12,094,844                      | 10,269,142            | 16,709,660                      | 11,465,737            |
| <i>General revenues:</i>         |                                |                      |                                 |                       |                                 |                       |
| Property taxes - General         | 5,901,699                      | 3,540,547            | -                               | -                     | 5,901,699                       | 3,540,547             |
| Property taxes - CRA             | 2,385,019                      | 1,814,615            | -                               | -                     | 2,385,019                       | 1,814,615             |
| Pub svc tax/franchise fees       | 3,063,173                      | 3,006,937            | -                               | -                     | 3,063,173                       | 3,006,937             |
| Transportation fuel taxes        | 1,085,238                      | 1,088,026            | -                               | -                     | 1,085,238                       | 1,088,026             |
| State shared revenue             | 2,635,369                      | 2,748,882            | -                               | -                     | 2,635,369                       | 2,748,882             |
| Other                            | 3,425,946                      | 1,854,429            | 439,260                         | 2,114,627             | 3,865,206                       | 3,969,056             |
| <b>Total revenues</b>            | <b>30,778,572</b>              | <b>21,688,177</b>    | <b>69,139,951</b>               | <b>69,081,608</b>     | <b>99,918,523</b>               | <b>90,769,785</b>     |
| <b>Expenses:</b>                 |                                |                      |                                 |                       |                                 |                       |
| <i>Governmental activities:</i>  |                                |                      |                                 |                       |                                 |                       |
| General government               | 4,465,905                      | 3,380,559            | -                               | -                     | 4,465,905                       | 3,380,559             |
| Law enforcement                  | 8,810,867                      | 8,138,559            | -                               | -                     | 8,810,867                       | 8,138,559             |
| Fire control                     | 4,145,355                      | 3,557,072            | -                               | -                     | 4,145,355                       | 3,557,072             |
| Code enforcement                 | 314,632                        | -                    | -                               | -                     | 314,632                         | -                     |
| Building and zoning              | 313,875                        | 454,936              | -                               | -                     | 313,875                         | 454,936               |
| Public works                     | 1,419,947                      | 1,125,774            | -                               | -                     | 1,419,947                       | 1,125,774             |
| Transportation                   | 1,773,410                      | 1,707,658            | -                               | -                     | 1,773,410                       | 1,707,658             |
| Library                          | 1,807,744                      | 1,526,514            | -                               | -                     | 1,807,744                       | 1,526,514             |
| Parks and recreation             | 7,178,193                      | 6,182,085            | -                               | -                     | 7,178,193                       | 6,182,085             |
| Community redevelopment          | 1,526,866                      | 593,295              | -                               | -                     | 1,526,866                       | 593,295               |
| Interest on long-term debt       | 12,729                         | 20,083               | -                               | -                     | 12,729                          | 20,083                |
| <i>Business-type activities:</i> |                                |                      |                                 |                       |                                 |                       |
| Electric                         | -                              | -                    | 24,639,151                      | 29,071,255            | 24,639,151                      | 29,071,255            |
| Water                            | -                              | -                    | 6,066,522                       | 6,333,562             | 6,066,522                       | 6,333,562             |
| Wastewater                       | -                              | -                    | 4,994,375                       | 5,427,170             | 4,994,375                       | 5,427,170             |
| Sanitation                       | -                              | -                    | 5,184,074                       | 4,923,767             | 5,184,074                       | 4,923,767             |
| Stormwater                       | -                              | -                    | 1,014,872                       | 775,434               | 1,014,872                       | 775,434               |
| Information technology           | -                              | -                    | 110,546                         | 367,146               | 110,546                         | 367,146               |
| Airport                          | -                              | -                    | 7,475,132                       | 6,364,288             | 7,475,132                       | 6,364,288             |
| <b>Total expenses</b>            | <b>31,769,523</b>              | <b>26,686,535</b>    | <b>49,484,672</b>               | <b>53,262,622</b>     | <b>81,254,195</b>               | <b>79,949,157</b>     |
| <b>Transfers in (out)</b>        | <b>9,916,751</b>               | <b>9,916,751</b>     | <b>(9,916,751)</b>              | <b>(9,916,751)</b>    | <b>-</b>                        | <b>-</b>              |
| Change in Net Position           | 8,925,800                      | 4,918,393            | 9,738,528                       | 5,902,235             | 18,664,328                      | 10,820,628            |
| Net position - Beginning         | 27,844,932                     | 22,926,539           | 102,831,870                     | 96,929,635            | 130,676,802                     | 119,856,174           |
| Net position - Ending            | <u>\$ 36,770,732</u>           | <u>\$ 27,844,932</u> | <u>\$ 112,570,398</u>           | <u>\$ 102,831,870</u> | <u>\$ 149,341,130</u>           | <u>\$ 130,676,802</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 2024, governmental activities net position increased by \$8,925,800 compared to an increase in 2023 of \$4,918,393, which was an improvement of \$4,007,407 or 81%. However, this required transfers from business-type activities of \$9,916,751 in 2024 and 2023 to achieve these results. Overall, total revenues-governmental activities were up \$9,090,395 or 42% while total expenses were up \$5,082,988 or 19%, and transfers to the governmental activities were the same in 2024 as in 2023. Following are key changes in the statement of activities from 2023 to 2024:

- Charges for service revenue increased \$1,729,169 or 37% in 2024 compared to 2023 mainly driven by a \$990,979 (47%) increase in the fire assessment fees and \$465,734 (71%) increase in building permit related revenue which increased due to more construction activity within the City in 2024 compared to 2023.
- Capital grants and contributions revenue increased by \$3,418,221, or 286%, compared to 2023. The increase was primarily driven by \$2,280,702 in grant funding for the construction of a sports facility and a \$757,812 increase in impact fees, the latter resulting from heightened construction activity within the City in 2024.
- Property taxes are up \$2,931,556 or 55% in 2024 compared to 2023. The City's millage rate increased from 4.6080 in 2023 to 6.1080 in 2024, a 33% increase in the millage rate.
- Remaining general revenues increased by \$1,511,452, or 17%, due to various factors, with the most significant being approximately \$594,000 in insurance reimbursements and a \$634,000 (146%) increase in parks and recreation recoupment fees, the latter driven by increased construction activity within the City in 2024 compared to 2023.

On the expense side, significant changes were as follows:

- General government expenses increased by \$1,085,346 or 32% in 2024 compared to 2023 caused by a myriad of changes across a diverse range of expense categories including the following changes:
  - Payroll and payroll taxes increased approximately \$556,600 or 19%.
  - Pension expenses increased approximately \$482,600 or 83%.
- Law enforcement expenses increased by \$672,308 or 8% in 2024 compared to 2023 mainly due to increased pension expenses of approximately \$416,800 (25%) and increased workers compensation insurance expense of approximately \$184,100 (136%). The increase in pension expenses and workers compensation insurance expense is directly attributable to net unfavorable actuarial experience.

- Fire control expenses increased by \$588,283 or 17% in 2024 compared to 2023 mainly due to increased personnel expenses of approximately \$608,200 (25%) caused primarily by increased pension expense totaling \$202,100 (34%) and increase wages of approximately \$323,100 (22%). The increased pension expense is directly attributable to net unfavorable actuarial experience
- Parks and recreation expenses increased by \$996,108 or 16% in 2024 compared to 2023 mainly due to increased personnel expenses of approximately \$395,000 (13%), increased casualty/property insurance expense of approximately \$182,000 (250%), and increased depreciation expense of approximately \$96,250 (23%). The remainder of the increase was caused by a myriad of changes across broad categories of expenses. Increases in insurance expense is due to increased replacement cost driving property insurance significantly higher. Increased depreciation expense is directly driven by increased acquisition and construction of capital assets in the parks and recreation function.
- Community redevelopment expenses increased by \$933,571 or 157% in 2024 compared to 2023 mainly due to increased expenses related to redevelopment incentive and non-capital grant-related projects which increased by approximately \$960,000.
- Remaining program expenses increased by approximately \$493,000 or 10% in 2024 compared to 2023.

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 \$9,738,528 compared to an increase of \$5,902,235 in the prior year, an improvement of \$3,836,293 or 65%. This is after the transfer supporting governmental activities discussed above.

- Revenues increased by \$58,300 or less than 1%.
- Charges for services revenue increased by approximately \$92,000 or less than 1%.
- Capital grants and contributions increased by approximately \$1,825,700 or 18% due to the following:
  - Increased grant revenue of approximately \$447,200 (27%) related to airport improvements.
  - Increased impact fee collections of approximately \$2,300,000 (135%) due to increased construction activity within the City.
  - Increased contributions for water and wastewater infrastructure of approximately \$2,528,000 in 2023 (320%).

- Total expenses decreased by approximately \$3,780,000 or 7% due mainly to the following significant net effects:
  - Electric expenses decreased by approximately \$4,430,000 (15%) due to decreased power costs of approximately \$2,930,000 and due to decreased hurricane response expenses which totaled approximately \$3,000,000 in 2023.
  - Airport expenses increased by approximately \$1,110,000 (17%) caused mainly by increased personnel related expenses of approximately \$777,000 (72%).
- Operating income for all business-type activities for 2024 was \$7,451,049 or 13% of operating revenue compared to 2023 operating income of \$4,752,447 which represented 8% 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 \$32,993,925. Of this amount, \$1,792,598 or 5% is non-spendable, \$7,716,129 or 23% is legally restricted for specific purposes, \$10,660,217 or 32% has been assigned by the City Commission to be used during the 2024-25 fiscal year, and \$12,824,981 or 40% 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 \$24,194,886, and total fund balance was \$27,362,707. This represents 80% and 90% respectively, of total General Fund expenditures for the year ended September 30, 2024.

In the General Fund, the change in fund balance for the year went from an increase of \$1,767,753 in 2023, to an increase of \$1,696,745 in 2024, a deterioration of \$71,008. Following is a summary of the notable changes from 2023 to 2024:

- Revenues are up \$7,035,711 or 45% due to the following:
  - Tax revenue increased by approximately \$2,450,000 or 36% mainly due to increased property tax revenue of \$2,931,556.
  - Intergovernmental revenue increased by approximately \$2,444,000 or 65% mainly due to local grant revenue of approximately \$2,820,000 for the construction of a sports facility.
  - Investment income increased by approximately \$485,500 or 53% due to increased interest rates and more surplus funds placed in interest bearing accounts.
  - Licenses and permit revenue increased by approximately \$469,800 or 72% due to increased building permit revenue due to increased construction within the City.

- Other revenue increased by approximately \$1,232,000 or 83% due to an increase of approximately \$978,000 (141%) in impact and recoupment fees due to increased construction within the City.
- Expenditures increased \$8,667,415 or 40%. The expenditure category that changed the most was capital outlay which increased by approximately \$5,531,700 or 182% due to increased projects and other capital purchases such as equipment and vehicles. Additionally,
  - General government expenditures increased by approximately \$1,013,000 or 36% mainly due to an increase of approximately \$890,000 or 22% in personnel related expenditures.
  - Culture/recreation expenditures increased by approximately \$1,111,500 or 16% mainly due to an increase of approximately \$581,000 or 15% in personnel related expenditures and an increase of approximately \$182,000 or 250% in casualty/property insurance expenditures. The remaining change in expenditures resulted from a variety of fluctuations across a broad range of expenditure categories within this function.
  - Physical environment expenditures increased by approximately \$591,700 or 87% mainly due to increased allocation of general administrative costs of \$213,800. General administrative costs were not allocated to this function in prior years. The allocation of physical environment costs to the wastewater enterprise fund decreased by approximately \$253,000 or 22% in 2024 compared to 2023, resulting in an increase in physical environment expenditures in the general fund.

*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 \$2,083,198. The change in fund balance for the year declined from an increase of \$842,379 in 2023 to a decrease of \$326,299 in 2024, a deterioration of \$1,168,678.

Following is a summary of the significant changes from 2023 to 2024:

- Total property tax increment revenue increased by approximately \$570,400 or 31% due to increased millage rates within the CRA District and increased value of the properties within the CRA District.
- Total expenditures increased by approximately \$1,932,900 or 185% mainly due to increased redevelopment projects, grants 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 2023 to 2024, by major fund:

- In the Electric Fund, the change in net position improved from a decrease of \$1,793,620 in 2023 to a decrease of \$885,417 in 2024, an improvement of \$908,203 or 51%. The improvement was caused by operating income, which increased by \$3,859,413 or 62% which was partially offset by the write-off of an impact fee receivable that was deemed uncollectible during 2024 and resulted in a nonoperating expense of \$3,040,877.
- In the Water Fund, the change in net position improved from an increase of \$879,961 in 2023 to an increase of \$4,791,415 in 2024, an improvement of \$3,911,454 or 445%. Operating revenue increased by \$487,816 or 9% and operating expenses increased by \$448,954 or 8%. Total capital contributions increased by \$2,421,240 or 164% due to increased impact fees of \$1,373,451 or 153% and increased donated water system infrastructure of \$1,047,789 or 183%.
- In the Wastewater Fund, the change in net position deteriorated from an increase of \$6,308,736 in 2023 to an increase of \$5,892,531 in 2024, a decline of \$416,205 or 7%. Operating revenue increased by \$79,203 or 1% and operating expenses decreased by \$422,294 or 8%. Total capital contributions decreased by \$1,033,838 or 15% due to increased impact fees of \$924,373 or 114%, increased donated infrastructure of \$1,480,613 or 691% and decreased grant revenue of \$3,485,165 or 65%.
- In the Airport Fund, the change in net position deteriorated from an increase of \$1,951,346 in 2023 to an increase of \$1,221,069 in 2024, a decline of \$730,277 or 37%. Operating revenue increased by \$223,358 or 4%, and operating expenses increased by \$1,836,401 or 33%. Capital grants increased by \$447,265 or 25% in 2024 compared to 2023. Net nonoperating revenue increased by \$435,501, or 198%, primarily due to \$725,557 in nonoperating expenses recognized in the prior year related to the removal of an abandoned capital project.
- In the combined Non-Major Funds, the change in net position was a negative \$1,444,188 in 2023 compared to a negative \$1,281,070 in 2024, an improvement of \$163,118 or 11%. Operating revenues increased by \$155,018 or 4% and operating expenses increased \$243,145 or 4%. Net nonoperating revenue increased by \$135,953 and capital grants/contributions increased by \$115,292. 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 \$687,746 or 47% 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 \$84,334,987 of net position restricted for pension benefits on September 30, 2024. This is an increase of \$14,632,452 or 21% for the year. The combined funds reported net investment income of \$6,147,855 for 2023 compared to a net investment income of \$15,423,486 in 2024. 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 2024 General Fund budget anticipated using \$6,574,594 of beginning fund balance during 2024. Amendments to the original budget during 2024 increased anticipated revenues, increased budgeted expenditures and increased other financing uses resulting in a final *budgeted* use of fund balance of \$7,739,624 (final budget), and included the following:

- The original budget for revenue was increased by \$858,277 due to greater than initially anticipated licenses and permit revenue as well as intergovernmental revenue.
- The original budget for expenditures was increased by \$2,107,179. Amendments included increases to the general government budget totaling \$693,154 (mainly in the commission, city manager and finance departments) increases to public safety of \$352,576, increases to physical environment of \$401,027 and increases to the culture/recreation budget totaling \$537,052.
- The original budget for other financing uses was increased by \$83,872 to reflect higher than initially anticipated interfund transfers out of the general fund and increased insurance recoveries.

Actual results for 2024 increased beginning fund balance by \$1,696,745 which is \$9,436,369 better than the final budget discussed above. Actual revenues came in \$4,001,890 or 20% more than the final amended budget. Expenditures came in \$4,432,045 or 12% less than the final amended budget, spread across all departments. Actual other financing sources (uses) were \$1,002,434 more (favorable) 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.

## **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, 2024, totals \$143,758,723 (net of accumulated depreciation), an increase of \$21,846,615 or 18% for the current year. Governmental activities' net additions were \$10,267,867 and depreciation expense was \$1,793,380 for a net increase of \$8,474,487. Business-type net additions/disposals were \$18,183,959, depreciation expense was \$4,811,831 for a net increase of \$13,372,128. Following is a schedule of capital assets at the end of the current and prior year:

| <b>Capital Assets Activity</b><br>(net of accumulated depreciation)<br>as of September 30, |                                |                      |                                 |                      |                                 |                       |
|--------------------------------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|-----------------------|
|                                                                                            | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      | <b>Total Primary Government</b> |                       |
|                                                                                            | <b>2024</b>                    | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>           |
| Land                                                                                       | \$ 6,999,697                   | \$ 6,975,118         | \$ 1,662,582                    | \$ 1,662,582         | \$ 8,662,279                    | \$ 8,637,700          |
| Buildings and improvements                                                                 | 25,473,717                     | 18,682,586           | 162,192,538                     | 154,623,017          | 187,666,255                     | 173,305,603           |
| Equipment                                                                                  | 10,159,721                     | 9,124,247            | 15,942,340                      | 14,106,094           | 26,102,061                      | 23,230,341            |
| Infrastructure                                                                             | 37,172,411                     | 36,020,325           | -                               | -                    | 37,172,411                      | 36,020,325            |
| Right to use leased assets                                                                 | 212,875                        | -                    | -                               | -                    | 212,875                         | -                     |
| Subscription assets                                                                        | 450,281                        | -                    | -                               | -                    | 450,281                         | -                     |
| Construction in progress                                                                   | 488,026                        | 242,512              | 36,735,621                      | 28,474,137           | 37,223,647                      | 28,716,649            |
| Accumulated Depreciation                                                                   | (43,077,637)                   | (41,640,184)         | (110,653,449)                   | (106,358,326)        | (153,731,086)                   | (147,998,510)         |
| Total                                                                                      | <u>\$ 37,879,091</u>           | <u>\$ 29,404,604</u> | <u>\$ 105,879,632</u>           | <u>\$ 92,507,504</u> | <u>\$ 143,758,723</u>           | <u>\$ 121,912,108</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, 2024

**Long-term obligations.** At the end of the current fiscal year, the City's long-term obligations totaled \$80,270,394 compared to \$78,332,413 at the end of 2023. 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<br>as of September 30, |                      |                          |                      |                          |                      |
|---------------------------------------|----------------------------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
|                                       | Governmental Activities                      |                      | Business-type Activities |                      | Total Primary Government |                      |
|                                       | 2024                                         | 2023                 | 2024                     | 2023                 | 2024                     | 2023                 |
| Bonds and notes payable               | \$ 319,259                                   | \$ 629,304           | \$ 26,035,226            | \$ 28,181,580        | \$ 26,354,485            | \$ 28,810,884        |
| Loan guarantee payable                | -                                            | -                    | 782,452                  | 676,703              | 782,452                  | 676,703              |
| Leases payable                        | 180,376                                      | -                    | -                        | -                    | 180,376                  | -                    |
| Subscriptions payable                 | 356,435                                      | -                    | -                        | -                    | 356,435                  | -                    |
| Estimated workers compensation claims | 822,723                                      | 497,623              | -                        | -                    | 822,723                  | 497,623              |
| Other post employment benefits        | 17,293,343                                   | 16,335,273           | 7,416,533                | 7,033,496            | 24,709,876               | 23,368,769           |
| Net pension liability                 | 18,763,229                                   | 17,333,168           | 5,537,740                | 4,997,040            | 24,300,969               | 22,330,208           |
| Compensated absences                  | 1,675,449                                    | 1,557,618            | 1,087,629                | 1,090,608            | 2,763,078                | 2,648,226            |
| Total                                 | <u>\$ 39,410,814</u>                         | <u>\$ 36,352,986</u> | <u>\$ 40,859,580</u>     | <u>\$ 41,979,427</u> | <u>\$ 80,270,394</u>     | <u>\$ 78,332,413</u> |

At the end of the current fiscal year, the City's *long-term debt* totaled \$27,673,748, compared to the balance of \$29,487,587 at the end of 2023, a decrease of \$1,813,839 or 6%. Long-term debt above includes loan guarantee payable, leases payable and subscriptions payable. Of the year-end balance, \$856,070 was in governmental activities and \$26,817,678 was in business-type activities. The net decrease in long-term debt for 2024 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 \$52,596,646 compared to \$48,844,826 at the end of 2023. Of the year-end balance, \$38,554,744 was in governmental activities and \$14,041,902 was in business-type activities. The total OPEB liability increased by \$1,341,107 during 2024 and the net pension liabilities increased by \$1,970,761.

## **CITY OF BARTOW, FLORIDA**

### **Management's Discussion and Analysis**

September 30, 2024

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Factors considered in preparing the City's 2024-2025 fiscal year budget were:

- The unemployment rate for the Central Florida area as of October 2024 was 3.8%, compared to 3.4% state-wide and 3.8% nationally.
- The operating millage rate for the 2024-25 fiscal year remained unchanged at \$6.1080 per \$1,000.00 of taxable value.
- The taxable value of commercial and residential property increased \$189,253,889 or 16% in the 2024 tax year (fiscal year ending September 30, 2025).
- There were no changes to water and sewer rates, solid waste rates, or stormwater rates. Studies for these areas had been completed at September 30, 2024 and were implemented in fiscal year ending September 30, 2025.
- An electric rate study was underway on September 30, 2024 and was completed and implemented in April 2025.
- The City's population has increased to approximately 20,500 or 3% in 2024 based on State estimates. No significant changes in population are expected for the 2024-25 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](http://www.cityofbartow.net).

**CITY OF BARTOW, FLORIDA**
**Statement of Net Position**

September 30, 2024

|                                             | Primary Government         |                             |                       |
|---------------------------------------------|----------------------------|-----------------------------|-----------------------|
|                                             | Governmental<br>Activities | Business-type<br>Activities | Total                 |
| <b>ASSETS</b>                               |                            |                             |                       |
| Equity in pooled cash and cash equivalents  | \$ 8,342,048               | \$ 10,726,641               | \$ 19,068,689         |
| Investment securities                       | 18,163,714                 | 12,707,733                  | 30,871,447            |
| Receivables, current:                       |                            |                             |                       |
| Customer accounts, net                      | 595,452                    | 7,492,608                   | 8,088,060             |
| Intergovernmental and other                 | 802,936                    | 596,450                     | 1,399,386             |
| Lease receivable                            | -                          | 2,024,015                   | 2,024,015             |
| Accrued income                              | 16,096                     | -                           | 16,096                |
| Inventory and prepaids                      | 1,792,598                  | 5,194,662                   | 6,987,260             |
| Internal balances                           | (758,186)                  | 758,186                     | -                     |
| Receivables, noncurrent:                    |                            |                             |                       |
| Lease receivable                            | -                          | 14,256,028                  | 14,256,028            |
| Restricted assets:                          |                            |                             |                       |
| Equity in pooled cash and cash equivalents  | 8,796,139                  | 19,359,511                  | 28,155,650            |
| Customer receivable                         | 109,623                    | 289,517                     | 399,140               |
| Capital assets:                             |                            |                             |                       |
| Non-depreciable                             | 7,487,723                  | 38,398,203                  | 45,885,926            |
| Depreciable, net                            | 30,391,368                 | 67,481,429                  | 97,872,797            |
| <b>TOTAL ASSETS</b>                         | <b>75,739,511</b>          | <b>179,284,983</b>          | <b>255,024,494</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                            |                             |                       |
| Deferred outflows related to pensions       | 11,767,400                 | 3,005,335                   | 14,772,735            |
| Deferred outflows - loss on refunding       | -                          | 107,755                     | 107,755               |
| Deferred outflows related to OPEB           | 3,716,144                  | 1,416,588                   | 5,132,732             |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b> | <b>15,483,544</b>          | <b>4,529,678</b>            | <b>20,013,222</b>     |
| <b>LIABILITIES</b>                          |                            |                             |                       |
| Accounts payable and accrued expenses       | 2,441,187                  | 3,334,811                   | 5,775,998             |
| Construction costs payable                  | 558,059                    | 1,276,165                   | 1,834,224             |
| Accrued wages                               | 377,923                    | 157,333                     | 535,256               |
| Due to other governments                    | 245,315                    | -                           | 245,315               |
| Unearned revenue                            | 227,060                    | 2,897,887                   | 3,124,947             |
| Accrued interest payable                    | 2,575                      | 111,624                     | 114,199               |
| Customer deposits                           | -                          | 3,002,782                   | 3,002,782             |
| Long-term obligations:                      |                            |                             |                       |
| Due within one year                         | 444,574                    | 2,197,837                   | 2,642,411             |
| Due in more than one year                   | 38,966,240                 | 38,661,743                  | 77,627,983            |
| <b>TOTAL LIABILITIES</b>                    | <b>43,262,933</b>          | <b>51,640,182</b>           | <b>94,903,115</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                            |                             |                       |
| Deferred inflows related to pensions        | 33,407                     | -                           | 33,407                |
| Deferred inflows related to OPEB            | 11,155,983                 | 4,118,059                   | 15,274,042            |
| Deferred inflows related to leases          | -                          | 15,486,022                  | 15,486,022            |
| Total deferred inflows of resources         | 11,189,390                 | 19,604,081                  | 30,793,471            |
| <b>NET POSITION</b>                         |                            |                             |                       |
| Net investment in capital assets            | 36,464,962                 | 80,604,235                  | 117,069,197           |
| Restricted for:                             |                            |                             |                       |
| General government facilities               | 2,191,144                  | -                           | 2,191,144             |
| Community redevelopment                     | 2,667,496                  | -                           | 2,667,496             |
| Transportation                              | 2,857,489                  | -                           | 2,857,489             |
| Municipal Airport activities                | -                          | 4,990,504                   | 4,990,504             |
| Debt service                                | -                          | 1,578,325                   | 1,578,325             |
| Water and wastewater improvements           | -                          | 10,569,092                  | 10,569,092            |
| Unrestricted (deficit)                      | (7,410,359)                | 14,828,242                  | 7,417,883             |
| <b>TOTAL NET POSITION</b>                   | <b>\$ 36,770,732</b>       | <b>\$ 112,570,398</b>       | <b>\$ 149,341,130</b> |

See Accompanying Notes to Financial Statements

**CITY OF BARTOW, FLORIDA**

Statement of Activities

For the year ended September 30, 2024

| FUNCTIONS/PROGRAMS                                          | Expenses      | Indirect<br>Expense<br>Allocation | Program Revenues        |                                         |                                       | Net (Expense) Revenue and<br>Changes in Net Position |                             |                |
|-------------------------------------------------------------|---------------|-----------------------------------|-------------------------|-----------------------------------------|---------------------------------------|------------------------------------------------------|-----------------------------|----------------|
|                                                             |               |                                   | Charges for<br>Services | Operating<br>Grant and<br>Contributions | Capital<br>Grant and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total          |
|                                                             |               |                                   |                         |                                         |                                       |                                                      |                             |                |
| PRIMARY GOVERNMENT:                                         |               |                                   |                         |                                         |                                       |                                                      |                             |                |
| Governmental activities:                                    |               |                                   |                         |                                         |                                       |                                                      |                             |                |
| General government                                          | \$ 6,167,618  | \$ (1,701,713)                    | \$ 189,281              | \$ 18,601                               | \$ 1,015,052                          | \$ (3,242,971)                                       | \$ -                        | \$ (3,242,971) |
| Law enforcement                                             | 8,810,867     | -                                 | 120,581                 | 229,051                                 | 30,111                                | (8,431,124)                                          | -                           | (8,431,124)    |
| Fire control                                                | 4,145,355     | -                                 | 3,104,564               | 178,541                                 | -                                     | (862,250)                                            | -                           | (862,250)      |
| Code enforcement                                            | 314,632       | -                                 | 32,614                  | -                                       | -                                     | (282,018)                                            | -                           | (282,018)      |
| Building and zoning                                         | 313,875       | -                                 | 1,123,640               | -                                       | -                                     | 809,765                                              | -                           | 809,765        |
| Public works                                                | 1,584,600     | (164,653)                         | -                       | -                                       | -                                     | (1,419,947)                                          | -                           | (1,419,947)    |
| Transportation                                              | 1,773,410     | -                                 | 142,348                 | 255                                     | 748,951                               | (881,856)                                            | -                           | (881,856)      |
| Library                                                     | 1,807,744     | -                                 | 8,026                   | 885,279                                 | -                                     | (914,439)                                            | -                           | (914,439)      |
| Parks and recreation                                        | 7,178,193     | -                                 | 1,634,531               | -                                       | 2,820,702                             | (2,722,960)                                          | -                           | (2,722,960)    |
| Community redevelopment                                     | 1,526,866     | -                                 | -                       | -                                       | -                                     | (1,526,866)                                          | -                           | (1,526,866)    |
| Interest on long-term debt                                  | 12,729        | -                                 | -                       | -                                       | -                                     | (12,729)                                             | -                           | (12,729)       |
| Total governmental activities                               | 33,635,889    | (1,866,366)                       | 6,355,585               | 1,311,727                               | 4,614,816                             | (19,487,395)                                         | -                           | (19,487,395)   |
| Business-type activities                                    |               |                                   |                         |                                         |                                       |                                                      |                             |                |
| Electric                                                    | 23,977,492    | 661,659                           | 34,754,957              | -                                       | 324,654                               | -                                                    | 10,440,460                  | 10,440,460     |
| Water                                                       | 5,713,258     | 353,264                           | 5,921,307               | -                                       | 3,893,711                             | -                                                    | 3,748,496                   | 3,748,496      |
| Wastewater                                                  | 4,678,706     | 315,669                           | 5,408,316               | -                                       | 5,658,808                             | -                                                    | 6,072,749                   | 6,072,749      |
| Sanitation                                                  | 4,867,906     | 316,168                           | 3,868,584               | -                                       | -                                     | -                                                    | (1,315,490)                 | (1,315,490)    |
| Stormwater                                                  | 887,966       | 126,906                           | 603,033                 | -                                       | 3,263                                 | -                                                    | (408,576)                   | (408,576)      |
| Information technology                                      | 17,846        | 92,700                            | 111,057                 | -                                       | 112,029                               | -                                                    | 112,540                     | 112,540        |
| Airport                                                     | 7,475,132     | -                                 | 5,938,593               | -                                       | 2,102,379                             | -                                                    | 565,840                     | 565,840        |
| Total business-type activities                              | 47,618,306    | 1,866,366                         | 56,605,847              | -                                       | 12,094,844                            | -                                                    | 19,216,019                  | 19,216,019     |
| TOTAL PRIMARY GOVERNMENT                                    | \$ 81,254,195 | \$ -                              | \$ 62,961,432           | \$ 1,311,727                            | \$ 16,709,660                         | \$ (19,487,395)                                      | \$ 19,216,019               | \$ (271,376)   |
| GENERAL REVENUES                                            |               |                                   |                         |                                         |                                       |                                                      |                             |                |
| Taxes:                                                      |               |                                   |                         |                                         |                                       |                                                      |                             |                |
| Property taxes, levied for general purposes                 |               |                                   |                         |                                         |                                       | 5,901,699                                            | -                           | 5,901,699      |
| Property taxes, levied for community redevelopment purposes |               |                                   |                         |                                         |                                       | 2,385,019                                            | -                           | 2,385,019      |
| Public service taxes and franchise fees                     |               |                                   |                         |                                         |                                       | 3,063,173                                            | -                           | 3,063,173      |
| Fuel taxes levied for transportation purposes               |               |                                   |                         |                                         |                                       | 1,085,238                                            | -                           | 1,085,238      |
| State shared revenue                                        |               |                                   |                         |                                         |                                       | 2,635,369                                            | -                           | 2,635,369      |
| Investment earnings                                         |               |                                   |                         |                                         |                                       | 1,577,994                                            | 2,148,251                   | 3,726,245      |
| Miscellaneous                                               |               |                                   |                         |                                         |                                       | 1,766,345                                            | (1,875,310)                 | (108,965)      |
| Gain on disposal of capital assets                          |               |                                   |                         |                                         |                                       | 81,607                                               | 166,319                     | 247,926        |
| TRANSFERS                                                   |               |                                   |                         |                                         |                                       | 9,916,751                                            | (9,916,751)                 | -              |
| Total general revenues and transfers                        |               |                                   |                         |                                         |                                       | 28,413,195                                           | (9,477,491)                 | 18,935,704     |
| CHANGE IN NET POSITION                                      |               |                                   |                         |                                         |                                       |                                                      |                             |                |
| NET POSITION, beginning of year                             |               |                                   |                         |                                         |                                       | 8,925,800                                            | 9,738,528                   | 18,664,328     |
| NET POSITION, end of year                                   |               |                                   |                         |                                         |                                       | 27,844,932                                           | 102,831,870                 | 130,676,802    |
|                                                             |               |                                   |                         |                                         |                                       | \$ 36,770,732                                        | \$ 112,570,398              | \$ 149,341,130 |

See Accompanying Notes to Financial Statements

**CITY OF BARTOW, FLORIDA****Balance Sheet – Governmental Funds**

September 30, 2024

|                                                                              | <b>General<br/>Fund</b> | <b>Community<br/>Redevelopment<br/>Agency</b> | <b>Non-major<br/>Governmental<br/>Funds</b> | <b>Total</b>         |
|------------------------------------------------------------------------------|-------------------------|-----------------------------------------------|---------------------------------------------|----------------------|
| <b>ASSETS</b>                                                                |                         |                                               |                                             |                      |
| Equity in pooled cash and cash equivalents                                   | \$ 8,342,048            | \$ 2,833,207                                  | \$ 270,926                                  | \$ 11,446,181        |
| Investments                                                                  | 18,163,714              | -                                             | -                                           | 18,163,714           |
| Receivables, net                                                             |                         |                                               |                                             |                      |
| Customer accounts, net                                                       | 588,591                 | -                                             | 6,861                                       | 595,452              |
| Intergovernmental and other                                                  | 616,631                 | -                                             | 186,305                                     | 802,936              |
| Accrued income                                                               | 16,096                  | -                                             | -                                           | 16,096               |
| Inventory                                                                    | 92,803                  | -                                             | -                                           | 92,803               |
| Prepaid expenditures                                                         | 171,874                 | 127,702                                       | 1,400,219                                   | 1,699,795            |
| Restricted assets:                                                           |                         |                                               |                                             |                      |
| Cash and cash equivalents                                                    | 2,903,144               | -                                             | 2,788,862                                   | 5,692,006            |
| Customer receivables                                                         | 47,679                  | -                                             | 61,944                                      | 109,623              |
| <b>TOTAL ASSETS</b>                                                          | <b>\$ 30,942,580</b>    | <b>\$ 2,960,909</b>                           | <b>\$ 4,715,117</b>                         | <b>\$ 38,618,606</b> |
| <b>LIABILITIES</b>                                                           |                         |                                               |                                             |                      |
| Accounts payable                                                             | 1,289,426               | 877,711                                       | 274,050                                     | 2,441,187            |
| Construction costs payable                                                   | 558,059                 | -                                             | -                                           | 558,059              |
| Accrued payroll                                                              | 305,006                 | -                                             | 72,917                                      | 377,923              |
| Accrued claims payable                                                       | 822,723                 | -                                             | -                                           | 822,723              |
| Due to other governments                                                     | 245,315                 | -                                             | -                                           | 245,315              |
| Due to other funds                                                           | -                       | -                                             | 758,186                                     | 758,186              |
| Unearned revenue                                                             | 227,060                 | -                                             | -                                           | 227,060              |
| <b>TOTAL LIABILITIES</b>                                                     | <b>3,447,589</b>        | <b>877,711</b>                                | <b>1,105,153</b>                            | <b>5,430,453</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                         |                                               |                                             |                      |
| Unavailable revenue                                                          | 132,284                 | -                                             | 61,944                                      | 194,228              |
| <b>FUND BALANCE</b>                                                          |                         |                                               |                                             |                      |
| Nonspendable:                                                                |                         |                                               |                                             |                      |
| Inventory                                                                    | 92,803                  | -                                             | -                                           | 92,803               |
| Prepays                                                                      | 171,874                 | 127,702                                       | 1,400,219                                   | 1,699,795            |
| Restricted for:                                                              |                         |                                               |                                             |                      |
| Transportation improvements                                                  | -                       | -                                             | 2,788,862                                   | 2,788,862            |
| Transportation activities                                                    | -                       | -                                             | 68,627                                      | 68,627               |
| Facilities improvements                                                      | 2,191,144               | -                                             | -                                           | 2,191,144            |
| Redevelopment                                                                | 712,000                 | 1,955,496                                     | -                                           | 2,667,496            |
| Assigned to:                                                                 |                         |                                               |                                             |                      |
| Subsequent year budget                                                       | 10,660,217              | -                                             | -                                           | 10,660,217           |
| Unassigned (deficit)                                                         | 13,534,669              | -                                             | (709,688)                                   | 12,824,981           |
| <b>TOTAL FUND BALANCES</b>                                                   | <b>27,362,707</b>       | <b>2,083,198</b>                              | <b>3,548,020</b>                            | <b>32,993,925</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCE</b> | <b>\$ 30,942,580</b>    | <b>\$ 2,960,909</b>                           | <b>\$ 4,715,117</b>                         | <b>\$ 38,618,606</b> |

See Accompanying Notes to Financial Statements

**CITY OF BARTOW, FLORIDA**Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position  
September 30, 2024

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

|                                                                                                                                                                                                                                                                                           |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>                                                                                                                                                                                                                                           | \$ 32,993,925               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.                                                                                                                                                    | 37,879,091                  |
| Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities                                                                                                                                                       | 194,228                     |
| 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.                                                                                                    | 15,483,544                  |
| 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.                                                                                                        | (11,189,390)                |
| Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in governmental funds.                                                                                                                                      | (2,575)                     |
| 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                                                                                                                                                                                                                                           | (39,410,814)                |
| This is the amount of workers' comp liability recorded at the fund level                                                                                                                                                                                                                  | 822,723                     |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>                                                                                                                                                                                                                                            | <u><u>\$ 36,770,732</u></u> |

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

For the year ended September 30, 2024

|                                                              | <b>General<br/>Fund</b> | <b>Community<br/>Redevelopment<br/>Agency</b> | <b>Non-major<br/>Governmental<br/>Funds</b> | <b>Total</b>         |
|--------------------------------------------------------------|-------------------------|-----------------------------------------------|---------------------------------------------|----------------------|
| <b>REVENUES:</b>                                             |                         |                                               |                                             |                      |
| Taxes                                                        | \$ 9,193,923            | \$ 2,385,019                                  | \$ 1,260,409                                | \$ 12,839,351        |
| Licenses and permits                                         | 1,119,561               | -                                             | -                                           | 1,119,561            |
| Intergovernmental revenue                                    | 6,197,440               | -                                             | 192,845                                     | 6,390,285            |
| Charges for services                                         | 1,861,354               | -                                             | 3,243,324                                   | 5,104,678            |
| Fines and forfeitures                                        | 113,308                 | -                                             | 25                                          | 113,333              |
| Investment income, net                                       | 1,407,448               | -                                             | -                                           | 1,407,448            |
| Other                                                        | 2,715,518               | 132,079                                       | 815,843                                     | 3,663,440            |
| Total revenues                                               | 22,608,552              | 2,517,098                                     | 5,512,446                                   | 30,638,096           |
| <b>EXPENDITURES:</b>                                         |                         |                                               |                                             |                      |
| General government                                           | 3,809,832               | -                                             | -                                           | 3,809,832            |
| Public safety                                                | 8,335,059               | -                                             | 3,955,963                                   | 12,291,022           |
| Physical environment                                         | 1,273,092               | -                                             | -                                           | 1,273,092            |
| Economic environment                                         | 265,379                 | 1,637,298                                     | -                                           | 1,902,677            |
| Transportation                                               | -                       | -                                             | 1,179,172                                   | 1,179,172            |
| Culture/recreation                                           | 7,858,259               | -                                             | -                                           | 7,858,259            |
| Capital outlay                                               | 8,564,519               | 135,440                                       | 1,314,856                                   | 10,014,815           |
| Debt service                                                 | 196,949                 | 254,675                                       | -                                           | 451,624              |
| Total expenditures                                           | 30,303,089              | 2,027,413                                     | 6,449,991                                   | 38,780,493           |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(7,694,537)</b>      | <b>489,685</b>                                | <b>(937,545)</b>                            | <b>(8,142,397)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                                               |                                             |                      |
| Transfers in                                                 | 10,628,751              | -                                             | 2,031,401                                   | 12,660,152           |
| Transfers (out)                                              | (1,791,977)             | (951,424)                                     | -                                           | (2,743,401)          |
| Lease proceeds                                               | 77,435                  | 135,440                                       | -                                           | 212,875              |
| Subscriptions proceeds                                       | 450,281                 | -                                             | -                                           | 450,281              |
| Sale of general capital assets                               | 20,202                  | -                                             | -                                           | 20,202               |
| Insurance recoveries                                         | 6,590                   | -                                             | -                                           | 6,590                |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <b>9,391,282</b>        | <b>(815,984)</b>                              | <b>2,031,401</b>                            | <b>10,606,699</b>    |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>1,696,745</b>        | <b>(326,299)</b>                              | <b>1,093,856</b>                            | <b>2,464,302</b>     |
| <b>FUND BALANCE, beginning of year</b>                       | <b>25,665,962</b>       | <b>2,409,497</b>                              | <b>2,454,164</b>                            | <b>30,529,623</b>    |
| <b>FUND BALANCE, end of year</b>                             | <b>\$ 27,362,707</b>    | <b>\$ 2,083,198</b>                           | <b>\$ 3,548,020</b>                         | <b>\$ 32,993,925</b> |

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, 2024

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

|                                                                                                                                                                                                                                                                                                                                            |           |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|
| <b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>                                                                                                                                                                                                                                                                              | <b>\$</b> | <b>2,464,302</b> |
| 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.                                                                                                                                                                                                                                                                       |           | 10,267,867       |
| This is the amount of depreciation recorded in the current period.                                                                                                                                                                                                                                                                         |           | (1,793,380)      |
| 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 long term debt, leases and subscriptions payable reported as expenditures in governmental funds.                                                                                                                                                                                                                  |           | 436,391          |
| This is the current year proceeds from borrowings, leases and subscriptions.                                                                                                                                                                                                                                                               |           | (663,157)        |
| This is the change in accrued interest payable on long-term obligations.                                                                                                                                                                                                                                                                   |           | 2,501            |
| This is the change in accrued compensated absences during the year.                                                                                                                                                                                                                                                                        |           | (117,831)        |
| 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.                                                                                                                                                                                                                                                                     |           | 2,675,647        |
| This amount represents the change in deferred outflows related to OPEB.                                                                                                                                                                                                                                                                    |           | (1,136,763)      |
| This amount represents the change in the total OPEB liability.                                                                                                                                                                                                                                                                             |           | (958,070)        |
| Pension expense is reported in the statement of activities which differs from pension expenditures as reported in the governmental finds:                                                                                                                                                                                                  |           |                  |
| This amount represents the change in deferred inflows related to pensions.                                                                                                                                                                                                                                                                 |           | 399,964          |
| This amount represents the change in deferred outflows related to pensions.                                                                                                                                                                                                                                                                |           | (1,229,728)      |
| This amount represents the change in the net pension liability (asset).                                                                                                                                                                                                                                                                    |           | (1,430,061)      |
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>                                                                                                                                                                                                                                                                                   | <b>\$</b> | <b>8,925,800</b> |

**CITY OF BARTOW, FLORIDA**
**Statement of Net Position – Proprietary Funds**
**September 30, 2024**

|                                            | Business Type Activities - Enterprise Funds |            |                 |              |                 |               |
|--------------------------------------------|---------------------------------------------|------------|-----------------|--------------|-----------------|---------------|
|                                            | Electric Fund                               | Water Fund | Wastewater Fund | Airport Fund | Non-major Funds | Total         |
| <b>ASSETS</b>                              |                                             |            |                 |              |                 |               |
| Current assets:                            |                                             |            |                 |              |                 |               |
| Equity in pooled cash and cash equivalents | \$ 3,464,582                                | \$ 870,968 | \$ (4,221)      | \$ 5,048,436 | \$ 1,346,876    | \$ 10,726,641 |
| Investment securities                      | 3,924,520                                   | 868,708    | 4,944,175       | -            | 2,970,330       | 12,707,733    |
| Receivables:                               |                                             |            |                 |              |                 |               |
| Customers, net                             | 5,442,939                                   | 697,635    | 752,222         | 86,843       | 512,969         | 7,492,608     |
| Lease receivable, current                  | -                                           | 19,427     | -               | 2,004,588    | -               | 2,024,015     |
| Intergovernmental and other                | 5,738                                       | 1,410      | -               | 586,039      | 3,263           | 596,450       |
| Inventory and prepaids                     | 4,470,085                                   | 202,652    | 50,728          | 217,908      | 253,289         | 5,194,662     |
| Due from other funds                       | -                                           | -          | 3,653,781       | -            | -               | 3,653,781     |
| Total current assets                       | 17,307,864                                  | 2,660,800  | 9,396,685       | 7,943,814    | 5,086,727       | 42,395,890    |
| Noncurrent assets:                         |                                             |            |                 |              |                 |               |
| Restricted assets:                         |                                             |            |                 |              |                 |               |
| Equity in pooled cash and cash equivalents | 2,695,861                                   | 11,234,520 | 5,429,130       | -            | -               | 19,359,511    |
| Customer receivable                        | -                                           | 167,413    | 122,104         | -            | -               | 289,517       |
| Lease receivable, noncurrent               | -                                           | 614,615    | -               | 13,641,413   | -               | 14,256,028    |
| Capital assets:                            |                                             |            |                 |              |                 |               |
| Non-depreciable                            | 329,762                                     | 1,670,519  | 31,162,080      | 4,575,385    | 660,457         | 38,398,203    |
| Depreciable, net                           | 20,316,683                                  | 13,067,326 | 16,618,728      | 13,684,876   | 3,793,816       | 67,481,429    |
| Total noncurrent assets                    | 23,342,306                                  | 26,754,393 | 53,332,042      | 31,901,674   | 4,454,273       | 139,784,688   |
| Total assets                               | 40,650,170                                  | 29,415,193 | 62,728,727      | 39,845,488   | 9,541,000       | 182,180,578   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>      |                                             |            |                 |              |                 |               |
| Deferred outflows related to pensions      | 1,385,627                                   | 496,390    | 409,745         | -            | 713,573         | 3,005,335     |
| Deferred outflows - refunding loss         | -                                           | 107,755    | -               | -            | -               | 107,755       |
| Deferred outflows related to OPEB          | 634,506                                     | 201,627    | 198,118         | 44,832       | 337,505         | 1,416,588     |
| Total deferred outflows of resources       | 2,020,133                                   | 805,772    | 607,863         | 44,832       | 1,051,078       | 4,529,678     |

Continued...

See Accompanying Notes to Financial Statements

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

September 30, 2024

|                                             | Business Type Activities - Enterprise Funds |               |                 |               |                 |                |
|---------------------------------------------|---------------------------------------------|---------------|-----------------|---------------|-----------------|----------------|
|                                             | Electric Fund                               | Water Fund    | Wastewater Fund | Airport Fund  | Non-major Funds | Total          |
| <b>LIABILITIES</b>                          |                                             |               |                 |               |                 |                |
| Current liabilities:                        |                                             |               |                 |               |                 |                |
| Accounts payable                            | 2,800,011                                   | 270,619       | 42,875          | 88,549        | 132,757         | 3,334,811      |
| Construction costs payable                  | -                                           | 73,578        | 979,758         | 222,829       | -               | 1,276,165      |
| Accrued wages                               | 55,887                                      | 18,467        | 19,651          | 28,766        | 34,562          | 157,333        |
| Unearned revenue                            | 4,071                                       | 2,864         | 2,766,698       | 124,254       | -               | 2,897,887      |
| Due to other funds                          | 1,991,055                                   | 665,691       | -               | -             | 238,849         | 2,895,595      |
| Bonds and notes payable, current            | 100,558                                     | 1,600,182     | 497,097         | -             | -               | 2,197,837      |
| Total current liabilities                   | 4,951,582                                   | 2,631,401     | 4,306,079       | 464,398       | 406,168         | 12,759,628     |
| Noncurrent liabilities:                     |                                             |               |                 |               |                 |                |
| Liabilities payable from restricted assets: |                                             |               |                 |               |                 |                |
| Customer deposits                           | 2,695,861                                   | -             | -               | 306,921       | -               | 3,002,782      |
| Interest payable                            | 811                                         | 99,349        | 11,464          | -             | -               | 111,624        |
| Compensated absences                        | 365,146                                     | 222,335       | 204,450         | 157,025       | 138,673         | 1,087,629      |
| Joint venture loan guarantee                | -                                           | 782,452       | -               | -             | -               | 782,452        |
| Post employment obligation payable          | 2,952,719                                   | 938,286       | 921,958         | 1,032,965     | 1,570,605       | 7,416,533      |
| Net pension liability                       | 2,553,207                                   | 914,666       | 755,011         | -             | 1,314,856       | 5,537,740      |
| Bonds and notes payable, noncurrent portion | -                                           | 7,975,003     | 15,862,386      | -             | -               | 23,837,389     |
| Total noncurrent liabilities                | 8,567,744                                   | 10,932,091    | 17,755,269      | 1,496,911     | 3,024,134       | 41,776,149     |
| Total liabilities                           | 13,519,326                                  | 13,563,492    | 22,061,348      | 1,961,309     | 3,430,302       | 54,535,777     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                                             |               |                 |               |                 |                |
| Deferred inflows related to OPEB            | 1,904,807                                   | 605,291       | 594,758         | -             | 1,013,203       | 4,118,059      |
| Deferred inflows related to leases          | -                                           | 584,947       | -               | 14,901,075    | -               | 15,486,022     |
| Total deferred inflows of resources         | 1,904,807                                   | 1,190,238     | 594,758         | 14,901,075    | 1,013,203       | 19,604,081     |
| <b>NET POSITION</b>                         |                                             |               |                 |               |                 |                |
| Net investment in capital assets            | 20,545,887                                  | 7,125,076     | 30,441,567      | 18,037,432    | 4,454,273       | 80,604,235     |
| Restricted for:                             |                                             |               |                 |               |                 |                |
| Debt retirement                             | -                                           | 1,499,192     | 79,133          | -             | -               | 1,578,325      |
| Utility system improvements (expendable)    | -                                           | 7,875,153     | 2,693,939       | -             | -               | 10,569,092     |
| Municipal airport activities                | -                                           | -             | -               | 4,990,504     | -               | 4,990,504      |
| Unrestricted                                | 6,700,283                                   | (1,032,186)   | 7,465,845       | -             | 1,694,300       | 14,828,242     |
| Total net position                          | \$ 27,246,170                               | \$ 15,467,235 | \$ 40,680,484   | \$ 23,027,936 | \$ 6,148,573    | \$ 112,570,398 |

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, 2024**

|                                                            | <b>Business Type Activities - Enterprise Funds</b> |                   |                        |                     |                        |                |
|------------------------------------------------------------|----------------------------------------------------|-------------------|------------------------|---------------------|------------------------|----------------|
|                                                            | <b>Electric Fund</b>                               | <b>Water Fund</b> | <b>Wastewater Fund</b> | <b>Airport Fund</b> | <b>Non-major Funds</b> | <b>Total</b>   |
| <b>OPERATING REVENUES:</b>                                 |                                                    |                   |                        |                     |                        |                |
| Charges for services                                       | \$ 34,754,957                                      | \$ 5,921,307      | \$ 5,408,316           | \$ 5,938,593        | \$ 4,582,674           | \$ 56,605,847  |
| Total operating income                                     | 34,754,957                                         | 5,921,307         | 5,408,316              | 5,938,593           | 4,582,674              | 56,605,847     |
| <b>OPERATING EXPENSES:</b>                                 |                                                    |                   |                        |                     |                        |                |
| Personnel services                                         | 3,605,391                                          | 1,226,456         | 1,041,080              | 1,853,600           | 1,819,037              | 9,545,564      |
| Purchased power                                            | 14,986,218                                         | -                 | -                      | -                   | -                      | 14,986,218     |
| Operating expenses                                         | 4,989,336                                          | 3,597,625         | 2,964,888              | 4,289,647           | 3,969,689              | 19,811,185     |
| Depreciation                                               | 1,054,197                                          | 999,256           | 905,727                | 1,331,885           | 520,766                | 4,811,831      |
| Total operating expenses                                   | 24,635,142                                         | 5,823,337         | 4,911,695              | 7,475,132           | 6,309,492              | 49,154,798     |
| <b>OPERATING INCOME (LOSS)</b>                             | 10,119,815                                         | 97,970            | 496,621                | (1,536,539)         | (1,726,818)            | 7,451,049      |
| <b>NONOPERATING REVENUE (EXPENSE)</b>                      |                                                    |                   |                        |                     |                        |                |
| Investment income (loss)                                   | 705,074                                            | 273,746           | 343,035                | 655,229             | 171,167                | 2,148,251      |
| Interest expense                                           | (4,009)                                            | (243,185)         | (82,680)               | -                   | -                      | (329,874)      |
| Gain (loss) on disposal of property                        | 32,519                                             | -                 | -                      | -                   | 133,800                | 166,319        |
| Refund of contribution to joint venture                    | -                                                  | 796,515           | -                      | -                   | -                      | 796,515        |
| Write-off of uncollectible capital contribution receivable | (3,040,877)                                        | -                 | -                      | -                   | -                      | (3,040,877)    |
| Other, net                                                 | 294,158                                            | (27,342)          | 76,747                 | -                   | 25,489                 | 369,052        |
| Total nonoperating revenues (expense)                      | (2,013,135)                                        | 799,734           | 337,102                | 655,229             | 330,456                | 109,386        |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>    | 8,106,680                                          | 897,704           | 833,723                | (881,310)           | (1,396,362)            | 7,560,435      |
| <b>CAPITAL CONTRIBUTIONS</b>                               |                                                    |                   |                        |                     |                        |                |
| Capital grants and contributions                           | 324,654                                            | 1,622,254         | 3,924,362              | 2,102,379           | 115,292                | 8,088,941      |
| Impact fees                                                | -                                                  | 2,271,457         | 1,734,446              | -                   | -                      | 4,005,903      |
| Total capital contributions                                | 324,654                                            | 3,893,711         | 5,658,808              | 2,102,379           | 115,292                | 12,094,844     |
| <b>TRANSFERS IN (OUT)</b>                                  | (9,316,751)                                        | -                 | (600,000)              | -                   | -                      | (9,916,751)    |
| <b>CHANGE IN NET POSITION</b>                              | (885,417)                                          | 4,791,415         | 5,892,531              | 1,221,069           | (1,281,070)            | 9,738,528      |
| <b>NET POSITION, beginning of year</b>                     | 28,131,587                                         | 10,675,820        | 34,787,953             | 21,806,867          | 7,429,643              | 102,831,870    |
| <b>NET POSITION, end of year</b>                           | \$ 27,246,170                                      | \$ 15,467,235     | \$ 40,680,484          | \$ 23,027,936       | \$ 6,148,573           | \$ 112,570,398 |

See Accompanying Notes to Financial Statements

**CITY OF BARTOW, FLORIDA**
**Statement of Cash Flows – Proprietary Funds**

For the year ended September 30, 2024

|                                                                                      | <b>Business Type Activities - Enterprise Funds</b> |                   |                        |                     |                        |               |
|--------------------------------------------------------------------------------------|----------------------------------------------------|-------------------|------------------------|---------------------|------------------------|---------------|
|                                                                                      | <b>Electric Fund</b>                               | <b>Water Fund</b> | <b>Wastewater Fund</b> | <b>Airport Fund</b> | <b>Non-major Funds</b> | <b>Total</b>  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                         |                                                    |                   |                        |                     |                        |               |
| Receipts from customers                                                              | \$ 33,941,376                                      | \$ 5,850,762      | \$ 5,302,836           | \$ 5,655,176        | \$ 4,345,011           | \$ 55,095,161 |
| Payments to suppliers                                                                | (21,431,488)                                       | (3,614,838)       | (3,126,445)            | (1,815,688)         | (4,014,732)            | (34,003,191)  |
| Payments for salaries and benefits                                                   | (3,513,340)                                        | (1,176,368)       | (945,900)              | (4,377,199)         | (1,736,573)            | (11,749,380)  |
| Net cash flows from operating activities                                             | 8,996,548                                          | 1,059,556         | 1,230,491              | (537,711)           | (1,406,294)            | 9,342,590     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                              |                                                    |                   |                        |                     |                        |               |
| Transfers to other funds                                                             | (9,316,751)                                        | -                 | (600,000)              | -                   | -                      | (9,916,751)   |
| Interfund borrowing (lending)                                                        | 1,991,055                                          | 665,691           | (3,653,781)            | -                   | 238,849                | (758,186)     |
| Payments from joint venture                                                          | -                                                  | 796,515           | -                      | -                   | -                      | 796,515       |
| Increase (decrease) in deposits                                                      | 34,479                                             | -                 | -                      | 115,478             | -                      | 149,957       |
| Net cash flows from noncapital financing activities                                  | (7,291,217)                                        | 1,462,206         | (4,253,781)            | 115,478             | 238,849                | (9,728,465)   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                     |                                                    |                   |                        |                     |                        |               |
| Acquisition and construction of capital assets, net of related payables              | (4,741,811)                                        | (1,502,400)       | (5,974,425)            | (2,843,150)         | (1,166,984)            | (16,228,770)  |
| Principal paid on notes, bonds and lease obligations                                 | (97,657)                                           | (1,562,295)       | (486,402)              | -                   | -                      | (2,146,354)   |
| Interest paid on borrowings and other debt costs                                     | (4,797)                                            | (217,095)         | (84,370)               | -                   | -                      | (306,262)     |
| Proceeds from the sale of assets                                                     | 57,063                                             | -                 | -                      | -                   | 189,999                | 247,062       |
| Capital contributions and impact fees received, net of change in related receivables | 324,654                                            | 2,263,570         | 2,078,907              | 2,339,227           | 134,160                | 7,140,518     |
| Net cash flows from capital and related financing activities                         | (4,462,548)                                        | (1,018,220)       | (4,466,290)            | (503,923)           | (842,825)              | (11,293,806)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                          |                                                    |                   |                        |                     |                        |               |
| Interest on invested funds                                                           | 420,664                                            | 216,470           | 336,540                | 655,229             | 174,117                | 1,803,020     |
| Other income                                                                         | 294,158                                            | 63,419            | 76,747                 | -                   | 25,489                 | 459,813       |
| Sale of investments                                                                  | 5,000,000                                          | 3,093,000         | 1,031,000              | -                   | 1,031,000              | 10,155,000    |
| Net cash flows from investing activities                                             | 5,714,822                                          | 3,372,889         | 1,444,287              | 655,229             | 1,230,606              | 12,417,833    |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                          | 2,957,605                                          | 4,876,431         | (6,045,293)            | (270,927)           | (779,664)              | 738,152       |
| <b>CASH AND CASH EQUIVALENTS, beginning of year</b>                                  | 3,202,838                                          | 7,229,057         | 11,470,202             | 5,319,363           | 2,126,540              | 29,348,000    |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                                        | \$ 6,160,443                                       | \$ 12,105,488     | \$ 5,424,909           | \$ 5,048,436        | \$ 1,346,876           | \$ 30,086,152 |
| <b>As shown in the Accompanying Financial Statements</b>                             |                                                    |                   |                        |                     |                        |               |
| Equity in cash and investments                                                       | \$ 3,464,582                                       | \$ 870,968        | \$ (4,221)             | \$ 5,048,436        | \$ 1,346,876           | \$ 10,726,641 |
| Restricted equity in cash and investments                                            | 2,695,861                                          | 11,234,520        | 5,429,130              | -                   | -                      | 19,359,511    |
| <b>Total cash and cash equivalents</b>                                               | \$ 6,160,443                                       | \$ 12,105,488     | \$ 5,424,909           | \$ 5,048,436        | \$ 1,346,876           | \$ 30,086,152 |

Continued...

See Accompanying Notes to Financial Statements

**CITY OF BARTOW, FLORIDA**

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (concluded)**

For the year ended September 30, 2024

|                                                                                                       | <b>Business Type Activities - Enterprise Funds</b> |                   |                        |                     |                        | <b>Total</b> |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------|------------------------|---------------------|------------------------|--------------|
|                                                                                                       | <b>Electric Fund</b>                               | <b>Water Fund</b> | <b>Wastewater Fund</b> | <b>Airport Fund</b> | <b>Non-major Funds</b> |              |
| <b>Noncash financing and investing activities:</b>                                                    |                                                    |                   |                        |                     |                        |              |
| Donated infrastructure                                                                                | \$ -                                               | \$ 1,622,254      | \$ 1,695,011           | \$ -                | \$ -                   | \$ 3,317,265 |
| Joint venture loan guarantee                                                                          | \$ -                                               | \$ 105,749        | \$ -                   | \$ -                | \$ -                   | \$ 105,749   |
| Capital asset purchases on account                                                                    | \$ -                                               | \$ 73,578         | \$ -                   | \$ -                | \$ -                   | \$ -         |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                                                    |                   |                        |                     |                        |              |
| Operating income (loss)                                                                               | \$ 10,119,815                                      | \$ 97,970         | \$ 496,621             | \$ (1,536,539)      | \$ (1,726,818)         | \$ 7,451,049 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:        |                                                    |                   |                        |                     |                        |              |
| Depreciation expense                                                                                  | 1,054,197                                          | 999,256           | 905,727                | 1,331,885           | 520,766                | 4,811,831    |
| (Increase) decrease in inventory and prepaids                                                         | (2,373,522)                                        | (48,654)          | (34,368)               | (44,684)            | (184,471)              | (2,685,699)  |
| (Increase) decrease in accounts receivable                                                            | (814,848)                                          | (73,409)          | (105,480)              | 42,140              | (58,586)               | (1,010,183)  |
| (Increase) decrease in leases receivables                                                             | -                                                  | -                 | -                      | (4,200,055)         | -                      | (4,200,055)  |
| Increase (decrease) in lease related deferred inflows                                                 | -                                                  | -                 | -                      | 3,924,249           | -                      | 3,924,249    |
| Increase (decrease) in accounts payable                                                               | 917,588                                            | 31,441            | (127,189)              | (42,868)            | (39,649)               | 739,323      |
| Increase (decrease) in accrued wages and compensated absences                                         | (72,962)                                           | (23,230)          | 22,075                 | (7,186)             | (8,386)                | (89,689)     |
| (Increase) decrease in OPEB related deferred outflows                                                 | 194,548                                            | 61,787            | 60,830                 | (956)               | 107,407                | 423,616      |
| Increase (decrease) in the total OPEB liability                                                       | 162,057                                            | 51,612            | 50,319                 | 46,054              | 72,995                 | 383,037      |
| Increase (decrease) in OPEB related deferred inflows                                                  | (458,141)                                          | (145,486)         | (143,288)              | -                   | (254,875)              | (1,001,790)  |
| (Increase) decrease in pension related deferred outflows                                              | 118,137                                            | 25,770            | (9,164)                | -                   | 14,015                 | 148,758      |
| Increase (decrease) in the net pension liability                                                      | 170,790                                            | 87,406            | 120,369                | -                   | 162,135                | 540,700      |
| Increase (decrease) in pension related deferred inflows                                               | (22,378)                                           | (7,771)           | (5,961)                | -                   | (10,827)               | (46,937)     |
| Increase (decrease) in unearned revenue and other                                                     | 1,267                                              | 2,864             | -                      | (49,751)            | -                      | (45,620)     |
| Net cash flows from operating activities                                                              | \$ 8,996,548                                       | \$ 1,059,556      | \$ 1,230,491           | \$ (537,711)        | \$ (1,406,294)         | \$ 9,342,590 |

See Accompanying Notes to Financial Statements

**CITY OF BARTOW, FLORIDA**

## Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2024

|                                 | <b>Pension Trust<br/>Funds</b> | <b>Custodial<br/>Fund</b> |
|---------------------------------|--------------------------------|---------------------------|
| <b>ASSETS</b>                   |                                |                           |
| Cash and cash equivalents       | \$ 6,639                       | \$ 660,228                |
| Receivables:                    |                                |                           |
| City and plan members           | 647                            | -                         |
| State of Florida                | 33,431                         | -                         |
| Accrued income                  | 34,502                         | -                         |
| Total receivables               | 68,580                         | -                         |
| Prepaid expenses                | 3,005                          | -                         |
| Investments, at fair value:     |                                |                           |
| Short-term money market funds   | 2,168,074                      | -                         |
| Fixed income investments        | 16,882,711                     | -                         |
| Equity securities               | 56,782,917                     | -                         |
| Diversified mutual fund         | 1,858,863                      | -                         |
| Real estate investments         | 6,640,848                      | -                         |
| Total investments               | 84,333,413                     | -                         |
| Total assets                    | 84,411,637                     | 660,228                   |
| <b>LIABILITIES</b>              |                                |                           |
| Accounts payable                | 70,811                         | -                         |
| Accrued benefits payable        | 5,839                          | -                         |
| Due to other governments        | -                              | 660,228                   |
| Total Liabilities               | 76,650                         | 660,228                   |
| <b>NET POSITION</b>             |                                |                           |
| Restricted for pension benefits | \$ 84,334,987                  | \$ -                      |

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, 2024

|                                               | <b>Pension Trust<br/>Funds</b> | <b>Custodial<br/>Fund</b> |
|-----------------------------------------------|--------------------------------|---------------------------|
| <b>ADDITIONS</b>                              |                                |                           |
| Contributions:                                |                                |                           |
| City                                          | \$ 3,613,287                   | \$ -                      |
| Plan members                                  | 577,606                        | -                         |
| State of Florida                              | 404,222                        | -                         |
| Fees collected on behalf of other governments | -                              | 8,255,939                 |
| Total contributions                           | 4,595,115                      | 8,255,939                 |
| Investment income                             | 15,613,097                     | -                         |
| Less investment expenses:                     |                                |                           |
| Performance evaluation                        | 78,000                         | -                         |
| Custodial fees                                | 36,525                         | -                         |
| Investment management fees                    | 75,086                         | -                         |
| Total investment expenses                     | 189,611                        | -                         |
| Net investment income                         | 15,423,486                     | -                         |
| Total additions                               | 20,018,601                     | 8,255,939                 |
| <b>DEDUCTIONS</b>                             |                                |                           |
| Administrative expenses:                      |                                |                           |
| Legal                                         | 42,737                         | -                         |
| Administrator fee                             | 94,422                         | -                         |
| Actuarial                                     | 83,472                         | -                         |
| Travel, training and other                    | 16,624                         | -                         |
| Accounting                                    | 28,306                         | -                         |
| Insurance                                     | 13,588                         | -                         |
| Audit                                         | 18,075                         | -                         |
| Total administrative expenses                 | 297,224                        | -                         |
| Remittance of fees to other governments       | -                              | 8,255,939                 |
| Payments to retirees and participants         | 5,088,925                      | -                         |
| Total deductions                              | 5,386,149                      | 8,255,939                 |
| <b>CHANGE IN NET POSITION</b>                 | 14,632,452                     | -                         |
| <b>NET POSITION, beginning of year</b>        | 69,702,535                     | -                         |
| <b>NET POSITION, end of year</b>              | \$ 84,334,987                  | \$ -                      |

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.

Operating revenues in proprietary funds typically arise from the provision of services such as electricity, potable water, wastewater collection, treatment and disposal, and garbage removal 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 \$2,378,471 on September 30, 2024. 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, 2024, business-type activities and governmental activities reserves for doubtful accounts totaled \$87,324 and \$1,024,035, 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 2024. The notes, which have a face value of \$559,000, are reduced by an allowance representing management's estimate of uncollectible amounts which totaled \$559,000 on September 30, 2024 resulting in a carrying value of zero at September 30, 2024 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 \$229,051 and \$175,171, respectively, for the fiscal year ended September 30, 2024. 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, 2024, the governmental activities had a deficit unrestricted net position of \$7,410,359.

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, 2024.
- *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 lease is determined to be significant based on a case-by-case evaluation of its impact on the City's assets, liabilities, revenues, expenses, and financial statement disclosures.

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.

**SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS -**

The City recognizes a subscription liability and an intangible right-to-use asset (subscription asset) in the government-wide financial statements when the initial, individual value of the subscription asset is deemed material to the financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at the commencement of the subscription term and any capitalizable implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for the subscription liability calculation.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments that are fixed in substance, any contract incentives receivable from the vendor and any other payments associated with the contract that are reasonably certain of being required based on an assessment of all relevant factors.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

## **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, 2024 was 6.1080.

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, 2024, 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, 2024, 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:

|                                                    |                      |
|----------------------------------------------------|----------------------|
| <b>Equity in pooled cash and cash equivalents:</b> |                      |
| Cash on hand                                       | \$ 7,380             |
| Cash deposits in financial institutions:           |                      |
| Insured or fully collateralized bank deposits      | 42,007,747           |
| Investments:                                       |                      |
| Florida Safe - investment pool                     | 1,751,026            |
| FLCLASS - investment pool                          | 3,458,186            |
| Total equity in pooled cash and cash equivalents   | <u>\$ 47,224,339</u> |
| <b>Investments:</b>                                |                      |
| U.S. Government and U.S. Government Agencies       | <u>\$ 30,871,447</u> |

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<br>Portfolio<br>Concentration | Maximum<br>Maturity | Maximum<br>Issuer<br>Concentration | Lowest<br>Permitted<br>S&P<br>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<br>qualified public depositories                                  | 20%                                   | 2 years             | 15%                                |                                      |
| Repurchase agreements 102% secured by securities of<br>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, 2024 is presented below:

| Investment Type                                                                       | S&P<br>Rating | Fair Value /<br>Amortized<br>Cost | Average<br>Maturity<br>Years |
|---------------------------------------------------------------------------------------|---------------|-----------------------------------|------------------------------|
| <b>Primary government</b>                                                             |               |                                   |                              |
| Investments measured at fair value                                                    |               |                                   |                              |
| U.S. Treasury Notes and Bills                                                         | AA+           | \$ 27,725,542                     | 0.63                         |
| U.S. Government Agencies                                                              | AA+           | 3,145,905                         | 0.94                         |
|                                                                                       |               | <u>30,871,447</u>                 |                              |
| Investments measured at amortized cost and<br>reported as a cash and cash equivalent: |               |                                   |                              |
| Florida Safe - investment pool                                                        | AAAm          | 1,751,026                         | 0.08                         |
| FLCLASS - investment pool                                                             | AAAm          | 3,458,186                         | 0.08                         |
|                                                                                       |               | <u>\$ 5,209,212</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, 2024, based on measurement criteria as specified:

|                                | Carrying Value       | Fair Value  |                      |             | Amortized Cost      |
|--------------------------------|----------------------|-------------|----------------------|-------------|---------------------|
|                                |                      | Level 1     | Level 2              | Level 3     |                     |
| U.S. Treasury Notes            | \$ 27,725,542        | \$ -        | \$ 27,725,542        | \$ -        | \$ -                |
| U.S. Government Agencies       | 3,145,905            | -           | 3,145,905            | -           | -                   |
| Florida Safe - investment pool | 1,751,026            | -           | -                    | -           | 1,751,026           |
| FLCLASS - investment pool      | 3,458,186            | -           | -                    | -           | 3,458,186           |
| Total investments              | <u>\$ 36,080,659</u> | <u>\$ -</u> | <u>\$ 30,871,447</u> | <u>\$ -</u> | <u>\$ 5,209,212</u> |

The City's pension trust funds also held investment securities during the year and on September 30, 2024, which are reported at fair value. The City's pension trust funds have the following carrying values as of September 30, 2024, based on the measurement criteria as specified:

**General Employees' Retirement Plan Pension Trust Fund:**

|                                        | Fair Value   | Level 1             | Level 2              | Level 3     | Amortized Cost      |
|----------------------------------------|--------------|---------------------|----------------------|-------------|---------------------|
| <b>Investments at fair value</b>       |              |                     |                      |             |                     |
| Cash and short term money market funds | \$ 1,453,113 | \$ -                | \$ -                 | \$ -        | \$ 1,453,113        |
| Fixed income investments               | 7,659,080    | -                   | 7,659,080            | -           | -                   |
| Diversified mutual fund                | 1,858,863    | -                   | 1,858,863            | -           | -                   |
| Equity investments                     | 28,269,684   | 2,593,461           | 25,676,223           | -           | -                   |
| Total investments by fair value level  | 39,240,740   | <u>\$ 2,593,461</u> | <u>\$ 35,194,166</u> | <u>\$ -</u> | <u>\$ 1,453,113</u> |

**Investments measured at the net asset value (NAV)**

|                   |                      |
|-------------------|----------------------|
| Real estate fund  | <u>3,796,143</u>     |
| Total investments | <u>\$ 43,036,883</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<br>Value        | Level 1              | Level 2             | Level 3     | Amortized<br>Cost |
|----------------------------------------------------------|----------------------|----------------------|---------------------|-------------|-------------------|
| <b>Investments at fair value</b>                         |                      |                      |                     |             |                   |
| Inflation protected bond funds                           | \$ 513,998           | \$ -                 | \$ -                | \$ -        | \$ 513,998        |
| U.S. Government and agencies                             | 1,201,546            | -                    | 1,201,546           | -           | -                 |
| Other collateralized debt obligations                    | 70,089               | -                    | 70,089              | -           | -                 |
| Corporate and foreign obligations                        | 1,039,363            | -                    | 1,039,363           | -           | -                 |
| Fixed income mutual funds                                | 3,400,627            | 3,400,627            | -                   | -           | -                 |
| Equity investments                                       | 3,539,043            | 3,539,043            | -                   | -           | -                 |
| Equity mutual funds                                      | 14,242,816           | 14,242,816           | -                   | -           | -                 |
| <b>Total investments</b>                                 | <b>24,007,482</b>    | <b>\$ 21,182,486</b> | <b>\$ 2,310,998</b> | <b>\$ -</b> | <b>\$ 513,998</b> |
| <b>Investments measured at the net asset value (NAV)</b> |                      |                      |                     |             |                   |
| Real estate fund                                         | 1,796,656            |                      |                     |             |                   |
| <b>Total investments</b>                                 | <b>\$ 25,804,138</b> |                      |                     |             |                   |

**Firefighters' Retirement Trust Fund:**

|                                                          | Fair<br>Value        | Level 1              | Level 2     | Level 3     | Amortized<br>Cost |
|----------------------------------------------------------|----------------------|----------------------|-------------|-------------|-------------------|
| <b>Investments at fair value</b>                         |                      |                      |             |             |                   |
| Inflation protected bond funds                           | \$ 200,963           | \$ -                 | \$ -        | \$ -        | \$ 200,963        |
| Fixed income investments                                 | 3,512,006            | 3,512,006            | -           | -           | -                 |
| Equity investments                                       | 10,731,374           | 10,731,374           | -           | -           | -                 |
| <b>Total investments</b>                                 | <b>\$ 14,444,343</b> | <b>\$ 14,243,380</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 200,963</b> |
| <b>Investments measured at the net asset value (NAV)</b> |                      |                      |             |             |                   |
| Real estate fund                                         | 1,048,049            |                      |             |             |                   |
| <b>Total investments</b>                                 | <b>\$ 15,492,392</b> |                      |             |             |                   |

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<br>Rating | Fair<br>Value       | Average<br>Maturity<br>Years |
|---------------------------------|---------------|---------------------|------------------------------|
| Short-term money market         | AAAm          | <u>\$ 1,453,113</u> |                              |
| Fixed income investments:       |               |                     |                              |
| Dodge & Cox Income Fund         | Not Rated     | 3,989,387           | 9.6                          |
| Metropolitan West T/R Bond Fund | Not Rated     | <u>3,669,693</u>    | 6.9                          |
|                                 |               | <u>\$ 7,659,080</u> |                              |

**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.

**NOTE 5 - DEPOSITS AND INVESTMENTS** (concluded)

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                             | Moody's<br>Rating (*) | Fair<br>Value       | Average<br>Maturity<br>Years |
|---------------------------------------------|-----------------------|---------------------|------------------------------|
| Fixed income investments:                   |                       |                     |                              |
| U.S. Government obligations                 | Aaa                   | \$ 339,933          | 13.64                        |
| U.S. Government obligations                 | Not Rated             | 861,613             | 23.85                        |
| U.S. Government mortgaged-backed securities | Aaa                   | 48,466              | 34.21                        |
| U.S. Government mortgaged-backed securities | Aa3                   | 6,832               | 9.39                         |
| U.S. Government mortgaged-backed securities | Not Rated             | 14,791              | 36.46                        |
| Inflation protected bond funds              | Not Rated             | 513,998             | 0.00                         |
| Other mutual funds                          | Not Rated             | 3,400,627           | 9.60                         |
| Corporate and foreign bonds                 | Aaa to Ba1            | 1,004,650           | 7.15                         |
| Corporate and foreign bonds                 | Not Rated             | 34,713              | 0.74                         |
|                                             |                       | <u>\$ 6,225,623</u> |                              |

*In 2024, the Plan began using Moody's credit quality ratings instead of the S&P ratings used in prior years. This change was made because a greater portion of the Plan's fixed income investments were rated by Moody's, providing more meaningful information for the table above.*

**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<br>Rating | Fair<br>Value       | Average<br>Maturity<br>Years |
|--------------------------------|---------------|---------------------|------------------------------|
| Fixed income investments:      |               |                     |                              |
| Inflation protected bond funds | Not Rated     | \$ 200,963          | 0.00                         |
| Dodge & Cox Income Fund        | Not Rated     | 3,512,006           | 9.60                         |
|                                |               | <u>\$ 3,712,969</u> |                              |

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2024, was as follows:

|                                               | Balance<br>October 1,<br>2023 | Transfers | Increases    | Decreases   | Balance<br>September 30,<br>2024 |
|-----------------------------------------------|-------------------------------|-----------|--------------|-------------|----------------------------------|
| <b>Governmental Activities:</b>               |                               |           |              |             |                                  |
| <b>Capital assets, not being depreciated:</b> |                               |           |              |             |                                  |
| Land                                          | \$ 5,386,905                  | \$ -      | \$ 24,579    | \$ -        | \$ 5,411,484                     |
| Infrastructure - land                         | 1,588,213                     | -         | -            | -           | 1,588,213                        |
| Construction in process                       | 242,512                       | (147,007) | 392,521      | -           | 488,026                          |
| Total capital assets, not being depreciated   | 7,217,630                     | (147,007) | 417,100      | -           | 7,487,723                        |
| <b>Capital assets, being depreciated:</b>     |                               |           |              |             |                                  |
| Buildings and improvements                    | 18,682,586                    | 147,007   | 6,644,124    | -           | 25,473,717                       |
| Equipment                                     | 9,124,247                     | -         | 1,391,401    | (355,927)   | 10,159,721                       |
| Right to use leased equipment                 | -                             | -         | 77,435       | -           | 77,435                           |
| Right to use leased building                  | -                             | -         | 135,440      | -           | 135,440                          |
| Subscription assets                           | -                             | -         | 450,281      | -           | 450,281                          |
| Infrastructure:                               |                               |           |              |             |                                  |
| Road network                                  | 32,180,323                    | -         | 1,152,086    | -           | 33,332,409                       |
| Sidewalk network                              | 3,840,002                     | -         | -            | -           | 3,840,002                        |
| Total capital assets, being depreciated       | 63,827,158                    | 147,007   | 9,850,767    | (355,927)   | 73,469,005                       |
| Less accumulated depreciation for:            |                               |           |              |             |                                  |
| Buildings and improvements                    | (11,283,934)                  | -         | (510,211)    | -           | (11,794,145)                     |
| Equipment                                     | (7,057,452)                   | -         | (638,634)    | 355,927     | (7,340,159)                      |
| Right to use leased equipment                 | -                             | -         | (12,906)     | -           | (12,906)                         |
| Right to use leased building                  | -                             | -         | (15,049)     | -           | (15,049)                         |
| Subscription assets                           | -                             | -         | (37,523)     | -           | (37,523)                         |
| Infrastructure:                               |                               |           |              |             |                                  |
| Road network                                  | (20,690,626)                  | -         | (538,778)    | -           | (21,229,404)                     |
| Sidewalk network                              | (2,608,172)                   | -         | (40,279)     | -           | (2,648,451)                      |
| Total accumulated depreciation                | (41,640,184)                  | -         | (1,793,380)  | 355,927     | (43,077,637)                     |
| Total capital assets being depreciated, net   | 22,186,974                    | 147,007   | 8,057,387    | -           | 30,391,368                       |
| Governmental activities capital assets, net   | \$ 29,404,604                 | \$ -      | \$ 8,474,487 | \$ -        | \$ 37,879,091                    |
| <b>Business-type activities:</b>              |                               |           |              |             |                                  |
| <b>Capital assets, not being depreciated:</b> |                               |           |              |             |                                  |
| Land                                          | \$ 1,662,582                  | \$ -      | \$ -         | \$ -        | \$ 1,662,582                     |
| Construction-in-progress                      | 28,474,137                    | -         | 8,261,484    | -           | 36,735,621                       |
| Total capital assets, not being depreciated   | 30,136,719                    | -         | 8,261,484    | -           | 38,398,203                       |
| <b>Capital assets, being depreciated:</b>     |                               |           |              |             |                                  |
| Buildings, utility plant and improvements     | 154,623,017                   | -         | 7,569,521    | -           | 162,192,538                      |
| Equipment                                     | 14,106,094                    | -         | 2,433,698    | (597,452)   | 15,942,340                       |
| Total capital assets, being depreciated       | 168,729,111                   | -         | 10,003,219   | (597,452)   | 178,134,878                      |
| Less accumulated depreciation                 | (106,358,326)                 | -         | (4,811,831)  | 516,708     | (110,653,449)                    |
| Total capital assets being depreciated, net   | 62,370,785                    | -         | 5,191,388    | (80,744)    | 67,481,429                       |
| Business-type activities capital assets, net  | \$ 92,507,504                 | \$ -      | \$13,452,872 | \$ (80,744) | \$ 105,879,632                   |

**NOTE 6 - CAPITAL ASSETS** (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

|                                                      |    |                  |
|------------------------------------------------------|----|------------------|
| General government                                   | \$ | 129,078          |
| Library                                              |    | 55,426           |
| Law enforcement                                      |    | 254,427          |
| Fire control                                         |    | 67,439           |
| Code enforcement                                     |    | 6,074            |
| Public works                                         |    | 53,714           |
| Transportation                                       |    | 686,447          |
| Parks and recreation                                 |    | 514,278          |
| Community redevelopment                              |    | 26,497           |
| Total depreciation expense - governmental activities | \$ | <u>1,793,380</u> |

Business-type Activities:

|                                                       |    |                  |
|-------------------------------------------------------|----|------------------|
| Electric                                              | \$ | 1,054,197        |
| Water                                                 |    | 999,256          |
| Wastewater                                            |    | 905,727          |
| Airport                                               |    | 1,331,885        |
| Sanitation                                            |    | 430,110          |
| Information Technology                                |    | 39,681           |
| Stormwater                                            |    | 50,975           |
| Total depreciation expense - business-type activities | \$ | <u>4,811,831</u> |

## NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2024:

|                                                        | Balance<br>October 1,<br>2023 | Increases    | Decreases      | Balance<br>September 30,<br>2024 | Amounts<br>Due within<br>One Year |
|--------------------------------------------------------|-------------------------------|--------------|----------------|----------------------------------|-----------------------------------|
| <b>Governmental Activities:</b>                        |                               |              |                |                                  |                                   |
| <b>Long-term debt:</b>                                 |                               |              |                |                                  |                                   |
| BB&T Refunding Series 2014-A                           | \$ 629,304                    | \$ -         | \$ (310,045)   | \$ 319,259                       | \$ 319,259                        |
| Total long-term debt                                   | 629,304                       | -            | (310,045)      | 319,259                          | 319,259                           |
| <b>Other liabilities:</b>                              |                               |              |                |                                  |                                   |
| Subscriptions payable                                  | -                             | 450,281      | (93,846)       | 356,435                          | 58,471                            |
| Leases payable                                         | -                             | 212,876      | (32,500)       | 180,376                          | 66,844                            |
| Estimated workers compensation claims                  | 497,623                       | 325,100      | -              | 822,723                          | -                                 |
| Other postemployment benefits                          | 16,335,273                    | 958,070      | -              | 17,293,343                       | -                                 |
| Net pension liability                                  | 17,333,168                    | 1,430,061    | -              | 18,763,229                       | -                                 |
| Compensated absences                                   | 1,557,618                     | 117,831      | -              | 1,675,449                        | -                                 |
| Total other liabilities                                | 35,723,682                    | 3,494,219    | (126,346)      | 39,091,555                       | 125,315                           |
| Total long-term obligations                            | \$ 36,352,986                 | \$ 3,494,219 | \$ (436,391)   | 39,410,814                       | \$ 444,574                        |
| Less amounts due in one year                           |                               |              |                | (444,574)                        |                                   |
| Total noncurrent obligations due in more than one year |                               |              |                | \$ 38,966,240                    |                                   |
| <b>Business-type Activities:</b>                       |                               |              |                |                                  |                                   |
| <b>Long-term debt:</b>                                 |                               |              |                |                                  |                                   |
| BB&T Refunding Series 2014-A                           | \$ 395,695                    | \$ -         | \$ (194,955)   | \$ 200,740                       | \$ 200,740                        |
| SRF Construction Loan (No. WW 755040)                  | 3,321,572                     | -            | (383,968)      | 2,937,604                        | 392,500                           |
| SRF Preconstruction Loan (No. WW 75504P)               | 647,967                       | -            | (102,434)      | 545,533                          | 104,597                           |
| SRF Construction Loan (No. WW 530220)                  | 12,876,346                    | -            | -              | 12,876,346                       | -                                 |
| Water and sewer, Series 2016                           | 10,940,000                    | -            | (1,464,997)    | 9,475,003                        | 1,500,000                         |
| Total bonds and notes payable                          | 28,181,580                    | -            | (2,146,354)    | 26,035,226                       | 2,197,837                         |
| <b>Other liabilities:</b>                              |                               |              |                |                                  |                                   |
| Joint venture loan guarantee                           | 676,703                       | 105,749      | -              | 782,452                          | -                                 |
| Other postemployment benefits                          | 7,033,496                     | 383,037      | -              | 7,416,533                        | -                                 |
| Net pension liability                                  | 4,997,040                     | 540,700      | -              | 5,537,740                        | -                                 |
| Compensated absences                                   | 1,090,608                     | -            | (2,979)        | 1,087,629                        | -                                 |
| Total other liabilities                                | 13,797,847                    | 1,029,486    | (2,979)        | 14,824,354                       | -                                 |
| Total long-term liabilities                            | \$ 41,979,427                 | \$ 1,029,486 | \$ (2,149,333) | 40,859,580                       | \$ 2,197,837                      |
| Less amounts due in one year                           |                               |              |                | (2,197,837)                      |                                   |
| Net long-term liabilities in excess of one year        |                               |              |                | \$ 38,661,743                    |                                   |

### 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.

Changes in accumulated compensated absences in the long-term obligations schedule are reported as a net amount as opposed to showing separate increases and decreases.

### 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-advallorem 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, 2024, 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 as of February 29, 2024.

Under an interlocal agreement with the County, the County is obligated to pay its proportionate share of the principal and interest on the City's SRF Loan Agreements No. WW75504P and WW755040. The County's share is calculated at 35%, based on its reserved capacity in relation to the total system expansion capacity funded through these SRF loans. The County's portion of the actual annual debt service totals \$201,207, which is reported as capital contribution revenue in the City's wastewater fund.

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, 2024, were as follows:

| Fiscal Year Ending | Governmental Activities |          | Business-type Activities |            |
|--------------------|-------------------------|----------|--------------------------|------------|
|                    | Principal               | Interest | Principal                | Interest   |
| 2025               | \$ 319,259              | \$ 7,726 | \$ 2,197,837             | \$ 260,012 |
| 2026               | -                       | -        | 2,988,436                | 212,712    |
| 2027               | -                       | -        | 3,292,134                | 169,353    |
| 2028               | -                       | -        | 3,333,550                | 125,073    |
| 2029               | -                       | -        | 3,375,217                | 79,917     |
| 2030-2034          | -                       | -        | 8,585,601                | 41,872     |
| 2035-2039          | -                       | -        | 2,262,451                | -          |
| Total              | \$ 319,259              | \$ 7,726 | \$ 26,035,226            | \$ 888,939 |

Annual requirements to repay the joint venture loan guarantee obligations as of September 30, 2024 were as follows:

| Fiscal Year Ending | Business-type Activities |           |
|--------------------|--------------------------|-----------|
|                    | Principal                | Interest  |
| 2025               | \$ -                     | \$ -      |
| 2026               | -                        | -         |
| 2027               | 35,713                   | 7,423     |
| 2028               | 72,446                   | 13,827    |
| 2029               | 73,827                   | 12,446    |
| 2030-2034          | 390,790                  | 40,573    |
| 2035-2039          | 209,676                  | 6,005     |
| Total              | \$ 782,452               | \$ 80,274 |

**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 | 8/15/2036                      | \$ 26,718,565                                   | \$ 2,248,086                                    | \$ 3,962,275                    | 176.25%                                                          |

**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, 2024, the City’s receivable for lease payments was \$634,042. 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, 2024, the balance of the deferred inflow of resources was \$584,947. 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 \$2,933,489 of lease revenue during the fiscal year. On September 30, 2024, the airport fund reported lease receivables of \$15,646,001. The airport fund also reports deferred inflows of resources associated with these leases in the amount of \$14,901,075 as of September 30, 2024. 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 \$135,740 of lease revenue from these agreements for the year ended September 30, 2024. A schedule of expected future minimum payments under these agreements are as follows:

| Fiscal year<br>Ending<br>September 30, |                    |
|----------------------------------------|--------------------|
| 2025                                   | \$ 147,740         |
| 2026                                   | 121,296            |
| 2027                                   | 106,863            |
| 2028                                   | 106,863            |
| 2029                                   | 106,863            |
| 2030-2034                              | 273,217            |
| 2035-2039                              | 187,741            |
| 2040-2044                              | 26,862             |
|                                        | <u>\$1,077,445</u> |

**NOTE 8 – LEASES** (concluded)

**Leases Payable** - In 2024, the City entered into a facility use lease and a lease for the right to use equipment.

- The City is required to make quarterly payments on the facility use lease with maturity on July 1, 2026.
- The City is required to make annual payments on the right to use equipment lease with maturity on October 1, 2028.

The City utilized an estimated incremental borrowing rate of U.S. Prime Rate plus 1% or 9.50% for both leases to determine the lease liability.

- The book value of the right to use facility lease as the end of the current fiscal year is \$120,391 and is being amortized on a straight-line basis over a 27-month term from the lease origination date.
- The book value of the right to use equipment lease as of the end of the current fiscal year is \$64,529 and is being amortized on a straight-line basis over a 72-month term from the lease origination date.

The future principal and interest lease payments as of September 30, 2024, were as follows:

|                    | Governmental Activities |           |
|--------------------|-------------------------|-----------|
| Fiscal Year Ending | Principal               | Interest  |
| 2025               | \$ 66,844               | \$ 15,156 |
| 2026               | 73,389                  | 8,611     |
| 2027               | 12,186                  | 3,814     |
| 2028               | 13,344                  | 2,656     |
| 2029               | 14,613                  | 1,388     |
| Total              | \$ 180,376              | \$ 31,625 |

**NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)**

During the current fiscal year, the City entered into a SBITAs for subscription term of six years that conveys the right to the City to use certain information technology software. An initial subscription liability was recorded in the amount of \$450,281 during the current year. As of September 30, 2024, the subscription liability was \$356,435. The City is required to make annual principal and interest payments on the various SBITAs. The SBITAs did not contain an explicit interest rate so the City utilized an estimated incremental borrowing rate of the U.S. Prime Rate plus 1% or 9.50%.

The value of the subscription asset and accumulated amortization can be found in Note 6 and activity related to the subscription liability can be found in Note 7.

The future principal and interest lease payments as of September 30, 2024, were as follows:

|                    | Governmental Activities |            |
|--------------------|-------------------------|------------|
| Fiscal Year Ending | Principal               | Interest   |
| 2025               | \$ 58,471               | \$ 35,375  |
| 2026               | 64,274                  | 29,572     |
| 2027               | 70,653                  | 23,193     |
| 2028               | 77,665                  | 16,181     |
| 2029               | 85,372                  | 8,473      |
| Total              | \$ 356,435              | \$ 112,794 |

**NOTE 10 – INTERFUND TRANSACTIONS**

Interfund receivables and payables as of September 30, 2024.

|                      | Receivable Fund  |
|----------------------|------------------|
|                      | Wastewater       |
|                      | Fund             |
| <b>Payable Fund:</b> |                  |
| Electric fund        | 1,991,055        |
| Water fund           | 665,691          |
| Stormwater fund      | 238,849          |
| Fire services fund   | 758,186          |
|                      | <u>3,653,781</u> |

The interfund receivables and payables primarily arose because certain investments were purchased and allocated to individual enterprise funds in amounts that exceeded those funds' equity in the pooled cash. This effectively resulted in a de facto short-term borrowing from the Wastewater Fund, as the investments acquired surpassed what could have been purchased solely with the fund's own available cash. These borrowings are expected to be repaid within 12 months of year-end.

Interfund transfers in (out) for the year ending September 30, 2024 consisted of the annual budgeted reallocation of resources as follows:

|                                     | <b>Transfers In:</b> |                              |                   |                      |
|-------------------------------------|----------------------|------------------------------|-------------------|----------------------|
|                                     | General              | Non-major governmental funds |                   |                      |
|                                     | Fund                 | Transportation               | Fire Services     | Total                |
|                                     |                      | Fund                         | Fund              |                      |
| <b>Transfers Out:</b>               |                      |                              |                   |                      |
| Electric Fund                       | \$ 9,316,751         | \$ -                         | \$ -              | \$ 9,316,751         |
| Wastewater Fund                     | 600,000              | -                            | -                 | 600,000              |
| Community Redevelopment Agency Fund | 712,000              | 239,424                      | -                 | 951,424              |
| General Fund                        | -                    | 910,426                      | 881,551           | 1,791,977            |
| Total                               | <u>\$ 10,628,751</u> | <u>\$ 1,149,850</u>          | <u>\$ 881,551</u> | <u>\$ 12,660,152</u> |

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

- \$9,316,751 was transferred from the Electric Fund and \$600,000 from the Wastewater Fund to the General Fund to support governmental activities.
- \$910,426 was transferred from the General Fund to the Transportation Fund to provide additional funding for expenses in excess of revenues.
- \$881,551 was transferred from the General Fund to the Fire Services Fund to provide additional funding for expenses in excess of revenues.
- \$239,424 was transferred from the Community Redevelopment Agency Fund to the Transportation Fund to pay for the debt service subsidy for the subsequent fiscal year related to the BB&T Refunding Note Series 2014-A.
- \$712,000 was transferred from the Community Redevelopment Agency Fund to the General Fund to pay for future redevelopment projects that will be accounted for within the General Fund.

#### **NOTE 11 – 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 11 – 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<br>Employees'<br>Pension<br>Trust Fund | Police<br>Officers'<br>Pension<br>Trust Fund | Fire-<br>Fighters'<br>Pension<br>Trust Fund |
|-------------------------------------|------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Contribution rates:                 |                                                |                                              |                                             |
| City and State                      | 22.0%                                          | 37.6%                                        | 49.3%                                       |
| Plan members                        | 4.0%                                           | 4.0%                                         | 2.0%                                        |
| Actuarially determined contribution | \$ 1,944,856                                   | \$ 912,365                                   | \$ 744,302                                  |
| Contributions made                  | \$ 2,250,877                                   | \$ 996,678                                   | \$ 769,954                                  |

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

|                                                                     | as of October 1, 2023                          |                                              |                                             |
|---------------------------------------------------------------------|------------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                     | General<br>Employees'<br>Pension<br>Trust Fund | Police<br>Officers'<br>Pension<br>Trust Fund | Fire-<br>Fighters'<br>Pension<br>Trust Fund |
| Inactive plan members or beneficiaries currently receiving benefits | 141                                            | 48                                           | 19                                          |
| Inactive plan members entitled to but not yet receiving benefits    | 186                                            | 33                                           | 5                                           |
| Active plan members                                                 | 180                                            | 41                                           | 23                                          |
| Total                                                               | 507                                            | 122                                          | 47                                          |

**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, 2023 are shown below. The net pension liability as of September 30, 2024 for financial reporting purposes was determined by actuarial valuations as of October 1, 2022 updated to September 30, 2023 (the measurement date).

**NOTE 11 – 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 9/30/2023                             | \$ 46,570,557           | \$ 33,088,282               | \$ 13,482,275                 |
| Changes for the year:                                         |                         |                             |                               |
| Service cost                                                  | 822,091                 | -                           | 822,091                       |
| Interest                                                      | 3,345,115               | -                           | 3,345,115                     |
| Difference between actual and expected experience             | 1,124,505               | -                           | 1,124,505                     |
| Change in assumptions                                         | 1,303,160               | -                           | 1,303,160                     |
| Contributions - Buy Back                                      | 147,010                 | 147,010                     | -                             |
| Contributions - City                                          | -                       | 1,675,270                   | (1,675,270)                   |
| Contributions - employee                                      | -                       | 350,400                     | (350,400)                     |
| Net investment income                                         | -                       | 2,856,621                   | (2,856,621)                   |
| Benefit payments, including refunds of employee contributions | (2,506,264)             | (2,506,164)                 | (100)                         |
| Administrative expense                                        | -                       | (123,196)                   | 123,196                       |
| Net changes                                                   | 4,235,617               | 2,399,941                   | 1,835,676                     |
| Reporting period ending 9/30/2024                             | \$ 50,806,174           | \$ 35,488,223               | \$ 15,317,951                 |

**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 9/30/2023                             | \$ 25,763,612           | \$ 20,167,179               | \$ 5,596,433                  |
| Changes for the year:                                         |                         |                             |                               |
| Service cost                                                  | 582,965                 | -                           | 582,965                       |
| Interest                                                      | 1,915,715               | -                           | 1,915,715                     |
| Difference between actual and expected experience             | 582,046                 | -                           | 582,046                       |
| Share Plan allocation                                         | 41,261                  |                             | 41,261                        |
| Contributions - Buy Back                                      | 9,749                   | 9,749                       | -                             |
| Contributions - City                                          | -                       | 735,439                     | (735,439)                     |
| Contributions - State                                         | -                       | 196,950                     | (196,950)                     |
| Contributions - employee                                      | -                       | 112,112                     | (112,112)                     |
| Net investment income                                         | -                       | 2,001,523                   | (2,001,523)                   |
| Benefit payments, including refunds of employee contributions | (1,607,426)             | (1,608,968)                 | 1,542                         |
| Administrative expense                                        | -                       | (85,039)                    | 85,039                        |
| Net changes                                                   | 1,524,310               | 1,361,766                   | 162,544                       |
| Reporting period ending 9/30/2024                             | \$ 27,287,922           | \$ 21,528,945               | \$ 5,758,977                  |

**NOTE 11 – PENSION TRUST FUNDS (cont...)**

**Firefighters' Retirement Trust Fund:**

|                                                                  | Increase (Decrease)               |                                       |                                             |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------------|
|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>(Asset) Liability<br>(a)-(b) |
| Reporting period ending 9/30/2023                                | \$ 14,807,236                     | \$ 11,555,736                         | \$ 3,251,500                                |
| Changes for the year:                                            |                                   |                                       |                                             |
| Service cost                                                     | 228,586                           | -                                     | 228,586                                     |
| Interest                                                         | 1,064,458                         | -                                     | 1,064,458                                   |
| Difference between actual and<br>expected experience             | 516,409                           | -                                     | 516,409                                     |
| Contributions - City                                             | -                                 | 428,570                               | (428,570)                                   |
| Contributions - State                                            | -                                 | 166,008                               | (166,008)                                   |
| Contributions - employee                                         | -                                 | 28,799                                | (28,799)                                    |
| Net investment income                                            | -                                 | 1,289,711                             | (1,289,711)                                 |
| Benefit payments, including refunds<br>of employee contributions | (707,281)                         | (707,281)                             | -                                           |
| Administrative expense                                           | -                                 | (76,176)                              | 76,176                                      |
| Net changes                                                      | 1,102,172                         | 1,129,631                             | (27,459)                                    |
| Reporting period ending 9/30/2024                                | \$ 15,909,408                     | \$ 12,685,367                         | \$ 3,224,041                                |

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

|                                       | General<br>Employees'<br>Pension<br>Trust Fund   | Police<br>Officers'<br>Pension<br>Trust Fund     | Fire-<br>Fighters'<br>Pension<br>Trust Fund      |
|---------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Actuarial valuation date              | October 1, 2022 updated<br>to September 30, 2023 | October 1, 2022 updated<br>to September 30, 2023 | October 1, 2022 updated<br>to September 30, 2023 |
| Inflation                             | 2.50%                                            | 2.50%                                            | 2.50%                                            |
| Projected salary increases            | Service based                                    | Service based                                    | Service based                                    |
| Investment rate of return             | 7.00%                                            | 7.50%                                            | 7.25%                                            |
| Discount rate                         | 7.00%                                            | 7.50%                                            | 7.25%                                            |
| Mortality rates                       | PubG.H.-2010                                     | PubS.H.-2010                                     | PubS.H.-2010                                     |
| Date of actuarial experience<br>study | July 24, 2023                                    | 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 11 – 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, 2024, are summarized in the following table:

|                         | <b>General<br/>Employees'<br/>Retirement Trust<br/>Fund</b> | <b>Police Officers'<br/>Retirement Trust<br/>Fund</b> | <b>Firefighters'<br/>Retirement Trust<br/>Fund</b> |
|-------------------------|-------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|
| <b>Asset Class</b>      | <b>Long-Term Expected Real Rates of Return</b>              |                                                       |                                                    |
| Domestic equity         | 7.50%                                                       | 7.50%                                                 | 7.50%                                              |
| International equity    | 8.50%                                                       | 8.50%                                                 | 8.50%                                              |
| Real estate             | 4.50%                                                       | 4.50%                                                 | 4.50%                                              |
| Fixed income (Core)     | 2.50%                                                       | 2.50%                                                 | 2.50%                                              |
| Fixed income (Non-Core) | 2.50%                                                       | 2.50%                                                 | 2.50%                                              |
| Alternative             | 6.03%                                                       | 6.03%                                                 | 6.03%                                              |
|                         | <b>Target Asset Allocations</b>                             |                                                       |                                                    |
| Domestic equity         | 45%                                                         | 45%                                                   | 45%                                                |
| International equity    | 15%                                                         | 15%                                                   | 15%                                                |
| Real estate             | 10%                                                         | 10%                                                   | 10%                                                |
| Fixed income (Core)     | 15%                                                         | 15%                                                   | 15%                                                |
| Fixed income (Non-Core) | 10%                                                         | 10%                                                   | 10%                                                |
| Alternative             | 5%                                                          | 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, 2024, the net money-weighted rate of return, adjusted for the changing amounts actually invested, for each of the Plans was as follows:

|                               | <b>General<br/>Employees'<br/>Retirement Trust<br/>Fund</b> | <b>Police Officers'<br/>Retirement<br/>Trust Fund</b> | <b>Firefighters'<br/>Retirement<br/>Trust Fund</b> |
|-------------------------------|-------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|
| Money-weighted Rate of Return | 21.52%                                                      | 23.29%                                                | 22.68%                                             |

**NOTE 11 – PENSION TRUST FUNDS** (cont...)

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension** - For the year ended September 30, 2024, the City recognized pension expense of \$6,925,867 consisting of pension expense for the general employees' pension plan of \$4,155,300, the police officers' pension plan of \$1,790,921 and the firefighters' pension plan of \$979,646. On September 30, 2024, 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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                       | \$ 2,071,520                         | \$ 33,407                           |
| Change in assumptions                                                    | 1,235,050                            | -                                   |
| Net difference between projected and actual earnings on Plan investments | 7,448,657                            | -                                   |
| City contributions subsequent to the measurement date                    | 4,017,508                            | -                                   |
| Total                                                                    | <u>\$ 14,772,735</u>                 | <u>\$ 33,407</u>                    |

**General Employees' Pension Trust Fund:**

| Description                                                          | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|----------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                   | \$ 1,161,550                         | \$ -                                |
| Change in assumptions                                                | 1,154,388                            | -                                   |
| Difference between projected and actual earnings on Plan investments | 3,746,246                            | -                                   |
| City contributions subsequent to the measurement date                | 2,250,877                            | -                                   |
| Total                                                                | <u>\$ 8,313,061</u>                  | <u>\$ -</u>                         |

**NOTE 11 – PENSION TRUST FUNDS (cont...)**

**Police Officers' Pension Trust Fund:**

| Description                                                              | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                       | \$ 430,653                           | \$ -                                |
| Net difference between projected and actual earnings on Plan investments | 2,532,695                            | -                                   |
| City contributions subsequent to the measurement date                    | 996,677                              | -                                   |
| Total                                                                    | <u>\$ 3,960,025</u>                  | <u>\$ -</u>                         |

**Firefighters' Pension Trust Fund:**

| Description                                                              | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                       | \$ 479,317                           | \$ 33,407                           |
| Change in assumptions                                                    | 80,662                               | -                                   |
| Net difference between projected and actual earnings on Plan investments | 1,169,716                            | -                                   |
| City contributions subsequent to the measurement date                    | 769,954                              | -                                   |
| Total                                                                    | <u>\$ 2,499,649</u>                  | <u>\$ 33,407</u>                    |

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2023 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<br>September 30, | General<br>Employees'<br>Pension<br>Trust Fund | Police<br>Officers'<br>Pension<br>Trust Fund | Fire-<br>Fighters'<br>Pension<br>Trust Fund | Total                |
|------------------------------|------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------|
| 2025                         | \$ 2,421,709                                   | \$ 811,332                                   | \$ 509,966                                  | \$ 3,743,007         |
| 2026                         | 1,869,761                                      | 1,022,267                                    | 495,457                                     | 3,387,485            |
| 2027                         | 1,865,569                                      | 1,232,200                                    | 782,390                                     | 3,880,159            |
| 2028                         | (94,855)                                       | (102,451)                                    | (91,525)                                    | (288,831)            |
|                              | <u>\$ 6,062,184</u>                            | <u>\$ 2,963,348</u>                          | <u>\$ 1,696,288</u>                         | <u>\$ 10,721,820</u> |

**NOTE 11 – PENSION TRUST FUNDS (cont...)**

**Discount Rate** – a rate of 7.00% for the General Employees Retirement Trust Fund, 7.25% for 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, 2023, 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, 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<br>Discount<br>Rate | Net Pension Liability at Measurement 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> |

The following presents the net pension liability of the City as of the financial reporting date (September 30, 2024), 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<br>Discount<br>Rate | Net Pension Liability at Financial Reporting Date |                       |                       |
|------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------|-----------------------|-----------------------|
|                                                                                          |                             | 1% Decrease                                       | Current Discount      | 1% Increase           |
| General Employees'                                                                       | 7.00%                       | \$ 17,076,216                                     | \$ 10,978,250         | \$ 5,874,104          |
| Police Officers'                                                                         | 7.50%                       | 6,975,597                                         | 3,450,229             | 538,450               |
| Firefighters'                                                                            | 7.25%                       | 3,749,265                                         | 1,689,014             | (24,590)              |
| City's Net Pension Liability                                                             |                             | <u>\$ 27,801,078</u>                              | <u>\$ 16,117,493</u>  | <u>\$ 6,387,964</u>   |
| Change in City's net pension liability<br>between measurement date<br>and reporting date |                             | <u>\$ (7,406,625)</u>                             | <u>\$ (8,183,476)</u> | <u>\$ (8,816,649)</u> |

**NOTE 12 - 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, 2023, the cap was \$647 per month and for fiscal year September 30, 2024, the cap was increased to \$659 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, 2024, the City paid \$545,094 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 determined by using a September 30, 2022 actuarial valuation updated to September 30, 2023 (measurement 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               | 4.87%                                                                                                                                                                                                                                                                                                                                           |
| 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 12 - OTHER POST EMPLOYMENT BENEFITS PLAN** (cont...)

Discount rate – The discount rate was based on a high-quality municipal bond rate of 4.87%. 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:**

|                                                   | <b>Total<br/>OPEB<br/>Liability</b> |
|---------------------------------------------------|-------------------------------------|
| <b>Reporting period ending September 30, 2023</b> | <b>\$ 23,368,769</b>                |
| <b>Changes for the year:</b>                      |                                     |
| Service cost                                      | 1,209,338                           |
| Interest                                          | 1,156,672                           |
| Changes of assumptions                            | (358,632)                           |
| Benefit payments                                  | (666,271)                           |
| <b>Net changes</b>                                | <b>1,341,107</b>                    |
| <b>Reporting period ending September 30, 2024</b> | <b>\$ 24,709,876</b>                |

*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:

|                      | <b>1% Decrease<br/>(3.87%)</b> | <b>Discount Rate<br/>(4.87%)</b> | <b>1% Increase<br/>(5.87%)</b> |
|----------------------|--------------------------------|----------------------------------|--------------------------------|
| Total OPEB liability | \$ 28,675,703                  | \$ 24,709,876                    | \$ 21,511,432                  |

*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:

|                      | <b>1% Decrease<br/>(6.00%<br/>decreasing<br/>to 3.00%)</b> | <b>Healthcare<br/>Cost Trend<br/>Rates<br/>(7.00%<br/>decreasing<br/>to 4.00%)</b> | <b>1% Increase<br/>(8.00%<br/>decreasing<br/>to 5.00%)</b> |
|----------------------|------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------|
| Total OPEB liability | \$ 20,907,291                                              | \$ 24,709,876                                                                      | \$ 29,513,971                                              |

**NOTE 12 - OTHER POST EMPLOYMENT BENEFITS PLAN** (concluded)

**OPEB expenses and deferred outflows of resources related to OPEB** – For the year ended September 30, 2024, the City recognized a negative OPEB expense of -\$60,277. On September 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

|                                                          | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|----------------------------------------------------------|--------------------------------------|-------------------------------------|
| Changes of assumptions or<br>other inputs                | \$ 4,417,058                         | \$ 11,583,204                       |
| Differences between expected and<br>actual experience    | -                                    | 3,690,838                           |
| City contributions subsequent to the<br>measurement date | 715,674                              | -                                   |
| Total                                                    | <u>\$ 5,132,732</u>                  | <u>\$ 15,274,042</u>                |

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2023 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended September 30, | Amount                 |
|--------------------------|------------------------|
| 2025                     | \$ (2,042,856)         |
| 2026                     | (1,614,794)            |
| 2027                     | (1,992,584)            |
| 2028                     | (2,711,919)            |
| 2029                     | (2,445,484)            |
| Thereafter               | (49,347)               |
| Total                    | <u>\$ (10,856,984)</u> |

**NOTE 13 – 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 14 – 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, 2024 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 maintained stop-loss insurance coverage for catastrophic claims exceeding \$650,000 per incident through June 1, 2024, and \$700,000 thereafter, as well as 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. 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, 2024 and 2023, were as follows:

|                                              | 2024              | 2023              |
|----------------------------------------------|-------------------|-------------------|
| Claims liability balance, October 1          | \$ 497,623        | \$ 509,329        |
| Claims and changes in estimates              | 953,038           | 199,158           |
| Claims payments                              | (627,938)         | (210,864)         |
| Claims liability balance, September 30       | <u>\$ 822,723</u> | <u>\$ 497,623</u> |
| Cash set aside to pay claims at September 30 | <u>\$ 934,376</u> | <u>\$ 923,446</u> |

**NOTE 15 – 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** – As of September 30, 2024, the City had construction commitments totaling approximately \$4,955,000, primarily related to ongoing projects including water system improvements (\$275,000), sewer infrastructure (\$4,592,000), and parks and recreation facilities (\$73,000).

**NOTE 15 – 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) effective January 1, 2021 and has contracted with Duke Energy for network integration transmission services. The agreement with FMPA expired on December 31, 2023. Effective January 1, 2024, the City 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, 2024, the remaining impact fee credits totaled \$2,486,885 of water impact fee credits and \$3,176,674 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 16 – 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, 2024, the total annual working capital needs of the PRWC was \$260,078 of which the City's proportionate share was \$10,556.

**NOTE 16 – 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 2024 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 August 15, 2027 for a ten-year term to maturity on February 15, 2037.

As of September 30, 2024, \$10,412,689 of SRF funds have been drawn by the PRWC. The City's proportionate share of this liability totaled \$782,452 as of September 30, 2024 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. The City shall be notified of the amount of these water charges no later than May 31st preceding the upcoming fiscal year. The water service charges assessed to the City for the year ended September 30, 2024 was \$100,587 and the water service charges for the upcoming year ending September 30, 2025 is \$106,908.

**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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BARTOW, FLORIDA**
**Budgetary Comparison Schedule – General Fund**
**For the year ended September 30, 2024**

|                                                                    | <b>Budgeted Amounts</b> |                       |                     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--------------------------------------------------------------------|-------------------------|-----------------------|---------------------|-------------------------------------------------------------------|
|                                                                    | <b>Original</b>         | <b>Final</b>          | <b>Actual</b>       |                                                                   |
| <b>RESOURCES:</b>                                                  |                         |                       |                     |                                                                   |
| Taxes                                                              | \$ 9,782,903            | \$ 9,782,903          | \$ 10,335,570       | \$ 552,667                                                        |
| Licenses and permits                                               | 489,447                 | 489,447               | 1,119,561           | 630,114                                                           |
| Intergovernmental revenue                                          | 6,184,376               | 6,458,067             | 6,197,440           | (260,627)                                                         |
| Charges for services                                               | 1,422,755               | 1,422,755             | 1,861,354           | 438,599                                                           |
| Fines and forfeitures                                              | 104,730                 | 104,730               | 113,308             | 8,578                                                             |
| Investment income, net                                             | 174,791                 | 174,791               | 1,407,448           | 1,232,657                                                         |
| Other                                                              | 731,030                 | 1,315,616             | 2,715,518           | 1,399,902                                                         |
| Total revenues                                                     | 18,890,032              | 19,748,309            | 23,750,199          | 4,001,890                                                         |
| <b>CHARGES TO APPROPRIATIONS:</b>                                  |                         |                       |                     |                                                                   |
| General government:                                                |                         |                       |                     |                                                                   |
| Commission                                                         | 2,302,066               | 2,827,768             | 2,765,865           | 61,903                                                            |
| City manager                                                       | 806,907                 | 807,872               | 809,323             | (1,451)                                                           |
| City clerk                                                         | 361,675                 | 361,993               | 350,138             | 11,855                                                            |
| Finance                                                            | 579,202                 | 580,002               | 441,129             | 138,873                                                           |
| Personnel                                                          | 349,546                 | 410,146               | 377,665             | 32,481                                                            |
| Purchasing                                                         | 117,733                 | 162,334               | 109,154             | 53,180                                                            |
| Internal audit                                                     | -                       | -                     | -                   | -                                                                 |
| Grant management                                                   | -                       | -                     | -                   | -                                                                 |
| Planning                                                           | 188,438                 | 248,606               | 248,778             | (172)                                                             |
| Information technology systems                                     | -                       | 60,665                | 450,281             | (389,616)                                                         |
| Fleet maintenance                                                  | -                       | 62,573                | 271,543             | (208,970)                                                         |
| Public safety:                                                     |                         |                       |                     |                                                                   |
| Police                                                             | 9,011,617               | 9,163,231             | 8,227,754           | 935,477                                                           |
| Code enforcement                                                   | -                       | 389,844               | 379,940             | 9,904                                                             |
| Building                                                           | 538,009                 | 349,127               | 286,777             | 62,350                                                            |
| Physical environment:                                              |                         |                       |                     |                                                                   |
| Public works                                                       | 1,194,419               | 1,595,446             | 1,322,710           | 272,736                                                           |
| Economic environment:                                              |                         |                       |                     |                                                                   |
| Community development                                              | 254,487                 | 254,619               | 265,379             | (10,760)                                                          |
| Culture/recreation:                                                |                         |                       |                     |                                                                   |
| Library                                                            | 826,391                 | 828,188               | 772,769             | 55,419                                                            |
| Library Coop - County                                              | 472,638                 | 578,917               | 425,882             | 153,035                                                           |
| Library Coop - State aid                                           | 659,831                 | 660,502               | 519,539             | 140,963                                                           |
| Parks and recreation                                               | 13,771,427              | 14,112,823            | 11,160,433          | 2,952,390                                                         |
| Golf course                                                        | 1,515,342               | 1,598,132             | 1,444,512           | 153,620                                                           |
| Golf course - restaurant                                           | 819,874                 | 823,993               | 815,165             | 8,828                                                             |
| Total expenditures                                                 | 33,769,602              | 35,876,781            | 31,444,736          | 4,432,045                                                         |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER(UNDER) EXPENDITURES</b> | <b>(14,879,570)</b>     | <b>(16,128,472)</b>   | <b>(7,694,537)</b>  | <b>8,433,935</b>                                                  |
| <b>OTHER FINANCING SOURCES (USES):</b>                             |                         |                       |                     |                                                                   |
| Transfers out                                                      | (1,631,977)             | (1,791,977)           | (1,791,977)         | -                                                                 |
| Transfers in                                                       | 9,916,751               | 9,916,751             | 10,628,751          | 712,000                                                           |
| Lease proceeds                                                     | -                       | -                     | 77,435              | 77,435                                                            |
| Subscriptions proceeds                                             | -                       | -                     | 450,281             | 450,281                                                           |
| Sale of general capital assets                                     | 20,202                  | 20,000                | 20,202              | 202                                                               |
| Insurance recoveries                                               | -                       | 244,074               | 6,590               | (237,484)                                                         |
| Total other financing sources (uses)                               | 8,304,976               | 8,388,848             | 9,391,282           | 1,002,434                                                         |
| <b>NET CHANGE IN FUND BALANCE</b>                                  | <b>\$ (6,574,594)</b>   | <b>\$ (7,739,624)</b> | <b>\$ 1,696,745</b> | <b>\$ 9,436,369</b>                                               |

**CITY OF BARTOW, FLORIDA**

Notes to the Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2024

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**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, 2024, totaled \$1,141,647 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, 2024

|                                            | <b>Budgeted Amounts</b> |                      | <b>Actual</b>       | <b>Variance with</b> |
|--------------------------------------------|-------------------------|----------------------|---------------------|----------------------|
|                                            | <b>Original</b>         | <b>Final</b>         |                     | <b>Final Budget</b>  |
|                                            |                         |                      |                     | <b>Positive</b>      |
|                                            |                         |                      |                     | <b>(Negative)</b>    |
| <b>REVENUES:</b>                           |                         |                      |                     |                      |
| Taxes                                      | \$ 2,379,430            | \$ 2,379,430         | \$ 2,385,019        | \$ 5,589             |
| Other                                      | -                       | -                    | 132,079             | 132,079              |
| Total revenues                             | 2,379,430               | 2,379,430            | 2,517,098           | 137,668              |
| <b>EXPENDITURES:</b>                       |                         |                      |                     |                      |
| Economic environment                       | 3,565,194               | 4,252,677            | 1,637,298           | 2,615,379            |
| Capital outlay                             | -                       | -                    | 135,440             | (135,440)            |
| Debt service                               | 236,761                 | 236,761              | 254,675             | (17,914)             |
| Total expenditures                         | 3,801,955               | 4,489,438            | 2,027,413           | 2,462,025            |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER</b> |                         |                      |                     |                      |
| <b>(UNDER) EXPENDITURES</b>                | (1,422,525)             | (2,110,008)          | 489,685             | 2,599,693            |
| <b>OTHER FINANCING SOURCES (USES):</b>     |                         |                      |                     |                      |
| Transfers out                              | -                       | -                    | (951,424)           | (951,424)            |
| Lease proceeds                             | -                       | -                    | 135,440             | 135,440              |
| Total other financing sources (uses)       | -                       | -                    | (815,984)           | (815,984)            |
| <b>NET CHANGE IN FUND BALANCE</b>          | <u>\$ (1,422,525)</u>   | <u>\$(2,110,008)</u> | <u>\$ (326,299)</u> | <u>\$ 1,783,709</u>  |

**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                                             | 9/30/2025            | 9/30/2024            | 9/30/2023            | 9/30/2022            | 9/30/2021            |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement date                                                       | 9/29/2024            | 9/30/2023            | 9/30/2022            | 9/30/2021            | 9/30/2020            |
| Total pension liability                                                |                      |                      |                      |                      |                      |
| Service cost                                                           | \$ 909,075           | \$ 822,091           | \$ 778,554           | \$ 772,677           | \$ 747,116           |
| Interest                                                               | 3,526,912            | 3,345,115            | 3,153,676            | 2,994,734            | 2,826,188            |
| Change in assumptions                                                  | -                    | 1,303,160            | -                    | 1,142,456            | (506,559)            |
| Change in benefit terms                                                | 137,545              | -                    | -                    | -                    | -                    |
| Difference between expected and actual experience                      | 1,263,799            | 1,124,505            | 898,049              | 450,120              | 570,119              |
| Benefit payments, including refunds of employee contributions          | (2,661,579)          | (2,506,264)          | (1,960,287)          | (1,633,064)          | (1,572,968)          |
| Employee buy-back                                                      | 21,882               | 147,010              | -                    | -                    | 187,878              |
| Net change in total pension liability                                  | 3,197,634            | 4,235,617            | 2,869,992            | 3,726,923            | 2,251,774            |
| Total pension liability, beginning                                     | 50,806,174           | 46,570,557           | 43,700,565           | 39,973,642           | 37,721,868           |
| Total pension liability, ending (a)                                    | <u>\$ 54,003,808</u> | <u>\$ 50,806,174</u> | <u>\$ 46,570,557</u> | <u>\$ 43,700,565</u> | <u>\$ 39,973,642</u> |
| Plan fiduciary net position                                            |                      |                      |                      |                      |                      |
| Contributions - City                                                   | \$ 2,250,877         | \$ 1,675,270         | \$ 1,479,001         | \$ 1,573,343         | \$ 1,531,822         |
| Contributions - Employee                                               | 408,671              | 350,400              | 339,990              | 334,871              | 332,239              |
| Contributions - Employee buy-back                                      | 21,882               | 147,010              | -                    | -                    | 187,878              |
| Net investment income (loss)                                           | 7,629,330            | 2,856,621            | (6,894,678)          | 6,548,888            | 3,003,425            |
| Benefit payments, including refunds of employee contributions          | (2,660,842)          | (2,506,164)          | (1,960,288)          | (1,633,064)          | (1,572,968)          |
| Administrative expenses                                                | (112,583)            | (123,196)            | (95,204)             | (90,548)             | (41,612)             |
| Net change in plan fiduciary net position                              | 7,537,335            | 2,399,941            | (7,131,179)          | 6,733,490            | 3,440,784            |
| Plan fiduciary net position, beginning                                 | 35,488,223           | 33,088,282           | 40,219,461           | 33,485,971           | 30,045,187           |
| Plan fiduciary net position, ending (b)                                | <u>\$ 43,025,558</u> | <u>\$ 35,488,223</u> | <u>\$ 33,088,282</u> | <u>\$ 40,219,461</u> | <u>\$ 33,485,971</u> |
| Net pension liability (asset) (a)-(b)                                  | <u>\$ 10,978,250</u> | <u>\$ 15,317,951</u> | <u>\$ 13,482,275</u> | <u>\$ 3,481,104</u>  | <u>\$ 6,487,671</u>  |
| Plan fiduciary net position as a percentage of total pension liability | 79.67%               | 69.85%               | 71.05%               | 92.03%               | 83.77%               |
| Covered payroll                                                        | \$ 10,216,577        | \$ 8,759,999         | \$ 8,502,922         | \$ 8,368,229         | \$ 8,306,534         |
| Net pension liability as a percentage of covered payroll               | 107.46%              | 174.86%              | 158.56%              | 41.60%               | 78.10%               |

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                                             | 9/30/2020            | 9/30/2019            | 9/30/2018            | 9/30/2016            | 9/30/2015            |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement date                                                       | 9/30/2019            | 9/30/2018            | 9/30/2017            | 9/30/2016            | 9/30/2015            |
| Total pension liability                                                |                      |                      |                      |                      |                      |
| Service cost                                                           | \$ 707,794           | \$ 724,848           | \$ 626,030           | \$ 594,932           | \$ 582,546           |
| Interest                                                               | 2,715,913            | 2,520,111            | 2,445,146            | 2,285,926            | 2,218,251            |
| Change in assumptions                                                  | -                    | -                    | 687,125              | 794,635              | -                    |
| Change in funding standard account                                     | -                    | -                    | -                    | (33,336)             | (224,714)            |
| Change in benefit terms                                                | -                    | -                    | -                    | -                    | -                    |
| Difference between expected and actual experience                      | (494,481)            | 1,003,115            | (285,652)            | 107,208              | (387,282)            |
| Benefit payments, including refunds of of employee contributions       | (1,423,467)          | (1,817,188)          | (1,324,802)          | (2,127,216)          | (775,295)            |
| Employee buy-back                                                      | -                    | -                    | 50,733               | -                    | 123,299              |
| Net change in total pension liability                                  | 1,505,759            | 2,430,886            | 2,198,580            | 1,622,149            | 1,536,805            |
| Total pension liability, beginning                                     | 36,216,109           | 33,785,223           | 31,586,643           | 29,964,494           | 28,427,689           |
| Total pension liability, ending (a)                                    | <u>\$ 37,721,868</u> | <u>\$ 36,216,109</u> | <u>\$ 33,785,223</u> | <u>\$ 31,586,643</u> | <u>\$ 29,964,494</u> |
| Plan fiduciary net position                                            |                      |                      |                      |                      |                      |
| Contributions - City                                                   | \$ 1,568,825         | \$ 1,380,716         | \$ 1,530,529         | 1,305,948            | \$ 1,212,429         |
| Contributions - Employee                                               | 320,965              | 315,137              | 306,285              | 301,356              | 414,836              |
| Contributions - Employee buy-back                                      | -                    | -                    | 50,733               | -                    | -                    |
| Net investment income (loss)                                           | 1,324,954            | 2,302,808            | 2,653,336            | 2,094,864            | (214,127)            |
| Benefit payments, including refunds of employee contributions          | (1,423,468)          | (1,817,188)          | (1,324,802)          | (2,127,216)          | (775,295)            |
| Administrative expenses                                                | (43,879)             | (44,009)             | (45,409)             | (58,891)             | (34,720)             |
| Net change in plan fiduciary net position                              | 1,747,397            | 2,137,464            | 3,170,672            | 1,516,061            | 603,123              |
| Plan fiduciary net position, beginning                                 | 28,297,790           | 26,160,326           | 22,989,654           | 21,473,593           | 20,870,470           |
| Plan fiduciary net position, ending (b)                                | <u>\$ 30,045,187</u> | <u>\$ 28,297,790</u> | <u>\$ 26,160,326</u> | <u>\$ 22,989,654</u> | <u>\$ 21,473,593</u> |
| Net pension liability (asset) (a)-(b)                                  | <u>\$ 7,676,681</u>  | <u>\$ 7,918,319</u>  | <u>\$ 7,624,897</u>  | <u>\$ 8,596,989</u>  | <u>\$ 8,490,901</u>  |
| Plan fiduciary net position as a percentage of total pension liability | 79.65%               | 78.14%               | 77.43%               | 72.78%               | 71.66%               |
| Covered payroll                                                        | \$ 8,016,434         | \$ 7,878,494         | \$ 7,657,098         | \$ 7,557,033         | \$ 8,049,198         |
| Net pension liability as a percentage of covered payroll               | 95.76%               | 100.51%              | 99.58%               | 113.76%              | 105.49%              |

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

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***Changes of Assumptions:***

For measurement date September 30, 2023:

- 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.

***Changes in Benefit Terms:***

For measurement date September 30, 2024:

- Ordinance 2024-02 provided that the minimum required service for Normal or Early Retirement was changed from 10 years to 6 years to match the vesting requirement.
- Ordinance 2024-15 increased the maximum DROP participation period from 5 to 8 years.

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

| City reporting period date                                             | 9/30/2025            | 9/29/2024            | 9/30/2023            | 9/30/2022            | 9/30/2021            |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement date                                                       | 9/29/2024            | 9/30/2023            | 9/30/2022            | 9/30/2021            | 9/30/2020            |
| Total pension liability                                                |                      |                      |                      |                      |                      |
| Service cost                                                           | \$ 687,108           | \$ 582,965           | \$ 534,915           | \$ 411,847           | \$ 409,497           |
| Interest                                                               | 2,035,199            | 1,915,715            | 1,837,901            | 1,805,616            | 1,775,628            |
| Change in excess State money                                           | -                    | -                    | -                    | -                    | -                    |
| Change in benefit terms                                                | -                    | -                    | -                    | 37,376               | -                    |
| Share plan allocation                                                  | 57,312               | 41,261               | 29,430               | 30,409               | 25,328               |
| Difference between expected and actual experience                      | 338,994              | 582,046              | 127,869              | (465,497)            | 294,146              |
| Change of assumptions                                                  | 511,172              | -                    | -                    | -                    | 621,793              |
| Contributions - Buy Back                                               | 9,749                | 9,749                | 9,749                | 9,748                | 10,748               |
| Benefit payments, including refunds of of employee contributions       | (1,678,092)          | (1,607,426)          | (1,493,357)          | (1,476,108)          | (1,680,464)          |
| Net change in total pension liability                                  | 1,961,442            | 1,524,310            | 1,046,507            | 353,391              | 1,456,676            |
| Total pension liability, beginning                                     | 27,287,922           | 25,763,612           | 24,717,105           | 24,363,714           | 22,907,038           |
| Total pension liability, ending (a)                                    | <u>\$ 29,249,364</u> | <u>\$ 27,287,922</u> | <u>\$ 25,763,612</u> | <u>\$ 24,717,105</u> | <u>\$ 24,363,714</u> |
| Plan fiduciary net position                                            |                      |                      |                      |                      |                      |
| Contributions - City                                                   | \$ 767,627           | \$ 735,439           | \$ 821,077           | \$ 838,572           | \$ 937,089           |
| Contributions - State of Florida                                       | 229,051              | 196,950              | 173,289              | 175,246              | 165,084              |
| Contributions - Employee                                               | 115,845              | 112,112              | 99,592               | 76,656               | 75,864               |
| Contributions - Buy Back                                               | -                    | 9,749                | 9,749                | 9,748                | 10,748               |
| Net investment income (loss)                                           | 4,930,282            | 2,001,523            | (4,783,300)          | 3,671,671            | 2,827,801            |
| Benefit payments, including refunds of employee contributions          | (1,678,092)          | (1,608,968)          | (1,493,357)          | (1,476,108)          | (1,680,464)          |
| Administrative expenses                                                | (94,523)             | (85,039)             | (108,218)            | (122,253)            | (104,616)            |
| Net change in plan fiduciary net position                              | 4,270,190            | 1,361,766            | (5,281,168)          | 3,173,532            | 2,231,506            |
| Plan fiduciary net position, beginning                                 | 21,528,945           | 20,167,179           | 25,448,347           | 22,274,815           | 20,043,309           |
| Plan fiduciary net position, ending (b)                                | <u>\$ 25,799,135</u> | <u>\$ 21,528,945</u> | <u>\$ 20,167,179</u> | <u>\$ 25,448,347</u> | <u>\$ 22,274,815</u> |
| Net pension liability (asset) (a)-(b)                                  | <u>\$ 3,450,229</u>  | <u>\$ 5,758,977</u>  | <u>\$ 5,596,433</u>  | <u>\$ (731,242)</u>  | <u>\$ 2,088,899</u>  |
| Plan fiduciary net position as a percentage of total pension liability | 88.20%               | 78.90%               | 78.28%               | 102.96%              | 91.43%               |
| Covered payroll                                                        | \$ 2,652,225         | \$ 2,802,289         | \$ 2,487,455         | \$ 1,935,748         | \$ 1,898,516         |
| Net pension liability as a percentage of covered payroll               | 130.09%              | 205.51%              | 224.99%              | -37.78%              | 110.03%              |

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                                                    | 9/30/2020            | 9/30/2019            | 9/30/2018            | 9/30/2017            | 9/30/2016            |
|-------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement date                                                              | 9/30/2019            | 9/30/2018            | 9/30/2017            | 9/30/2016            | 9/30/2015            |
| <b>Total pension liability</b>                                                |                      |                      |                      |                      |                      |
| Service cost                                                                  | \$ 390,208           | \$ 392,286           | \$ 397,225           | \$ 409,524           | \$ 442,727           |
| Interest                                                                      | 1,749,591            | 1,691,917            | 1,637,023            | 1,545,529            | 1,472,475            |
| Change in excess State money                                                  | (35,798)             | 21,555               | 13,219               | (58,130)             | -                    |
| Change in benefit terms                                                       | -                    | -                    | -                    | 6,937                | 88,018               |
| Share plan allocation                                                         | 41,676               | -                    | -                    | -                    | -                    |
| Difference between expected and actual experience                             | (106,467)            | 42,199               | (18,331)             | (232,824)            | (48,806)             |
| Change of assumptions                                                         | 68,634               | -                    | -                    | 539,060              | -                    |
| Contributions - Buy Back                                                      | -                    | -                    | 26,843               | 7,200                | -                    |
| Benefit payments, including refunds of of employee contributions              | (1,432,563)          | (1,374,240)          | (1,329,052)          | (895,977)            | (957,923)            |
| Net change in total pension liability                                         | 675,281              | 773,717              | 726,927              | 1,321,319            | 996,491              |
| Total pension liability, beginning                                            | 22,231,757           | 21,458,040           | 20,731,113           | 19,409,794           | 18,413,303           |
| Total pension liability, ending (a)                                           | <u>\$ 22,907,038</u> | <u>\$ 22,231,757</u> | <u>\$ 21,458,040</u> | <u>\$ 20,731,113</u> | <u>\$ 19,409,794</u> |
| <b>Plan fiduciary net position</b>                                            |                      |                      |                      |                      |                      |
| Contributions - City                                                          | \$ 902,680           | \$ 741,815           | \$ 669,668           | \$ 706,919           | \$ 728,233           |
| Contributions - State of Florida                                              | 161,981              | 153,190              | 144,854              | 132,660              | 123,940              |
| Contributions - Employee                                                      | 72,904               | 63,130               | 62,586               | 67,573               | 67,585               |
| Contributions - Buy Back                                                      | -                    | -                    | 26,843               | 7,200                | -                    |
| Net investment income (loss)                                                  | 973,587              | 1,452,125            | 1,906,472            | 1,600,571            | (213,507)            |
| Benefit payments, including refunds of employee contributions                 | (1,432,564)          | (1,374,240)          | (1,329,138)          | (895,977)            | (957,923)            |
| Administrative expenses                                                       | (82,969)             | (83,411)             | (69,868)             | (73,437)             | (68,672)             |
| Net change in plan fiduciary net position                                     | 595,619              | 952,609              | 1,411,417            | 1,545,509            | (320,344)            |
| Plan fiduciary net position, beginning                                        | 19,447,690           | 18,495,081           | 17,083,664           | 15,538,155           | 15,858,499           |
| Plan fiduciary net position, ending (b)                                       | <u>\$ 20,043,309</u> | <u>\$ 19,447,690</u> | <u>\$ 18,495,081</u> | <u>\$ 17,083,664</u> | <u>\$ 15,538,155</u> |
| Net pension liability (asset) (a)-(b)                                         | <u>\$ 2,863,729</u>  | <u>\$ 2,784,067</u>  | <u>\$ 2,962,959</u>  | <u>\$ 3,647,449</u>  | <u>\$ 3,871,639</u>  |
| <b>Plan fiduciary net position as a percentage of total pension liability</b> | 87.50%               | 87.48%               | 86.19%               | 82.41%               | 80.05%               |
| <b>Covered payroll</b>                                                        | \$ 1,821,678         | \$ 1,578,253         | \$ 1,564,644         | \$ 1,689,305         | \$ 1,981,362         |
| <b>Net pension liability as a percentage of covered payroll</b>               | 157.20%              | 176.40%              | 189.37%              | 215.91%              | 195.40%              |

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

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***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, 2024:

- The assumed salary increase rates were increased for members with service of less than 15 years.
- The assumed normal retirement rates were decreased for members with 21 years of service.
- The withdrawal rates increased for members with less than 10 years of service.

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                                             | 9/30/2025            | 9/30/2024            | 10/1/2023            | 10/1/2022            | 10/1/2021            |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement date                                                       | 9/30/2024            | 10/1/2023            | 10/1/2022            | 10/1/2021            | 9/30/2020            |
| Total pension liability                                                |                      |                      |                      |                      |                      |
| Service cost                                                           | \$ 266,265           | \$ 228,586           | \$ 214,184           | \$ 220,243           | \$ 180,217           |
| Interest                                                               | 1,145,549            | 1,064,458            | 1,012,540            | 975,604              | 955,707              |
| Difference between expected and actual experience                      | 388,335              | 516,409              | 136,937              | (83,517)             | 117,715              |
| Change of assumptions                                                  | 239,742              | -                    | -                    | -                    | 403,311              |
| Benefit payments, including refunds of employee contributions          | (749,991)            | (707,281)            | (616,624)            | (576,993)            | (567,137)            |
| Net change in total pension liability                                  | 1,289,900            | 1,102,172            | 747,037              | 535,337              | 1,089,813            |
| Total pension liability, beginning                                     | 15,909,408           | 14,807,236           | 14,060,199           | 13,524,862           | 12,435,049           |
| Total pension liability, ending (a)                                    | <u>\$ 17,199,308</u> | <u>\$ 15,909,408</u> | <u>\$ 14,807,236</u> | <u>\$ 14,060,199</u> | <u>\$ 13,524,862</u> |
| Plan fiduciary net position                                            |                      |                      |                      |                      |                      |
| Contributions - City                                                   | \$ 594,783           | \$ 428,570           | \$ 468,199           | \$ 417,798           | \$ 412,374           |
| Contributions - State of Florida                                       | 175,171              | 166,008              | 123,413              | 119,837              | 114,351              |
| Contributions - Employee                                               | 31,208               | 28,799               | 26,879               | 24,649               | 23,139               |
| Net investment income (loss)                                           | 2,863,874            | 1,289,711            | (2,688,394)          | 2,391,021            | 1,285,228            |
| Benefit payments, including refunds of employee contributions          | (749,991)            | (707,281)            | (616,624)            | (576,993)            | (567,136)            |
| Administrative expenses                                                | (90,118)             | (76,176)             | (83,707)             | (79,542)             | (88,327)             |
| Net change in plan fiduciary net position                              | 2,824,927            | 1,129,631            | (2,770,234)          | 2,296,770            | 1,179,629            |
| Plan fiduciary net position, beginning                                 | 12,685,367           | 11,555,736           | 14,325,970           | 12,029,200           | 10,849,571           |
| Plan fiduciary net position, ending (b)                                | <u>\$ 15,510,294</u> | <u>\$ 12,685,367</u> | <u>\$ 11,555,736</u> | <u>\$ 14,325,970</u> | <u>\$ 12,029,200</u> |
| Net pension liability (asset) (a)-(b)                                  | <u>\$ 1,689,014</u>  | <u>\$ 3,224,041</u>  | <u>\$ 3,251,500</u>  | <u>\$ (265,771)</u>  | <u>\$ 1,495,662</u>  |
| Plan fiduciary net position as a percentage of total pension liability | 90.18%               | 79.74%               | 78.04%               | 101.89%              | 88.94%               |
| Covered payroll                                                        | \$ 1,560,381         | \$ 1,425,576         | \$ 1,343,926         | \$ 1,214,338         | \$ 1,156,915         |
| Net pension liability as a percentage of covered payroll               | 108.24%              | 226.16%              | 241.94%              | -21.89%              | 129.28%              |

Continued...

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

| City reporting period date                                                 | 9/30/2020            | 9/30/2019            | 9/30/2018            | 9/30/2017            | 9/30/2016            |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement date                                                           | 9/30/2019            | 9/30/2018            | 9/30/2017            | 9/30/2016            | 9/30/2015            |
| <b>Total pension liability</b>                                             |                      |                      |                      |                      |                      |
| Service cost                                                               | \$ 258,526           | \$ 268,455           | \$ 250,467           | \$ 251,243           | \$ 255,726           |
| Interest                                                                   | 987,212              | 916,733              | 874,820              | 798,268              | 767,473              |
| Change in excess State money                                               | (245,371)            | 31,984               | 21,629               | 21,617               | 18,674               |
| Change of benefit terms                                                    | (1,093)              | -                    | -                    | -                    | -                    |
| Difference between expected and actual experience                          | (741,965)            | 258,169              | (97,077)             | 31,215               | (206,235)            |
| Change of assumptions                                                      | 131,704              | -                    | -                    | 356,791              | -                    |
| Benefit payments, including refunds of of employee contributions           | (564,106)            | (538,594)            | (505,965)            | (453,717)            | (401,380)            |
| Net change in total pension liability                                      | (175,093)            | 936,747              | 543,874              | 1,005,417            | 434,258              |
| Total pension liability, beginning                                         | 12,610,142           | 11,673,395           | 11,129,521           | 10,124,104           | 9,689,846            |
| Total pension liability, ending (a)                                        | <u>\$ 12,435,049</u> | <u>\$ 12,610,142</u> | <u>\$ 11,673,395</u> | <u>\$ 11,129,521</u> | <u>\$ 10,124,104</u> |
| <b>Plan fiduciary net position</b>                                         |                      |                      |                      |                      |                      |
| Contributions - City                                                       | \$ 503,585           | \$ 478,195           | \$ 423,994           | \$ 414,052           | \$ 448,832           |
| Contributions - State of Florida                                           | 106,289              | 107,353              | 98,062               | 102,375              | 104,779              |
| Contributions - Employee                                                   | 20,984               | 20,540               | 21,525               | 21,034               | 20,448               |
| Net investment income (loss)                                               | 470,431              | 792,524              | 1,037,633            | 550,637              | (100,005)            |
| Benefit payments, including refunds of employee contributions              | (564,103)            | (538,594)            | (505,965)            | (453,717)            | (401,380)            |
| Administrative expenses                                                    | (83,846)             | (68,748)             | (70,443)             | (64,703)             | (51,597)             |
| Net change in plan fiduciary net position                                  | 453,340              | 791,270              | 1,004,806            | 569,678              | 21,077               |
| Plan fiduciary net position, beginning                                     | 10,396,231           | 9,604,961            | 8,600,155            | 8,030,477            | 8,009,400            |
| Plan fiduciary net position, ending (b)                                    | <u>\$ 10,849,571</u> | <u>\$ 10,396,231</u> | <u>\$ 9,604,961</u>  | <u>\$ 8,600,155</u>  | <u>\$ 8,030,477</u>  |
| Net pension liability (asset) (a)-(b)                                      | <u>\$ 1,585,478</u>  | <u>\$ 2,213,911</u>  | <u>\$ 2,068,434</u>  | <u>\$ 2,529,366</u>  | <u>\$ 2,093,627</u>  |
| <br>Plan fiduciary net position as a percentage of total pension liability | <br>87.25%           | <br>82.44%           | <br>82.28%           | <br>77.27%           | <br>79.32%           |
| <br>Covered payroll                                                        | <br>\$ 1,049,282     | <br>\$ 1,027,021     | <br>\$ 1,076,259     | <br>\$ 1,051,732     | <br>\$ 1,025,578     |
| Net pension liability as a percentage of covered payroll                   | 151.10%              | 215.57%              | 192.19%              | 240.50%              | 204.14%              |

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

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***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, 2024:

- The assumed salary increase rates and early retirement rates were increased and withdrawal rates were decreased.

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<br>Ended<br>September 30, | Actuarially<br>Determined<br>Contribution | Contributions<br>in Relation to<br>the Actuarially<br>Determined<br>Contribution | Contribution<br>Excess<br>(Deficiency) | Covered<br>Payroll | Contributions<br>as a % of<br>Covered<br>Payroll |
|--------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|--------------------------------------------------|
| <b>General Employees' Plan</b> |                                           |                                                                                  |                                        |                    |                                                  |
| 2024                           | \$ 1,944,856                              | \$ 2,250,877                                                                     | \$ 306,021                             | \$ 10,216,577      | 22.03%                                           |
| 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%                                           |
| <b>Police Officers' Plan</b>   |                                           |                                                                                  |                                        |                    |                                                  |
| 2024                           | \$ 912,365                                | \$ 939,365                                                                       | \$ 27,000                              | \$ 2,652,225       | 35.42%                                           |
| 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%                                           |
| <b>Firefighters' Plan</b>      |                                           |                                                                                  |                                        |                    |                                                  |
| 2024                           | \$ 744,302                                | \$ 769,954                                                                       | \$ 25,652                              | \$ 1,560,381       | 49.34%                                           |
| 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%                                           |

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

- Valuation Date: October 1, 2022 for fiscal year 2024 contributions.
- Asset Valuation Methods: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses over a five-year period.
- 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% 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: Society of Actuaries' Retirement Plans Experience Committee (RPEC) PUB-2010 Public Retirement Plans Mortality Tables Report, as appropriate, with adjustment for mortality based on Mortality Improvement Scale MP-2018. Previously the 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      |            | Age                 |            | Years of Service   |            | Age                 |            |
| Age                     | % terminating during year (*) | % disabled during year |     |                       | Assumption |                     | Assumption |                    | Assumption |                     | 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                                                              | 9/30/2024            | 9/30/2023            | 9/30/2022            | 9/30/2021            |
| Measurement date                                                            | 9/30/2023            | 9/30/2022            | 9/30/2021            | 9/30/2020            |
| <b>Total OPEB Liability</b>                                                 |                      |                      |                      |                      |
| Service cost                                                                | \$ 1,209,338         | \$ 2,389,741         | \$ 2,492,928         | \$ 1,610,448         |
| Interest                                                                    | 1,156,672            | 977,561              | 847,791              | 1,122,331            |
| Differences between expected and actual experience                          | -                    | (3,130,682)          | -                    | (1,793,963)          |
| Changes in assumptions                                                      | (358,632)            | (14,345,375)         | (1,930,154)          | 8,543,463            |
| Benefit payments                                                            | <u>(666,271)</u>     | <u>(718,830)</u>     | <u>(671,804)</u>     | <u>(632,044)</u>     |
| <b>Net change in total OPEB Liability</b>                                   | 1,341,107            | (14,827,585)         | 738,761              | 8,850,235            |
| <b>Total OPEB Liability - beginning (*)</b>                                 | 23,368,769           | 38,196,354           | 37,457,593           | 28,607,358           |
| <b>Total OPEB Liability - ending</b>                                        | <u>\$ 24,709,876</u> | <u>\$ 23,368,769</u> | <u>\$ 38,196,354</u> | <u>\$ 37,457,593</u> |
| <br><b>Covered-employee payroll</b>                                         | <br>\$ 15,314,837    | <br>\$ 14,609,137    | <br>\$ 13,506,505    | <br>\$ 13,000,932    |
| <br><b>Total OPEB liability as a percentage of covered-employee payroll</b> | <br>161.35%          | <br>159.96%          | <br>282.80%          | <br>288.11%          |
| <br>Reporting date                                                          | 9/30/2020            | 9/30/2019            | 9/30/2018            | 9/30/2017            |
| Measurement date                                                            | 9/30/2019            | 9/30/2018            | 9/30/2017            | 9/30/2016            |
| <b>Total OPEB Liability</b>                                                 |                      |                      |                      |                      |
| Service cost                                                                | \$ 1,237,729         | \$ 1,282,787         | \$ 1,433,413         | \$ 1,141,412         |
| Interest                                                                    | 1,065,032            | 974,389              | 849,073              | 856,101              |
| Differences between expected and actual experience                          | -                    | (827,654)            | -                    | -                    |
| Changes in assumptions                                                      | 2,644,515            | (2,168,781)          | (2,672,114)          | 2,803,250            |
| Benefit payments                                                            | <u>(555,224)</u>     | <u>(457,185)</u>     | <u>(420,400)</u>     | <u>(420,400)</u>     |
| <b>Net change in total OPEB Liability</b>                                   | 4,392,052            | (1,196,444)          | (810,028)            | 4,380,363            |
| <b>Total OPEB Liability - beginning (*)</b>                                 | 24,516,260           | 25,712,704           | 26,522,732           | 22,142,369           |
| <b>Total OPEB Liability - ending</b>                                        | <u>\$ 28,908,312</u> | <u>\$ 24,516,260</u> | <u>\$ 25,712,704</u> | <u>\$ 26,522,732</u> |
| <br><b>Covered-employee payroll</b>                                         | <br>\$ 12,747,899    | <br>\$ 12,141,199    | <br>\$ 12,176,344    | <br>\$ 11,595,783    |
| <br><b>Total OPEB liability as a percentage of covered-employee payroll</b> | <br>226.77%          | <br>201.93%          | <br>211.17%          | <br>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, 2023 | 4.87%         |
| 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, 2024

|                                                                              | <b>Transportation<br/>Fund</b> | <b>Fire Services<br/>Fund</b> | <b>Total</b>        |
|------------------------------------------------------------------------------|--------------------------------|-------------------------------|---------------------|
| <b>ASSETS</b>                                                                |                                |                               |                     |
| Equity in pooled cash and cash equivalents                                   | \$ 101,612                     | \$ 169,314                    | \$ 270,926          |
| Receivables, net                                                             |                                |                               |                     |
| Customer accounts, net                                                       | -                              | 6,861                         | 6,861               |
| Intergovernmental and other                                                  | 185,555                        | 750                           | 186,305             |
| Prepaid expenditures                                                         | 975                            | 1,399,244                     | 1,400,219           |
| Restricted assets:                                                           |                                |                               |                     |
| Cash and cash equivalents                                                    | 2,788,862                      | -                             | 2,788,862           |
| Customer receivables                                                         | 61,944                         | -                             | 61,944              |
| <b>TOTAL ASSETS</b>                                                          | <b>\$ 3,138,948</b>            | <b>\$1,576,169</b>            | <b>\$ 4,715,117</b> |
| <b>LIABILITIES</b>                                                           |                                |                               |                     |
| Accounts payable                                                             | 214,843                        | 59,207                        | 274,050             |
| Accrued payroll                                                              | 3,697                          | 69,220                        | 72,917              |
| Due to other funds                                                           | -                              | 758,186                       | 758,186             |
| <b>TOTAL LIABILITIES</b>                                                     | <b>218,540</b>                 | <b>886,613</b>                | <b>1,105,153</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                         |                                |                               |                     |
| Unavailable revenue                                                          | 61,944                         | -                             | 61,944              |
| <b>FUND BALANCE</b>                                                          |                                |                               |                     |
| Nonspendable:                                                                |                                |                               |                     |
| Prepaid expenditures                                                         | 975                            | 1,399,244                     | 1,400,219           |
| Restricted for:                                                              |                                |                               |                     |
| Transportation improvements                                                  | 2,788,862                      | -                             | 2,788,862           |
| Transportation activities                                                    | 68,627                         | -                             | 68,627              |
| Unassigned                                                                   | -                              | (709,688)                     | (709,688)           |
| <b>TOTAL FUND BALANCES</b>                                                   | <b>2,858,464</b>               | <b>689,556</b>                | <b>3,548,020</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCE</b> | <b>\$ 3,138,948</b>            | <b>\$1,576,169</b>            | <b>\$ 4,715,117</b> |

**CITY OF BARTOW, FLORIDA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major  
 Governmental Funds  
 for the year ended September 30, 2024

|                                                              | <b>Transportation<br/>Fund</b> | <b>Fire<br/>Services<br/>Fund</b> | <b>Total</b>        |
|--------------------------------------------------------------|--------------------------------|-----------------------------------|---------------------|
| <b>REVENUES:</b>                                             |                                |                                   |                     |
| Taxes                                                        | \$ 1,085,238                   | \$ 175,171                        | \$ 1,260,409        |
| Intergovernmental revenue                                    | 189,476                        | 3,369                             | 192,845             |
| Charges for services                                         | 138,760                        | 3,104,564                         | 3,243,324           |
| Fines and forfeitures                                        | -                              | 25                                | 25                  |
| Other                                                        | 814,403                        | 1,440                             | 815,843             |
| Total revenues                                               | <u>2,227,877</u>               | <u>3,284,569</u>                  | <u>5,512,446</u>    |
| <b>EXPENDITURES:</b>                                         |                                |                                   |                     |
| Public safety                                                | -                              | 3,955,963                         | 3,955,963           |
| Transportation                                               | 1,179,172                      | -                                 | 1,179,172           |
| Capital outlay                                               | <u>1,229,798</u>               | <u>85,058</u>                     | <u>1,314,856</u>    |
| Total expenditures                                           | <u>2,408,970</u>               | <u>4,041,021</u>                  | <u>6,449,991</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(181,093)</u>               | <u>(756,452)</u>                  | <u>(937,545)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                |                                   |                     |
| Transfers in                                                 | <u>1,149,850</u>               | <u>881,551</u>                    | <u>2,031,401</u>    |
| <b>TOTAL OTHER FINANCING SOURCES</b>                         | <u>1,149,850</u>               | <u>881,551</u>                    | <u>2,031,401</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>                            | 968,757                        | 125,099                           | 1,093,856           |
| <b>FUND BALANCE, beginning of year</b>                       | <u>1,889,707</u>               | <u>564,457</u>                    | <u>2,454,164</u>    |
| <b>FUND BALANCE, end of year</b>                             | <u>\$ 2,858,464</u>            | <u>\$ 689,556</u>                 | <u>\$ 3,548,020</u> |

**CITY OF BARTOW, FLORIDA****Budgetary Comparison Schedule – Transportation Fund  
for the year ended September 30, 2024**

|                                      | Budgeted Amounts |              |              | Variance with<br>Final Budget |
|--------------------------------------|------------------|--------------|--------------|-------------------------------|
|                                      | Original         | Final        | Actual       | Positive<br>(Negative)        |
| REVENUES:                            |                  |              |              |                               |
| Taxes                                | \$ 1,118,610     | \$ 1,118,610 | \$ 1,085,238 | \$ (33,372)                   |
| Intergovernmental revenue            | 185,663          | 185,663      | 189,476      | 3,813                         |
| Charges for service                  | 138,761          | 138,761      | 138,760      | (1)                           |
| Other                                | 197,078          | 197,078      | 814,403      | 617,325                       |
| Total revenues                       | 1,640,112        | 1,640,112    | 2,227,877    | 587,765                       |
| EXPENDITURES:                        |                  |              |              |                               |
| Transportation                       | 1,319,496        | 1,371,223    | 1,179,172    | 192,051                       |
| Capital outlay                       | 1,071,042        | 1,319,364    | 1,229,798    | 89,566                        |
| Total expenditures                   | 2,390,538        | 2,690,587    | 2,408,970    | 281,617                       |
| OTHER FINANCING SOURCES (USES):      |                  |              |              |                               |
| Transfer in                          | 750,426          | 910,426      | 1,149,850    | 239,424                       |
| Total other financing sources (uses) | 750,426          | 910,426      | 1,149,850    | 239,424                       |
| NET CHANGE IN FUND BALANCE           | \$ -             | \$ (140,049) | \$ 968,757   | \$ 1,108,806                  |

**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, 2024**

|                                                              | Budgeted Amounts |              |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|--------------|------------|---------------------------------------------------------|
|                                                              | Original         | Final        | Actual     |                                                         |
| REVENUES:                                                    |                  |              |            |                                                         |
| Taxes                                                        | \$ 123,413       | \$ 123,413   | \$ 175,171 | \$ 51,758                                               |
| Intergovernmental revenue                                    | 1,001,800        | 1,003,600    | 3,369      | (1,000,231)                                             |
| Charges for service                                          | 3,020,519        | 3,020,519    | 3,104,564  | 84,045                                                  |
| Fines and forfeitures                                        | -                | -            | 25         | 25                                                      |
| Other                                                        | 75               | 75           | 1,440      | 1,365                                                   |
| Total revenues                                               | 4,145,807        | 4,147,607    | 3,284,569  | (863,038)                                               |
| EXPENDITURES:                                                |                  |              |            |                                                         |
| Public safety                                                | 3,692,954        | 3,763,279    | 3,955,963  | (192,684)                                               |
| Capital outlay                                               | 1,984,404        | 1,984,404    | 85,058     | 1,899,346                                               |
| Total expenditures                                           | 5,677,358        | 5,747,683    | 4,041,021  | 1,706,662                                               |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES |                  |              |            |                                                         |
|                                                              | (1,531,551)      | (1,600,076)  | (756,452)  | 843,624                                                 |
| OTHER FINANCING SOURCES (USES):                              |                  |              |            |                                                         |
| Transfers in                                                 | 881,551          | 881,551      | 881,551    | -                                                       |
| Total other financing sources                                | 881,551          | 881,551      | 881,551    | -                                                       |
| NET CHANGE IN FUND BALANCE                                   | \$ (650,000)     | \$ (718,525) | \$ 125,099 | \$ 843,624                                              |

**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, 2024**

|                                            | <b>Business Type Activities - Non-Major Enterprise Funds</b> |                                            |                            |              |
|--------------------------------------------|--------------------------------------------------------------|--------------------------------------------|----------------------------|--------------|
|                                            | <b>Sanitation<br/>Fund</b>                                   | <b>Information<br/>Technology<br/>Fund</b> | <b>Stormwater<br/>Fund</b> | <b>Total</b> |
| <b>ASSETS</b>                              |                                                              |                                            |                            |              |
| Current assets:                            |                                                              |                                            |                            |              |
| Equity in pooled cash and cash equivalents | \$ 397,564                                                   | \$ 929,671                                 | \$ 19,641                  | \$ 1,346,876 |
| Investment securities                      | -                                                            | 1,980,220                                  | 990,110                    | 2,970,330    |
| Receivables:                               |                                                              |                                            |                            |              |
| Customers, net                             | 510,455                                                      | 1,280                                      | 1,234                      | 512,969      |
| Intergovernmental and other                | -                                                            | -                                          | 3,263                      | 3,263        |
| Inventory and prepaids                     | 179,077                                                      | 69,009                                     | 5,203                      | 253,289      |
| Total current assets                       | 1,087,096                                                    | 2,980,180                                  | 1,019,451                  | 5,086,727    |
| Noncurrent assets:                         |                                                              |                                            |                            |              |
| Capital assets:                            |                                                              |                                            |                            |              |
| Non-depreciable                            | 247,639                                                      | -                                          | 412,818                    | 660,457      |
| Depreciable, net                           | 1,806,985                                                    | 149,802                                    | 1,837,029                  | 3,793,816    |
| Total noncurrent assets                    | 2,054,624                                                    | 149,802                                    | 2,249,847                  | 4,454,273    |
| Total assets                               | 3,141,720                                                    | 3,129,982                                  | 3,269,298                  | 9,541,000    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>      |                                                              |                                            |                            |              |
| Deferred outflows related to pensions      | 573,422                                                      | 45,779                                     | 94,372                     | 713,573      |
| Deferred outflows related to OPEB          | 247,987                                                      | 18,644                                     | 70,874                     | 337,505      |
| Total deferred outflows of resources       | 821,409                                                      | 64,423                                     | 165,246                    | 1,051,078    |
| <b>LIABILITIES</b>                         |                                                              |                                            |                            |              |
| Current liabilities:                       |                                                              |                                            |                            |              |
| Accounts payable                           | 79,864                                                       | -                                          | 52,893                     | 132,757      |
| Accrued wages                              | 30,939                                                       | -                                          | 3,623                      | 34,562       |
| Due to other funds                         | -                                                            | -                                          | 238,849                    | 238,849      |
| Total current liabilities                  | 110,803                                                      | -                                          | 295,365                    | 406,168      |
| Noncurrent liabilities:                    |                                                              |                                            |                            |              |
| Compensated absences                       | 120,225                                                      | -                                          | 18,448                     | 138,673      |
| Post employment obligation payable         | 1,154,025                                                    | 86,762                                     | 329,818                    | 1,570,605    |
| Net pension liability                      | 1,056,609                                                    | 84,354                                     | 173,893                    | 1,314,856    |
| Total noncurrent liabilities               | 2,330,859                                                    | 171,116                                    | 522,159                    | 3,024,134    |
| Total liabilities                          | 2,441,662                                                    | 171,116                                    | 817,524                    | 3,430,302    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                                                              |                                            |                            |              |
| Deferred inflows related to OPEB           | 744,465                                                      | 55,971                                     | 212,767                    | 1,013,203    |
| Total deferred inflows of resources        | 744,465                                                      | 55,971                                     | 212,767                    | 1,013,203    |
| <b>NET POSITION</b>                        |                                                              |                                            |                            |              |
| Net investment in capital assets           | 2,054,624                                                    | 149,802                                    | 2,249,847                  | 4,454,273    |
| Unrestricted                               | (1,277,622)                                                  | 2,817,516                                  | 154,406                    | 1,694,300    |
| Total net position                         | \$ 777,002                                                   | \$ 2,967,318                               | \$ 2,404,253               | \$ 6,148,573 |

**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, 2024

|                                        | <b>Business Type Activities - Non-Major Enterprise Funds</b> |                                            |                            |                     |
|----------------------------------------|--------------------------------------------------------------|--------------------------------------------|----------------------------|---------------------|
|                                        | <b>Sanitation<br/>Fund</b>                                   | <b>Information<br/>Technology<br/>Fund</b> | <b>Stormwater<br/>Fund</b> | <b>Total</b>        |
| <b>OPERATING REVENUES:</b>             |                                                              |                                            |                            |                     |
| Charges for services                   | \$ 3,868,584                                                 | \$ 111,057                                 | \$ 603,033                 | \$ 4,582,674        |
| Total operating income                 | 3,868,584                                                    | 111,057                                    | 603,033                    | 4,582,674           |
| <b>OPERATING EXPENSES:</b>             |                                                              |                                            |                            |                     |
| Personnel services                     | 1,577,268                                                    | (33,843)                                   | 275,612                    | 1,819,037           |
| Operating expenses                     | 3,176,696                                                    | 104,708                                    | 688,285                    | 3,969,689           |
| Depreciation                           | 430,110                                                      | 39,681                                     | 50,975                     | 520,766             |
| Total operating expenses               | 5,184,074                                                    | 110,546                                    | 1,014,872                  | 6,309,492           |
| <b>OPERATING INCOME (LOSS)</b>         | <b>(1,315,490)</b>                                           | <b>511</b>                                 | <b>(411,839)</b>           | <b>(1,726,818)</b>  |
| <b>NONOPERATING REVENUE (EXPENSE)</b>  |                                                              |                                            |                            |                     |
| Investment revenue                     | 11,870                                                       | 107,374                                    | 51,923                     | 171,167             |
| Gain (loss) on disposal of property    | 133,800                                                      | -                                          | -                          | 133,800             |
| Other, net                             | 25,489                                                       | -                                          | -                          | 25,489              |
| Total nonoperating revenues (expense)  | 171,159                                                      | 107,374                                    | 51,923                     | 330,456             |
| <b>INCOME BEFORE CONTRIBUTIONS</b>     | <b>(1,144,331)</b>                                           | <b>107,885</b>                             | <b>(359,916)</b>           | <b>(1,396,362)</b>  |
| <b>CAPITAL CONTRIBUTIONS</b>           |                                                              |                                            |                            |                     |
| Capital grants and contributions       | -                                                            | 112,029                                    | 3,263                      | 115,292             |
| Total capital contributions            | -                                                            | 112,029                                    | 3,263                      | 115,292             |
| <b>CHANGE IN NET POSITION</b>          | <b>(1,144,331)</b>                                           | <b>219,914</b>                             | <b>(356,653)</b>           | <b>(1,281,070)</b>  |
| <b>NET POSITION, beginning of year</b> | <b>1,921,333</b>                                             | <b>2,747,404</b>                           | <b>2,760,906</b>           | <b>7,429,643</b>    |
| <b>NET POSITION, end of year</b>       | <b>\$ 777,002</b>                                            | <b>\$ 2,967,318</b>                        | <b>\$ 2,404,253</b>        | <b>\$ 6,148,573</b> |

**CITY OF BARTOW, FLORIDA**

Combining Statement of Cash Flows– Non-Major Enterprise Funds  
for the year ended September 30, 2024

|                                                                                         | Business Type Activities - Non-Major Enterprise Funds |                                   |                    |              |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------|--------------------|--------------|
|                                                                                         | Sanitation<br>Fund                                    | Information<br>Technology<br>Fund | Stormwater<br>Fund | Total        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                            |                                                       |                                   |                    |              |
| Receipts from customers                                                                 | \$ 3,632,755                                          | \$ 110,457                        | \$ 601,799         | \$ 4,345,011 |
| Payments to suppliers                                                                   | (3,212,919)                                           | (139,009)                         | (662,804)          | (4,014,732)  |
| Payments for salaries and benefits                                                      | (1,483,448)                                           | (5,371)                           | (247,754)          | (1,736,573)  |
| Net cash flows from operating activities                                                | (1,063,612)                                           | (33,923)                          | (308,759)          | (1,406,294)  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                 |                                                       |                                   |                    |              |
| Interfund borrowing (lending)                                                           | -                                                     | -                                 | 238,849            | 238,849      |
| Net cash flows from noncapital financing activities                                     | -                                                     | -                                 | 238,849            | 238,849      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING<br/>ACTIVITIES:</b>                    |                                                       |                                   |                    |              |
| Acquisition and construction of capital assets, net of related payables                 | (994,932)                                             | (43,408)                          | (128,644)          | (1,166,984)  |
| Proceeds from the sale of assets                                                        | 189,999                                               | -                                 | -                  | 189,999      |
| Capital contributions and impact fees received,<br>net of change in related receivables | 22,131                                                | 112,029                           | -                  | 134,160      |
| Net cash flows from capital and related financing activities                            | (782,802)                                             | 68,621                            | (128,644)          | (842,825)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                             |                                                       |                                   |                    |              |
| Interest on invested funds                                                              | 8,550                                                 | 111,554                           | 54,013             | 174,117      |
| Other income                                                                            | 25,489                                                | -                                 | -                  | 25,489       |
| Sale of investments                                                                     | 1,031,000                                             | -                                 | -                  | 1,031,000    |
| Net cash flows from investing activities                                                | 1,065,039                                             | 111,554                           | 54,013             | 1,230,606    |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                             | (781,375)                                             | 146,252                           | (144,541)          | (779,664)    |
| <b>CASH AND CASH EQUIVALENTS, beginning of year</b>                                     | 1,178,939                                             | 783,419                           | 164,182            | 2,126,540    |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                                           | \$ 397,564                                            | \$ 929,671                        | \$ 19,641          | \$ 1,346,876 |
| <b>As shown in the Accompanying Financial Statements</b>                                |                                                       |                                   |                    |              |
| Equity in cash and investments                                                          | \$ 397,564                                            | \$ 929,671                        | \$ 19,641          | \$ 1,346,876 |
| <b>Total cash and cash equivalents</b>                                                  | \$ 397,564                                            | \$ 929,671                        | \$ 19,641          | \$ 1,346,876 |

Continued...

**CITY OF BARTOW, FLORIDA**Combining Statement of Cash Flows– Non-Major Enterprise Funds (concluded)  
for the year ended September 30, 2024

|                                                                                                           | <b>Business Type Activities - Non-Major Enterprise Funds</b> |                                            |                            |                       |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|----------------------------|-----------------------|
|                                                                                                           | <b>Sanitation<br/>Fund</b>                                   | <b>Information<br/>Technology<br/>Fund</b> | <b>Stormwater<br/>Fund</b> | <b>Total</b>          |
| <b>Noncash financing and investing activities:</b>                                                        |                                                              |                                            |                            |                       |
| None                                                                                                      | \$ -                                                         | \$ -                                       | \$ -                       | \$ -                  |
| <b>Reconciliation of operating income (loss) to net cash<br/>provided (used) by operating activities:</b> |                                                              |                                            |                            |                       |
| Operating income (loss)                                                                                   | \$ (1,315,490)                                               | \$ 511                                     | \$ (411,839)               | \$ (1,726,818)        |
| Adjustments to reconcile operating income to net<br>cash provided (used) by operating activities:         |                                                              |                                            |                            |                       |
| Depreciation expense                                                                                      | 430,110                                                      | 39,681                                     | 50,975                     | 520,766               |
| (Increase) decrease in inventory and prepaids                                                             | (179,077)                                                    | (191)                                      | (5,203)                    | (184,471)             |
| (Increase) decrease in accounts receivable                                                                | (56,752)                                                     | (600)                                      | (1,234)                    | (58,586)              |
| Increase (decrease) in accounts payable                                                                   | (36,223)                                                     | (34,110)                                   | 30,684                     | (39,649)              |
| Increase (decrease) in accrued wages and compensated absences                                             | (3,017)                                                      | -                                          | (5,369)                    | (8,386)               |
| (Increase) decrease in OPEB related deferred outflows                                                     | 75,639                                                       | 12,677                                     | 19,091                     | 107,407               |
| Increase (decrease) in the total OPEB liability                                                           | 64,673                                                       | (18,666)                                   | 26,988                     | 72,995                |
| Increase (decrease) in OPEB related deferred inflows                                                      | (177,926)                                                    | (33,299)                                   | (43,650)                   | (254,875)             |
| (Increase) decrease in pension related deferred outflows                                                  | 8,595                                                        | 18,476                                     | (13,056)                   | 14,015                |
| Increase (decrease) in the net pension liability                                                          | 134,517                                                      | (17,446)                                   | 45,064                     | 162,135               |
| Increase (decrease) in pension related deferred inflows                                                   | (8,661)                                                      | (956)                                      | (1,210)                    | (10,827)              |
| Net cash flows from operating activities                                                                  | <u>\$ (1,063,612)</u>                                        | <u>\$ (33,923)</u>                         | <u>\$ (308,759)</u>        | <u>\$ (1,406,294)</u> |

**CITY OF BARTOW, FLORIDA**Combining Statement of Fiduciary Net Position – Pension Trust Funds  
as of September 30, 2024

|                                 | Pension Trust Funds                            |                                              |                                        |               |
|---------------------------------|------------------------------------------------|----------------------------------------------|----------------------------------------|---------------|
|                                 | General<br>Employees'<br>Pension<br>Trust Fund | Police<br>Officers'<br>Pension<br>Trust Fund | Firefighters'<br>Pension<br>Trust Fund | Total         |
| <b>ASSETS</b>                   |                                                |                                              |                                        |               |
| Cash and cash equivalents       | \$ -                                           | \$ 6,637                                     | \$ 2                                   | \$ 6,639      |
| Receivables:                    |                                                |                                              |                                        |               |
| City and plan members           | 79                                             | 89                                           | 479                                    | 647           |
| State of Florida                | -                                              | -                                            | 33,431                                 | 33,431        |
| Accrued income                  | 9,776                                          | 23,916                                       | 810                                    | 34,502        |
| Total receivables               | 9,855                                          | 24,005                                       | 34,720                                 | 68,580        |
| Prepaid expenses                | -                                              | -                                            | 3,005                                  | 3,005         |
| Investments, at fair value:     |                                                |                                              |                                        |               |
| Short-term money market funds   | 1,453,113                                      | 513,998                                      | 200,963                                | 2,168,074     |
| Fixed income investments        | 7,659,080                                      | 5,711,625                                    | 3,512,006                              | 16,882,711    |
| Equity investments              | 28,269,684                                     | 17,781,859                                   | 10,731,374                             | 56,782,917    |
| Diversified mutual fund         | 1,858,863                                      | -                                            | -                                      | 1,858,863     |
| Real estate investments         | 3,796,143                                      | 1,796,656                                    | 1,048,049                              | 6,640,848     |
| Total investments               | 43,036,883                                     | 25,804,138                                   | 15,492,392                             | 84,333,413    |
| Total assets                    | 43,046,738                                     | 25,834,780                                   | 15,530,119                             | 84,411,637    |
| <b>LIABILITIES</b>              |                                                |                                              |                                        |               |
| Accounts payable                | 21,180                                         | 29,806                                       | 19,825                                 | 70,811        |
| Accrued benefits payable        | -                                              | 5,839                                        | -                                      | 5,839         |
| Total Liabilities               | 21,180                                         | 35,645                                       | 19,825                                 | 76,650        |
| <b>NET POSITION</b>             |                                                |                                              |                                        |               |
| Restricted for pension benefits | \$ 43,025,558                                  | \$ 25,799,135                                | \$ 15,510,294                          | \$ 84,334,987 |

**CITY OF BARTOW, FLORIDA**Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds  
for the year ended September 30, 2024

|                                        | Pension Trust Funds                            |                                              |                                        |               |
|----------------------------------------|------------------------------------------------|----------------------------------------------|----------------------------------------|---------------|
|                                        | General<br>Employees'<br>Pension<br>Trust Fund | Police<br>Officers'<br>Pension<br>Trust Fund | Firefighters'<br>Pension<br>Trust Fund | Total         |
| <b>ADDITIONS</b>                       |                                                |                                              |                                        |               |
| Contributions:                         |                                                |                                              |                                        |               |
| City                                   | \$ 2,250,877                                   | \$ 767,627                                   | \$ 594,783                             | \$ 3,613,287  |
| Plan members                           | 430,553                                        | 115,845                                      | 31,208                                 | 577,606       |
| State of Florida                       | -                                              | 229,051                                      | 175,171                                | 404,222       |
| Total contributions                    | 2,681,430                                      | 1,112,523                                    | 801,162                                | 4,595,115     |
| Investment income                      | 7,723,317                                      | 4,991,682                                    | 2,898,098                              | 15,613,097    |
| Less investment expenses:              |                                                |                                              |                                        |               |
| Performance evaluation                 | 25,000                                         | 26,500                                       | 26,500                                 | 78,000        |
| Custodial fees                         | 15,681                                         | 13,120                                       | 7,724                                  | 36,525        |
| Investment management fees             | 53,306                                         | 21,780                                       | -                                      | 75,086        |
| Total investment expenses              | 93,987                                         | 61,400                                       | 34,224                                 | 189,611       |
| Net investment income                  | 7,629,330                                      | 4,930,282                                    | 2,863,874                              | 15,423,486    |
| Total additions                        | 10,310,760                                     | 6,042,805                                    | 3,665,036                              | 20,018,601    |
| <b>DEDUCTIONS</b>                      |                                                |                                              |                                        |               |
| Administrative expenses:               |                                                |                                              |                                        |               |
| Legal                                  | 9,509                                          | 15,965                                       | 17,263                                 | 42,737        |
| Administrator fee                      | 52,015                                         | 25,452                                       | 16,955                                 | 94,422        |
| Actuarial                              | 27,572                                         | 27,268                                       | 28,632                                 | 83,472        |
| Travel, training and other             | 8,440                                          | 896                                          | 7,288                                  | 16,624        |
| Accounting                             | 3,106                                          | 14,400                                       | 10,800                                 | 28,306        |
| Insurance                              | 6,216                                          | 4,367                                        | 3,005                                  | 13,588        |
| Audit                                  | 5,725                                          | 6,175                                        | 6,175                                  | 18,075        |
| Total administrative expenses          | 112,583                                        | 94,523                                       | 90,118                                 | 297,224       |
| Payments to retirees and participants  | 2,660,842                                      | 1,678,092                                    | 749,991                                | 5,088,925     |
| Total deductions                       | 2,773,425                                      | 1,772,615                                    | 840,109                                | 5,386,149     |
| <b>CHANGE IN NET POSITION</b>          | 7,537,335                                      | 4,270,190                                    | 2,824,927                              | 14,632,452    |
| <b>NET POSITION, beginning of year</b> | 35,488,223                                     | 21,528,945                                   | 12,685,367                             | 69,702,535    |
| <b>NET POSITION, end of year</b>       | \$ 43,025,558                                  | \$ 25,799,135                                | \$ 15,510,294                          | \$ 84,334,987 |



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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, 2024

| 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) | 16                                                                                                                                                                                                                                                                                                                                                                                                                |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |
| All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.                                                                                                                                                                                          | Section 218.32(1)(e)(2)(c) | \$1,282,727 for the fiscal year ended September 30, 2024                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |
| All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.                                                                                                                                                                | Section 218.32(1)(e)(2)(d) | \$1,091,359 for the fiscal year ended September 30, 2024                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |
| 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, 2024 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></th><th><u>Estimated</u></th><th><u>Expenses incurred through September 30, 2024</u></th></tr><tr><td><u>Project</u></td><td><u>Total Cost</u></td><td></td></tr><tr><td>Tower rehabilitation</td><td>\$251,127</td><td>\$231,037</td></tr><tr><td>T-Hangars</td><td>\$2,448,466</td><td>\$79,531</td></tr><tr><td>T-Hangars – Taxi lanes</td><td>\$2,446,619</td><td>\$224,556</td></tr></table> |  | <u>Estimated</u> | <u>Expenses incurred through September 30, 2024</u> | <u>Project</u> | <u>Total Cost</u> |  | Tower rehabilitation | \$251,127 | \$231,037 | T-Hangars | \$2,448,466 | \$79,531 | T-Hangars – Taxi lanes | \$2,446,619 | \$224,556 |
|                                                                                                                                                                                                                                                                                                  | <u>Estimated</u>           | <u>Expenses incurred through September 30, 2024</u>                                                                                                                                                                                                                                                                                                                                                               |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |
| <u>Project</u>                                                                                                                                                                                                                                                                                   | <u>Total Cost</u>          |                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |
| Tower rehabilitation                                                                                                                                                                                                                                                                             | \$251,127                  | \$231,037                                                                                                                                                                                                                                                                                                                                                                                                         |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |
| T-Hangars                                                                                                                                                                                                                                                                                        | \$2,448,466                | \$79,531                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |
| T-Hangars – Taxi lanes                                                                                                                                                                                                                                                                           | \$2,446,619                | \$224,556                                                                                                                                                                                                                                                                                                                                                                                                         |  |                  |                                                     |                |                   |  |                      |           |           |           |             |          |                        |             |           |

## **GOVERNMENT AUDITING SECTION**

**CITY OF BARTOW, FLORIDA**Schedule of Expenditures of Federal Awards and State Financial Assistance  
for the year ended September 30, 2024**FEDERAL PROGRAMS:**

| <b>Federal Grants</b>                                                  |            | <b>Contract/Grant</b>   | <b>Total</b>        |
|------------------------------------------------------------------------|------------|-------------------------|---------------------|
| <b>Funding Source and Grant Program</b>                                | <b>AL#</b> | <b>Identification</b>   | <b>Expenditures</b> |
| <b>U.S Department of Transportation:</b>                               |            |                         |                     |
| Direct program:                                                        |            |                         |                     |
| Federal Aviation Administration                                        |            |                         |                     |
| Airport Improvement Program:                                           |            |                         |                     |
| Hangar Taxilane                                                        | 20.106     | 3-12-0005-041-2022      | \$ 20,797           |
| Total U.S Department of Transportation                                 |            |                         | 20,797              |
| <b>U.S. Department of Homeland Security</b>                            |            |                         |                     |
| Pass through program:                                                  |            |                         |                     |
| Florida Division of Emergency Management                               |            |                         |                     |
| Disaster Grants - Public Assistance Program:                           |            |                         |                     |
| Hurricane Irma                                                         | 97.036     | DR-4337-FL              | 95,793              |
| Hurricane Ian                                                          | 97.036     | DR-4673-FL              | 152,150             |
| Total U.S. Department of Homeland Security                             |            |                         | 247,943             |
| <b>U.S. Department of Justice</b>                                      |            |                         |                     |
| Passed through:                                                        |            |                         |                     |
| Florida Department of Law Enforcement:                                 |            |                         |                     |
| Edward Byrne Memorial Justice Assistance Grant:                        |            |                         |                     |
| Equipment modernization                                                | 16.738     | 15PBJA-22-GG-00656-MUMU | 25,712              |
| Emergency communications equipment                                     | 16.738     | 15PBJA-22-GG-00656-MUMU | 4,399               |
| Total U.S. Department of Justice                                       |            |                         | 30,111              |
| <b>U.S. Department of Treasury</b>                                     |            |                         |                     |
| Passed through State of Florida Division of Emergency Management       |            |                         |                     |
| Coronavirus State and Local Fiscal Recovery Funds                      | 21.027     | n/a                     | 1,879,787           |
| Passed through State of Florida Department of Environmental Protection |            |                         |                     |
| Coronavirus State and Local Fiscal Recovery Funds                      | 21.027     | 23PLN125                | 3,263               |
| Total U.S. Department of Treasury                                      |            |                         | 1,883,050           |
| Total Expenditures of Federal Awards                                   |            |                         | \$ 2,181,901        |

Continued...

**CITY OF BARTOW, FLORIDA**

Schedule of Expenditures of Federal Awards and State Financial Assistance (concluded)  
for the year ended September 30, 2024

**STATE PROGRAMS:**

| <u>Funding Source and Grant Program</u>                   | <u>CSFA#</u> | <u>Contract/Grant<br/>Identification</u> | <u>Total<br/>Expenditures</u> |
|-----------------------------------------------------------|--------------|------------------------------------------|-------------------------------|
| <b>State of Florida Department of Management Services</b> |              |                                          |                               |
| <b>State of Florida Department of Transportation</b>      |              |                                          |                               |
| Direct programs:                                          |              |                                          |                               |
| Aviation Grant Program:                                   |              |                                          |                               |
| Airport Security                                          | 55.004       | 450676-1-94-01                           | \$ 291,548                    |
| T-Hangar Design                                           | 55.004       | 439944-1-94-01                           | 13,350                        |
| Remote Towers                                             | 55.004       | 454153-1-94-01                           | 390,166                       |
| North Ramp Rehb                                           | 55.004       | 454736-1-94-01                           | 2,800                         |
| Rehab ATCT                                                | 55.004       | 454153-1-94-01                           | 184,830                       |
| Total Aviation Grant Program                              |              |                                          | 882,694                       |
| Intermodal Access Development Program:                    |              |                                          |                               |
| Entrance Road                                             | 55.014       | 450036-1-94-01                           | 96,896                        |
| Local Transportation Projects:                            |              |                                          |                               |
| Building Rehab                                            | 55.039       | 452131-3-94-01                           | 1,100,838                     |
| Total State of Florida Department of Transportation       |              |                                          | 2,080,428                     |
| Total Expenditures of State Financial Assistance          |              |                                          | \$ 2,080,428                  |

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, 2024

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### **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, 2024.

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, 2024, 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, 2024.

### **NOTE 6 – DISASTER GRANT REVENUE RECOGNIZED FOR PRIOR-YEAR EXPENDITURES**

During the fiscal year ended September 30, 2024, the City recognized federal disaster grant revenue under the Public Assistance Program (ALN 97.036) totaling \$247,943. These funds represent reimbursements for eligible expenditures that were originally incurred and recorded in prior fiscal years related to disaster response and recovery efforts following Hurricane Irma (2017) and Hurricane Ian (2022).

**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, 2024, 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 24, 2025. 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 auditors' 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.

**CERTIFIED PUBLIC ACCOUNTANTS**

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

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Members of American and Florida Institutes of Certified Public Accountants

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

**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*.

**City of Bartow, Florida’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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.

*Purvis Gray*

June 24, 2025  
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, 2024. 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, 2024.

***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; 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 on 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.

*Purvis Gray*

June 24, 2025  
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, 2024**

**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?                      | Yes           |
| 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/Projects:                                                                                                   |               |
| Material weakness(es) identified?                                                                                                                | No            |
| Significant deficiency(ies) identified?                                                                                                          | None reported |
| Type of Auditor's Report Issued on Compliance for Major Programs/Projects                                                                        | 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**

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

**State Financial Assistance Projects**

|                                                                                             |                 |
|---------------------------------------------------------------------------------------------|-----------------|
| <b>Florida Department of Transportation</b>                                                 |                 |
| Local Transportation Projects                                                               | CSFA No. 55.039 |
| 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:   | \$624,128       |
| Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?                     | Yes             |

**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, 2024**

**PART B - FINDINGS - FINANCIAL STATEMENT AUDIT**

■ **2024-001 – Inadequate Controls Over Capital Asset Recognition and Reporting**

**Condition**—During the audit, we identified multiple deficiencies in internal controls over the recognition and reporting of capital assets, including misclassifications, omissions, and inaccuracies that required significant audit adjustments. These deficiencies include:

- A \$1,392,387 fire truck purchase that was improperly recorded as capital outlay rather than a prepaid expenditure, as the asset will not be received until a future period. This amount was also included in the draft Schedule of Expenditures of State Financial Assistance as a state expenditure.
- Failure to record the disposal of a traded-in sanitation truck, resulting in an overstatement of capital assets and accumulated depreciation by \$259,383 and \$220,476, respectively, and an understatement of loss on disposal by \$56,200.
- Inclusion of \$3,308,887 in infrastructure donations that were not actually owned by the City as of year-end, requiring a subsequent adjustment to remove the unsupported addition.

**Criteria**—Management is responsible for establishing and maintaining effective internal control over financial reporting to ensure that transactions are properly recorded in accordance with generally accepted accounting principles (GAAP).

**Cause**—The deficiencies appear to result from insufficient review and reconciliation procedures related to capital asset transactions and inadequate communication between departments responsible for asset tracking, accounting, and reporting.

**Effect**—The internal control deficiencies resulted in material misstatements in the financial statements that were not prevented or detected by the City's internal control system. These misstatements were identified and corrected during the audit.

**Recommendation**—We recommend that management strengthen internal controls over capital asset reporting. This should include improved procedures for year-end asset review, better communication between departments regarding asset activity, and enhanced training to ensure accurate classification and timing of asset transactions in accordance with GAAP.

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

None

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

None

**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, 2024**

**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's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. 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, 2024.

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.

*Purvis Gray*

June 24, 2025  
Sarasota, Florida

### CERTIFIED PUBLIC ACCOUNTANTS

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Members of American and Florida Institutes of Certified Public Accountants

## 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, 2024, and have issued our report thereon dated June 24, 2025. 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 the 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 and schedule, which are dated June 24, 2025, 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. There were no findings in the preceding annual 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.

### **Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City must state whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. Management has stated that a PACE program did not operate within the City's geographical boundaries during the fiscal year under audit.

### **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 97 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.

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

## MANAGEMENT LETTER

### **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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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.

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.

*Purvis Gray*

June 24, 2025  
Sarasota, Florida

## **MANAGEMENT RESPONSE LETTER**



June 30, 2025

Tiffany Mangold, CPA

Audit Director

Purvis Gray

5001 Lakewood Ranch Blvd., Suite 101

Sarasota, FL 34240

RE: Response to Auditor's Comments for City of Bartow 23-24 Audit Findings

The following is the City of Bartow response to the independent auditor's management letter comments.

**2024-001 – Inadequate Controls Over Capital Asset Recognition and Reporting**

**Condition**—During the audit, we identified multiple deficiencies in internal controls over the recognition and reporting of capital assets, including misclassifications, omissions, and inaccuracies that required significant audit adjustments. These deficiencies include:

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**Criteria**—Management is responsible for establishing and maintaining effective internal control over financial reporting to ensure that transactions are properly recorded in accordance with generally accepted accounting principles (GAAP).

**Cause**—The deficiencies appear to result from insufficient review and reconciliation procedures related to capital asset transactions and inadequate communication between departments responsible for asset tracking, accounting, and reporting.

**Effect**—The internal control deficiencies resulted in material misstatements in the financial statements that were not prevented or detected by the City's internal control system. These misstatements were identified and corrected during the audit.

**Recommendation**—We recommend that management strengthen internal controls over capital asset reporting. This should include improved procedures for year-end asset review, better communication between departments regarding asset activity, and enhanced training to ensure accurate classification and timing of asset transactions in accordance with GAAP.

**Management's Response to Comment 2024-001 – Inadequate Controls Over Capital Asset Recognition and Reporting**

The City agrees with the auditor's comments and will implement the following recommendation>

The City has transitioned the department responsible for tracking, acceptance and approval of donated assets. The Finance Department has trained and clarified with this department when assets should be capitalized and the proper recognition of assets. The City will also implement periodic reviews, including year-end review, of any assets and the appropriate recording of capital assets and the disposals.