CITY OF BARTOW, FLORIDA

FINANCIAL STATEMENTS AND AUDITOR'S REPORTS

September 30, 2025

FINANCIAL SECTION

SUPPLEMENTARY INFORMATION

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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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police Officers' Retirement Trust Fund or the Firefighters' Retirement Trust Fund, which represent 41.0% and 11.9%, respectively, of the assets and expenditures/deductions of the aggregate remaining fund information as of September 30, 2025. 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.

Emphasis of Matter - Change in Accounting Principle

In 2025, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences,* and Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

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.

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

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents (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.

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

INDEPENDENT AUDITOR'S REPORT

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.

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 30, 2026, 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 30, 2026
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 auditor's 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 2025 by $162,809,586 (net position). The City reports an unrestricted net position deficit of ($4,944,394) compared to a positive $7,417,883 in the prior year, a decline of $12,362,277 or 167%.
- The City's total net position increased by $13,243,729 during the year or a 9% increase compared to the prior year's net position. Net position for governmental activities increased by $4,682,949 (13%) while the business-type activities' net position increased by $8,560,780 (7%).
- Total combined revenues resulting from governmental activities and business-type activities increased $2,798,642 or 3% when compared to the prior year.
- Total combined expenses resulting from governmental activities and business-type activities increased $8,219,241 or 10% 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 $35,359,595 an increase of $2,285,892 or 7% for the year.
- The City's business-type activities transferred $10,366,751 to cover the cost of governmental activities not funded by taxes or user fees for the fiscal years ended September 30, 2025 compared to $9,916,751 in the prior year.

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.

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 $162,809,586. The following table reflects a summary of net position compared to the prior year. For additional information, see the Statement of Net Position by referring to the table of contents of this report.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 38,790,563	$ 37,860,420	$ 69,817,823	$ 73,405,351	$ 108,608,386	$ 111,265,771
Capital assets	41,710,232	37,879,091	122,863,043	105,879,632	164,573,275	143,758,723
Total assets	80,500,795	75,739,511	192,680,866	179,284,983	273,181,661	255,024,494
Deferred outflows	10,322,275	15,483,544	3,117,888	4,529,678	13,440,163	20,013,222
Current liabilities	2,538,052	3,852,119	11,070,419	10,780,602	13,608,471	14,632,721
Non-current liabilities	34,439,358	39,410,814	45,029,396	40,859,580	79,468,754	80,270,394
Total liabilities	36,977,410	43,262,933	56,099,815	51,640,182	93,077,225	94,903,115
Deferred inflows	12,312,200	11,189,390	18,422,813	19,604,081	30,735,013	30,793,471
Net position:						
Net investment in capital assets	41,100,858	36,464,962	96,580,578	80,604,235	137,681,436	117,069,197
Restricted	9,328,934	7,716,129	20,743,610	17,137,921	30,072,544	24,854,050
Unrestricted	(8,896,332)	(7,410,359)	3,951,938	14,828,242	(4,944,394)	7,417,883
Total net position	$ 41,533,460	$ 36,770,732	$ 121,276,126	$ 112,570,398	$ 162,809,586	$ 149,341,130

On September 30, 2025, approximately 85% 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 78% 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 18% of the City's net position represents resources that are subject to external restrictions on how they may be used. That compares to 17% in the prior year. The remaining balance of unrestricted net position totals a deficit of ($4,944,394) or -3% of City's net position in 2025, compared to a positive $7,417,883 or 5% of total net position in the prior year. This is a decrease in unrestricted net position of $12,362,277 or 167% for the year.

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

Statement of Activities (Summary)
For the year ended September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues:						
Program Revenues:						
Charges for services	$ 6,899,887	$ 6,355,585	$ 62,616,469	$ 56,605,847	$ 69,516,356	$ 62,961,432
Operating grants/contrib.	1,592,594	1,311,727	-	-	1,592,594	1,311,727
Capital grants/contrib.	1,439,401	4,614,816	9,992,424	12,094,844	11,431,825	16,709,660
General revenues:						
Property taxes - General	6,551,951	5,901,699	-	-	6,551,951	5,901,699
Property taxes - CRA	2,535,260	2,385,019	-	-	2,535,260	2,385,019
Pub svc tax/franchise fees	3,354,908	3,063,173	-	-	3,354,908	3,063,173
Transportation fuel taxes	1,115,596	1,085,238	-	-	1,115,596	1,085,238
State shared revenue	2,588,280	2,635,369	-	-	2,588,280	2,635,369
Other	2,039,292	3,425,946	1,991,103	439,260	4,030,395	3,865,206
Total revenues	28,117,169	30,778,572	74,599,996	69,139,951	102,717,165	99,918,523
Expenses:						
Governmental activities:						
General government	3,228,774	4,465,905	-	-	3,228,774	4,465,905
Law enforcement	9,512,505	8,810,867	-	-	9,512,505	8,810,867
Fire control	4,477,600	4,145,355	-	-	4,477,600	4,145,355
Code enforcement	486,985	314,632	-	-	486,985	314,632
Building and zoning	519,209	313,875	-	-	519,209	313,875
Public works	1,591,817	1,419,947	-	-	1,591,817	1,419,947
Transportation	2,129,797	1,773,410	-	-	2,129,797	1,773,410
Library	1,735,887	1,807,744	-	-	1,735,887	1,807,744
Parks and recreation	8,175,159	7,178,193	-	-	8,175,159	7,178,193
Community redevelopment	1,887,556	1,526,866	-	-	1,887,556	1,526,866
Interest on long-term debt	55,682	12,729	-	-	55,682	12,729
Business-type activities:						
Electric	-	-	30,240,858	24,639,151	30,240,858	24,639,151
Water	-	-	6,639,898	6,066,522	6,639,898	6,066,522
Wastewater	-	-	5,415,308	4,994,375	5,415,308	4,994,375
Sanitation	-	-	5,559,577	5,184,074	5,559,577	5,184,074
Stormwater	-	-	1,179,310	1,014,872	1,179,310	1,014,872
Information technology	-	-	232,919	110,546	232,919	110,546
Airport	-	-	6,404,595	7,475,132	6,404,595	7,475,132
Total expenses	33,800,971	31,769,523	55,672,465	49,484,672	89,473,436	81,254,195
Transfers in (out)	10,366,751	9,916,751	(10,366,751)	(9,916,751)	-	-
Change in Net Position	4,682,949	8,925,800	8,560,780	9,738,528	13,243,729	18,664,328
Net position - Beginning	36,770,732	27,844,932	112,570,398	102,831,870	149,341,130	130,676,802
Restatement	79,779	-	144,948	-	224,727	-
Net position - Ending	$ 41,533,460	$ 36,770,732	$ 121,276,126	$ 112,570,398	$ 162,809,586	$ 149,341,130

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 2025, governmental activities net position increased by $4,682,949 compared to an increase in 2024 of $8,925,800, which was a decline of $4,242,851 or 48%. However, this required transfers from business-type activities of $10,366,751 in 2025 and $9,916,751 in the prior year to achieve these results. Overall, total revenues-governmental activities were down $2,661,403 or 9% while total expenses were up $2,031,448 or 6%, and transfers to the governmental activities increased by $450,000 or 5%. Following are key changes in the statement of activities from 2024 to 2025:

- Property taxes are up $800,493 or 11% in 2025 compared to 2024. The City's millage rate remained at 6.1080 in 2025, the same as the prior year. The increased revenue is due to increased property values within the City.
- Capital grants and contributions revenue decreased by $3,175,415, or 69%, compared to 2024. The decrease was primarily driven by $2,280,702 in grant funding for the construction of a sports facility in the prior year that did not recur in the current year. In addition, impact fee revenue decreased by approximately $385,000 or 28% resulting from decreased construction activity within the City in 2025.
- Other general revenues decreased by $1,386,654, or 40%, due to various factors, with the most significant being an approximate decline of $507,000 in insurance reimbursements and an approximately $718,000 (67%) decrease in parks and recreation recoupment fees, the latter driven by decreased construction activity within the City in 2025 compared to 2024.

On the expense side, significant changes were as follows:

- General government expenses decreased by $1,237,131 or 28% in 2025 compared to 2024 caused by a myriad of changes across a diverse range of expense categories including the following changes:
    - Repair and maintenance expenses decreased approximately $332,000 or 20% due to timing of such expenses.
    - Judgements and damages decreased by approximately $525,600 (100%) due to decreased workers compensation claim expenses in 2025 compared to 2024.
    - Software related expenses increased by approximately $207,000 mainly due to the license payments for computing, storage and networking solutions.
- Law enforcement expenses increased by $701,638 or 8% in 2025 compared to 2024 mainly due to increased personnel related costs which increased by approximately $574,000 or 8% due to increased wage rates and related personnel expenses. Traffic safety and enforcement program expenses caused expenses to increase by approximately $134,000.

- Fire control expenses increased by $332,245 or 8% in 2025 compared to 2024 mainly due to increased personnel expenses of approximately $289,000 (8%) due to increased wage rates and related personnel expenses.
- Parks and recreation expenses increased by $996,966 or 14% in 2025 compared to 2024 mainly due to increased personnel expenses of approximately $421,000 (13%), increased athletic field and general landscaping maintenance expenses of approximately $258,000 (84%) and increased depreciation expense of approximately $554,000 (108%). Increased personnel costs were due to wage rate increases and other increasing personnel related expenses. Increased depreciation expense is directly driven by increased acquisition and construction of capital assets in the parks and recreation function.
- Transportation expenses increased by $356,387, or 20%, primarily due to higher personnel costs of approximately $100,300, or 79%, resulting from increased wage rates, related personnel expenses, and additional staff allocated to this function. Contract services expenses increased by approximately $95,000, or 81%, due to an ongoing City-wide traffic safety study. Depreciation expense increased by approximately $26,000, or 4%, reflecting increased acquisition and construction of transportation-related infrastructure.
- Community redevelopment expenses increased by $360,690, or 24%, in 2025 compared to 2024, primarily due to higher project-related costs. These increases included redevelopment incentives and non-capital grant expenses, as well as community redevelopment planning projects such as the Main Street streetscaping plan, CRA feasibility study, and office renovation plans, among others.
- Remaining program expenses increased by approximately $348,300, or 10%, in 2025 compared to 2024, primarily due to higher contract consulting services, which increased by approximately $390,000, or 329%.

Business-type activities

Business-type activities experienced an increase in net position of $8,560,780 compared to an increase of $9,738,528 in the prior year, a decline of $1,177,748 or 12%. This is after the transfer supporting governmental activities discussed above.

- Revenues increased by approximately $5,460,000 or 8% mainly due to the following:
    - Charges for services revenue increased by approximately $6,010,000 or 11% due to additional customers and scheduled rate increases.
    - Capital grants and contributions decreased by approximately $2,102,000 or 17% mainly due to decreased impact fee collections of approximately $2,000,000 (50%) due to decreased construction activity within the City.

- Total expenses increased by approximately $6,188,000 or 13% due mainly to the following significant net effects:
  - Electric expenses increased by approximately $5,601,000 (23%) due mainly to the following:
    - Increased power costs of approximately $1,900,000 or 13% due to the cost of electricity.
    - Increased mutual aid assistance expenses of approximately $1,700,000 due to the extent of assistance of other electric utilities under mutual aid agreements.
    - Increased repair and maintenance of approximately $220,000 or 15% due to the timing of repair and maintenance events.
    - Increased personnel related expenses of approximately $260,000 or 7% due to wage and other personnel expense increases.
  - Airport expenses decreased by approximately $1,070,000 (14%) caused mainly by decreased operating expenses of approximately $1,070,000 (14%) due to decreased personnel related expenses of approximately $271,000 (15%), decreased other operating expenses of approximately $460,000 (17%) and decreased fuel expenses of approximately $270,000 (17%).
- Operating income for all business-type activities for 2025 was $7,388,324 or 12% of operating revenue compared to 2024 operating income of $7,451,049 which represented 13% 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 $35,359,595. Of this amount, $2,701,827 or 8% is non-spendable, $9,328,934 or 26% is legally restricted for specific purposes, $12,973,701 or 37% has been assigned by the City Commission, and $10,355,133 or 29% 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 $18,172,946, and total fund balance was $23,631,130. This represents 67% and 88% respectively, of total General Fund expenditures for the year ended September 30, 2025.

In the General Fund, the change in fund balance for the year went from an increase of $1,696,745 in 2024, to a decrease of $3,811,355 in 2025, a deterioration of $5,508,100.

Following is a summary of the notable changes from 2024 to 2025:

- Revenues were down $2,762,200 or 12% due to the following:
    - Tax revenue increased by approximately $984,000 or 11% mainly due to increased property tax revenue of $650,252.
    - Intergovernmental revenue decreased by approximately $2,432,000, or 39%, primarily because local grant revenue of approximately $2,820,000 recognized in the prior year for the construction of a sports facility did not recur in 2025.
    - Other revenue decreased by approximately $1,174,000 or 43% due to a decrease of approximately $830,000 (50%) in impact and recoupment fees due to decreased construction within the City.
- Expenditures decreased $3,370,131 or 11%. The expenditure category that changed the most was capital outlay which decreased by approximately $3,828,000 or 44% due to decreased projects and other capital purchases such as equipment and vehicles. Additionally,
    - General government expenditures decreased by approximately $1,195,000 mainly due to the following:
        - Repair and maintenance expenses decreased approximately $332,000 or 20% due to timing of such expenses.
        - Judgements and damages decreased by approximately $525,600 (100%) due to decreased workers compensation claim expenses in 2025 compared to 2024.
        - Software related expenses increased by approximately $207,000 mainly due to the license payments for computing, storage and networking solutions.
    - Culture/recreation expenditures increased by approximately $642,000 or 8% mainly due to an increase of approximately $481,000 or 11% in personnel related expenditures and increased athletic field and general landscaping maintenance expenses of approximately $258,000 (84%).
    - Public safety expenditures increased by approximately $796,000 or 10% mainly due to the following:
        - Traffic safety and enforcement program expenses caused expenses to increase by approximately $134,000 as this was a new program in 2025.
        - Personnel-related expenditures increased by approximately $446,000, or 7%, due to higher wage rates and other personnel-related cost increases.

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 $2,030,185. The change in fund balance for the year improved from a decrease of $326,299 in 2024 to a decrease of $53,013 in 2025, an improvement of $273,286.

Following is a summary of the significant changes from 2024 to 2025:

- Total property tax increment revenue increased by approximately $150,200 or 6% due mainly to increased value of the properties within the CRA District.

- Total expenditures increased by approximately $647,000, or 32%, primarily due to higher redevelopment projects, grants, and program expenditures of approximately $352,000, as well as increased consultant expenditures of approximately $390,000. The increase in consultant expenditures was related to community redevelopment planning projects, including the Main Street streetscaping plan, CRA feasibility study, and office renovation plans, among others.

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 2024 to 2025, by major fund:

- In the Electric Fund, the change in net position declined from a decrease of $885,417 in 2024 to a decrease of $1,990,052 in 2025, a deterioration of $1,104,635 or 125%. The decline was primarily due to lower operating income, which decreased by approximately $3,437,000 or 34%. Operating revenues increased by approximately $2,022,000 or 6%; however, this increase was more than offset by higher operating expenses, which increased by approximately $5,460,000 or 22%. The decrease in net position was partially offset by a significant uncollectible receivable of $3,040,877 recognized in the prior year that did not recur in the current year. Investment earnings also declined by approximately $228,000 or 32% due to a lower investment balance.

- In the Water Fund, the change in net position decreased from an increase of $4,791,415 in 2024 to an increase of $2,806,641 in 2025, a deterioration of approximately $1,985,000 or 41%. Operating income improved by approximately $1,216,000, as operating revenues increased by approximately $1,830,000 or 31%, while operating expenses increased by approximately $613,000 or 11%. This improvement was more than offset by a decrease in capital contributions of approximately $2,487,000 or 64%, primarily due to decreases in impact fees of approximately $1,301,000 or 57% and grant revenue of approximately $1,185,000 or 73%. The decrease in capital contributions was mainly attributable to slowing construction activity within the City and fewer grant-funded projects.

- In the Wastewater Fund, the change in net position deteriorated from an increase of $5,892,531 in 2024 to an increase of $2,491,952 in 2025, a decline of $3,400,579 or 58%. Operating revenue increased by approximately $368,000 or 7% and operating expenses decreased by approximately $432,000 or 9%. Total capital contributions decreased by approximately $2,878,000 or 50% due to decreased impact fees of approximately $685,000 or 40%, and decreased grant revenue of approximately $2,143,000 or 55%. The decrease in capital contributions was mainly attributable to slowing construction activity within the City and fewer grant-funded projects.

- In the Airport Fund, the change in net position improved from an increase of $1,221,069 in 2024 to an increase of $5,509,061 in 2025, an improvement of $4,287,992 or 351%. Operating revenues decreased by approximately $65,000 or 1%, while operating expenses decreased by approximately $1,070,000 or 14%, resulting in improved operating results. Capital grants increased by approximately $3,283,000 or 156% compared to the prior year, primarily due to an increase in grant-funded projects.

Fiduciary Funds. The City also reports fiduciary funds for resources held for the benefit of parties outside the City. Because these resources are not available to support the City's own programs, fiduciary fund activities are excluded from the government-wide financial statements. The City reports two types of fiduciary funds, a custodial fund and three single employer defined benefit pension plans trust funds for its employees.

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 2025 General Fund budget anticipated using $10,660,217 of beginning fund balance during 2025. Amendments to the original budget increased anticipated revenues, increased budgeted expenditures, and increased other financing sources, resulting in a final budgeted use of fund balance of $14,314,768.

The original revenue budget was increased by $190,000, primarily due to an increase in budgeted other revenues. The original expenditure budget was increased by $3,954,551, with increases spread across various functions and departments, including general government, public safety, physical environment, and culture/recreation. Budgeted other financing sources increased by $110,000, primarily due to anticipated insurance recoveries.

Actual results for 2025 decreased fund balance by $3,811,355, which was $10,503,413 better than the final amended budget. Actual revenues were $21,062,365, which was $1,824,537 or approximately 9% more than the final amended budget, primarily due to greater than anticipated taxes, licenses and permits, intergovernmental revenue, charges for services, investment income, and other revenues. Actual expenditures were $28,148,971, which was $8,447,404 or approximately 23% less than the final amended budget, primarily due to expenditures being less than budgeted in public safety, physical environment, and culture/recreation. Actual other financing sources were $3,275,251, which was $231,472 more than the final amended budget, primarily due to insurance recoveries and the sale of general capital assets.

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, 2025, totals $164,573,275 (net of accumulated depreciation), an increase of $20,814,552 or 14% for the current year. Governmental activities' additions/disposals were $6,459,316 and depreciation expense was $2,628,175 for a net increase of $3,831,141. Business-type net additions/disposals were $22,280,141, depreciation expense was $5,296,730 for a net increase of $16,983,411. Following is a schedule of capital assets at the end of the current and prior year:

Capital Assets Activity
(net of accumulated depreciation)
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 7,039,940	$ 6,999,697	$ 1,724,880	$ 1,662,582	$ 8,764,820	$ 8,662,279
Buildings and improvements	27,389,003	25,473,717	171,274,575	162,192,538	198,663,578	187,666,255
Equipment	11,598,504	10,159,721	18,833,055	15,942,340	30,431,559	26,102,061
Infrastructure	38,337,636	37,172,411	-	-	38,337,636	37,172,411
Right to use leased assets	212,875	212,875	-	-	212,875	212,875
Subscription assets	450,281	450,281	-	-	450,281	450,281
Construction in progress	1,995,807	488,026	45,834,027	36,735,621	47,829,834	37,223,647
Accumulated Depreciation	(45,313,814)	(43,077,637)	(114,803,494)	(110,653,449)	(160,117,308)	(153,731,086)
Total	$ 41,710,232	$ 37,879,091	$ 122,863,043	$ 105,879,632	$ 164,573,275	$ 143,758,723

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.

Long-term obligations. At the end of the current fiscal year, the City's long-term obligations totaled $79,468,754 compared to $80,270,394 at the end of 2024. 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, notes, leases payable, subscriptions payable and loan guarantees payable.

Long-Term Obligations
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Bonds and notes payable	$ -	$ 319,259	$ 31,053,130	$ 26,035,226	$ 31,053,130	$ 26,354,485
Loan guarantee payable	-	-	797,878	782,452	797,878	782,452
Leases payable	113,532	180,376	-	-	113,532	180,376
Subscriptions payable	297,964	356,435	-	-	297,964	356,435
Estimated workers compensation claims	690,570	822,723	-	-	690,570	822,723
Other post employment benefits	18,504,935	17,293,343	7,565,042	7,416,533	26,069,977	24,709,876
Net pension liability	12,162,010	18,763,229	3,955,483	5,537,740	16,117,493	24,300,969
Compensated absences	2,670,347	1,675,449	1,657,863	1,087,629	4,328,210	2,763,078
Total	$ 34,439,358	$ 39,410,814	$ 45,029,396	$ 40,859,580	$ 79,468,754	$ 80,270,394

At the end of the current fiscal year, the City's *long-term debt* totaled $32,262,504, compared to $27,673,748 at the end of 2024, an increase of $4,588,756 or 17%. Of the year-end balance, $411,496 related to governmental activities and $31,851,008 related to business-type activities. The net increase in long-term debt during 2025 was primarily attributable to the issuance of the FMPA Note Payable, Series 2025, partially offset by 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 $47,206,250 compared to $52,596,646 at the end of 2024. Of the year-end balance, $34,027,862 was in governmental activities and $13,178,388 was in business-type activities. The total OPEB liability increased by $1,360,101 during 2025 and the net pension liabilities decreased by $8,183,476.

Factors considered in preparing the City's 2025-26 fiscal year budget were:

- The unemployment rate for the Central Florida area as of September 2025 was 4.1%, compared to 4.2% statewide and 4.4% nationally.
- The operating millage rate for the 2025-26 fiscal year remained unchanged at $6.1080 per $1,000.00 of taxable value.
- The taxable value of commercial and residential property increased $1,554,008,711 or 15% in the 2025 tax year (fiscal year ending September 30, 2026).
- In accordance with City rate studies, rates were increased during the year, including increases of 15% for water, 3% for wastewater, 9% for solid waste collection, and 3% for stormwater. In addition, an electric rate study was completed and implemented in April 2025.
- The City's population has increased to approximately 23,135 or 12% in 2025 based on State estimates. No significant changes in population are expected for the 2025-26 fiscal year.

REQUEST FOR INFORMATION

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

CITY OF BARTOW, FLORIDA
Statement of Net Position
September 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	$ 2,379,510	$ 12,475,168	$ 14,854,678
Investment securities	15,035,167	3,875,287	18,910,454
Receivables, current:			
Customer accounts, net	635,830	7,945,130	8,580,960
Intergovernmental and other	781,080	2,774,071	3,555,151
Lease receivable	-	1,720,318	1,720,318
Accrued income	18,553	-	18,553
Inventory and prepaids	2,701,827	3,757,526	6,459,353
Internal balances	2,356,732	(2,356,732)	-
Receivables, noncurrent:			
Lease receivable	-	13,360,082	13,360,082
Restricted assets:			
Equity in pooled cash and cash equivalents	14,767,659	25,965,355	40,733,014
Customer receivable	114,205	301,618	415,823
Capital assets:			
Non-depreciable	9,035,747	47,558,907	56,594,654
Depreciable, net	32,674,485	75,304,136	107,978,621
TOTAL ASSETS	80,500,795	192,680,866	273,181,661
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	6,088,685	1,423,553	7,512,238
Deferred outflows - loss on refunding	-	72,311	72,311
Deferred outflows related to OPEB	4,233,590	1,622,024	5,855,614
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,322,275	3,117,888	13,440,163
LIABILITIES			
Accounts payable and accrued expenses	1,649,790	3,148,468	4,798,258
Construction costs payable	197,878	1,628,702	1,826,580
Accrued wages	381,747	143,201	524,948
Due to other governments	303,189	-	303,189
Unearned revenue	5,448	2,887,552	2,893,000
Accrued interest payable	-	191,078	191,078
Customer deposits	-	3,071,418	3,071,418
Long-term obligations:			
Due within one year	137,663	2,458,866	2,596,529
Due in more than one year	34,301,695	42,570,530	76,872,225
TOTAL LIABILITIES	36,977,410	56,099,815	93,077,225
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,200,645	463,871	2,664,516
Deferred inflows related to OPEB	10,111,555	3,825,380	13,936,935
Deferred inflows related to leases	-	14,133,562	14,133,562
Total deferred inflows of resources	12,312,200	18,422,813	30,735,013
NET POSITION			
Net investment in capital assets	41,100,858	96,580,578	137,681,436
Restricted for:			
General government facilities	2,717,263	-	2,717,263
Community redevelopment	2,021,434	-	2,021,434
Transportation	2,948,418	-	2,948,418
Building code enforcement	1,641,819	-	1,641,819
Municipal Airport activities	-	6,453,762	6,453,762
Debt service	-	1,610,859	1,610,859
Water and wastewater improvements	-	12,678,989	12,678,989
Unrestricted (deficit)	(8,896,332)	3,951,938	(4,944,394)
TOTAL NET POSITION	$ 41,533,460	$ 121,276,126	$ 162,809,586

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Activities

For the year ended September 30, 2025

			Program Revenues			Net (Expense) Revenue and Changes in Net Position		
FUNCTIONS/PROGRAMS	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grant and Contributions	Capital Grant and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	$ 5,048,731	$ (1,819,957)	$ 158,252	$ 129,333	$ 238,686	$ (2,702,503)	$ -	$ (2,702,503)
Law enforcement	9,570,496	$ (57,991)	347,498	271,032	275,260	(8,618,715)	-	(8,618,715)
Fire control	4,477,600	-	3,349,181	193,486	234,507	(700,426)	-	(700,426)
Code enforcement	486,985	-	31,296	-	-	(455,689)	-	(455,689)
Building and zoning	519,209	-	1,066,653	-	-	547,444	-	547,444
Public works	1,591,817	-	-	-	-	(1,591,817)	-	(1,591,817)
Transportation	2,129,797	-	144,348	1,182	474,552	(1,509,715)	-	(1,509,715)
Library	1,735,887	-	10,264	997,561	-	(728,062)	-	(728,062)
Parks and recreation	8,175,159	-	1,792,395	-	216,396	(6,166,368)	-	(6,166,368)
Community redevelopment	1,887,556	-	-	-	-	(1,887,556)	-	(1,887,556)
Interest on long-term debt	55,682	-	-	-	-	(55,682)	-	(55,682)
Total governmental activities	35,678,919	(1,877,948)	6,899,887	1,592,594	1,439,401	(23,869,089)	-	(23,869,089)
Business-type activities								
Electric	29,461,570	779,288	36,777,225	-	279,599	-	6,815,966	6,815,966
Water	6,329,118	310,780	7,751,017	-	1,406,998	-	2,518,117	2,518,117
Wastewater	5,146,961	268,347	5,776,705	-	2,831,026	-	3,192,423	3,192,423
Sanitation	5,224,139	335,438	4,805,977	-	89,309	-	(664,291)	(664,291)
Stormwater	1,099,405	79,905	1,510,300	-	-	-	330,990	330,990
Information technology	128,729	104,190	121,833	-	-	-	(111,086)	(111,086)
Airport	6,404,595	-	5,873,412	-	5,385,492	-	4,854,309	4,854,309
Total business-type activities	53,794,517	1,877,948	62,616,469	-	9,992,424	-	16,936,428	16,936,428
TOTAL PRIMARY GOVERNMENT	$ 89,473,436	$ -	$ 69,516,356	$ 1,592,594	$ 11,431,825	$ (23,869,089)	$ 16,936,428	$ (6,932,661)
GENERAL REVENUES								
Taxes:								
Property taxes, levied for general purposes						6,551,951	-	6,551,951
Property taxes, levied for community redevelopment purposes						2,535,260	-	2,535,260
Public service taxes and franchise fees						3,354,908	-	3,354,908
Fuel taxes levied for transportation purposes						1,115,596	-	1,115,596
State shared revenue						2,588,280	-	2,588,280
Investment earnings						1,111,478	1,784,825	2,896,303
Miscellaneous						804,582	175,360	979,942
Gain on disposal of capital assets						123,232	30,918	154,150
TRANSFERS						10,366,751	(10,366,751)	-
Total general revenues and transfers						28,552,038	(8,375,648)	20,176,390
CHANGE IN NET POSITION						4,682,949	8,560,780	13,243,729
NET POSITION, beginning of year						36,770,732	112,570,398	149,341,130
Restatement (Note 17)						79,779	144,948	224,727
NET POSITION, beginning of year, as restated						36,850,511	112,715,346	149,565,857
NET POSITION, end of year						$ 41,533,460	$ 121,276,126	$ 162,809,586

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA
Balance Sheet – Governmental Funds
September 30, 2025

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
ASSETS				
Equity in pooled cash and cash equivalents	$ 2,379,510	$ 2,217,494	$ 5,040,430	$ 9,637,434
Investments	15,035,167	-	-	15,035,167
Receivables, net				
Customer accounts, net	635,530	-	300	635,830
Intergovernmental and other	587,557	-	193,523	781,080
Accrued income	18,553	-	-	18,553
Inventory	95,809	-	-	95,809
Prepaid expenditures	1,003,293	8,751	1,593,974	2,606,018
Due from other funds	2,479,876	-	-	2,479,876
Restricted assets:				
Cash and cash equivalents	4,359,082	-	3,150,653	7,509,735
Customer receivables	49,672	-	64,533	114,205
TOTAL ASSETS	$ 26,644,049	$ 2,226,245	$ 10,043,413	$ 38,913,707
LIABILITIES				
Accounts payable	1,368,921	194,854	86,015	1,649,790
Construction costs payable	192,200	-	5,678	197,878
Accrued payroll	314,778	-	66,969	381,747
Accrued claims payable	690,570	-	-	690,570
Due to other governments	303,189	-	-	303,189
Due to other funds	-	1,206	121,938	123,144
Unearned revenue	5,448	-	-	5,448
TOTAL LIABILITIES	2,875,106	196,060	280,600	3,351,766
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	137,813	-	64,533	202,346
FUND BALANCE				
Nonspendable:				
Inventory	95,809	-	-	95,809
Prepaids	1,003,293	8,751	1,593,974	2,606,018
Restricted for:				
Transportation improvements	-	-	2,917,864	2,917,864
Transportation activities	-	-	30,554	30,554
Facilities improvements	2,717,263	-	-	2,717,263
Building code enforcement	1,641,819	-	-	1,641,819
Redevelopment	-	2,021,434	-	2,021,434
Assigned to:				
Fire services	-	-	5,155,888	5,155,888
Subsequent year budget	7,817,813	-	-	7,817,813
Unassigned (deficit)	10,355,133	-	-	10,355,133
TOTAL FUND BALANCES	23,631,130	2,030,185	9,698,280	35,359,595
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 26,644,049	$ 2,226,245	$ 10,043,413	$ 38,913,707

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, 2025

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

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	35,359,595
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		41,710,232
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities		202,346
Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.		10,322,275
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.		(12,312,200)
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		(34,439,358)
This is the amount of workers' comp liability recorded at the fund level		690,570
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	41,533,460

CITY OF BARTOW, FLORIDA

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2025

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
REVENUES:				
Taxes	$ 10,177,891	$ 2,535,260	$ 1,303,394	$ 14,016,545
Licenses and permits	1,047,910	-	-	1,047,910
Intergovernmental revenue	3,765,388	-	195,930	3,961,318
Charges for services	1,998,092	-	3,490,658	5,488,750
Fines and forfeitures	330,103	-	2,050	332,153
Investment income, net	985,140	-	-	985,140
Other	1,541,828	86,051	756,457	2,384,336
Total revenues	19,846,352	2,621,311	5,748,489	28,216,152
EXPENDITURES:				
General government	2,614,169	-	-	2,614,169
Public safety	9,131,731	-	4,424,179	13,555,910
Physical environment	1,389,308	-	-	1,389,308
Economic environment	364,241	2,608,324	-	2,972,565
Transportation	-	-	1,362,448	1,362,448
Culture/recreation	8,500,161	-	-	8,500,161
Capital outlay	4,735,942	-	1,008,498	5,744,440
Debt service	197,406	66,000	239,423	502,829
Total expenditures	26,932,958	2,674,324	7,034,548	36,641,830
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,086,606)	(53,013)	(1,286,059)	(8,425,678)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,366,751	-	7,436,319	17,803,070
Transfers (out)	(7,436,319)	-	-	(7,436,319)
Sale of general capital assets	58,900	-	-	58,900
Insurance recoveries	285,919	-	-	285,919
TOTAL OTHER FINANCING SOURCES (USES)	3,275,251	-	7,436,319	10,711,570
NET CHANGE IN FUND BALANCE	(3,811,355)	(53,013)	6,150,260	2,285,892
FUND BALANCE, as previously reported	27,362,707	2,083,198	3,548,020	32,993,925
Restatement (Note 17)	79,778	-	-	79,778
FUND BALANCE, as restated	27,442,485	2,083,198	3,548,020	33,073,703
FUND BALANCE, end of year	$ 23,631,130	$ 2,030,185	$ 9,698,280	$ 35,359,595

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	2,285,892
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.		6,469,283
This is the amount of depreciation recorded in the current period.		(2,628,175)
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		8,117
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.		444,574
This is the change in accrued interest payable on long-term obligations.		2,575
This is the change in accrued compensated absences during the year.		(994,898)
Other postemployment benefit (OPEB) expense is reported in the statement of activities which differs from OPEB expenditures as reported in the governmental funds:		
This amount represents the change in deferred inflows related to OPEB.		1,044,428
This amount represents the change in deferred outflows related to OPEB.		517,446
This amount represents the change in the total OPEB liability.		(1,211,592)
Pension expense is reported in the statement of activities which differs from pension expenditures as reported in the governmental funds:		
This amount represents the change in deferred inflows related to pensions.		(2,167,238)
This amount represents the change in deferred outflows related to pensions.		(5,678,715)
This amount represents the change in the net pension liability (asset).		6,601,219
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	4,682,949

CITY OF BARTOW, FLORIDA
Statement of Net Position – Proprietary Funds
September 30, 2025

	Business Type Activities - Enterprise Funds					
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Airport Fund**	**Non-major Funds**	**Total**
ASSETS						
Current assets:						
Equity in pooled cash and cash equivalents	$ 5,248,765	$ 929,010	$ 469,126	$ 4,567,226	$ 1,261,041	$ 12,475,168
Investment securities	-	893,527	-	-	2,981,760	3,875,287
Receivables:						
Customers, net	5,141,897	980,525	731,338	82,937	1,008,433	7,945,130
Lease receivable, current	-	20,955	-	1,699,363	-	1,720,318
Intergovernmental and other	3,817	1,633	683,116	2,081,724	3,781	2,774,071
Inventory and prepaids	3,273,193	195,082	37,425	117,825	134,001	3,757,526
Due from other funds	-	-	4,044,640	-	-	4,044,640
Total current assets	13,667,672	3,020,732	5,965,645	8,549,075	5,389,016	36,592,140
Noncurrent assets:						
Restricted assets:						
Equity in pooled cash and cash equivalents	7,189,509	12,335,626	6,440,220	-	-	25,965,355
Customer receivable	-	174,410	127,208	-	-	301,618
Lease receivable, noncurrent	-	593,661	-	12,766,421	-	13,360,082
Capital assets:						
Non-depreciable	3,652,183	901,373	31,586,588	10,529,497	889,266	47,558,907
Depreciable, net	22,879,218	14,546,695	20,494,062	12,562,732	4,821,429	75,304,136
Total noncurrent assets	33,720,910	28,551,765	58,648,078	35,858,650	5,710,695	162,490,098
Total assets	47,388,582	31,572,497	64,613,723	44,407,725	11,099,711	199,082,238
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	636,377	240,802	201,166	-	345,208	1,423,553
Deferred outflows - refunding loss	-	72,311	-	-	-	72,311
Deferred outflows related to OPEB	748,067	261,715	235,817	20,382	356,043	1,622,024
Total deferred outflows of resources	1,384,444	574,828	436,983	20,382	701,251	3,117,888

Continued…

CITY OF BARTOW, FLORIDA
Statement of Net Position – Proprietary Funds (concluded)
September 30, 2025

	Business Type Activities - Enterprise Funds					
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Airport Fund**	**Non-major Funds**	**Total**
LIABILITIES						
Current liabilities:						
Accounts payable	2,801,314	58,743	58,242	94,177	135,992	3,148,468
Construction costs payable	-	-	619,708	1,008,994	-	1,628,702
Accrued wages	49,025	16,639	16,120	33,941	27,476	143,201
Unearned revenue	3,005	-	2,766,698	117,849	-	2,887,552
Due to other funds	3,661,795	1,463,011	-	-	1,276,566	6,401,372
Bonds and notes payable, current	255,275	1,530,000	508,027	-	165,564	2,458,866
Total current liabilities	6,770,414	3,068,393	3,968,795	1,254,961	1,605,598	16,668,161
Noncurrent liabilities:						
Liabilities payable from restricted assets:						
Customer deposits	2,790,693	-	-	280,725	-	3,071,418
Interest payable	98,400	82,940	9,738	-	-	191,078
Compensated absences	532,282	362,339	278,572	209,556	275,114	1,657,863
Joint venture loan guarantee	-	797,878	-	-	-	797,878
Post employment obligation payable	3,269,784	1,143,950	1,030,752	564,299	1,556,257	7,565,042
Net pension liability	1,768,237	669,091	558,959	-	959,196	3,955,483
Bonds and notes payable, noncurrent portion	6,244,725	6,445,000	15,354,359	-	550,180	28,594,264
Total noncurrent liabilities	14,704,121	9,501,198	17,232,380	1,054,580	3,340,747	45,833,026
Total liabilities	21,474,535	12,569,591	21,201,175	2,309,541	4,946,345	62,501,187
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	207,366	78,466	65,551	-	112,488	463,871
Deferred inflows related to OPEB	1,786,691	625,083	563,228	-	850,378	3,825,380
Deferred inflows related to leases	-	551,993	-	13,581,569	-	14,133,562
Total deferred inflows of resources	1,994,057	1,255,542	628,779	13,581,569	962,866	18,422,813
NET POSITION						
Net investment in capital assets	24,430,217	9,473,619	35,598,556	22,083,235	4,994,951	96,580,578
Restricted for:						
Debt retirement	-	1,529,999	80,860	-	-	1,610,859
Utility system improvements (expendable)	-	8,968,857	3,710,132	-	-	12,678,989
Municipal airport activities	-	-	-	6,453,762	-	6,453,762
Unrestricted	874,217	(1,650,283)	3,831,204	-	896,800	3,951,938
Total net position	$ 25,304,434	$ 18,322,192	$ 43,220,752	$ 28,536,997	$ 5,891,751	$ 121,276,126

CITY OF BARTOW, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
For the year ended September 30, 2025

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
OPERATING REVENUES:						
Charges for services	$ 36,777,225	$ 7,751,017	$ 5,776,705	$ 5,873,412	$ 6,438,110	$ 62,616,469
Total operating income	36,777,225	7,751,017	5,776,705	5,873,412	6,438,110	62,616,469
OPERATING EXPENSES:						
Personnel services	3,864,540	1,626,090	1,243,582	1,582,350	2,072,574	10,389,136
Purchased power	16,887,056	-	-	-	-	16,887,056
Operating expenses	8,094,776	3,701,978	3,087,639	3,559,006	4,211,824	22,655,223
Depreciation	1,248,465	1,108,889	1,012,139	1,263,239	663,998	5,296,730
Total operating expenses	30,094,837	6,436,957	5,343,360	6,404,595	6,948,396	55,228,145
OPERATING INCOME (LOSS)	6,682,388	1,314,060	433,345	(531,183)	(510,286)	7,388,324
NONOPERATING REVENUE (EXPENSE)						
Investment income (loss)	476,730	216,281	292,881	654,752	144,181	1,784,825
Interest expense	(146,021)	(202,941)	(71,948)	-	(23,410)	(444,320)
Gain (loss) on disposal of property	8,163	1,000	4,000	-	17,755	30,918
Other, net	25,840	71,243	52,648	-	25,629	175,360
Total nonoperating revenues (expense)	364,712	85,583	277,581	654,752	164,155	1,546,783
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	7,047,100	1,399,643	710,926	123,569	(346,131)	8,935,107
CAPITAL CONTRIBUTIONS						
Capital grants and contributions	279,599	436,527	1,781,723	5,385,492	89,309	7,972,650
Impact fees	-	970,471	1,049,303	-	-	2,019,774
Total capital contributions	279,599	1,406,998	2,831,026	5,385,492	89,309	9,992,424
TRANSFERS IN (OUT)	(9,316,751)	-	(1,050,000)	-	-	(10,366,751)
CHANGE IN NET POSITION	(1,990,052)	2,806,641	2,491,952	5,509,061	(256,822)	8,560,780
NET POSITION, beginning of year, previously reported	27,246,170	15,467,235	40,680,484	23,027,936	6,148,573	112,570,398
Restatement (Note 17)	48,316	48,316	48,316	-	-	144,948
NET POSITION, beginning of year, as restated	27,294,486	15,515,551	40,728,800	23,027,936	6,148,573	112,715,346
NET POSITION, end of year	$ 25,304,434	$ 18,322,192	$ 43,220,752	$ 28,536,997	$ 5,891,751	$ 121,276,126

CITY OF BARTOW, FLORIDA
Statement of Cash Flows – Proprietary Funds
For the year ended September 30, 2025

	Business Type Activities - Enterprise Funds					
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Airport Fund**	**Non-major Funds**	**Total**
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	$ 37,077,201	$ 7,465,263	$ 5,114,473	$ 5,731,624	$ 6,060,100	$ 61,448,661
Payments to suppliers	(23,783,637)	(3,906,284)	(3,058,969)	(1,968,860)	(4,206,755)	(36,924,505)
Payments for salaries and benefits	(3,447,232)	(1,234,067)	(1,055,348)	(3,425,195)	(2,013,737)	(11,175,579)
Net cash flows from operating activities	9,846,332	2,324,912	1,000,156	337,569	(160,392)	13,348,577
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers to other funds	(9,316,751)	-	(1,050,000)	-	-	(10,366,751)
Interfund borrowing (lending)	1,719,056	845,636	(342,543)	-	1,037,717	3,259,866
Increase (decrease) in deposits	94,832	-	-	(26,196)	-	68,636
Net cash flows from noncapital financing activities	(7,502,863)	845,636	(1,392,543)	(26,196)	1,037,717	(7,038,249)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets, net of related payables	(7,133,421)	(1,892,690)	(5,672,031)	(5,309,042)	(1,025,292)	(21,032,476)
Loan proceeds	6,500,000	-	-	-	-	6,500,000
Principal paid on notes, bonds and lease obligations	(100,558)	(1,600,185)	(497,097)	-	(179,384)	(2,377,224)
Interest paid on borrowings and other debt costs	(48,432)	(183,906)	(73,674)	-	(23,410)	(329,422)
Proceeds from the sale of assets	8,163	1,000	4,000	-	17,755	30,918
Capital contributions and impact fees received, net of change in related receivables	279,599	1,399,778	2,825,922	3,861,707	88,791	8,455,797
Net cash flows from capital and related financing activities	(494,649)	(2,276,003)	(3,412,880)	(1,447,335)	(1,121,540)	(8,752,407)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on invested funds	408,811	191,662	159,081	654,752	132,751	1,547,057
Other income	25,840	73,141	52,648	-	25,629	177,258
Sale of investments	3,994,360	500,437	12,464,025	-	-	16,958,822
Purchase of investments	-	(500,637)	(7,386,050)	-	-	(7,886,687)
Net cash flows from investing activities	4,429,011	264,603	5,289,704	654,752	158,380	10,796,450
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,277,831	1,159,148	1,484,437	(481,210)	(85,835)	8,354,371
CASH AND CASH EQUIVALENTS, beginning of year	6,160,443	12,105,488	5,424,909	5,048,436	1,346,876	30,086,152
CASH AND CASH EQUIVALENTS, end of year	$ 12,438,274	$ 13,264,636	$ 6,909,346	$ 4,567,226	$ 1,261,041	$ 38,440,523
As shown in the Accompanying Financial Statements						
Equity in cash and investments	$ 5,248,765	$ 929,010	$ 469,126	$ 4,567,226	$ 1,261,041	$ 12,475,168
Restricted equity in cash and investments	7,189,509	12,335,626	6,440,220	-	-	25,965,355
Total cash and cash equivalents	$ 12,438,274	$ 13,264,636	$ 6,909,346	$ 4,567,226	$ 1,261,041	$ 38,440,523

Continued…

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
Noncash financing and investing activities:						
Joint venture loan guarantee	$ -	$ 15,426	$ -	$ -	$ -	$ 15,426
Financed purchase of capital asset	$ -	$ -	$ -	$ -	$ 895,128	$ 895,128
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ 6,682,388	$ 1,314,060	$ 433,345	$ (531,183)	$ (510,286)	$ 7,388,324
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	1,248,465	1,108,889	1,012,139	1,263,239	663,998	5,296,730
(Increase) decrease in inventory and prepaids	1,196,892	7,570	13,303	128,183	119,288	1,465,236
(Increase) decrease in accounts receivable	301,042	(282,890)	20,884	3,906	(495,464)	(452,522)
(Increase) decrease in leases receivables	-	-	-	1,180,217	-	1,180,217
Increase (decrease) in lease related deferred inflows	-	-	-	(1,319,506)	-	(1,319,506)
Increase (decrease) in accounts payable	1,303	(211,876)	15,367	5,628	3,235	(186,343)
Increase (decrease) in accrued wages and compensated absences	160,274	138,176	70,591	57,706	129,355	556,102
(Increase) decrease in OPEB related deferred outflows	(113,561)	(60,088)	(37,699)	24,450	(18,538)	(205,436)
Increase (decrease) in the total OPEB liability	317,065	205,664	108,794	(468,666)	(14,348)	148,509
Increase (decrease) in OPEB related deferred inflows	(118,116)	19,792	(31,530)	-	(162,825)	(292,679)
(Increase) decrease in pension related deferred outflows	749,250	255,588	208,579	-	368,365	1,581,782
Increase (decrease) in the net pension liability	(784,970)	(245,575)	(196,052)	-	(355,660)	(1,582,257)
Increase (decrease) in pension related deferred inflows	207,366	78,466	65,551	-	112,488	463,871
Increase (decrease) in unearned revenue and other	(1,066)	(2,864)	(683,116)	(6,405)	-	(693,451)
Net cash flows from operating activities	$ 9,846,332	$ 2,324,912	$ 1,000,156	$ 337,569	$ (160,392)	$ 13,348,577

CITY OF BARTOW, FLORIDA
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2025

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	$ 20	$ 587,814
Receivables:		
City and plan members	79	-
State of Florida	18,235	-
Due from broker	6,442	-
Accrued income	34,799	-
Total receivables	59,555	-
Prepaid expenses	-	-
Investments, at fair value:		
Short-term money market funds	2,316,487	-
Fixed income investments	17,398,700	-
Equity securities	64,747,428	-
Diversified mutual fund	2,009,320	-
Real estate investments	6,830,680	-
Total investments	93,302,615	-
Total assets	93,362,190	587,814
LIABILITIES		
Accounts payable	121,262	-
Due to broker	5,968	-
Accrued benefits payable	45,621	-
Due to other governments	-	587,814
Total Liabilities	172,851	587,814
NET POSITION		
Restricted for pension benefits	$ 93,189,339	$ -

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, 2025

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
City	$ 3,824,884	$ -
Plan members	693,282	-
State of Florida	458,830	-
Fees collected on behalf of other governments	-	5,269,081
Total contributions	4,976,996	5,269,081
Investment income	9,941,467	-
Less investment expenses:		
Performance evaluation	83,375	-
Custodial fees	41,171	-
Investment management fees	77,873	-
Total investment expenses	202,419	-
Net investment income	9,739,048	-
Total additions	14,716,044	5,269,081
DEDUCTIONS		
Administrative expenses:		
Legal	41,560	-
Administrator fee	125,676	-
Actuarial	115,416	-
Travel, training and other	20,013	-
Accounting	18,830	-
Insurance	13,656	-
Audit	12,720	-
Total administrative expenses	347,871	-
Remittance of fees to other governments	-	5,269,081
Payments to retirees and participants	5,513,821	-
Total deductions	5,861,692	5,269,081
CHANGE IN NET POSITION	8,854,352	-
NET POSITION, beginning of year	84,334,987	-
NET POSITION, end of year	$ 93,189,339	$ -

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 lll, 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 Services 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 $2,828,918 on September 30, 2025. 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, 2025, business-type activities and governmental activities reserves for doubtful accounts totaled $88,742 and $1,002,321, 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 2025. The notes have a face value of $526,000 and are reduced by an allowance for uncollectible amounts of $526,000, resulting in a carrying value of zero at September 30, 2025. During the year ended September 30, 2025, the City issued three new loans totaling $45,000, which was charged to community redevelopment expenditures/expense to reflect the related allowance for uncollectible loans.

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:

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

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.

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

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.

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.

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

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 compensated absences include paid time off under the Universal Leave Program and compensatory time off. The City recognizes compensated absences in accordance with GASB Cod. Sec. C60 based on leave attributable to services already rendered that is more likely than not to be used for time off or paid in cash.

The Universal Leave Program includes Bank A, Bank B and Bank C. Bank A leave is available for general paid time off and, for eligible employees, is payable upon separation up to 480 hours at the employee's then-current rate of pay. Bank B is an extended illness account, is not payable upon separation, and accumulates without limit; however, the City recognizes a liability for Bank B based on management's estimate of leave expected to be used, which was 10.49% based on the City's historical Bank B usage over the most recent two-year period. Bank C represents amounts payable upon separation to eligible employees based on the City's adopted policy and applicable payout percentage. The City applies a first-in, first-out flow assumption to Banks A and C in determining leave attributable to services already rendered.

The liability also includes accumulated compensatory time off payable in accordance with City policy and applicable salary-related payments. Personal leave and other nonaccumulating leave benefits are not included in the liability. The liability is recorded as incurred in the government-wide and proprietary fund financial statements. A liability is recorded in the governmental funds only to the extent the liability has matured.

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 $271,032 and $187,798, respectively, for the fiscal year ended September 30, 2025. 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.

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

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.

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, 2025, the governmental activities had a deficit unrestricted net position of $8,896,332.

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, 2025.

- *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. Assigned fund balance includes amounts budgeted to fund the difference between estimated revenues and appropriations in the subsequent year's budget, as well as amounts assigned for fire services.

- *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.

The City has adopted a fund balance policy for the General Fund that establishes a minimum unassigned fund balance equal to 20% of General Fund operating expenditures. If the unassigned fund balance falls below this level after completion of the annual audit, the City Manager is required to notify the City Commission and submit a plan to restore the balance through reductions of committed or assigned fund balance, expenditure reductions, revenue increases, or a combination thereof. The policy provides that the City take the necessary action to restore unassigned fund balance to the required level within two years.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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

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, 2025 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, 2025, 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, 2025, no major governmental fund reported total expenditures in excess of total final budgeted appropriation.

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

Equity in pooled cash and cash equivalents:		
Cash on hand	$	7,380
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits		50,836,668
Investments:		
Florida Safe - investment pool		786,334
FLCLASS - investment pool		3,957,308
Total equity in pooled cash and cash equivalents	$	55,587,690
Investments:		
U.S. Government and U.S. Government Agencies	$	18,910,454

The "Florida Safe" and “FLCLASS” investment pools are similar to a money market investment in that it strives to maintain a net asset value of $1.00 per share and meets the criteria in GASB Cod. Sec. In5 to measure all of pooled investments at amortized cost. The pools are rated AAAm by Standard and Poor and the pools are not exposed to custodial credit risk because the investments are not evidenced by securities that exist in physical or book entry form.

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

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

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

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

All of the City's investments were held in the City's name. Information concerning credit risk and interest rate risk for the City's investments on September 30, 2025 is presented below:

Investment Type	S&P Rating	Fair Value / Amortized Cost	Average Maturity Years
Primary government			
Investments measured at fair value			
U.S. Treasury Notes and Bills	AA+	$ 18,165,313	0.39
U.S. Government Agencies	AA+	745,141	0.19
		18,910,454	
Investments measured at amortized cost and reported as a cash and cash equivalent:			
Florida Safe - investment pool	AAAm	786,334	0.11
FLCLASS - investment pool	AAAm	3,957,308	0.12
		$ 4,743,642	

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, 2025, based on measurement criteria as specified:

		Fair Value			Amortized
	Carrying Value	Level 1	Level 2	Level 3	Cost
U.S. Treasury Notes	$ 18,165,313	$ -	$ 18,165,313	$ -	$ -
U.S. Government Agencies	745,141	-	745,141	-	-
Florida Safe - investment pool	786,334	-	-	-	786,334
FLCLASS - investment pool	3,957,308	-	-	-	3,957,308
Total investments	$ 23,654,096	$ -	$ 18,910,454	$ -	$ 4,743,642

The City's pension trust funds also held investment securities during the year and on September 30, 2025, which are reported at fair value. The City's pension trust funds have the following carrying values as of September 30, 2025, based on the measurement criteria as specified:

General Employees' Retirement Plan Pension Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Cash and short term money market funds	$ 1,250,152	$ -	$ -	$ -	$ 1,250,152
Fixed income investments	7,903,411	-	7,903,411	-	-
Diversified mutual fund	2,009,320	-	2,009,320	-	-
Equity investments	32,675,335	2,760,313	29,915,022	-	-
Total investments by fair value level	43,838,218	$ 2,760,313	$ 39,827,753	$ -	$ 1,250,152
Investments measured at the net asset value (NAV)					
Real estate fund	3,921,786				
Total investments	$ 47,760,004				

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

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

Police Officers' Retirement Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Inflation protected bond funds	$ 772,183	$ -	$ -	$ -	$ 772,183
U.S. Government and agencies	1,286,111	-	1,286,111	-	-
Other collateralized debt obligations	95,339	-	95,339	-	-
Corporate and foreign obligations	967,153	-	967,153	-	-
Fixed income mutual funds	3,515,768	3,515,768	-	-	-
Equity investments	3,734,448	3,734,448	-	-	-
Equity mutual funds	16,133,689	16,133,689	-	-	-
Total investments	26,504,691	$ 23,383,905	$ 2,348,603	$ -	$ 772,183
Investments measured at the net asset value (NAV)					
Real estate fund	1,837,197				
Total investments	$ 28,341,888				

Firefighters' Retirement Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Inflation protected bond funds	$ 294,152	$ -	$ -	$ -	$ 294,152
Fixed income investments	3,630,918	3,630,918	-	-	-
Equity investments	12,203,956	12,203,956	-	-	-
Total investments	$ 16,129,026	$ 15,834,874	$ -	$ -	$ 294,152
Investments measured at the net asset value (NAV)					
Real estate fund	1,071,697				
Total investments	$ 17,200,723				

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

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

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

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

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

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

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

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

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

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Short-term money market	AAAm	$ 1,250,152	
Fixed income investments:			
Dodge & Cox Income Fund	Not Rated	4,124,463	9.00
Metropolitan West T/R Bond Fund	Not Rated	3,778,948	6.10
		$ 7,903,411	

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 Rating	Fair Value	Average Maturity Years
Fixed income investments:			
U.S. Government obligations	Aaa	$ 434,678	11.73
U.S. Government mortgaged-backed securities	Aa3	6,341	8.39
U.S. Government mortgaged-backed securities	Not Rated	845,092	23.54
Other collateralized debt obligations	Aaa	24,954	5.89
Other collateralized debt obligations	Not Rated	70,385	24.17
Inflation protected bond funds	Not Rated	772,183	0.00
Other mutual funds	Not Rated	3,515,768	9.00
Corporate and foreign bonds	Aaa to Ba1	962,185	6.25
Corporate and foreign bonds	Not Rated	4,968	1.67
		$ 6,636,554	

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

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

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Fixed income investments:			
Inflation protected bond funds	Not Rated	$ 294,152	0.00
Dodge & Cox Income Fund	Not Rated	3,630,918	9.00
		$ 3,925,070	

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2025, was as follows:

	Balance October 1, 2024	Transfers	Increases	Decreases	Balance September 30, 2025
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 5,411,484	$ (208,125)	$ 248,368	$ -	$ 5,451,727
Infrastructure - land	1,588,213	-	-	-	1,588,213
Construction in process	488,026	(327,216)	1,834,997	-	1,995,807
Total capital assets, not being depreciated	7,487,723	(535,341)	2,083,365	-	9,035,747
Capital assets, being depreciated:					
Buildings and improvements	25,473,717	208,125	1,713,886	(6,725)	27,389,003
Equipment	10,159,721	327,216	1,506,807	(395,240)	11,598,504
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	33,332,409	-	1,165,225	-	34,497,634
Sidewalk network	3,840,002	-	-	-	3,840,002
Total capital assets, being depreciated	73,469,005	535,341	4,385,918	(401,965)	77,988,299
Less accumulated depreciation for:					
Buildings and improvements	(11,794,145)	-	(1,017,242)	206	(12,811,181)
Equipment	(7,340,159)	-	(843,091)	391,792	(7,791,458)
Right to use leased equipment	(12,906)	-	(12,906)	-	(25,812)
Right to use leased building	(15,049)	-	(60,196)	-	(75,245)
Subscription assets	(37,523)	-	(90,056)	-	(127,579)
Infrastructure:					
Road network	(21,229,404)	-	(564,402)	-	(21,793,806)
Sidewalk network	(2,648,451)	-	(40,282)	-	(2,688,733)
Total accumulated depreciation	(43,077,637)	-	(2,628,175)	391,998	(45,313,814)
Total capital assets being depreciated, net	30,391,368	535,341	1,757,743	(9,967)	32,674,485
Governmental activities capital assets, net	$ 37,879,091	$ -	$ 3,841,108	$ (9,967)	$ 41,710,232
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 1,662,582	$ -	$ 62,298	$ -	$ 1,724,880
Construction-in-progress	36,735,621	(4,716,270)	13,814,676	-	45,834,027
Total capital assets, not being depreciated	38,398,203	(4,716,270)	13,876,974	-	47,558,907
Capital assets, being depreciated:					
Buildings, utility plant and improvements	162,192,538	4,211,050	4,870,987	-	171,274,575
Equipment	15,942,340	505,220	3,532,636	(1,147,141)	18,833,055
Total capital assets, being depreciated	178,134,878	4,716,270	8,403,623	(1,147,141)	190,107,630
Less accumulated depreciation	(110,653,449)	-	(5,296,730)	1,146,685	(114,803,494)
Total capital assets being depreciated, net	67,481,429	4,716,270	3,106,893	(456)	75,304,136
Business-type activities capital assets, net	$ 105,879,632	$ -	$16,983,867	$ (456)	$ 122,863,043

NOTE 6 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:		
General government	$	241,482
Library		57,578
Law enforcement		326,933
Fire control		47,548
Code enforcement		16,451
Public works		80,725
Transportation		712,322
Parks and recreation		1,068,290
Community redevelopment		76,846
Total depreciation expense - governmental activities	$	2,628,175

Business-type Activities:		
Electric	$	1,248,465
Water		1,108,889
Wastewater		1,012,139
Airport		1,263,239
Sanitation		541,161
Information Technology		42,548
Stormwater		80,289
Total depreciation expense - business-type activities	$	5,296,730

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2025:

	Balance October 1, 2024	Increases	Decreases	Balance September 30, 2025	Amounts Due within One Year
Governmental Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	$ 319,259	$ -	$ (319,259)	$ -	$ -
Total long-term debt	319,259	-	(319,259)	-	-
Other liabilities:					
Subscriptions payable	356,435	-	(58,471)	297,964	64,274
Leases payable	180,376	-	(66,844)	113,532	73,389
Estimated workers compensation claims	822,723	-	(132,153)	690,570	-
Other postemployment benefits	17,293,343	1,211,592	-	18,504,935	-
Net pension liability	18,763,229	-	(6,601,219)	12,162,010	-
Compensated absences	1,675,449	994,898	-	2,670,347	-
Total other liabilities	39,091,555	2,206,490	(6,858,687)	34,439,358	137,663
Total long-term obligations	$ 39,410,814	$ 2,206,490	$ (7,177,946)	34,439,358	$ 137,663
Less amounts due in one year				(137,663)	
Total noncurrent obligations due in more than one year				$ 34,301,695	
Business-type Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	$ 200,740	$ -	$ (200,740)	$ -	$ -
SRF Construction Loan (No. WW 755040)	2,937,604	-	(392,500)	2,545,104	401,222
SRF Preconstruction Loan (No. WW 75504P)	545,533	-	(104,597)	440,936	106,805
SRF Construction Loan (No. WW 530220)	12,876,346	-	-	12,876,346	-
Water and sewer, Series 2016	9,475,003	-	(1,500,003)	7,975,000	1,530,000
FMPA Note Payable, Series 2025	-	6,500,000	-	6,500,000	255,275
Vehicle Purchase Note 2025	-	895,128	(179,384)	715,744	165,564
Total bonds and notes payable	26,035,226	7,395,128	(2,377,224)	31,053,130	2,458,866
Other liabilities:					
Joint venture loan guarantee	782,452	15,426	-	797,878	-
Other postemployment benefits	7,416,533	148,509	-	7,565,042	-
Net pension liability	5,537,740	-	(1,582,257)	3,955,483	-
Compensated absences	1,087,629	570,234	-	1,657,863	-
Total other liabilities	14,824,354	734,169	(1,582,257)	13,976,266	-
Total long-term liabilities	$ 40,859,580	$ 8,129,297	$ (3,959,481)	45,029,396	$ 2,458,866
Less amounts due in one year				(2,458,866)	
Net long-term liabilities in excess of one year				$ 42,570,530	

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 City's 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, was secured by all non-advalorem revenues of the City, essentially all legally available revenues of the City except taxes on real and personal property. The bonds were issued May 16, 2014 to advance refund the Florida Municipal Loan Council Series 2005A and 2005D bonds. In the event of default, the lender had the right to take whatever legal actions necessary to collect the amounts due.

  The 2014-A bonds bore 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 bore 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, 2025, 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 September 30, 2025.

  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…)

- FMPA Note Payable, Series 2025 **-** On May 30, 2025, the City entered into a $6,500,000 loan agreement through the Florida Municipal Power Agency Initial Pooled Loan Project, financed from Series 2025-1 Notes. The loan bears interest at 4.504% and is payable from pledged revenues of the City's electric utility system. Proceeds are being used for electric distribution system capital improvements, including substation upgrades, property acquisition for a new substation, and other distribution improvements to increase system capacity. Principal and interest are payable semiannually, with final maturity on October 1, 2040. The loan is subject to optional prepayment at par on or after October 1, 2035, with earlier prepayment subject to the applicable redemption premium provisions.
- Vehicle Purchase Note 2025 - On January 25, 2025, the City entered into a financed purchase agreement for two New Way Sidewinder automated side loader refuse trucks for the sanitation fund. The agreement was financed in the amount of $895,128, bears interest at 5.20%, and is payable in annual installments of $202,794.85 through July 25, 2029.

Maturities:

Annual requirements to repay all long-term debt as of September 30, 2025, were as follows:

	Business-type Activities	
Fiscal Year Ending	Principal	Interest
2026	$ 2,458,866	$ 493,484
2027	2,918,359	475,783
2028	3,844,613	408,163
2029	3,910,745	338,546
2030	3,664,403	267,438
2031-2035	8,539,644	912,195
2036-2040	5,430,523	392,916
2041-2045	285,977	6,440
Total	$ 31,053,130	$ 3,294,965

Annual requirements to repay the joint venture loan guarantee obligations as of September 30, 2025 were as follows:

	Business-type Activities	
Fiscal Year Ending	Principal	Interest
2026	$ -	$ -
2027	36,417	7,570
2028	73,874	14,100
2029	75,282	12,691
2030	76,717	11,256
2031-2035	406,092	33,776
2036-2040	129,496	2,465
Total	$ 797,878	$ 81,858

NOTE 7 - LONG-TERM OBLIGATIONS (concluded)

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:

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenue	Percentage of Net Revenues to Principal and Interest Paid
Water and sewer net revenue	10/15/2038	$ 24,466,323	$ 2,252,761	$ 4,501,486	199.82%
Electric fund net revenues	10/1/2040	$ 9,070,591	$ -	$ 8,433,423	n/a

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, 2025, the City's receivable for lease payments was $614,616. 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, 2025, the balance of the deferred inflow of resources was $551,993. 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 $3,092,715 of lease revenue during the fiscal year. On September 30, 2025, the airport fund reported lease receivables of $14,465,784. The airport fund also reports deferred inflows of resources associated with these leases in the amount of $13,581,569 as of September 30, 2025. 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.

NOTE 8 – LEASES (concluded)

The airport fund recognized $147,740 of lease revenue from these agreements for the year ended September 30, 2025. The schedule of expected future minimum payments under these agreements are as follows:

Fiscal year Ending September 30,	
2026	$ 121,297
2027	106,863
2028	106,863
2029	106,863
2030	70,878
2031-2035	250,463
2036-2040	157,526
2041-2045	8,954
	$ 929,707

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 $60,196 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 $51,624 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, 2025, were as follows:

	Governmental Activities	
Fiscal Year Ending	Principal	Interest
2026	$ 73,389	$ 8,611
2027	12,186	3,814
2028	13,344	2,656
2029	14,613	1,388
Total	$ 113,532	$ 16,469

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

In 2024 the City entered into a SBITA 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. As of September 30, 2025, the subscription liability was $297,964. 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, 2025, were as follows:

	Governmental Activities	
Fiscal Year Ending	Principal	Interest
2026	$ 64,274	$ 29,572
2027	70,653	23,193
2028	77,665	16,181
2029	85,372	8,473
Total	$ 297,964	$ 77,419

NOTE 10 – INTERFUND TRANSACTIONS

Interfund receivables and payables as of September 30, 2025.

	Receivable Fund		
	General Fund	Wastewater Fund	Total
Payable Fund:			
Electric fund	1,391,796	2,269,999	3,661,795
Water fund	556,070	906,941	1,463,011
Stormwater fund	157,899	257,530	415,429
Sanitation fund	327,306	533,831	861,137
Transportation fund	46,347	75,591	121,938
Community redevelopment fund	458	748	1,206
	2,479,876	4,044,640	6,524,516

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 general fund and 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, 2025 consisted of the annual budgeted reallocation of resources as follows:

	Transfers In:			
		Non-major governmental funds		
	General Fund	Transportation Fund	Fire Services Fund	Total
Transfers Out:				
Electric Fund	$ 9,316,751	$ -	$ -	$ 9,316,751
Wastewater Fund	1,050,000	-	-	1,050,000
General Fund	-	866,240	6,570,079	7,436,319
Total	$ 10,366,751	$ 866,240	$ 6,570,079	$ 17,803,070

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

- $9,316,751 was transferred from the Electric Fund and $1,050,000 from the Wastewater Fund to the General Fund to support governmental activities.
- $866,240 was transferred from the General Fund to the Transportation Fund to provide additional funding for expenses in excess of revenues.
- $6,570,079 was transferred from the General Fund to the Fire Services Fund to provide additional funding for capital expenditures.

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 Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Contribution rates:			
City and State	20.1%	43.2%	52.2%
Plan members	4.0%	4.0%	2.0%
Actuarially determined contribution	$ 2,459,605	$ 1,035,038	$ 848,197
Contributions made	$ 2,299,232	$ 1,137,746	$ 846,736

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

	as of October 1, 2024		
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	146	48	20
Inactive plan members entitled to but not yet receiving benefits	211	38	7
Active plan members	202	35	21
Total	559	121	48

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, 2024 are shown below. The net pension liability as of September 30, 2025 for financial reporting purposes was determined by actuarial valuations as of October 1, 2023 updated to September 30, 2024 (the measurement date).

NOTE 11 – PENSION TRUST FUNDS (cont…)

General Employees' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Reporting period ending 9/30/2024	$ 50,806,174	$ 35,488,223	$ 15,317,951
Changes for the year:			
Service cost	909,075	-	909,075
Interest	3,526,912	-	3,526,912
Difference between actual and expected experience	1,263,799	-	1,263,799
Change in benefit terms	137,545	-	137,545
Contributions - Buy Back	21,882	21,882	-
Contributions - City	-	2,250,877	(2,250,877)
Contributions - employee	-	408,671	(408,671)
Net investment income	-	7,629,330	(7,629,330)
Benefit payments, including refunds of employee contributions	(2,661,579)	(2,660,842)	(737)
Administrative expense	-	(112,583)	112,583
Net changes	3,197,634	7,537,335	(4,339,701)
Reporting period ending 9/30/2025	$ 54,003,808	$ 43,025,558	$ 10,978,250

Police Officers' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Reporting period ending 9/30/2024	$ 27,287,922	$ 21,528,945	$ 5,758,977
Changes for the year:			
Service cost	687,108	-	687,108
Interest	2,035,199	-	2,035,199
Difference between actual and expected experience	338,994	-	338,994
Share Plan allocation	57,312		57,312
Changes of assumptions	511,172	-	511,172
Contributions - Buy Back	9,749	9,749	-
Contributions - City	-	767,627	(767,627)
Contributions - State	-	229,051	(229,051)
Contributions - employee	-	106,096	(106,096)
Net investment income	-	4,930,282	(4,930,282)
Benefit payments, including refunds of employee contributions	(1,678,092)	(1,678,092)	-
Administrative expense	-	(94,523)	94,523
Net changes	1,961,442	4,270,190	(2,308,748)
Reporting period ending 9/30/2025	$ 29,249,364	$ 25,799,135	$ 3,450,229

NOTE 11 – PENSION TRUST FUNDS (cont…)

Firefighters' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Reporting period ending 9/30/2024	$ 15,909,408	$ 12,685,367	$ 3,224,041
Changes for the year:			
Service cost	266,265	-	266,265
Interest	1,145,549	-	1,145,549
Difference between actual and expected experience	388,335	-	388,335
Changes of assumptions	239,742	-	239,742
Contributions - City	-	594,783	(594,783)
Contributions - State	-	175,171	(175,171)
Contributions - employee	-	31,208	(31,208)
Net investment income	-	2,863,874	(2,863,874)
Benefit payments, including refunds of employee contributions	(749,991)	(749,991)	-
Administrative expense	-	(90,118)	90,118
Net changes	1,289,900	2,824,927	(1,535,027)
Reporting period ending 9/30/2025	$ 17,199,308	$ 15,510,294	$ 1,689,014

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

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Actuarial valuation date	October 1, 2023 updated to September 30, 2024	October 1, 2023 updated to September 30, 2024	October 1, 2023 updated to September 30, 2024
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 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, 2025, are summarized in the following table:

Asset Class	General Employees' Retirement Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund
	Long-Term Expected Real Rates of Return		
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	5.73%	5.73%	5.73%
	Target Asset Allocations		
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, 2025, the net money-weighted rate of return, adjusted for the changing amounts actually invested, for each of the Plans was as follows:

	General Employees' Retirement Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund
Money-weighted Rate of Return	11.43%	12.19%	10.90%

NOTE 11 – PENSION TRUST FUNDS (cont…)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension - For the year ended September 30, 2025, the City recognized pension expense of $5,960,872 consisting of pension expense for the general employees' pension plan of $3,579,787, the police officers' pension plan of $1,608,768 and the firefighters' pension plan of $772,317. On September 30, 2025, the City reported deferred outflows and deferred inflows of resources related to pensions, combined and individually for all three plans, was as follows:

Combined All Pension Trust Funds:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,253,432	$ 16,706
Change in assumptions	974,954	-
Net difference between projected and actual earnings on Plan investments	-	2,647,810
City contributions subsequent to the measurement date	4,283,852	-
Total	$ 7,512,238	$ 2,664,516

General Employees' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,217,367	$ -
Change in assumptions	434,387	-
Difference between projected and actual earnings on Plan investments	-	1,287,447
City contributions subsequent to the measurement date	2,299,247	-
Total	$ 3,951,001	$ 1,287,447

NOTE 11 – PENSION TRUST FUNDS (cont…)

Police Officers' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 420,011	$ -
Change in assumptions	340,782	-
Net difference between projected and actual earnings on Plan investments	-	714,475
City contributions subsequent to the measurement date	1,137,869	-
Total	$ 1,898,662	$ 714,475

Firefighters' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 616,054	$ 16,706
Change in assumptions	199,785	-
Net difference between projected and actual earnings on Plan investments	-	645,888
City contributions subsequent to the measurement date	846,736	-
Total	$ 1,662,575	$ 662,594

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2024 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Remaining amounts reported as deferred inflows and outflows of resources will be recognized in pension expense in the years and amounts shown below:

Year ending September 30,	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund	Total
2026	$ 1,261,352	$ 637,537	$ 211,018	$ 2,109,907
2027	1,257,160	847,470	497,951	2,602,581
2028	(1,124,530)	(770,570)	(375,963)	(2,271,063)
2029	(1,029,675)	(668,119)	(284,439)	(1,982,233)
2030	-	-	104,678	104,678
	$ 364,307	$ 46,318	$ 153,245	$ 563,870

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, 2024, 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, 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 Discount Rate	**Net Pension Liability at Measurement 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		$ 27,801,078	$ 16,117,493	$ 6,387,964

The following presents the net pension liability of the City as of the financial reporting date (September 30, 2025), calculated using the current discount rates discussed above for each plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	**Net Pension Liability at Financial Reporting Date**		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.00%	$ 16,394,696	$ 9,876,693	$ 4,424,693
Police Officers'	7.50%	6,419,804	2,685,630	(3,997,022)
Firefighters'	7.25%	3,518,929	1,286,468	(565,268)
City's Net Pension Liability		$ 26,333,429	$ 13,848,791	$ (137,597)
Change in City's net pension liability between measurement date and reporting date		$ (1,467,649)	$ (2,268,702)	$ (6,525,561)

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, 2024, the cap was $659 per month and for fiscal year September 30, 2025, the cap was decreased to $300 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, 2025, the City paid $278,655 for retiree health insurance premiums or approximately 1% of actual payroll.

Participant data as of the most recent actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	72
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	245
Total	317

Total OPEB liability – The City's total OPEB liability was determined by using a September 30, 2024 actuarial valuation. The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an actuarial experience study last updated in October 2024.

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

Inflation	2.50%
Salary inflation – General Employees	5.50% for years one to five, 5.00% for years five to ten and then 4.00% thereafter.
Salary inflation – Police Officers	7.00% in the first year, 5.50% for years one to ten then 4.5% thereafter.
Salary inflation – Firefighters	15% in the first year, 6.50% for year two to five, 6.00% for year five to 10 then 5.25% thereafter.
Discount rate	4.06%
Investment rate of return	0.00%
Healthcare cost trend rates	6.75% in 2025, 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-2021.

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS PLAN (cont…)

Discount rate – The discount rate was based on a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Reporting period ending September 30, 2024	$ 24,709,876
Changes for the year:	
Service cost	1,236,960
Interest	1,246,418
Differences between expected and actual experience	(2,829,944)
Changes of assumptions	2,421,242
Benefit payments	(714,575)
Net changes	1,360,101
Reporting period ending September 30, 2025	$ 26,069,977

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

	1% Decrease (3.06%)	Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB liability	$ 30,693,108	$ 26,069,977	$ 22,395,535

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

	1% Decrease (5.75% decreasing to 3.00%)	Healthcare Cost Trend Rates (6.75% decreasing to 4.00%)	1% Increase (7.75% decreasing to 5.00%)
Total OPEB liability	$ 21,943,844	$ 26,069,977	$ 31,361,176

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS PLAN (concluded)

OPEB expenses and deferred outflows of resources related to OPEB – For the year ended September 30, 2025, the City recognized a negative OPEB expense of -$69,618. On September 30, 2025, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 5,225,346	$ 8,975,287
Differences between expected and actual experience	-	4,961,648
City contributions subsequent to the measurement date	630,268	-
Total	$ 5,855,614	$ 13,936,935

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2024 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	Amount
2026	$ (1,597,705)
2027	(1,975,495)
2028	(2,694,830)
2029	(2,428,395)
2030	(32,257)
Thereafter	17,093
Total	$ (8,711,589)

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, 2025 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, 2025 and 2024, were as follows:

	2025	2024
Claims liability balance, October 1	$ 822,723	$ 497,623
Claims and changes in estimates	214,750	953,038
Claims payments	(346,903)	(627,938)
Claims liability balance, September 30	$ 690,570	$ 822,723
Cash set aside to pay claims at September 30	$ 940,504	$ 934,376

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, 2025, the City had capital-related commitments totaling approximately $7,371,000. These commitments consisted of approximately $1,635,000 related to governmental activities and approximately $5,736,000 related to business-type activities. Business-type activities commitments included approximately $1,158,000 for electric fund projects and approximately $4,323,000 for wastewater fund projects.

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, 2025, the remaining impact fee credits totaled $2,486,885 of water impact fee credits and $2,703,114 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, 2025, the total annual working capital needs of the PRWC was $346,516 of which the City’s proportionate share was $13,605.

<u>NOTE 16 – JOINT VENTURE</u> (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, 2025, $10,617,972 of SRF funds have been drawn by the PRWC. The City’s proportionate share of this liability totaled $797,878 as of September 30, 2025 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, 2025 was $106,908 and the water service charges for the upcoming year ending September 30, 2026 is $195,960.

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

NOTE 17 – CORRECTION OF AN ERROR

During the year ended September 30, 2025, the City identified an error in the previously issued financial statements for the year ended September 30, 2024 related to the accounting for a payment made under a subscription-based information technology arrangement. The payment represented the first payment under an agreement that is expected to result in the recognition of a subscription asset and subscription liability when the underlying software is placed into service.

In the prior year, the payment was recognized as expense in the government-wide financial statements and as expenditure in the fund financial statements. Because the software had not been placed into service as of September 30, 2024, the payment should have been reported as a prepaid item at that date. Accordingly, beginning net position and fund balance as of October 1, 2024 have been restated to correct the error.

The effect of the correction on beginning balances is as follows:

	September 30, 2024		
	Balances as previously reported	Restatement	Balances as restated
Government-Wide:			
Governmental activities:			
Net Position	$ 36,770,732	$ 79,779	$ 36,850,511
Business-type Activities:			
Net position	112,570,398	144,948	112,715,346
Fund Level:			
General fund			
Fund balance	27,362,707	79,778	27,442,485
Electric fund			
Net position	27,246,170	48,316	27,294,486
Water fund			
Net position	15,467,235	48,316	15,515,551
Wastewater fund			
Net position	40,680,484	48,316	40,728,800

NOTE 18 - IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

During the year ended September 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures.*

GASB Statement No. 101 establishes updated recognition and measurement guidance for compensated absences and related salary payments. The implementation of this Statement did not have a material effect on the City's beginning net position or fund balance, and no restatement of prior year balances was required.

GASB Statement No. 102 establishes disclosure requirements for certain concentrations or constraints that could cause a substantial impact to a government's financial statements. The implementation of this Statement did not have an effect on the City's beginning net position or fund balance, and no restatement of prior year balances was required.

NOTE 19 – RELATED PARTY TRANSACTIONS

During the year ending September 30, 2026, the CRA incurred costs for consulting and design services related to a redevelopment project with a vendor that is affiliated with a member of the CRA's governing board. The relationship was identified based on the board member's reported financial interests and association with the vendor.

The CRA paid the vendor $64,616 during the year ended September 30, 2025. These amounts are included in redevelopment expenditures in the accompanying financial statements. As of September 30, 2025, there were no amounts payable to the vendor**.**

NOTE 20 – SUBSEQUENT EVENT

Subsequent to September 30, 2025, on March 13, 2026, the CRA, issued Redevelopment Revenue Note, Series 2026A in the amount of $5,433,000 and Redevelopment Revenue Note, Series 2026B (Federally Taxable) in the amount of $12,677,000, for aggregate proceeds of $18,110,000. The Series 2026A note bears interest at 4.35 percent and the Series 2026B note bears interest at 5.50 percent, with final maturities on April 1, 2046. According to the closing documents, $18,000,000 of proceeds was deposited to project funds and $110,000 was applied to issuance costs. Proceeds are to be used to finance the acquisition, construction, improvement, and equipping of redevelopment projects and related costs within the community area. The notes are special and limited obligations of the CRA and are payable solely from pledged funds, which consist primarily of legally available tax increment revenues and certain related funds and accounts. Because the notes were issued after fiscal year-end, no related liability was recorded in the City's September 30, 2025 financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – General Fund
For the year ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RESOURCES:				
Taxes	$ 10,993,824	$ 10,993,824	$ 11,393,904	$ 400,080
Licenses and permits	799,659	799,659	1,047,910	248,251
Intergovernmental revenue	3,460,518	3,460,518	3,765,388	304,870
Charges for services	1,677,440	1,677,440	1,998,092	320,652
Fines and forfeitures	612,698	612,698	330,103	(282,595)
Investment income, net	486,884	486,884	985,140	498,256
Other	1,016,805	1,206,805	1,541,828	335,023
Total revenues	19,047,828	19,237,828	21,062,365	1,824,537
CHARGES TO APPROPRIATIONS:				
General government:				
Commission	2,081,474	2,081,474	1,922,884	158,590
City manager	603,162	603,162	533,998	69,164
City clerk	210,623	210,623	190,862	19,761
Finance	531,511	571,511	483,275	88,236
Personnel	369,139	407,539	471,383	(63,844)
Purchasing	221,905	221,905	228,497	(6,592)
Planning	216,975	216,975	181,725	35,250
Information technology systems	-	386,947	(154,364)	541,311
Fleet maintenance	-	9,600	239,762	(230,162)
Public safety:				
Police	9,407,442	9,641,936	8,933,585	708,351
Code enforcement	487,932	487,932	409,957	77,975
Building	601,802	601,802	501,594	100,208
Physical environment:				
Public works	3,918,840	4,176,164	1,808,058	2,368,106
Economic environment:				
Community development	363,044	363,044	364,241	(1,197)
Culture/recreation:				
Library	842,240	842,240	815,154	27,086
Library Coop - County	492,604	494,144	301,995	192,149
Library Coop - State aid	698,796	698,796	517,062	181,734
Parks and recreation	8,788,869	11,655,868	7,591,275	4,064,593
Golf course	1,931,961	2,051,208	1,936,698	114,510
Golf course - restaurant	873,505	873,505	871,330	2,175
Total expenditures	32,641,824	36,596,375	28,148,971	8,447,404
EXCESS (DEFICIENCY) OF REVENUE OVER(UNDER) EXPENDITURES	(13,593,996)	(17,358,547)	(7,086,606)	10,271,941
OTHER FINANCING SOURCES (USES):				
Transfers out	(7,436,319)	(7,436,319)	(7,436,319)	-
Transfers in	10,366,751	10,366,751	10,366,751	-
Sale of general capital assets	3,347	3,347	58,900	55,553
Insurance recoveries	-	110,000	285,919	175,919
Total other financing sources (uses)	2,933,779	3,043,779	3,275,251	231,472
NET CHANGE IN FUND BALANCE	$ (10,660,217)	$ (14,314,768)	$ (3,811,355)	$ 10,503,413

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, 2025, totaled $1,216,013 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.

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	$ 2,600,103	$ 2,600,103	$ 2,535,260	$ (64,843)
Other	-	-	86,051	86,051
Total revenues	2,600,103	2,600,103	2,621,311	21,208
EXPENDITURES:				
Economic environment	4,035,083	4,138,480	2,608,324	1,530,156
Debt service	27,000	70,000	66,000	4,000
Total expenditures	4,062,083	4,208,480	2,674,324	1,534,156
NET CHANGE IN FUND BALANCE	$ (1,461,980)	$(1,608,377)	$ (53,013)	$ 1,555,364

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	9/30/2026	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Measurement date	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability					
Service cost	$ 1,081,515	$ 909,075	$ 822,091	$ 778,554	$ 772,677
Interest	3,751,567	3,526,912	3,345,115	3,153,676	2,994,734
Change in assumptions	705,963	-	1,303,160	-	1,142,456
Change in benefit terms	-	137,545	-	-	-
Difference between expected and actual experience	936,834	1,263,799	1,124,505	898,049	450,120
Benefit payments, including refunds of of employee contributions	(2,983,025)	(2,661,579)	(2,506,264)	(1,960,287)	(1,633,064)
Employee buy-back	86,158	21,882	147,010	-	-
Net change in total pension liability	3,579,012	3,197,634	4,235,617	2,869,992	3,726,923
Total pension liability, beginning	54,003,808	50,806,174	46,570,557	43,700,565	39,973,642
Total pension liability, ending (a)	$ 57,582,820	$ 54,003,808	$ 50,806,174	$ 46,570,557	$ 43,700,565
Plan fiduciary net position					
Contributions - City	$ 2,299,232	$ 2,250,877	$ 1,675,270	$ 1,479,001	$ 1,573,343
Contributions - Employee	456,454	408,671	350,400	339,990	334,871
Contributions - Employee buy-back	86,158	21,882	147,010	-	-
Net investment income (loss)	4,947,364	7,629,330	2,856,621	(6,894,678)	6,548,888
Benefit payments, including refunds of employee contributions	(2,983,024)	(2,660,842)	(2,506,164)	(1,960,288)	(1,633,064)
Administrative expenses	(125,615)	(112,583)	(123,196)	(95,204)	(90,548)
Net change in plan fiduciary net position	4,680,569	7,537,335	2,399,941	(7,131,179)	6,733,490
Plan fiduciary net position, beginning	43,025,558	35,488,223	33,088,282	40,219,461	33,485,971
Plan fiduciary net position, ending (b)	$ 47,706,127	$ 43,025,558	$ 35,488,223	$ 33,088,282	$ 40,219,461
Net pension liability (asset) (a)-(b)	$ 9,876,693	$ 10,978,250	$ 15,317,951	$ 13,482,275	$ 3,481,104
Plan fiduciary net position as a percentage of total pension liability	82.85%	79.67%	69.85%	71.05%	92.03%
Covered payroll	$ 11,411,425	$ 10,216,577	$ 8,759,999	$ 8,502,922	$ 8,368,229
Net pension liability as a percentage of covered payroll	86.55%	107.46%	174.86%	158.56%	41.60%

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	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total pension liability					
Service cost	$ 747,116	$ 707,794	$ 724,848	$ 626,030	$ 594,932
Interest	2,826,188	2,715,913	2,520,111	2,445,146	2,285,926
Change in assumptions	(506,559)	-	-	687,125	794,635
Change in funding standard account	-	-	-	-	(33,336)
Difference between expected and actual experience	570,119	(494,481)	1,003,115	(285,652)	107,208
Benefit payments, including refunds of of employee contributions	(1,572,968)	(1,423,467)	(1,817,188)	(1,324,802)	(2,127,216)
Employee buy-back	187,878	-	-	50,733	-
Net change in total pension liability	2,251,774	1,505,759	2,430,886	2,198,580	1,622,149
Total pension liability, beginning	37,721,868	36,216,109	33,785,223	31,586,643	29,964,494
Total pension liability, ending (a)	$ 39,973,642	$ 37,721,868	$ 36,216,109	$ 33,785,223	$ 31,586,643
Plan fiduciary net position					
Contributions - City	$ 1,531,822	$ 1,568,825	$ 1,380,716	$ 1,530,529	1,305,948
Contributions - Employee	332,239	320,965	315,137	306,285	301,356
Contributions - Employee buy-back	187,878	-	-	50,733	-
Net investment income (loss)	3,003,425	1,324,954	2,302,808	2,653,336	2,094,864
Benefit payments, including refunds of employee contributions	(1,572,968)	(1,423,468)	(1,817,188)	(1,324,802)	(2,127,216)
Administrative expenses	(41,612)	(43,879)	(44,009)	(45,409)	(58,891)
Net change in plan fiduciary net position	3,440,784	1,747,397	2,137,464	3,170,672	1,516,061
Plan fiduciary net position, beginning	30,045,187	28,297,790	26,160,326	22,989,654	21,473,593
Plan fiduciary net position, ending (b)	$ 33,485,971	$ 30,045,187	$ 28,297,790	$ 26,160,326	$ 22,989,654
Net pension liability (asset) (a)-(b)	$ 6,487,671	$ 7,676,681	$ 7,918,319	$ 7,624,897	$ 8,596,989
Plan fiduciary net position as a percentage of total pension liability	83.77%	79.65%	78.14%	77.43%	72.78%
Covered payroll	$ 8,306,534	$ 8,016,434	$ 7,878,494	$ 7,657,098	$ 7,557,033
Net pension liability as a percentage of covered payroll	78.10%	95.76%	100.51%	99.58%	113.76%

Changes of Assumptions:

For measurement date September 30, 2025:

- As required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2024 FRS valuation report for non-special risk employees.

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	9/30/2026	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Measurement date	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability					
Service cost	$ 636,063	$ 687,108	$ 582,965	$ 534,915	$ 411,847
Interest	2,175,929	2,035,199	1,915,715	1,837,901	1,805,616
Change in benefit terms	32,171	-	-	-	37,376
Share plan allocation	78,302	57,312	41,261	29,430	30,409
Difference between expected and actual experience	683	338,994	582,046	127,869	(465,497)
Change of assumptions	540,469	511,172	-	-	-
Contributions - Buy Back	4,124	9,749	9,749	9,749	9,748
Benefit payments, including refunds of of employee contributions	(1,746,080)	(1,678,092)	(1,607,426)	(1,493,357)	(1,476,108)
Net change in total pension liability	1,721,661	1,961,442	1,524,310	1,046,507	353,391
Total pension liability, beginning	29,249,364	27,287,922	25,763,612	24,717,105	24,363,714
Total pension liability, ending (a)	$ 30,971,025	$ 29,249,364	$ 27,287,922	$ 25,763,612	$ 24,717,105
Plan fiduciary net position					
Contributions - City	$ 866,714	$ 767,627	$ 735,439	$ 821,077	$ 838,572
Contributions - State of Florida	271,032	229,051	196,950	173,289	175,246
Contributions - Employee	109,534	115,845	112,112	99,592	76,656
Contributions - Buy Back	-	-	9,749	9,749	9,748
Net investment income (loss)	3,106,126	4,930,282	2,001,523	(4,783,300)	3,671,671
Benefit payments, including refunds of	-	-			
employee contributions	(1,746,079)	(1,678,092)	(1,608,968)	(1,493,357)	(1,476,108)
Administrative expenses	(121,067)	(94,523)	(85,039)	(108,218)	(122,253)
Net change in plan fiduciary net position	2,486,260	4,270,190	1,361,766	(5,281,168)	3,173,532
Plan fiduciary net position, beginning	25,799,135	21,528,945	20,167,179	25,448,347	22,274,815
Plan fiduciary net position, ending (b)	$ 28,285,395	$ 25,799,135	$ 21,528,945	$ 20,167,179	$ 25,448,347
Net pension liability (asset) (a)-(b)	$ 2,685,630	$ 3,450,229	$ 5,758,977	$ 5,596,433	$ (731,242)
Plan fiduciary net position as a percentage of total pension liability	91.33%	88.20%	78.90%	78.28%	102.96%
Covered payroll	$ 2,633,684	$ 2,652,225	$ 2,802,289	$ 2,487,455	$ 1,935,748
Net pension liability as a percentage of covered payroll	101.97%	130.09%	205.51%	224.99%	-37.78%

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	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total pension liability					
Service cost	$ 409,497	$ 390,208	$ 392,286	$ 397,225	$ 409,524
Interest	1,775,628	1,749,591	1,691,917	1,637,023	1,545,529
Change in excess State money	-	(35,798)	21,555	13,219	(58,130)
Change in benefit terms	-	-	-	-	6,937
Share plan allocation	25,328	41,676	-	-	-
Difference between expected and actual experience	294,146	(106,467)	42,199	(18,331)	(232,824)
Change of assumptions	621,793	68,634	-	-	539,060
Contributions - Buy Back	10,748	-	-	26,843	7,200
Benefit payments, including refunds of of employee contributions	(1,680,464)	(1,432,563)	(1,374,240)	(1,329,052)	(895,977)
Net change in total pension liability	1,456,676	675,281	773,717	726,927	1,321,319
Total pension liability, beginning	22,907,038	22,231,757	21,458,040	20,731,113	19,409,794
Total pension liability, ending (a)	$ 24,363,714	$ 22,907,038	$ 22,231,757	$ 21,458,040	$ 20,731,113
Plan fiduciary net position					
Contributions - City	$ 937,089	$ 902,680	$ 741,815	$ 669,668	$ 706,919
Contributions - State of Florida	165,084	161,981	153,190	144,854	132,660
Contributions - Employee	75,864	72,904	63,130	62,586	67,573
Contributions - Buy Back	10,748	-	-	26,843	7,200
Net investment income (loss)	2,827,801	973,587	1,452,125	1,906,472	1,600,571
Benefit payments, including refunds of employee contributions	(1,680,464)	(1,432,564)	(1,374,240)	(1,329,138)	(895,977)
Administrative expenses	(104,616)	(82,969)	(83,411)	(69,868)	(73,437)
Net change in plan fiduciary net position	2,231,506	595,619	952,609	1,411,417	1,545,509
Plan fiduciary net position, beginning	20,043,309	19,447,690	18,495,081	17,083,664	15,538,155
Plan fiduciary net position, ending (b)	$ 22,274,815	$ 20,043,309	$ 19,447,690	$ 18,495,081	$ 17,083,664
Net pension liability (asset) (a)-(b)	$ 2,088,899	$ 2,863,729	$ 2,784,067	$ 2,962,959	$ 3,647,449
Plan fiduciary net position as a percentage of total pension liability	91.43%	87.50%	87.48%	86.19%	82.41%
Covered payroll	$ 1,898,516	$ 1,821,678	$ 1,578,253	$ 1,564,644	$ 1,689,305
Net pension liability as a percentage of covered payroll	110.03%	157.20%	176.40%	189.37%	215.91%

Changes of benefit terms:

For measurement date September 30, 2025:

- The maximum period of participation in the Deferred Retirement Option Program increased from 5 to 8 years.

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, 2025:

- As required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the Milliman’s July 1, 2024 FRS valuation report for special risk employees, with the appropriate adjustments made based on plan demographics.

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.

Continued…

- 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	9/30/2026	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Measurement date	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total pension liability					
Service cost	$ 313,531	$ 266,265	$ 228,586	$ 214,184	$ 220,243
Interest	1,241,235	1,145,549	1,064,458	1,012,540	975,604
Change in excess State money	-	-	-	-	-
Change of benefit terms	243,074	-	-	-	-
Difference between expected and actual experience	(190,448)	388,335	516,409	136,937	(83,517)
Change of assumptions	462,303	239,742	-	-	-
Benefit payments, including refunds of of employee contributions	(784,718)	(749,991)	(707,281)	(616,624)	(576,993)
Net change in total pension liability	1,284,977	1,289,900	1,102,172	747,037	535,337
Total pension liability, beginning	17,199,308	15,909,408	14,807,236	14,060,199	13,524,862
Total pension liability, ending (a)	$ 18,484,285	$ 17,199,308	$ 15,909,408	$ 14,807,236	$ 14,060,199
Plan fiduciary net position					
Contributions - City	$ 658,938	$ 594,783	$ 428,570	$ 468,199	$ 417,798
Contributions - State of Florida	187,798	175,171	166,008	123,413	119,837
Contributions - Employee	41,136	31,208	28,799	26,879	24,649
Net investment income (loss)	1,685,558	2,863,874	1,289,711	(2,688,394)	2,391,021
Benefit payments, including refunds of employee contributions	(784,718)	(749,991)	(707,281)	(616,624)	(576,993)
Administrative expenses	(101,189)	(90,118)	(76,176)	(83,707)	(79,542)
Net change in plan fiduciary net position	1,687,523	2,824,927	1,129,631	(2,770,234)	2,296,770
Plan fiduciary net position, beginning	15,510,294	12,685,367	11,555,736	14,325,970	12,029,200
Plan fiduciary net position, ending (b)	$ 17,197,817	$ 15,510,294	$ 12,685,367	$ 11,555,736	$ 14,325,970
Net pension liability (asset) (a)-(b)	$ 1,286,468	$ 1,689,014	$ 3,224,041	$ 3,251,500	$ (265,771)
Plan fiduciary net position as a percentage of total pension liability	93.04%	90.18%	79.74%	78.04%	101.89%
Covered payroll	$ 1,621,792	$ 1,560,381	$ 1,425,576	$ 1,343,926	$ 1,214,338
Net pension liability as a percentage of covered payroll	79.32%	108.24%	226.16%	241.94%	-21.89%

Continued…

CITY OF BARTOW, FLORIDA

Schedule of Changes in Net Pension Liability and Related Ratios

Firefighters' Retirement Trust Fund (concluded)

City reporting period date	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total pension liability					
Service cost	$ 180,217	$ 258,526	$ 268,455	$ 250,467	$ 251,243
Interest	955,707	987,212	916,733	874,820	798,268
Change in excess State money	-	(245,371)	31,984	21,629	21,617
Change of benefit terms	-	(1,093)	-	-	-
Difference between expected and actual experience	117,715	(741,965)	258,169	(97,077)	31,215
Change of assumptions	403,311	131,704	-	-	356,791
Benefit payments, including refunds of of employee contributions	(567,137)	(564,106)	(538,594)	(505,965)	(453,717)
Net change in total pension liability	1,089,813	(175,093)	936,747	543,874	1,005,417
Total pension liability, beginning	12,435,049	12,610,142	11,673,395	11,129,521	10,124,104
Total pension liability, ending (a)	$ 13,524,862	$ 12,435,049	$ 12,610,142	$ 11,673,395	$ 11,129,521
Plan fiduciary net position					
Contributions - City	$ 412,374	$ 503,585	$ 478,195	$ 423,994	$ 414,052
Contributions - State of Florida	114,351	106,289	107,353	98,062	102,375
Contributions - Employee	23,139	20,984	20,540	21,525	21,034
Net investment income (loss)	1,285,228	470,431	792,524	1,037,633	550,637
Benefit payments, including refunds of employee contributions	(567,136)	(564,103)	(538,594)	(505,965)	(453,717)
Administrative expenses	(88,327)	(83,846)	(68,748)	(70,443)	(64,703)
Net change in plan fiduciary net position	1,179,629	453,340	791,270	1,004,806	569,678
Plan fiduciary net position, beginning	10,849,571	10,396,231	9,604,961	8,600,155	8,030,477
Plan fiduciary net position, ending (b)	$ 12,029,200	$ 10,849,571	$ 10,396,231	$ 9,604,961	$ 8,600,155
Net pension liability (asset) (a)-(b)	$ 1,495,662	$ 1,585,478	$ 2,213,911	$ 2,068,434	$ 2,529,366
Plan fiduciary net position as a percentage of total pension liability	88.94%	87.25%	82.44%	82.28%	77.27%
Covered payroll	$ 1,156,915	$ 1,049,282	$ 1,027,021	$ 1,076,259	$ 1,051,732
Net pension liability as a percentage of covered payroll	129.28%	151.10%	215.57%	192.19%	240.50%

Changes in Benefit Terms:

For measurement date September 30, 2025:

- Added a Deferred Retirement Option Program provision.
- Changed the 28 years of credited service unreduced normal retirement eligibility to the attainment of 25 years of credited service, regardless of age.
- Increased the member contribution rate from 2% to 4% of salary.
- Increased the vesting requirement from 6 to 10 years for firefighters who were not vested on October 1, 2024.

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, 2025:

- As required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the Milliman's July 1, 2024 FRS valuation report for special risk employees.

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.

Continued…

For measurement date September 30, 2016:

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

CITY OF BARTOW, FLORIDA
All Retirement Trust Funds
Schedule of Contributions

Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
General Employees' Plan					
2025	$ 2,459,605	$ 2,299,232	$ (160,373)	$ 11,411,425	20.15%
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%
Police Officers' Plan					
2025	$ 1,035,038	$ 1,059,567	$ 24,529	$ 2,633,684	40.23%
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%
Firefighters' Plan					
2025	$ 848,197	$ 846,736	$ (1,461)	$ 1,621,792	52.21%
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%

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

- Valuation Date: October 1, 2023 for fiscal year 2025 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.
- Annual Salary Increase Assumptions: The general employees' plan uses a service-based assumption ranging from 5.5% for the first 4 years of service, 5.0% for the next 5 years of service and 4.0% thereafter. 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; 7.00% 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 Assumptions: Before age 62 with years of services as follows: 25 = 20%, 26-30=10%, 31-35=15%, 36-39=25%, 40=100%. Regardless of years of services at age 62 = 50%, age 63-64=30%, age 65=25%, age 66=45%, age 67-69=25% and age 70+=100%.
- 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.
- Termination and disability rate tables:

General Employees' Plan			Police Officers' Plan				Firefighters' Plan			
			% terminating		% becoming disabled		% terminating		% becoming disabled	
Age	% terminating during year (*)	% disabled during year	Years of Service	Assumption	Age	Assumption	Years of Service	Assumption	Age	Assumption
25	10.00%	0.05%	0-4	12.00%	20	0.30%	0-4	6.00%	20	0.03%
35	8.00%	0.08%	5-9	5.00%	30	0.40%	5-9	5.00%	30	0.04%
45	5.00%	0.19%	10+	3.00%	40	0.70%	10+	4.00%	40	0.07%
55	7.00%	0.50%			50	1.80%			50	0.18%
65	0.00%									

(*) – termination rates for the General Employees Plan assumes 20% in the first year of employment, 15% in the second year, 12.5% in the third year, 12.5% 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	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Measurement date	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total OPEB Liability				
Service cost	$ 1,236,960	$ 1,209,338	$ 2,389,741	$ 2,492,928
Interest	1,246,418	1,156,672	977,561	847,791
Differences between expected and actual experience	(2,829,944)	-	(3,130,682)	-
Changes in assumptions	2,421,242	(358,632)	(14,345,375)	(1,930,154)
Benefit payments	(714,575)	(666,271)	(718,830)	(671,804)
Net change in total OPEB Liability	1,360,101	1,341,107	(14,827,585)	738,761
Total OPEB Liability - beginning (*)	24,709,876	23,368,769	38,196,354	37,457,593
Total OPEB Liability - ending	$ 26,069,977	$ 24,709,876	$ 23,368,769	$ 38,196,354
Covered-employee payroll	$ 17,101,949	$ 15,314,837	$ 14,609,137	$ 13,506,505
Total OPEB liability as a percentage of covered-employee payroll	152.44%	161.35%	159.96%	282.80%

Reporting date	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total OPEB Liability					
Service cost	$ 1,610,448	$ 1,237,729	$ 1,282,787	$ 1,433,413	$ 1,141,412
Interest	1,122,331	1,065,032	974,389	849,073	856,101
Differences between expected and actual experience	(1,793,963)	-	(827,654)	-	-
Changes in assumptions	8,543,463	2,644,515	(2,168,781)	(2,672,114)	2,803,250
Benefit payments	(632,044)	(555,224)	(457,185)	(420,400)	(420,400)
Net change in total OPEB Liability	8,850,235	4,392,052	(1,196,444)	(810,028)	4,380,363
Total OPEB Liability - beginning (*)	28,607,358	24,516,260	25,712,704	26,522,732	22,142,369
Total OPEB Liability - ending	$ 37,457,593	$ 28,908,312	$ 24,516,260	$ 25,712,704	$ 26,522,732
Covered-employee payroll	$ 13,000,932	$ 12,747,899	$ 12,141,199	$ 12,176,344	$ 11,595,783
Total OPEB liability as a percentage of covered-employee payroll	288.11%	226.77%	201.93%	211.17%	228.73%

Notes to Schedule:

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

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

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

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

Measurement Date	Discount Rate
September 30, 2024	4.06%
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, 2025

	Transportation Fund	Fire Services Fund	Total
ASSETS			
Equity in pooled cash and cash equivalents	$ 38,050	$5,002,380	$ 5,040,430
Receivables, net			
Customer accounts, net	-	300	300
Intergovernmental and other	192,023	1,500	193,523
Prepaid expenditures	194,294	1,399,680	1,593,974
Restricted assets:			
Cash and cash equivalents	2,917,864	232,789	3,150,653
Customer receivables	64,533	-	64,533
TOTAL ASSETS	$ 3,406,764	$6,636,649	$ 10,043,413
LIABILITIES			
Accounts payable	69,087	16,928	86,015
Construction costs payable	5,678	-	5,678
Accrued payroll	2,816	64,153	66,969
Due to other funds	121,938	-	121,938
TOTAL LIABILITIES	199,519	81,081	280,600
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	64,533	-	64,533
FUND BALANCE			
Nonspendable:			
Prepaid expenditures	194,294	1,399,680	1,593,974
Restricted for:			
Transportation improvements	2,917,864	-	2,917,864
Transportation activities	30,554	-	30,554
Assigned to:			
Fire services	-	5,155,888	5,155,888
TOTAL FUND BALANCES	3,142,712	6,555,568	9,698,280
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 3,406,764	$6,636,649	$ 10,043,413

	Transportation Fund	Fire Services Fund	Total
REVENUES:			
Taxes	$ 1,115,596	$ 187,798	$ 1,303,394
Intergovernmental revenue	190,242	5,688	195,930
Charges for services	141,477	3,349,181	3,490,658
Fines and forfeitures	-	2,050	2,050
Other	518,764	237,693	756,457
Total revenues	1,966,079	3,782,410	5,748,489
EXPENDITURES:			
Public safety	-	4,424,179	4,424,179
Transportation	1,362,448	-	1,362,448
Capital outlay	946,200	62,298	1,008,498
Debt service	239,423	-	239,423
Total expenditures	2,548,071	4,486,477	7,034,548
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(581,992)	(704,067)	(1,286,059)
OTHER FINANCING SOURCES (USES)			
Transfers in	866,240	6,570,079	7,436,319
TOTAL OTHER FINANCING SOURCES	866,240	6,570,079	7,436,319
NET CHANGE IN FUND BALANCE	284,248	5,866,012	6,150,260
FUND BALANCE, beginning of year	2,858,464	689,556	3,548,020
FUND BALANCE, end of year	$ 3,142,712	$ 6,555,568	$ 9,698,280

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – Transportation Fund
for the year ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes	$ 1,135,390	$ 1,135,390	$ 1,115,596	$ (19,794)
Intergovernmental revenue	184,103	184,103	190,242	6,139
Charges for service	138,761	138,761	141,477	2,716
Other	433,163	433,163	518,764	85,601
Total revenues	1,891,417	1,891,417	1,966,079	74,662
EXPENDITURES:				
Transportation	1,417,233	1,465,555	1,362,448	103,107
Capital outlay	936,500	941,963	946,200	(4,237)
Debt service	-	-	239,423	(239,423)
Total expenditures	2,353,733	2,407,518	2,548,071	(140,553)
OTHER FINANCING SOURCES (USES):				
Transfer in	866,240	866,240	866,240	-
Total other financing sources (uses)	866,240	866,240	866,240	-
NET CHANGE IN FUND BALANCE	$ 403,924	$ 350,139	$ 284,248	$ (65,891)

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes	$ 166,008	$ 166,008	$ 187,798	$ 21,790
Intergovernmental revenue	3,600	2,403,600	5,688	(2,397,912)
Charges for service	3,306,220	3,306,220	3,349,181	42,961
Fines and forfeitures	-	-	2,050	2,050
Other	282,262	282,262	237,693	(44,569)
Total revenues	3,758,090	6,158,090	3,782,410	(2,375,680)
EXPENDITURES:				
Public safety	4,199,152	5,601,870	4,424,179	1,177,691
Capital outlay	5,664,500	6,714,500	62,298	6,652,202
Total expenditures	9,863,652	12,316,370	4,486,477	7,829,893
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,105,562)	(6,158,280)	(704,067)	5,454,213
OTHER FINANCING SOURCES (USES):				
Transfers in	6,570,079	6,570,079	6,570,079	-
Total other financing sources	6,570,079	6,570,079	6,570,079	-
NET CHANGE IN FUND BALANCE	$ 464,517	$ 411,799	$ 5,866,012	$ 5,454,213

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, 2025

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	**Information Technology Fund**	**Stormwater Fund**	**Total**
ASSETS				
Current assets:				
Equity in pooled cash and cash equivalents	$ 415,245	$ 815,876	$ 29,920	$ 1,261,041
Investment securities	-	1,987,840	993,920	2,981,760
Receivables:				
Customers, net	1,001,411	6,355	667	1,008,433
Intergovernmental and other	-	2,520	1,261	3,781
Inventory and prepaids	61,623	68,987	3,391	134,001
Total current assets	1,478,279	2,881,578	1,029,159	5,389,016
Noncurrent assets:				
Capital assets:				
Non-depreciable	355,407	-	533,859	889,266
Depreciable, net	2,421,054	107,254	2,293,121	4,821,429
Total noncurrent assets	2,776,461	107,254	2,826,980	5,710,695
Total assets	4,254,740	2,988,832	3,856,139	11,099,711
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	282,170	14,960	48,078	345,208
Deferred outflows related to OPEB	269,454	1,132	85,457	356,043
Total deferred outflows of resources	551,624	16,092	133,535	701,251
LIABILITIES				
Current liabilities:				
Accounts payable	107,999	943	27,050	135,992
Accrued wages	24,348	-	3,128	27,476
Due to other funds	861,137	-	415,429	1,276,566
Bonds and notes payable, current	165,564	-	-	165,564
Total current liabilities	1,159,048	943	445,607	1,605,598
Noncurrent liabilities:				
Compensated absences	238,717	-	36,397	275,114
Post employment obligation payable	1,177,777	4,949	373,531	1,556,257
Net pension liability	784,036	41,569	133,591	959,196
Bonds and notes payable, noncurrent portion	550,180	-	-	550,180
Total noncurrent liabilities	2,750,710	46,518	543,519	3,340,747
Total liabilities	3,909,758	47,461	989,126	4,946,345
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	91,946	4,875	15,667	112,488
Deferred inflows related to OPEB	643,567	2,704	204,107	850,378
Total deferred inflows of resources	735,513	7,579	219,774	962,866
NET POSITION				
Net investment in capital assets	2,060,717	107,254	2,826,980	4,994,951
Unrestricted	(1,899,624)	2,842,630	(46,206)	896,800
Total net position	$ 161,093	$ 2,949,884	$ 2,780,774	$ 5,891,751

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, 2025

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
OPERATING REVENUES:				
Charges for services	$ 4,805,977	$ 121,833	$ 1,510,300	$ 6,438,110
Total operating income	4,805,977	121,833	1,510,300	6,438,110
OPERATING EXPENSES:				
Personnel services	1,720,764	-	351,810	2,072,574
Operating expenses	3,274,242	190,371	747,211	4,211,824
Depreciation	541,161	42,548	80,289	663,998
Total operating expenses	5,536,167	232,919	1,179,310	6,948,396
OPERATING INCOME (LOSS)	(730,190)	(111,086)	330,990	(510,286)
NONOPERATING REVENUE (EXPENSE)				
Investment revenue	6,398	93,652	44,131	144,181
Interest expense	(23,410)	-	-	(23,410)
Gain (loss) on disposal of property	16,355	-	1,400	17,755
Other, net	25,629	-	-	25,629
Total nonoperating revenues (expense)	24,972	93,652	45,531	164,155
INCOME BEFORE CONTRIBUTIONS	(705,218)	(17,434)	376,521	(346,131)
CAPITAL CONTRIBUTIONS				
Capital grants and contributions	89,309	-	-	89,309
Total capital contributions	89,309	-	-	89,309
CHANGE IN NET POSITION	(615,909)	(17,434)	376,521	(256,822)
NET POSITION, beginning of year	777,002	2,967,318	2,404,253	6,148,573
NET POSITION, end of year	$ 161,093	$ 2,949,884	$ 2,780,774	$ 5,891,751

CITY OF BARTOW, FLORIDA

Combining Statement of Cash Flows– Non-Major Enterprise Funds
for the year ended September 30, 2025

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 4,432,475	$ 116,758	$ 1,510,867	$ 6,060,100
Payments to suppliers	(3,246,107)	(189,406)	(771,242)	(4,206,755)
Payments for salaries and benefits	(1,596,851)	(124,659)	(292,227)	(2,013,737)
Net cash flows from operating activities	(410,483)	(197,307)	447,398	(160,392)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund borrowing (lending)	861,137	-	176,580	1,037,717
Net cash flows from noncapital financing activities	861,137	-	176,580	1,037,717
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets, net of related payables	(367,870)	-	(657,422)	(1,025,292)
Principal paid on notes, bonds and lease obligations	(179,384)	-	-	(179,384)
Interest paid on borrowings and other debt costs	(23,410)	-	-	(23,410)
Proceeds from the sale of assets	16,355	-	1,400	17,755
Capital contributions and impact fees received, net of change in related receivables	89,309	(2,520)	2,002	88,791
Net cash flows from capital and related financing activities	(465,000)	(2,520)	(654,020)	(1,121,540)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on invested funds	6,398	86,032	40,321	132,751
Other income	25,629	-	-	25,629
Net cash flows from investing activities	32,027	86,032	40,321	158,380
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,681	(113,795)	10,279	(85,835)
CASH AND CASH EQUIVALENTS, beginning of year	397,564	929,671	19,641	1,346,876
CASH AND CASH EQUIVALENTS, end of year	$ 415,245	$ 815,876	$ 29,920	$ 1,261,041
As shown in the Accompanying Financial Statements				
Equity in cash and investments	$ 415,245	$ 815,876	$ 29,920	$ 1,261,041
Total cash and cash equivalents	$ 415,245	$ 815,876	$ 29,920	$ 1,261,041

Continued…

CITY OF BARTOW, FLORIDA
Combining Statement of Cash Flows– Non-Major Enterprise Funds (concluded)
for the year ended September 30, 2025

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
Noncash financing and investing activities:				
Financed purchase of capital asset	$ 895,128	$ -	$ -	$ 895,128
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (730,190)	$ (111,086)	$ 330,990	$ (510,286)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	541,161	42,548	80,289	663,998
(Increase) decrease in inventory and prepaids	117,454	22	1,812	119,288
(Increase) decrease in accounts receivable	(490,956)	(5,075)	567	(495,464)
Increase (decrease) in accounts payable	28,135	943	(25,843)	3,235
Increase (decrease) in accrued wages and compensated absences	111,901	-	17,454	129,355
(Increase) decrease in OPEB related deferred outflows	(21,467)	17,512	(14,583)	(18,538)
Increase (decrease) in the total OPEB liability	23,752	(81,813)	43,713	(14,348)
Increase (decrease) in OPEB related deferred inflows	(100,898)	(53,267)	(8,660)	(162,825)
(Increase) decrease in pension related deferred outflows	291,252	30,819	46,294	368,365
Increase (decrease) in the net pension liability	(272,573)	(42,785)	(40,302)	(355,660)
Increase (decrease) in pension related deferred inflows	91,946	4,875	15,667	112,488
Net cash flows from operating activities	$ (410,483)	$ (197,307)	$ 447,398	$ (160,392)

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS				
Cash and cash equivalents	$ -	$ 12	$ 8	$ 20
Receivables:				
City and plan members	79	-	-	79
State of Florida	-	-	18,235	18,235
Due from broker	-	6,442	-	6,442
Accrued income	8,779	25,166	854	34,799
Total receivables	8,858	31,608	19,089	59,555
Investments, at fair value:				
Short-term money market funds	1,250,152	772,183	294,152	2,316,487
Fixed income investments	7,903,411	5,864,371	3,630,918	17,398,700
Equity investments	32,675,335	19,868,137	12,203,956	64,747,428
Diversified mutual fund	2,009,320	-	-	2,009,320
Real estate investments	3,921,786	1,837,197	1,071,697	6,830,680
Total investments	47,760,004	28,341,888	17,200,723	93,302,615
Total assets	47,768,862	28,373,508	17,219,820	93,362,190
LIABILITIES				
Accounts payable	33,069	66,190	22,003	121,262
Due to broker	-	5,968	-	5,968
Accrued benefits payable	29,666	15,955	-	45,621
Total Liabilities	62,735	88,113	22,003	172,851
NET POSITION				
Restricted for pension benefits	$ 47,706,127	$ 28,285,395	$ 17,197,817	$ 93,189,339

CITY OF BARTOW, FLORIDA

Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds
for the year ended September 30, 2025

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS				
Contributions:				
City	$ 2,299,232	$ 866,714	$ 658,938	$ 3,824,884
Plan members	542,612	109,534	41,136	693,282
State of Florida	-	271,032	187,798	458,830
Total contributions	2,841,844	1,247,280	887,872	4,976,996
Investment income	5,045,005	3,175,624	1,720,838	9,941,467
Less investment expenses:				
Performance evaluation	25,000	31,875	26,500	83,375
Custodial fees	17,964	14,427	8,780	41,171
Investment management fees	54,677	23,196	-	77,873
Total investment expenses	97,641	69,498	35,280	202,419
Net investment income	4,947,364	3,106,126	1,685,558	9,739,048
Total additions	7,789,208	4,353,406	2,573,430	14,716,044
DEDUCTIONS				
Administrative expenses:				
Legal	10,110	15,720	15,730	41,560
Administrator fee	68,953	33,120	23,603	125,676
Actuarial	29,976	48,403	37,037	115,416
Travel, training and other	4,510	5,613	9,890	20,013
Accounting	5,850	7,416	5,564	18,830
Insurance	6,216	4,435	3,005	13,656
Audit	-	6,360	6,360	12,720
Total administrative expenses	125,615	121,067	101,189	347,871
Payments to retirees and participants	2,983,024	1,746,079	784,718	5,513,821
Total deductions	3,108,639	1,867,146	885,907	5,861,692
CHANGE IN NET POSITION	4,680,569	2,486,260	1,687,523	8,854,352
NET POSITION, beginning of year	43,025,558	25,799,135	15,510,294	84,334,987
NET POSITION, end of year	$ 47,706,127	$ 28,285,395	$ 17,197,817	$ 93,189,339

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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, 2025

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)	29
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)	22
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	$2,455,801 for the fiscal year ended September 30, 2025
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	$1,427,020 for the fiscal year ended September 30, 2025
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, 2025 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)	

Project	Estimated Total Cost	Expenses incurred through September 30, 2025
T-Hangars	$2,467,135	$1,469,020
T-Hangars – Taxi lanes	$2,422,920	$2,201,495

GOVERNMENT AUDITING SECTION

FEDERAL PROGRAMS:

Federal Grants Funding Source and Grant Program	AL#	Contract/Grant Identification	Total Expenditures
U.S. Department of Transportation:			
Direct program:			
Federal Aviation Administration:			
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Program:			
Hangar Taxilane	20.106	3-12-0005-041-2022	$ 1,831,839
Total U.S Department of Transportation			1,831,839
U.S. Department of Housing and Urban Development:			
Pass through program:			
Polk County, Florida:			
Community Development Block Grant (CDBG) - Entitlement Grant Cluster:			
Carver Center	14.218	M230002	216,396
Total U.S. Department of Housing and Urban Development			216,396
U.S. Department of Homeland Security			
Pass through program:			
Florida Division of Emergency Management			
Disaster Grants - Public Assistance Program (Presidentially Declared Disasters):			
Hurricane Milton	97.036	DR-4834-FL	55,496
Hurricane Ian	97.036	DR-4673-FL	342,422
Total U.S. Department of Homeland Security			397,918
U.S. Department of Justice			
Passed through:			
Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant Program:			
Traffic Safety Improvements	16.738	J3AGMABLA8E5	17,118
Total U.S. Department of Justice			17,118
U.S. Department of Treasury			
Passed through State of Florida Department of Environmental Protection			
Coronavirus State and Local Fiscal Recovery Funds	21.027	23PLN125	124,206
Total U.S. Department of Treasury			124,206
Total Expenditures of Federal Awards			$ 2,587,477

Continued…

STATE PROGRAMS:

Funding Source and Grant Program	CSFA#	Contract/Grant Identification	Total Expenditures
State of Florida Department of Environmental Protection			
Direct programs:			
Statewide Water Quality Restoration Projects:			
Solids Management	37.039	LPA0434	$ 113,711
Headworks Rehabilitation	37.039	LPA0433	225,000
Emergency Generators	37.039	LPA0457	567,269
Total State of Florida Department of Environmental Protection			905,980
State of Florida Department of Transportation			
Direct programs:			
Aviation Grant Programs:			
Airport Security	55.004	450676-1-94-01	$ 79,935
T-Hangar Design	55.004	439944-1-94-01	1,809,994
Remote Towers	55.004	454153-1-94-01	1,236,364
Rehab ATCT	55.004	454153-1-94-01	5,023
Total Aviation Grant Program			3,131,316
Intermodal Access Development Program:			
Entrance Road	55.014	450036-1-94-01	130,293
Local Transportation Projects:			
Building Rehab	55.039	452131-3-94-01	190,275
Total State of Florida Department of Transportation			3,451,884
Total Expenditures of State Financial Assistance			$ 4,357,864

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

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards and state financial assistance presents the federal and state grant activity of the City of Bartow, Florida, including the Bartow Municipal Airport Development Authority, for the year ended September 30, 2025. The schedule includes federal awards and state financial assistance received directly or passed through from other entities. For the year ended September 30, 2025, the City had no subrecipients and did not pass any federal awards or state financial assistance through to other entities.

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 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Subpart F,* Chapter 69I.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 accompanying 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 15% allowed by §200.414(f), Indirect (F&A) costs, of the Uniform Guidance, to all federal awards.

NOTE 4 - CONTINGENCIES

Amounts reported as grant revenues and expenditures are subject to audit and adjustment by the applicable grantor agencies. Any disallowed expenditures could become a liability of the City. In the opinion of management, the City has complied, in all material respects, with applicable grant requirements, federal and state laws and regulations, and the terms of the related grant agreements.

NOTE 5 – NON-CASH CONTRIBUTIONS

The City did not receive any federal or state non-cash assistance, including personal protective equipment for the fiscal year ended September 30, 2025.

NOTE 6 – EXPENDITURES INCURRED IN PRIOR YEARS

During the year ended September 30, 2025, the City reported federal expenditures under the Public Assistance Program (ALN 97.036) totaling $342,422. These amounts represent federal reimbursements recognized during the current year for eligible disaster response and recovery costs related to Hurricane Ian that were incurred and recorded by the City in prior fiscal years.
The City also reported state financial assistance under the Water Quality Restoration Projects program (CSFA No. 37.039) totaling $311,069. These amounts represent state funding recognized during the current year for eligible project costs that were incurred and recorded by the City in a prior fiscal year.

Accordingly, certain amounts reported on the accompanying schedule of expenditures of federal awards and state financial assistance reflect current year grant activity for reimbursement-based awards, although the related underlying expenditures were incurred in prior fiscal years.

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, 2025, 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 30, 2026. 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.

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 certain deficiencies in internal control, described in the Bartow Community Redevelopment Agency audit report as 2025-001 and in the accompanying schedule of findings and questioned costs as items 2025-002, 2025-003, 2025-004, and 2025-005 that we consider to be material weaknesses.

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 30, 2026
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, 2025. 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, 2025.

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 10.550, *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.

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 judgment 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 and Chapter 10.550, 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 30, 2026
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, 2025

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

U.S. Department of Transportation	
Federal Aviation Administration	
Airport Improvement Program	AL No. 20.106

State Financial Assistance Projects

Florida Department of Transportation	
Aviation Grant Programs	CSFA No. 55.004
Florida Department of Environmental Protection	
Statewide Water Quality Restoration Projects	CSFA No. 37.039

Dollar threshold used to distinguish between Type A and Type B programs - Federal Programs:	$1,000,000
Dollar threshold used to distinguish between Type A and Type B programs - State Projects:	$750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	No

CITY OF BARTOW, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

PART B - FINDINGS - FINANCIAL STATEMENT AUDIT

■ **2025-001 – <u>Unauthorized Disbursements Outside of Established Budgetary Controls</u>**

- Finding 2025-001 is reported in the audit of the Bartow Community Redevelopment Agency. Please see that audit report for detail of this finding.

City's Response to Finding—The CRA finding was addressed with both the CRA Director and the CRA Board and banking responsibilities were adjusted to eliminate this possibility in the future. Staff also educated the whole team on the appropriate controls necessary.

■ **2025-002 – <u>Material Weakness in Controls Over Capital Asset Recognition and Reporting</u>**

Condition—During the audit, we identified multiple deficiencies in internal controls over the recognition and reporting of Construction Work-In-Process (CWIP), including misclassifications, and inaccuracies that required significant audit adjustments. These deficiencies include:

- A $3,275,221 substation project that was improperly added to improvement assets when the asset had not actually been placed into service as of September 30, 2025.
- A $523,747 Interconnect project that was improperly reported as CWIP when the asset had actually been placed into service during the 2025 fiscal year.
- Generators with an initial value of $449,225 were improperly reported as CWIP when the assets had actually been placed into service during the 2025 fiscal year.

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.

City's Response to Finding—At the end of the fiscal year, the staff member responsible for this function left the City with very little notice. Quarterly reconciliations and better review processes will be put in place to help eliminate this from happening in the future. New staff have been trained and other department managers have been notified of the importance of better scrutiny on capitalization.

■ **2025-003 – Material Weakness in Timeliness of Preparation of Financial Statement Reports**

Condition—At commencement of final fieldwork, we noted that there were several large areas still requiring completion and adjustment. Management noted that these areas were still in process and adjustments were to be provided. The City subsequently provided adjustments to these areas.

Criteria—Management is responsible for the accuracy and completeness of all financial records, including draft financial statements and the schedule of expenditures of federal awards and state financial assistance, provided to us.

Cause—The deficiencies appear to result from the untimely departures of key finance department personnel which limited the department's ability to accomplish tasks.

Effect—The delay in the completion of financial records resulted in significant updates to the original trial balance, a large volume of subsequent journal entries, inaccurate information included in reports, a delay in the completion of final fieldwork, and a delay in the issuance of the financial statements.

Recommendation—We recommend that management review policies and procedures in relation to the closing process and ensure the department is appropriately staffed in order to improve the timeliness of financial close and reporting.

City's Response to Finding—The team had too many new projects in place and unexpected staff turnover during this fiscal year. Going forward, the number of additional projects have been reduced and will be better timed going forward. With such a small team in financial management, loss of a single person, much less two, can cause significant delays.

■ **2025-004 – Material Weakness in Internal Control Over Sanitation Billing**

Condition—Internal controls were not sufficient to timely bill customers for compactor and container rentals.

Criteria—Customer billing should be completed timely, at regular intervals, to prevent revenue disruption.

Cause—The City had a long-tenured employee retire during fiscal year 2025, and appropriate training was not provided to the newer employee in this role.

Effect—Customers were not billed from January 2025 through the end of the fiscal year. The issue was discovered and addressed by the City after the fiscal year-end, resulting in a significant increase in Sanitation receivables at September 30, 2025.

Recommendation—We recommend that the City implement a monthly reconciliation of accounts receivable related to Sanitation and that a supervisor review the data timely. In addition, we also recommend that the City formally document the appropriate Sanitation billing procedures.

City's Response to Finding—Billing responsibilities were transitioned during the fiscal year and the transition process was not thoroughly implemented. As soon as this was discovered, staff corrected and put measures in place to get the billing caught up.

■ **2025-005 – <u>Material Weakness in Internal Control Over Cash – Untimely Bank Reconciliations</u>**

Condition—During our audit, we noted that bank reconciliations were not consistently completed and reviewed in a timely manner. For example, various January 2025 bank reconciliations were not completed until July 17, 2025, or later. Additional instances were noted during our testing. A similar issue was communicated in the prior year's governance letter.

Criteria—Bank reconciliations should be prepared and reviewed on a timely basis to ensure the accuracy of cash balances and to promptly identify and resolve errors or unauthorized transactions.

Cause—The City did not have effective procedures in place to ensure bank reconciliations were completed and reviewed on a timely basis.

Effect—Untimely bank reconciliations increase the risk that errors, omissions, or unauthorized transactions may not be detected in a timely manner, potentially resulting in a material misstatement of the financial statements.

Recommendation—We recommend the City implement procedures to ensure all bank reconciliations are completed and reviewed within 30 days of month-end and monitor compliance with those procedures.

City's Response to Finding—The importance of timely bank reconciliations has been explained to the team and a process for proper monitoring and completion have been put in place. Management will review the monthly close procedures to ensure they are done timely going forward.

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, 2025

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*.

PURVIS GRAY

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, 2025. 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, 2025.

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 30, 2026
Sarasota, Florida

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, 2025, and have issued our report thereon dated June 30, 2026. 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 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have not yet been taken to address findings and recommendations made in the preceding financial audit report.

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2023-24 FY Finding No.	2022-23 FY Finding No.
2025-002	2024-001	N/A

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

MANAGEMENT LETTER

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.

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 103 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 30, 2026
Sarasota, Florida