



**CITY OF BARTOW, FLORIDA**  
**FINANCIAL STATEMENTS AND AUDITORS'**  
**REPORTS**

**September 30, 2020**

# City of Bartow, Florida

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Officers' Pension Plan or the Firefighters' Pension Plan, which represent 42% and 19%, respectively, of the assets and expenditures/deductions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Officers' Pension Plan and the Firefighters' Pension Plan, is based solely on the reports of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Police Officers' Pension Plan and the Firefighters' Pension Plan were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

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The Honorable Mayor and  
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Bartow, Florida

## **INDEPENDENT AUDITOR'S REPORT**

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *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, 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.

#### *Other 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 other supplementary information is presented for purposes of additional analysis and is 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.

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

### INDEPENDENT AUDITOR'S REPORT

The other supplementary 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. Such 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, the procedures performed as described above, and the reports of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 17, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 17, 2021  
Sarasota, Florida

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

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

### **Financial Highlights**

- The City's assets (plus deferred outflows of resources) exceeded its liabilities (plus deferred inflows of resources) at the close of fiscal year 2020 by \$100,394,951 (net position). Of this amount, \$20,492,387 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$7,621,236 during the year or an 8% increase compared to the prior year net position. Net position for governmental activities increased by \$1,587,910 while the business-type activities' net position increased by \$6,033,326.
- Total combined revenues resulting from governmental activities and business-type activities increased \$192,979 or <1% when compared to the prior year.
- Total combined expenses resulting from governmental activities and business-type activities increased \$217,136 or <1% 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 \$23,932,304 an increase of \$1,608,442 or 7% for the year.
- The City's business-type activities transferred \$9,916,751 to cover the cost of governmental activities not funded by taxes or user fees for the fiscal years ended September 30, 2020 and 2019.

### **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. Fiduciary funds, such as pension trust funds, are excluded from the government-wide financial statements as they represent funds legally set aside for use by the employee groups they benefit. Florida law requires municipalities to fund pension plans on an actuarially sound basis, making it important for the user to study the fund financial statements as well as the related notes.

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. 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 \$100,394,951. The following table reflects a summary of net position compared to the prior year. For additional information, see the Statement of Net Position by referring to the table of contents of this report.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 26,154,795	\$ 24,768,161	\$ 58,999,656	\$ 53,040,570	\$ 85,154,451	\$ 77,808,731
Capital assets	24,509,665	24,334,039	63,851,697	64,969,506	88,361,362	89,303,545
<b>Total assets</b>	<b>50,664,460</b>	<b>49,102,200</b>	<b>122,851,353</b>	<b>118,010,076</b>	<b>173,515,813</b>	<b>167,112,276</b>
Deferred outflows	6,608,119	5,444,611	2,325,990	2,057,080	8,934,109	7,501,691
Current liabilities	1,424,910	1,705,319	8,671,292	8,684,748	10,096,202	10,390,067
Non-current liabilities	33,361,516	31,485,718	33,764,558	34,325,638	67,126,074	65,811,356
<b>Total liabilities</b>	<b>34,786,426</b>	<b>33,191,037</b>	<b>42,435,850</b>	<b>43,010,386</b>	<b>77,222,276</b>	<b>76,201,423</b>
Deferred inflows	3,598,220	4,055,751	1,234,475	1,583,078	4,832,695	5,638,829
Net position:						
Net investment in capital assets	22,993,195	22,305,190	44,528,675	43,628,722	67,521,870	65,933,912
Restricted	2,818,943	3,032,183	9,561,751	8,784,638	12,380,694	11,816,821
Unrestricted	(6,924,205)	(8,037,350)	27,416,592	23,060,332	20,492,387	15,022,982
<b>Total net position</b>	<b>\$ 18,887,933</b>	<b>\$ 17,300,023</b>	<b>\$ 81,507,018</b>	<b>\$ 75,473,692</b>	<b>\$ 100,394,951</b>	<b>\$ 92,773,715</b>

On September 30, 2020, approximately 67% of the City's net position reflects its investment in capital assets (land, buildings, improvements, infrastructure, vehicles and equipment) net of any related debt used to acquire those assets that is still outstanding, compared to 71% for the prior year. The City uses these capital assets to provide services to citizens; consequently, this component of net position is not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 12% of the City's net position represents resources that are subject to external restrictions on how they may be used. That compares to 13% in the prior year. The remaining balance of unrestricted net position, \$20,492,387 or 20% of the City's net position in 2020 may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase in unrestricted net position of \$5,469,405 or 36% for the year. Total net position of the City increased by \$7,621,236 in 2020.

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

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>						
<i>Program Revenues:</i>						
Charges for services	\$ 2,167,607	\$ 2,435,476	\$ 47,276,285	\$ 48,612,711	\$ 49,443,892	\$ 51,048,187
Operating grants/contrib.	1,573,553	1,082,673	69,965	-	1,643,518	1,082,673
Capital grants/contrib.	154,153	119,215	3,995,447	2,812,519	4,149,600	2,931,734
<i>General revenues:</i>						
Property taxes - General	1,972,233	1,944,745	-	-	1,972,233	1,944,745
Property taxes - CRA	1,144,761	1,064,060	-	-	1,144,761	1,064,060
Pub svc tax/franchise fees	2,663,144	2,589,982	-	-	2,663,144	2,589,982
Transportation fuel taxes	1,005,429	1,051,035	-	-	1,005,429	1,051,035
State shared revenue	2,034,598	2,113,939	-	-	2,034,598	2,113,939
Other	333,235	396,011	704,053	679,118	1,037,288	1,075,129
<b>Total revenues</b>	<b>13,048,713</b>	<b>12,797,136</b>	<b>52,045,750</b>	<b>52,104,348</b>	<b>65,094,463</b>	<b>64,901,484</b>
<b>Expenses:</b>						
<i>Governmental activities:</i>						
General government	3,276,135	3,321,190	-	-	3,276,135	3,321,190
Law enforcement	5,861,010	4,985,041	-	-	5,861,010	4,985,041
Fire control	2,578,330	2,386,523	-	-	2,578,330	2,386,523
Building and zoning	421,937	405,223	-	-	421,937	405,223
Public works	1,126,780	1,198,738	-	-	1,126,780	1,198,738
Transportation	1,300,646	1,495,070	-	-	1,300,646	1,495,070
Library	1,213,415	1,217,183	-	-	1,213,415	1,217,183
Parks and recreation	4,677,549	4,941,406	-	-	4,677,549	4,941,406
Community redevelopment	874,027	631,407	-	-	874,027	631,407
Interest on long-term debt	47,725	64,531	-	-	47,725	64,531
<i>Business-type activities:</i>						
Electric	-	-	18,455,478	19,059,413	18,455,478	19,059,413
Water	-	-	4,032,730	4,247,619	4,032,730	4,247,619
Wastewater	-	-	4,056,358	4,263,322	4,056,358	4,263,322
Sanitation	-	-	3,423,047	3,115,429	3,423,047	3,115,429
Stormwater	-	-	707,520	497,111	707,520	497,111
Information technology	-	-	257,420	290,177	257,420	290,177
Airport	-	-	5,163,120	5,136,708	5,163,120	5,136,708
<b>Total expenses</b>	<b>21,377,554</b>	<b>20,646,312</b>	<b>36,095,673</b>	<b>36,609,779</b>	<b>57,473,227</b>	<b>57,256,091</b>
<b>Transfers in (out)</b>	<b>9,916,751</b>	<b>9,916,751</b>	<b>(9,916,751)</b>	<b>(9,916,751)</b>	<b>-</b>	<b>-</b>
Change in Net Position	1,587,910	2,067,575	6,033,326	5,577,818	7,621,236	7,645,393
Net position - Beginning	17,300,023	15,232,448	75,473,692	69,895,874	92,773,715	85,128,322
Net position - Ending	<u>\$ 18,887,933</u>	<u>\$ 17,300,023</u>	<u>\$ 81,507,018</u>	<u>\$ 75,473,692</u>	<u>\$ 100,394,951</u>	<u>\$ 92,773,715</u>

**Governmental activities**

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

During 2020, governmental activities net position increased by \$1,587,910 compared to an increase in 2019 of \$2,067,575, which was a decline of \$479,665 or 23%. However, this required transfers from business-type activities of \$9,916,751 in 2020 and 2019 to achieve these results. Overall, total revenues-governmental activities were up \$251,577 or 2% while total expenses were up \$731,242 or 4%, and transfers to the governmental activities were the same in 2020 as in 2019. Following are key changes in the statement of activities from 2019 to 2020:

- Charges for service decreased \$267,869 or 11% in 2020 compared to 2019 mainly because of the COVID-19 pandemic which drove building and zoning charges down \$81,891 or 37% and parks and recreation charges down \$341,240 or 28%.
- Operating grants and contributions increased \$490,880 or 45% in 2020 compared to 2019 mainly due to Coronavirus Relief Fund grants of \$161,453 and Federal Emergency Management Agency (FEMA )grant funds related to damage from Hurricane Irma of \$100,765 received in 2020.
- Capital grants and contributions increased \$34,938 or 29% in 2020 compared to 2019, caused primarily by increased capital grants, including impact fee revenue.
- Property taxes are up \$108,189 or 4% in 2020 compared to 2019. The City's millage rate decreased from 3.5378 in 2019 to 3.2768 in 2020, but valuations were up in the City as a whole due to the continued improvement in the economy.
- Remaining general revenues increased by \$114,561 or 2% for various reasons.

On the expense side, significant changes were as follows:

- Law enforcement expenses increased by \$875,969 or 18% in 2020 compared to 2019. The main cause of this increase is attributable to increased pension and OPEB expenses.
- Fire control expenses increased by \$191,807 or 8% in 2020 compared to 2019. The main cause of this increase is attributable to decreased pension expenses that were more than offset by increased OPEB expenses.
- Parks and recreation expenses decreased by \$263,857 or 5% in 2020 compared to 2019 mainly due to decreased operations from the response to the COVID-19 pandemic.
- Transportation expenses decreased by \$194,424 or 13% in 2020 compared to 2019 mainly due to decreased mowing and other maintenance expenses.
- Community redevelopment expenses increased by \$242,620 or 38% in 2020 compared to 2019 due to increased redevelopment incentives and down payment assistance grants.
- Remaining program expenses decreased by \$120,873 or 3% in 2020 compared to 2019.

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

#### **Business-type activities**

Business-type activities experienced an increase in net position of \$6,033,326 compared to an increase of \$5,577,818 in the prior year, an improvement of \$455,508 or 8%. This is after the transfer supporting governmental activities discussed above.

- Revenues decreased \$58,598 or <1% from 2019 to 2020, and expenses decreased by \$514,106 or 1%. Power costs in the City's Electric Fund are down approximately \$1,418,700 or 11%. The City purchased more kilowatt hours, but fuel prices were down in 2020 which more than offset the increased consumption. And because the City uses a power cost adjustment in its retail electric rates, those fuel cost reductions were passed on to the City's customers, causing revenues to drop by a similar amount.
- Charges for services revenue decreased by \$1,336,426 or 3% and capital grants and contributions increased by \$1,182,928 or 42% due to increased capital grant revenue.
- Total expenses decreased by \$514,106 or 1%, mainly because of decreased power costs as discussed above.
- Operating income for all business-type activities for 2020 was \$11,718,404 or 25% of operating revenue compared to 2019 operating income of \$12,428,425 which represented 26% 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 \$23,932,304. Of this amount, \$146,204 or 1% is non-spendable, \$2,818,943 or 12% is legally restricted for specific purposes, \$3,964,883 or 17% has been assigned by the City Commission for fire services (\$56,819) and amounts to be used during the 2020-21 fiscal year (\$3,908,064), and \$17,002,274 or 70% is unassigned and available for spending at the City's discretion. 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 \$20,910,338, and total fund balance was \$22,047,664. This represents 132% and 140% respectively, of total General Fund expenditures for the year ended September 30, 2020.

In the General Fund, the change in fund balance for the year went from an increase of \$2,029,098 in 2019 to an increase of \$1,938,376 in 2020 for a decrease of \$90,722. Following is a summary of the notable changes from 2019 to 2020:

- Revenues are up \$118,721 or 1%. The revenue category that was up the most was intergovernmental revenue, which increased \$230,122 or 9% due to increased grant revenue. The revenue category that declined the most was charges for services revenue, which declined \$304,306 or 20% due to decreased building permit, impact fees and parks and recreation charges due to the effects of the COVID-19 pandemic.
- Expenditures decreased \$5,638 or <1%. The expenditure categories that changed the most include physical environment which increased \$350,293 or 57% due to increased repair and maintenance expenditures and capital outlay decreased by \$506,307 or 57% due to decreased capital expenditures.

*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, total fund balance in the CRA Fund totaled \$507,372. The change in fund balance for the year declined from a decrease of \$22,493 in 2019 to a decrease of \$132,757 in 2020, a decline of \$110,264. Following is a summary of the significant changes from 2019 to 2020:

- Total property tax increment revenue increased by \$80,701 or 8% due to increased property values within the CRA District.
- Total expenditures increased by \$211,106 or 20% mainly due to:
  - Down payment assistance grants increased by \$75,000 due to greater interest in the program.
  - Redevelopment project expenses increased by approximately \$145,000.

**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 2019 to 2020, by major fund:

- In the Electric Fund, the change in net position improved from an increase of \$2,612,652 in 2019 to an increase of \$3,470,873 in 2020, an improvement of \$858,221 or 33%. The improvement was due to a decrease in operating revenue of \$1,400,114 or 5% which was partially offset by a decrease in operating expenses of \$601,813 or 3%. The Electric Fund also received \$2,254,366 in grant funds in 2020 and \$580,392 in 2019. The increased grant revenue is due to receiving significant FEMA grant funds related to damage incurred during Hurricane Irma.
- In the Water Fund, the change in net position improved from an increase of \$903,258 in 2019 to an increase of \$1,449,624 in 2020, an improvement of \$546,366. Operating revenue increased by \$253,747 or 5% and operating expenses decreased by \$178,695 or 5%.
- In the Wastewater Fund, the change in net position improved from an increase of \$1,226,356 in 2019 to an increase of \$1,446,563 in 2020, an improvement of \$220,207 or 18%. Operating revenue increased by \$73,008 or 1% and operating expenses decreased by \$197,338 or 5%. Capital contributions decreased by \$37,125 or 4% due to decreased grant revenue which was partially offset by increased impact fees.
- In the Airport Fund, the change in net position in 2019 was a positive \$175,539 compared to a negative \$507,750 in 2020, resulting in a deterioration of \$683,289. Operating revenue decreased by \$123,566 or 3%, and operating expenses increased by \$25,537 or <1%. Operating and capital grants declined by \$349,004 in 2020 compared to 2019, a 44% decline due to decreased grant funded projects, mainly due to the COVID-19 pandemic.
- In the combined Non-Major Funds, the change in net position was a positive \$660,013 in 2019 compared to a positive \$174,016 in 2020, a deterioration of \$485,997 or 74%. Operating revenues increased by \$19,865 or <1% and operating expenses increased \$485,270 or 12%. Combining statements can be found in the "Other Supplementary Information" section of the financial statements.

**Fiduciary Funds.** The City uses Fiduciary Funds to report assets held in a trustee or agency capacity that are, therefore, not available to support City programs. The City maintains three single employer defined benefit pension plans for its employees.

The three pension plans reported \$67,789,986 of net position restricted for pension benefits on September 30, 2020. This is an increase of \$6,851,919 or 11% for the year. The combined funds reported net investment income of \$7,116,454 for 2020 compared to \$2,768,972 in 2019. Combining statements can be found in the "Other Supplementary Information" section of the financial statements.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund budgetary comparison schedule can be found in the "Required Supplementary Information" section of the financial statements. As shown on that schedule, the original 2020 General Fund budget anticipated using \$2,514,854 of beginning fund balance during 2020. Amendments to the original budget during 2020 increased anticipated revenues, decreased budgeted expenditures and increased other financing uses resulting in a final budgeted surplus of \$1,208,762 (final budget), and included the following:

- The original budget for revenue was increased by \$113,836 due to greater than initially anticipated intergovernmental revenue.
- The original budget for expenditures was reduced by \$3,343,753. Amendments included reductions to the general government budget totaling \$1,391,280 (mostly commission, city manager and finance departments), reductions to public safety of \$903,116 (\$793,129 – police department and \$109,987 – fire department), reductions to the culture/recreation budget totaling \$784,404, and reductions to the physical environment ("public works") budget totaling \$150,332 and reductions to fleet maintenance totaling \$114,621.
- The original budget for other financing uses was increased by \$266,027 to reflect lower than initially anticipated interfund transfers out of the general fund.

Actual results for 2020 increased beginning fund balance by \$1,938,376 which is \$729,614 better than the final budget discussed above. Actual revenues came in \$124,699 or 1% less than the final amended budget. Expenditures came in \$863,044 or 5% lower than the final amended budget, spread across all departments.

## **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, 2020, totals \$88,361,362 (net of accumulated depreciation), a decrease of \$942,183 for the current year. Governmental net additions were \$1,299,991, depreciation was \$1,066,638 and the book value of assets disposed was \$57,727 for a net increase of \$175,626. Business-type net additions were \$3,538,058, depreciation was \$4,655,867, and the book value of assets disposed was \$0 for a net decrease of \$1,117,809. Following is a schedule of capital assets at the end of the current and prior year:

<b>Capital Assets Activity</b> (net of accumulated depreciation) as of September 30,						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$ 6,810,190	\$ 6,867,917	\$ 1,662,582	\$ 1,662,582	\$ 8,472,772	\$ 8,530,499
Buildings and improvements	15,857,329	15,761,302	140,788,362	138,082,282	156,645,691	153,843,584
Equipment	7,361,271	7,217,919	11,793,946	11,734,249	19,155,217	18,952,168
Infrastructure	32,889,791	32,049,790	-	-	32,889,791	32,049,790
Construction in progress	37,096	25,666	2,193,816	2,431,125	2,230,912	2,456,791
Accumulated Depreciation	(38,446,012)	(37,588,555)	(92,587,009)	(88,940,732)	(131,033,021)	(126,529,287)
Total	<u>\$ 24,509,665</u>	<u>\$ 24,334,039</u>	<u>\$ 63,851,697</u>	<u>\$ 64,969,506</u>	<u>\$ 88,361,362</u>	<u>\$ 89,303,545</u>

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

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

**CITY OF BARTOW, FLORIDA**

## Management's Discussion and Analysis

September 30, 2020

**Long-term obligations.** At the end of the current fiscal year, the City's long-term obligations totaled \$67,126,074 compared to \$65,811,356 at the end of 2019. Long-term obligations include long-term debt and estimated workers compensation claims, other post-employment benefit liability, net pension liabilities and accumulated compensated absences. Long-term debt consists of bonds and notes.

	Long-Term Obligations as of September 30,					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Bonds and notes payable	\$ 1,516,470	\$ 2,028,849	\$ 21,565,060	\$ 23,572,499	\$ 23,081,530	\$ 25,601,348
Estimated workers compensation claims	648,060	603,735	-	-	648,060	603,735
Other post employment benefits	20,478,378	17,475,784	8,429,934	7,040,476	28,908,312	24,516,260
Net pension liability	9,260,595	10,030,929	2,865,293	2,885,368	12,125,888	12,916,297
Compensated absences	1,458,013	1,346,421	904,271	827,295	2,362,284	2,173,716
Total	<u>\$ 33,361,516</u>	<u>\$ 31,485,718</u>	<u>\$ 33,764,558</u>	<u>\$ 34,325,638</u>	<u>\$ 67,126,074</u>	<u>\$ 65,811,356</u>

At the end of the current fiscal year, the City's long-term debt totaled \$23,081,530, compared to \$25,601,348 at the end of 2019, a decrease of \$2,519,818 or 10%. Of the year-end balance, \$1,516,470 was in governmental activities and \$21,565,060 was in business-type activities. The net decrease in long-term debt for 2020 was attributable to scheduled principal payments and amortization of bond discounts and deferred refunding losses.

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 \$44,044,544 compared to \$40,210,008 at the end of 2019. Of the year-end balance, \$31,845,046 was in governmental activities and \$12,199,498 was in business-type activities. The total OPEB liability increased by \$4,392,052 during 2020 and the net pension liabilities decreased by \$790,409.

## **CITY OF BARTOW, FLORIDA**

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

September 30, 2020

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Factors considered in preparing the City's 2020-21 fiscal year budget were:

- The unemployment rate for the Central Florida area as of October 2020 was 6.2% compared to 5.8% state-wide and 6.9% nationally.
- The operating millage rate for the 2020-21 fiscal year decreased from \$3.2768 to \$3.0862 per \$1,000.00 of taxable value.
- The taxable value of commercial and residential property increased \$60,491,430 or 8% in the 2020 tax year (fiscal year ending September 30, 2021).
- Water and Sewer rates will remain unchanged beginning October 2018. Annual adjustments had been preset through the fiscal year ending September 30, 2016.
- There were no changes to Solid Waste rates.
- Electric rates remained the same for 2019-20. Electric rates were adjusted to reflect savings expected to be realized under new power supply contracts. The new power supply costs begin in January 2018 and it is projected that the average net savings to the customer will be 11.4%. Base rate adjustments took effect on April 1, 2018. Additional information can be found under Ordinance No. 2018-04 and in the 2017 Electric Rate Study.
- Stormwater rates remained the same for 2019-20. Rates increased slightly in 2015-16 for the first time in 10 years following an engineering Study.
- The City has relied on attrition to reduce its workforce. Some positions have been permanently eliminated and those changes were incorporated into the budget.
- This budget continues to reflect the City's Strategic Plan which relies on the prioritization of City services to allocate resources.
- The City's population has increased to approximately 20,757 or 5% in 2020. No material increases or decrease is expected for the 2020-21 fiscal year.

## **REQUEST FOR INFORMATION**

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

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

September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 18,284,492	\$ 35,631,380	\$ 53,915,872
Investment securities	3,496,524	909,260	4,405,784
Receivables, current:			
Customer accounts, net	436,783	5,741,023	6,177,806
Intergovernmental and other	797,332	75,721	873,053
Accrued income	9,321	-	9,321
Inventory and prepaids	146,204	1,479,637	1,625,841
Restricted assets:			
Equity in pooled cash and cash equivalents	2,892,845	14,921,522	17,814,367
Customer receivable	91,294	241,113	332,407
Capital assets:			
Non-depreciable	6,847,286	3,856,398	10,703,684
Depreciable, net	17,662,379	59,995,299	77,657,678
<b>TOTAL ASSETS</b>	<b>50,664,460</b>	<b>122,851,353</b>	<b>173,515,813</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	3,726,554	824,993	4,551,547
Deferred outflows - loss on refunding	-	314,799	314,799
Deferred outflows related to OPEB	2,881,565	1,186,198	4,067,763
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,608,119</b>	<b>2,325,990</b>	<b>8,934,109</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	711,065	2,310,235	3,021,300
Accrued wages	371,679	170,512	542,191
Due to other governments	245,635	-	245,635
Unearned revenue	84,298	2,924,328	3,008,626
Accrued interest payable	12,233	186,681	198,914
Customer deposits	-	3,079,536	3,079,536
Long-term obligations:			
Due within one year	291,626	2,055,222	2,346,848
Due in more than one year	33,069,890	31,709,336	64,779,226
<b>TOTAL LIABILITIES</b>	<b>34,786,426</b>	<b>42,435,850</b>	<b>77,222,276</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	1,000,387	165,077	1,165,464
Deferred inflows related to OPEB	2,597,833	1,069,398	3,667,231
Total deferred inflows of resources	3,598,220	1,234,475	4,832,695
<b>NET POSITION</b>			
Net investment in capital assets	22,993,195	44,528,675	67,521,870
Restricted for:			
General government facilities	991,724	-	991,724
Community redevelopment	507,372	-	507,372
Transportation	1,319,847	-	1,319,847
Municipal Airport activities	-	1,966,466	1,966,466
Debt service	-	1,448,749	1,448,749
Water and wastewater improvements	-	6,146,536	6,146,536
Unrestricted	(6,924,205)	27,416,592	20,492,387
<b>TOTAL NET POSITION</b>	<b>\$ 18,887,933</b>	<b>\$ 81,507,018</b>	<b>\$ 100,394,951</b>

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**  
**Statement of Activities**  
**For the year ended September 30, 2020**

FUNCTIONS/PROGRAMS	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grant and Contributions	Capital Grant and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT:</b>								
<b>Governmental activities:</b>								
General government	\$ 4,593,898	\$ (1,317,763)	\$ 67,441	\$ 294,562	\$ 46,326	\$ (2,867,806)	\$ -	\$ (2,867,806)
Law enforcement	5,861,010	-	164,122	395,683	15,041	(5,286,164)	-	(5,286,164)
Fire control	2,578,330	-	628,529	194,921	-	(1,754,880)	-	(1,754,880)
Building and zoning	421,937	-	300,491	-	-	(121,446)	-	(121,446)
Public works	1,161,840	(35,060)	-	-	-	(1,126,780)	-	(1,126,780)
Transportation	1,300,646	-	125,524	50,236	92,786	(1,032,100)	-	(1,032,100)
Library	1,213,415	-	7,614	638,151	-	(567,650)	-	(567,650)
Parks and recreation	4,677,549	-	873,886	-	-	(3,803,663)	-	(3,803,663)
Community redevelopment	874,027	-	-	-	-	(874,027)	-	(874,027)
Interest on long-term debt	47,725	-	-	-	-	(47,725)	-	(47,725)
<b>Total governmental activities</b>	<b>22,730,377</b>	<b>(1,352,823)</b>	<b>2,167,607</b>	<b>1,573,553</b>	<b>154,153</b>	<b>(17,482,241)</b>	<b>-</b>	<b>(17,482,241)</b>
<b>Business-type activities</b>								
Electric	17,921,283	534,195	28,728,585	-	2,254,366	-	12,527,473	12,527,473
Water	3,794,555	238,175	4,966,255	-	407,980	-	1,341,505	1,341,505
Wastewater	3,840,108	216,250	5,127,063	965	913,945	-	1,985,615	1,985,615
Sanitation	3,206,541	216,506	3,468,120	-	40,230	-	85,303	85,303
Stormwater	618,710	88,810	578,251	-	1,143	-	(128,126)	(128,126)
Information technology	198,533	58,887	251,926	-	-	-	(5,494)	(5,494)
Airport	5,163,120	-	4,156,085	69,000	377,783	-	(560,252)	(560,252)
<b>Total business-type activities</b>	<b>34,742,850</b>	<b>1,352,823</b>	<b>47,276,285</b>	<b>69,965</b>	<b>3,995,447</b>	<b>-</b>	<b>15,246,024</b>	<b>15,246,024</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 57,473,227</b>	<b>\$ -</b>	<b>\$ 49,443,892</b>	<b>\$ 1,643,518</b>	<b>\$ 4,149,600</b>	<b>\$ (17,482,241)</b>	<b>\$ 15,246,024</b>	<b>\$ (2,236,217)</b>
<b>GENERAL REVENUES</b>								
Taxes:								
Property taxes, levied for general purposes						1,972,233	-	1,972,233
Property taxes, levied for community redevelopment purposes						1,144,761	-	1,144,761
Public service taxes and franchise fees						2,663,144	-	2,663,144
Fuel taxes levied for transportation purposes						1,005,429	-	1,005,429
State shared revenue						2,034,598	-	2,034,598
Investment earnings						164,455	370,830	535,285
Miscellaneous						119,187	163,928	283,115
Gain (loss) on disposal of capital assets						49,593	169,295	218,888
<b>TRANSFERS</b>						9,916,751	(9,916,751)	-
Total general revenues and transfers						19,070,151	(9,212,698)	9,857,453
<b>CHANGE IN NET POSITION</b>						1,587,910	6,033,326	7,621,236
<b>NET POSITION, beginning of year</b>						17,300,023	75,473,692	92,773,715
<b>NET POSITION, end of year</b>						<b>\$ 18,887,933</b>	<b>\$ 81,507,018</b>	<b>\$ 100,394,951</b>

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**

## Balance Sheet – Governmental Funds

September 30, 2020

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 18,284,492	\$ 557,006	\$ 149,164	\$ 18,990,662
Investments	3,496,524	-	-	3,496,524
Receivables, net				
Customer accounts, net	436,433	-	350	436,783
Intergovernmental and other	583,769	-	213,563	797,332
Accrued income	9,321	-	-	9,321
Inventory	134,448	-	-	134,448
Prepaid expenditures	11,154	-	602	11,756
Restricted assets:				
Cash and cash equivalents	991,724	-	1,194,951	2,186,675
Customer receivables	39,707	-	51,587	91,294
<b>TOTAL ASSETS</b>	<b>\$ 23,987,572</b>	<b>\$ 557,006</b>	<b>\$ 1,610,217</b>	<b>\$ 26,154,795</b>
<b>LIABILITIES</b>				
Accounts payable	530,089	49,634	131,342	711,065
Accrued payroll	321,659	-	50,020	371,679
Accrued claims payable	648,060	-	-	648,060
Due to other governments	245,635	-	-	245,635
Unearned revenue	84,298	-	-	84,298
<b>TOTAL LIABILITIES</b>	<b>1,829,741</b>	<b>49,634</b>	<b>181,362</b>	<b>2,060,737</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	110,167	-	51,587	161,754
<b>FUND BALANCE</b>				
Nonspendable:				
Inventory	134,448	-	-	134,448
Prepays	11,154	-	602	11,756
Restricted for:				
Transportation improvements	-	-	1,194,951	1,194,951
Transportation activities	-	-	124,896	124,896
Facilities improvements	991,724	-	-	991,724
Redevelopment	-	507,372	-	507,372
Assigned to:				
Fire services	-	-	56,819	56,819
Subsequent year budget	3,908,064	-	-	3,908,064
Unassigned	17,002,274	-	-	17,002,274
<b>TOTAL FUND BALANCES</b>	<b>22,047,664</b>	<b>507,372</b>	<b>1,377,268</b>	<b>23,932,304</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 23,987,572</b>	<b>\$ 557,006</b>	<b>\$ 1,610,217</b>	<b>\$ 26,154,795</b>

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position  
September 30, 2020

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

<b>FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 23,932,304</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	24,509,665
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities	161,754
Deferred outflows of resources represent an consumption of net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	6,608,119
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.	(3,598,220)
Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in governmental funds.	(12,233)
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	(33,361,516)
This is the amount of workers' comp liability recorded at the fund level	648,060
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 18,887,933</u></b>

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

For the year ended September 30, 2020

	<b>General Fund</b>	<b>Community Redevelopment Agency</b>	<b>Non-major Governmental Funds</b>	<b>Total</b>
<b>REVENUES:</b>				
Taxes	\$ 4,794,529	\$ 1,144,761	\$ 1,119,912	\$ 7,059,202
Licenses and permits	301,716	-	-	301,716
Intergovernmental revenue	2,795,990	-	302,007	3,097,997
Charges for services	1,188,292	-	743,214	1,931,506
Fines and forfeitures	147,911	-	175	148,086
Other	584,212	2,788	98,154	685,154
Total revenues	<u>9,812,650</u>	<u>1,147,549</u>	<u>2,263,462</u>	<u>13,223,661</u>
<b>EXPENDITURES:</b>				
General government	2,933,404	-	-	2,933,404
Public safety	6,070,826	-	2,556,943	8,627,769
Physical environment	964,338	-	-	964,338
Economic environment	141,992	806,988	-	948,980
Transportation	-	-	966,752	966,752
Culture/recreation	5,158,954	-	-	5,158,954
Capital outlay	375,966	-	995,205	1,371,171
Debt service	87,284	478,968	-	566,252
Total expenditures	<u>15,732,764</u>	<u>1,285,956</u>	<u>4,518,900</u>	<u>21,537,620</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(5,920,114)</u>	<u>(138,407)</u>	<u>(2,255,438)</u>	<u>(8,313,959)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	9,916,751	-	2,058,261	11,975,012
Transfers (out)	(2,058,261)	-	-	(2,058,261)
Sale of general capital assets	-	5,650	-	5,650
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>7,858,490</u>	<u>5,650</u>	<u>2,058,261</u>	<u>9,922,401</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>1,938,376</u>	<u>(132,757)</u>	<u>(197,177)</u>	<u>1,608,442</u>
<b>FUND BALANCE, beginning of year</b>	<u>20,109,288</u>	<u>640,129</u>	<u>1,574,445</u>	<u>22,323,862</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 22,047,664</u>	<u>\$ 507,372</u>	<u>\$ 1,377,268</u>	<u>\$ 23,932,304</u>

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds to the Statement of Activities  
 For the year ended September 30, 2020

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

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 1,608,442**

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.	1,299,991
This is the amount of depreciation recorded in the current period.	(1,066,638)
This is the book value of dispositions recorded in the current period.	(57,727)

Revenue not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.

This represents the change caused by the "availability" criterion	8,118
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Long-term obligations including bonds and notes payable, compensated absences and other post-employment benefit obligations are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:

This is the repayment of bond principal reported as expenditures in governmental funds.	512,379
This is the current year proceeds from borrowings	-
This is the change in accrued interest payable on long-term obligations.	6,158
This is the change in accrued compensated absences during the year.	(111,592)

Other postemployment benefit (OPEB) expense is reported in the statement of activities which differs from OPEB expenditures as report in the governmental funds:

This amount represents the change in deferred inflows related to OPEB.	593,499
This amount represents the change in deferred outflows related to OPEB.	1,338,385
This amount represents the change in the total OPEB liability.	(3,002,594)

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.	(135,968)
This amount represents the change in deferred outflows related to pensions.	(174,877)
This amount represents the change in the net pension liability.	770,334

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,587,910</b>
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**CITY OF BARTOW, FLORIDA**

## Statement of Net Position – Proprietary Funds

September 30, 2020

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
<b>ASSETS</b>						
Current assets:						
Equity in pooled cash and cash equivalents	\$ 15,292,332	\$ 2,708,399	\$ 6,218,278	\$ 3,978,871	\$ 7,433,500	\$ 35,631,380
Investment securities	-	909,260	-	-	-	909,260
Receivables:						
Customers, net	3,961,288	557,580	710,703	66,163	445,289	5,741,023
Intergovernmental and other	40,638	3,299	965	30,819	-	75,721
Inventory and prepaids	1,221,538	102,051	18,973	64,002	73,073	1,479,637
Total current assets	20,515,796	4,280,589	6,948,919	4,139,855	7,951,862	43,837,021
Noncurrent assets:						
Restricted assets:						
Equity in pooled cash and cash equivalents	2,693,796	6,511,632	5,716,094	-	-	14,921,522
Customer receivable	-	139,423	101,690	-	-	241,113
Capital assets:						
Non-depreciable	329,762	431,836	1,449,295	1,430,820	214,685	3,856,398
Depreciable, net	10,921,308	11,773,926	17,007,068	16,518,893	3,774,104	59,995,299
Total noncurrent assets	13,944,866	18,856,817	24,274,147	17,949,713	3,988,789	79,014,332
Total assets	34,460,662	23,137,406	31,223,066	22,089,568	11,940,651	122,851,353
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions	427,282	116,200	101,350	-	180,161	824,993
Deferred outflows - refunding loss	-	314,799	-	-	-	314,799
Deferred outflows related to OPEB	476,335	150,914	137,084	203,388	218,477	1,186,198
Total deferred outflows of resources	903,617	581,913	238,434	203,388	398,638	2,325,990

Continued...

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**

## Statement of Net Position – Proprietary Funds (concluded)

September 30, 2020

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	1,318,751	86,066	662,585	56,105	184,115	2,307,622
Accrued wages	77,219	19,632	19,334	26,511	30,429	173,125
Unearned revenue	-	2,544	2,766,698	155,086	-	2,924,328
Bonds and notes payable, current	91,855	1,471,515	455,678	36,174	-	2,055,222
Total current liabilities	1,487,825	1,579,757	3,904,295	273,876	214,544	7,460,297
Noncurrent liabilities:						
Liabilities payable from restricted assets:						
Customer deposits	2,693,796	-	-	385,740	-	3,079,536
Interest payable	3,853	161,608	18,009	3,211	-	186,681
Compensated absences	357,776	155,172	128,796	121,347	141,180	904,271
Post employment obligation payable	3,385,163	1,072,498	974,210	1,445,416	1,552,647	8,429,934
Net pension liability	1,483,999	403,575	352,000	-	625,719	2,865,293
Bonds and notes payable, noncurrent portion	385,793	14,174,365	4,911,173	38,507	-	19,509,838
Total noncurrent liabilities	8,310,380	15,967,218	6,384,188	1,994,221	2,319,546	34,975,553
Total liabilities	9,798,205	17,546,975	10,288,483	2,268,097	2,534,090	42,435,850
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions	85,497	23,251	20,280	-	36,049	165,077
Deferred inflows related to OPEB	429,433	136,054	123,586	183,361	196,964	1,069,398
Total deferred inflows of resources	514,930	159,305	143,866	183,361	233,013	1,234,475
<b>NET POSITION</b>						
Net investment in capital assets	10,773,422	(1,198,080)	13,089,512	17,875,032	3,988,789	44,528,675
Restricted for:						
Debt retirement	-	1,376,161	72,588	-	-	1,448,749
Utility system improvements (expendable)	-	3,186,047	2,960,489	-	-	6,146,536
Municipal airport activities	-	-	-	1,966,466	-	1,966,466
Unrestricted	14,277,722	2,648,911	4,906,562	-	5,583,397	27,416,592
Total net position	\$ 25,051,144	\$ 6,013,039	\$ 21,029,151	\$ 19,841,498	\$ 9,572,186	\$ 81,507,018

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**
**Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds**

For the year ended September 30, 2020

	<b>Business Type Activities - Enterprise Funds</b>					
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Airport Fund</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 28,728,585	\$ 4,966,255	\$ 5,127,063	\$ 4,156,085	\$ 4,298,297	\$ 47,276,285
Total operating income	28,728,585	4,966,255	5,127,063	4,156,085	4,298,297	47,276,285
<b>OPERATING EXPENSES:</b>						
Personnel services	3,036,252	834,111	776,466	1,543,936	1,479,036	7,669,801
Purchased power	11,411,734	-	-	-	-	11,411,734
Operating expenses	3,288,425	1,971,179	1,855,731	2,278,007	2,427,137	11,820,479
Depreciation	706,073	831,536	1,300,815	1,335,629	481,814	4,655,867
Total operating expenses	18,442,484	3,636,826	3,933,012	5,157,572	4,387,987	35,557,881
<b>OPERATING INCOME</b>	10,286,101	1,329,429	1,194,051	(1,001,487)	(89,690)	11,718,404
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Investment revenue	233,007	48,385	26,270	51,605	11,563	370,830
Interest expense	(12,994)	(395,904)	(123,346)	(5,548)	-	(537,792)
Intergovernmental	-	-	965	69,000	-	69,965
Gain (loss) on disposal of property	22,795	-	-	-	146,500	169,295
Other, net	4,349	59,734	34,678	897	64,270	163,928
Total nonoperating revenues (expense)	247,157	(287,785)	(61,433)	115,954	222,333	236,226
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	10,533,258	1,041,644	1,132,618	(885,533)	132,643	11,954,630
<b>CAPITAL CONTRIBUTIONS</b>						
Capital grants and contributions	2,254,366	25,528	624,612	377,783	41,373	3,323,662
Impact fees	-	382,452	289,333	-	-	671,785
Total capital contributions	2,254,366	407,980	913,945	377,783	41,373	3,995,447
<b>TRANSFERS IN (OUT)</b>	(9,316,751)	-	(600,000)	-	-	(9,916,751)
<b>CHANGE IN NET POSITION</b>	3,470,873	1,449,624	1,446,563	(507,750)	174,016	6,033,326
<b>NET POSITION, beginning of year</b>	21,580,271	4,563,415	19,582,588	20,349,248	9,398,170	75,473,692
<b>NET POSITION, end of year</b>	\$ 25,051,144	\$ 6,013,039	\$ 21,029,151	\$ 19,841,498	\$ 9,572,186	\$ 81,507,018

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**

## Statement of Cash Flows – Proprietary Funds

For the year ended September 30, 2020

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers	\$ 28,351,837	\$ 4,953,398	\$ 5,208,431	\$ 4,113,014	\$ 4,281,314	\$ 46,907,994
Payments to suppliers	(14,916,545)	(1,932,613)	(1,275,856)	(1,418,192)	(2,705,116)	(22,248,322)
Payments for salaries and benefits	(2,773,603)	(803,986)	(643,129)	(2,277,813)	(1,204,613)	(7,703,144)
Net cash flows from operating activities	10,661,689	2,216,799	3,289,446	417,009	371,585	16,956,528
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers to other funds	(9,316,751)	-	(600,000)	-	-	(9,916,751)
Operating grants	-	-	-	69,000	-	69,000
Increase (decrease) in deposits	9,699	-	-	(15,751)	-	(6,052)
Net cash flows from noncapital financing activities	(9,307,052)	-	(600,000)	53,249	-	(9,853,803)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition and construction of capital assets, net of related payables	(1,054,182)	(166,664)	(1,077,176)	(751,416)	(566,366)	(3,615,804)
Principal paid on notes, bonds and lease obligations	(88,955)	(1,438,626)	(124,896)	(33,983)	-	(1,686,460)
Interest paid on borrowings and other debt costs	(13,712)	(343,237)	(445,875)	(7,010)	-	(809,834)
Proceeds from the sale of assets	22,795	-	-	-	146,500	169,295
Capital contributions and impact fees received, net of change in related receivables	2,732,468	428,163	908,841	645,629	99,475	4,814,576
Net cash flows from capital and related financing activities	1,598,414	(1,520,364)	(739,106)	(146,780)	(320,391)	(1,128,227)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on invested funds	233,007	40,987	26,270	51,605	11,563	363,432
Other income	4,349	59,734	34,678	897	64,270	163,928
Net cash flows from investing activities	237,356	100,721	60,948	52,502	75,833	527,360
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,190,407	797,156	2,011,288	375,980	127,027	6,501,858
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	14,795,721	8,422,875	9,923,084	3,602,891	7,306,473	44,051,044
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 17,986,128</u>	<u>\$ 9,220,031</u>	<u>\$ 11,934,372</u>	<u>\$ 3,978,871</u>	<u>\$ 7,433,500</u>	<u>\$ 50,552,902</u>
<b>As shown in the Accompanying Financial Statements</b>						
Equity in cash and investments	\$ 15,292,332	\$ 2,708,399	\$ 6,218,278	\$ 3,978,871	\$ 7,433,500	\$ 35,631,380
Restricted equity in cash and investments	2,693,796	6,511,632	5,716,094	-	-	14,921,522
<b>Total cash and cash equivalents</b>	<u>\$ 17,986,128</u>	<u>\$ 9,220,031</u>	<u>\$ 11,934,372</u>	<u>\$ 3,978,871</u>	<u>\$ 7,433,500</u>	<u>\$ 50,552,902</u>

Continued...

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**

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

For the year ended September 30, 2020

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
<b>Noncash financing and investing activities:</b>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 10,286,101	\$ 1,329,429	\$ 1,194,051	\$ (1,001,487)	\$ (89,690)	\$ 11,718,404
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	706,073	831,536	1,300,815	1,335,629	481,814	4,655,867
(Increase) decrease in inventory and prepaids	40,556	388	1,484	23,498	4,436	70,362
(Increase) decrease in accounts receivable	(376,748)	(15,401)	81,368	(10,592)	(16,983)	(338,356)
Increase (decrease) in accounts payable	(256,942)	40,791	578,391	(23,304)	(282,415)	56,521
Increase (decrease) in accrued wages and compensated absences	23,250	19,193	23,528	42,424	30,822	139,217
(Increase) decrease in OPEB related deferred outflows	(222,812)	(70,532)	(64,154)	(95,092)	(111,908)	(564,498)
Increase (decrease) in the total OPEB liability	514,129	162,213	148,308	219,010	345,798	1,389,458
Increase (decrease) in OPEB related deferred inflows	(94,859)	(30,177)	(27,236)	(40,598)	(23,424)	(216,294)
(Increase) decrease in pension related deferred outflows	116,347	63,718	6,477	-	41,624	228,166
Increase (decrease) in the net pension liability	(5,396)	(89,350)	56,582	-	18,089	(20,075)
Increase (decrease) in pension related deferred inflows	(68,010)	(27,553)	(10,168)	-	(26,578)	(132,309)
Increase (decrease) in unearned revenue and other	-	2,544	-	(32,479)	-	(29,935)
Net cash flows from operating activities	<u>\$ 10,661,689</u>	<u>\$ 2,216,799</u>	<u>\$ 3,289,446</u>	<u>\$ 417,009</u>	<u>\$ 371,585</u>	<u>\$ 16,956,528</u>

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**

## Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2020

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 104,542
Receivables:	
City and plan members	40,367
State of Florida	279,435
Accrued income	27,490
Total receivables	347,292
Prepaid expenses	171,853
Investments, at fair value:	
Short-term money market funds	1,811,496
Fixed income investments	17,165,289
Equity securities	43,229,699
Diversified mutual fund	1,612,477
Real estate investments	3,453,268
Total investments	67,272,229
Total assets	67,895,916
<b>LIABILITIES</b>	
Accounts payable	91,252
Accrued benefits payable	14,678
Total Liabilities	105,930
<b>NET POSITION</b>	
Restricted for pension benefits	\$ 67,789,986

The accompanying notes are an integral part of these financial statements

**CITY OF BARTOW, FLORIDA**

## Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2020

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
City	\$ 2,881,285
Plan members	629,868
State of Florida	279,435
	<u>3,790,588</u>
Total contributions	3,790,588
Investment income	<u>7,298,252</u>
Less investment expenses:	
Performance evaluation	61,000
Custodial fees	30,756
Investment management fees	90,042
Total investment expenses	<u>181,798</u>
Net investment income	<u>7,116,454</u>
Total additions	<u>10,907,042</u>
<b>DEDUCTIONS</b>	
Administrative expenses:	
Legal	51,852
Administrator fee	31,495
Actuarial	89,893
Travel, training and other	19,543
Accounting	13,984
Insurance	13,938
Audit	13,850
Total administrative expenses	<u>234,555</u>
Payments to retirees and participants	<u>3,820,568</u>
Total deductions	<u>4,055,123</u>
<b>CHANGE IN NET POSITION</b>	6,851,919
<b>NET POSITION, beginning of year</b>	<u>60,938,067</u>
<b>NET POSITION, end of year</b>	<u><u>\$ 67,789,986</u></u>

The accompanying notes are an integral part of these 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 one blended component unit, the 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.

These financial statements include the accounts and transactions of the following entities, which do not satisfy the definition of component units because they are not legally separate from the City:

- 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 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.

**B. BASIS OF PRESENTATION**

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

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

**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 (pension trust funds only) but as noted above are not included in the government-wide statements.

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

**Governmental Funds:**

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

**Reported as Major Funds:**

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

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

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

**Reported as Non-Major Governmental Funds:**

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

**Proprietary Funds:**

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

**Reported as Major Enterprise Funds:**

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

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

**Reported as Non-Major Enterprise Funds:**

- **Sanitation Fund** is used to account for the operations associated with solid waste collection and disposal services for the residents of the City.
- **Information Technology** is used to account for the operations associated with fiber optic installation and broad band 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. Pension trust funds are the only fiduciary fund type of the City. 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.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

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

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

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

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

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

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

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

**CUSTOMER ACCOUNTS RECEIVABLE** - The City accrues unbilled service of its enterprise funds representing the estimated value of service from the last billing date to year-end, which totaled \$1,974,231 on September 30, 2020. 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, 2020, business-type activities and governmental activities reserves for doubtful accounts totaled \$39,803 and \$1,522,622, 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, 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 2020. The notes, which have a face value of \$595,000, are reduced by an allowance representing management's estimate of uncollectible amounts which totaled \$595,000 on September 30, 2020 resulting in a carrying value of zero at September 30, 2020 and resulting in \$120,000 of community redevelopment expenditures/expense to reflect the total loans made during the year then ended.

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

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

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

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

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

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

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

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

**INTEREST COSTS** - Interest costs are capitalized when incurred on debt the proceeds of which were used to finance the construction of enterprise fund capital assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest cost was capitalized for the year ended September 30, 2020.

**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 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 three 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.

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

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

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

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

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

**ON-BEHALF PAYMENTS FOR FRINGE BENEFITS** - The City receives on-behalf payments from the State of Florida to be used for Municipal Police Officers' Pension Plan and Municipal Firefighters' Pension Plan contributions which totaled \$165,084 and \$114,351, respectively, for the fiscal year ended September 30, 2020. Such payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the government-wide and general fund financial statements but are not budgeted and therefore are not included in the general fund budgetary basis financial statements.

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

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

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

**EQUITY CLASSIFICATIONS -**

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

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. At September 30, 2020, the governmental activities had a deficit unrestricted net position of \$6,924,205.

When both restricted and unrestricted net position is 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** (concluded)

- *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, 2020.
- *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. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- *Unassigned* — This classification is use for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

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

**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, 2020 was 3.2768.

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 of 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 available for appropriation revenues 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, 2020, 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, 2020, no major governmental fund had an excess of expenditures over appropriations.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

**Equity in pooled cash and cash equivalents:**

Cash on hand	\$	8,850
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits		67,054,364
Investments:		
Florida Safe - investment pool		1,571,204
FLCLASS - investment pool		3,095,821
Total equity in pooled cash and cash equivalents	\$	<u>71,730,239</u>

**Investments:**

U.S. Government Agencies	\$	<u>4,405,784</u>
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The "Florida Safe" and "FLCLASS" investment pools are similar to a money market investment in that it strives to maintain a net asset value of \$1.00 per share and meets the criteria in GASB Cod. Sec. In5 to measure all of pooled investments at amortized cost. The pools are rated AAAM by Standard and Poor and the pools are not exposed to custodial credit risk because the investments are not evidenced by securities that exist in physical or book entry form.

The City also had investments in debt securities of the Federal Home Loan Mortgage Corporation, a U.S. Government agency.

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

**INVESTMENTS** - The types of investments that the City may invest 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 at September 30, 2020 is presented below:

Investment Type	S&P Rating	Fair Value / Amortized Cost	Average Maturity Years
<b>Primary government</b>			
Investments measured at fair value			
U.S. Government Agencies	AA+	<u>\$ 4,405,784</u>	4.26
Investments measured at amortized cost and reported as a cash and cash equivalent:			
Florida Safe - investment pool	AAAm	1,571,204	0.17
FLCLASS - investment pool	AAAm	<u>3,095,821</u>	0.14
		<u>\$ 4,667,025</u>	

The City categorizes its fair value measurements within the fair value hierarchy established by GASB Cod. Sec. 3100. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

The City's investments have the following carrying values as of September 30, 2020, based on measurement criteria as specified:

	Carrying Value	Fair Value			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Government Agencies	\$ 4,405,784	\$ -	\$ 4,405,784	\$ -	\$ -
Florida Safe - investment pool	1,571,204	-	-	-	1,571,204
FLCLASS - investment pool	3,095,821	-	-	-	3,095,821
Total investments	<u>\$ 9,072,809</u>	<u>\$ -</u>	<u>\$ 4,405,784</u>	<u>\$ -</u>	<u>\$ 4,667,025</u>

The City's pension trust funds also held investment securities during the year and on September 30, 2020, which are reported at fair value. The City's pension trust funds have the following carrying values as of September 30, 2020, based on the measurement criteria as specified:

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

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
<b>Investments at fair value</b>					
Fixed income investments	\$ 6,595,299	\$ -	\$ 6,595,299	\$ -	\$ -
Diversified mutual fund	1,612,477	-	1,612,477	-	-
Equity investments	<u>19,984,702</u>	<u>3,035,436</u>	<u>16,949,266</u>	-	-
Total investments by fair value level	28,192,478	<u>\$ 3,035,436</u>	<u>\$ 25,157,042</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>					
Real estate fund	3,453,268				
Cash and short term money market funds	<u>1,811,496</u>				
Total investments	<u>\$ 33,457,242</u>				

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

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

**Police Officers' Retirement Trust Fund:**

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
<b>Investments at fair value</b>					
Inflation protected bond funds	\$ 348,000	\$ -	\$ -	\$ -	\$ 348,000
U.S. Government and agencies	1,724,322	-	1,724,322	-	-
Corporate and foreign obligations	1,962,976	-	1,962,976	-	-
Fixed income mutual funds	2,730,800	2,730,800	-	-	-
Equity investments	4,085,653	4,085,653	-	-	-
Equity mutual funds	11,106,747	11,106,747	-	-	-
<b>Total investments</b>	<b>\$ 21,958,498</b>	<b>\$ 17,923,200</b>	<b>\$ 3,687,298</b>	<b>\$ -</b>	<b>\$ 348,000</b>

**Firefighters' Retirement Trust Fund:**

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
<b>Investments at fair value</b>					
Fixed income investments	\$ 3,803,892	\$ 3,803,892	\$ -	\$ -	\$ -
Equity investments	8,052,597	8,052,597	-	-	-
<b>Total investments</b>	<b>\$ 11,856,489</b>	<b>\$ 11,856,489</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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.

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

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

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Short-term money market	AA+	\$ 1,811,496	
Fixed income investments:			
Dodge & Cox Income Fund	Not Rated	3,042,073	4.8
Metropolitan West T/R Bond Fund	Not Rated	3,071,222	5.6
Templeton Global Total Return Fund	Not Rated	482,004	2.0
		\$ 6,595,299	

**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 65% of the Plan's assets, at market, can be invested in equity securities nor more than 5% in any one issuer.

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

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Fixed income investments:			
U.S. Government obligations	AA+	\$ 507,719	16.50
U.S. Government mortgaged-backed securities	AA+	1,035,757	23.60
U.S. Government mortgaged-backed securities	Not Rated	180,846	27.80
Inflation protected bond mutual fund	Not Rated	348,000	0.00
Other mutual funds	Not Rated	2,730,800	7.20
Corporate and foreign bonds	AAA to BBB-	1,962,976	8.13
		\$ 6,766,098	

**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 65% of the Plans assets, at cost, can be invested in equity securities nor more than 5% in any one issuer.

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

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:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>	<u>Average Maturity Years</u>
Fixed income mutual funds:			
Templeton Global Total Return Fund	Not Rated	\$ 486,528	2.30
Dodge & Cox Income Fund	Not Rated	3,317,364	9.00
		<u>\$ 3,803,892</u>	

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**CITY OF BARTOW, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2020

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2020, was as follows:

	Balance October 1, 2019	Transfers	Increases	Decreases	Balance September 30, 2020
<b><u>Governmental Activities:</u></b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 5,279,704	\$ -	\$ -	\$ (57,727)	\$ 5,221,977
Infrastructure - land	1,588,213	-	-	-	1,588,213
Construction in process	25,666	(23,667)	35,097	-	37,096
Total capital assets, not being depreciated	6,893,583	(23,667)	35,097	(57,727)	6,847,286
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	15,761,302	23,667	72,360	-	15,857,329
Equipment	7,217,919	15,994	352,533	(225,175)	7,361,271
Infrastructure:					
Road network	28,487,166	-	840,001	-	29,327,167
Sidewalk network	3,562,624	-	-	-	3,562,624
Total capital assets, being depreciated	55,029,011	39,661	1,264,894	(225,175)	56,108,391
Less accumulated depreciation for:					
Buildings and improvements	(9,682,634)	-	(437,057)	-	(10,119,691)
Equipment	(6,141,356)	(15,994)	(332,828)	225,175	(6,265,003)
Infrastructure:					
Road network	(19,301,915)	-	(263,407)	-	(19,565,322)
Sidewalk network	(2,462,650)	-	(33,346)	-	(2,495,996)
Total accumulated depreciation	(37,588,555)	(15,994)	(1,066,638)	225,175	(38,446,012)
Total capital assets being depreciated, net	17,440,456	23,667	198,256	-	17,662,379
Governmental activities capital assets, net	\$ 24,334,039	\$ -	\$ 233,353	\$ (57,727)	\$ 24,509,665
<b><u>Business-type activities:</u></b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 1,662,582	\$ -	\$ -	\$ -	\$ 1,662,582
Construction-in-progress	2,431,125	(1,437,967)	1,200,658	-	2,193,816
Total capital assets, not being depreciated	4,093,707	(1,437,967)	1,200,658	-	3,856,398
<b>Capital assets, being depreciated:</b>					
Buildings, utility plant and improvements	138,082,282	1,437,967	1,268,113	-	140,788,362
Equipment	11,734,249	(15,994)	1,069,287	(993,596)	11,793,946
Total capital assets, being depreciated	149,816,531	1,421,973	2,337,400	(993,596)	152,582,308
Less accumulated depreciation	(88,940,732)	15,994	(4,655,867)	993,596	(92,587,009)
Total capital assets being depreciated, net	60,875,799	1,437,967	(2,318,467)	-	59,995,299
Business-type activities capital assets, net	\$ 64,969,506	\$ -	\$ (1,117,809)	\$ -	\$ 63,851,697

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

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	57,419
Library		53,086
Law enforcement		168,128
Fire control		52,337
Building and zoning		1,160
Public works		40,292
Transportation		339,708
Parks and recreation		304,697
Community redevelopment		49,811
Total depreciation expense - governmental activities	\$	<u>1,066,638</u>

Business-type Activities:

Electric	\$	706,073
Water		831,536
Wastewater		1,300,815
Airport		1,335,629
Sanitation		360,378
Information Technology		73,558
Stormwater		47,878
Total depreciation expense - business-type activities	\$	<u>4,655,867</u>

**NOTE 7 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended September 30, 2020:

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020	Amounts Due within One Year
<b><u>Governmental Activities:</u></b>					
<b>Long-term debt:</b>					
BB&T Refunding Series 2014-A	\$ 1,798,898	\$ -	\$ (282,428)	\$ 1,516,470	\$ 291,626
Land purchase note payable	229,951	-	(229,951)	-	-
Total long-term debt	2,028,849	-	(512,379)	1,516,470	291,626
<b>Other liabilities:</b>					
Estimated workers compensation claims	603,735	44,325	-	648,060	-
Other postemployment benefits	17,475,784	3,002,594	-	20,478,378	-
Net pension liability	10,030,929	-	(770,334)	9,260,595	-
Compensated absences	1,346,421	111,592	-	1,458,013	-
Total other liabilities	29,456,869	3,158,511	(770,334)	31,845,046	-
Total long-term obligations	\$ 31,485,718	\$ 3,158,511	\$ (1,282,713)	33,361,516	\$ 291,626
Less amounts due in one year				(291,626)	
Total noncurrent obligations due in more than one year				\$ 33,069,890	
<b><u>Business-type Activities:</u></b>					
<b>Long-term debt:</b>					
BB&T Refunding Series 2014-A	\$ 1,131,109	\$ -	\$ (177,581)	\$ 953,528	\$ 183,371
SRF Construction Loan (No. WW 755040)	4,775,764	-	(351,651)	4,424,113	359,467
SRF Preconstruction Loan (No. WW 75504P)	1,036,962	-	(94,224)	942,738	96,211
Water and sewer, Series 2016	16,520,000	-	(1,350,000)	15,170,000	1,380,000
Note payable 2019 - vehicle purchase	108,664	-	(33,983)	74,681	36,173
Total bonds and notes payable	23,572,499	-	(2,007,439)	21,565,060	2,055,222
<b>Other liabilities:</b>					
Other postemployment benefits	7,040,476	1,389,458	-	8,429,934	-
Net pension liability	2,885,368	-	(20,075)	2,865,293	-
Compensated absences	827,295	76,976	-	904,271	-
Total other liabilities	10,753,139	1,466,434	(20,075)	12,199,498	-
Total long-term liabilities	\$ 34,325,638	\$ 1,466,434	\$ (2,027,514)	33,764,558	\$ 2,055,222
Less amounts due in one year				(2,055,222)	
Net long-term liabilities in excess of one year				\$ 31,709,336	

**Notes to Long-Term Obligations Table**

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

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

**Interest Included as Direct Expense:**

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

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

**Governmental and Business-Type Activities:**

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

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

- The land purchase note payable was a promissory note that was secured by a mortgage on the property that was purchased with the promissory note. The promissory note bore interest at 4.50% per annum and was fully repaid upon maturity on May 17, 2020.

**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, 2020, 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%. Both 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.

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...)

- Note payable 2019 – vehicle purchase – The Authority financed the purchase of four vehicles through Ford Motor Credit Company, LLC in the original amount of \$149,655. The terms of the note require annual payments of principal and interest in the amount of \$40,991 and the note bears interest at 6.45%. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due and has the right to declare the unpaid principal components of the remaining payments immediately due and payable and may forcibly repossess the vehicles securing the note.

**Maturities:**

Annual requirements to repay all long-term debt as of September 30, 2020, were as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 291,626	\$ 36,698	\$ 2,055,222	\$ 444,170
2022	294,696	29,641	2,099,508	398,364
2023	300,836	22,509	2,105,101	351,516
2024	310,045	15,229	2,146,357	306,261
2025	319,267	7,726	2,197,831	260,012
2026-2030	-	-	10,513,212	621,492
2031-2035	-	-	447,829	7,436
Total	<u>\$ 1,516,470</u>	<u>\$ 111,803</u>	<u>\$ 21,565,060</u>	<u>\$ 2,389,251</u>

**Pledged Revenues:**

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

<u>Pledged Revenue</u>	<u>Revenue Pledged Through</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Net Revenue</u>	<u>Percentage of Net Revenues to Principal and Interest Paid</u>
Water and sewer revenue	8/15/2031	\$ 22,848,499	\$ 2,250,348	\$ 4,824,898	214.41%

**NOTE 8 – INTERFUND TRANSACTIONS**

There were no interfund receivables and payables as of September 30, 2020.

Interfund transfers in (out) for the year ending September 30, 2020, consisted of:

	<b>Transfer In:</b>			<b>Total</b>
	<b>General Fund</b>	<b>Transportation Fund</b>	<b>Fire Services Fund</b>	
<b>Transfers Out:</b>				
Electric Fund	\$ 9,316,751	\$ -	\$ -	\$ 9,316,751
Wastewater Fund	600,000	-	-	600,000
General Fund	-	241,768	1,816,493	2,058,261
Total	<u>\$ 9,916,751</u>	<u>\$ 241,768</u>	<u>\$ 1,816,493</u>	<u>\$ 11,975,012</u>

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**NOTE 9 – 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 9 – 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	18.4%	58.1%	45.5%
Plan members	4.0%	4.0%	2.0%
Actuarially determined contribution	\$ 1,531,822	\$ 1,101,140	\$ 531,024
Contributions made	\$ 1,531,822	\$ 1,102,173	\$ 526,725

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

	as of October 1, 2019		
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	106	43	16
Inactive plan members entitled to but not yet receiving benefits	133	22	6
Active plan members	183	38	20
Total	422	103	42

**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, 2019 are shown below. The net pension liability as of September 30, 2020 for financial reporting purposes was determined by actuarial valuations as of October 1, 2018 updated to September 30, 2019 (the measurement date).

**NOTE 9 – PENSION TRUST FUNDS (cont...)**

**General Employees’ Retirement Trust Fund:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2019	\$ 36,216,109	\$ 28,297,790	\$ 7,918,319
Changes for the year:			
Service cost	707,794	-	707,794
Interest	2,715,914	-	2,715,914
Difference between actual and expected experience	(494,481)	-	(494,481)
Contributions - City	-	1,568,825	(1,568,825)
Contributions - employee	-	320,965	(320,965)
Net investment income	-	1,324,954	(1,324,954)
Benefit payments, including refunds of employee contributions	(1,423,468)	(1,423,468)	-
Administrative expense	-	(43,879)	43,879
Net changes	1,505,759	1,747,397	(241,638)
Reporting period ending 9/30/2020	\$ 37,721,868	\$ 30,045,187	\$ 7,676,681

**Police Officers’ Retirement Trust Fund:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2019	\$ 22,231,757	\$ 19,447,690	\$ 2,784,067
Changes for the year:			
Service cost	390,208	-	390,208
Interest	1,749,592	-	1,749,592
Difference between actual and expected experience	(106,467)	-	(106,467)
Share Plan allocation	41,676		41,676
Changes of assumptions	68,634	-	68,634
Changes in the excess State money	(35,798)	-	(35,798)
Contributions - City	-	902,680	(902,680)
Contributions - State	-	161,981	(161,981)
Contributions - employee	-	72,904	(72,904)
Net investment income	-	973,587	(973,587)
Benefit payments, including refunds of employee contributions	(1,432,564)	(1,432,564)	-
Administrative expense	-	(82,969)	82,969
Net changes	675,281	595,619	79,662
Reporting period ending 9/30/2020	\$ 22,907,038	\$ 20,043,309	\$ 2,863,729

**NOTE 9 – PENSION TRUST FUNDS (cont...)**

**Firefighters' Retirement Trust Fund:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2019	\$ 12,610,142	\$ 10,396,231	\$ 2,213,911
Changes for the year:			
Service cost	258,526	-	258,526
Interest	987,209	-	987,209
Difference between actual and expected experience	(741,965)	-	(741,965)
Changes of assumptions	131,704	-	131,704
Changes in the excess State money	(245,371)	-	(245,371)
Change of benefit terms	(1,093)	-	(1,093)
Contributions - City	-	503,585	(503,585)
Contributions - State	-	106,289	(106,289)
Contributions - employee	-	20,984	(20,984)
Net investment income	-	470,431	(470,431)
Benefit payments, including refunds of employee contributions	(564,103)	(564,103)	-
Administrative expense	-	(83,846)	83,846
Net changes	(175,093)	453,340	(628,433)
Reporting period ending 9/30/2020	\$ 12,435,049	\$ 10,849,571	\$ 1,585,478

**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, 2018 updated to September 30, 2019	October 1, 2018 updated to September 30, 2019	October 1, 2018 updated to September 30, 2019
Inflation	2.50%	2.50%	2.50%
Projected salary increases	Service based	Service based	Service based
Investment rate of return	7.50%	7.90%	7.75%
Discount rate	7.50%	7.90%	7.75%
Mortality rates	RP-2000	RP-2000	RP-2000
Date of actuarial experience study	August 23, 2017	September 19, 2019	September 19, 2019

Mortality rates were based on the RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.

**NOTE 9 – 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, 2020, are summarized in the following table

	<b>General Employees' Retirement Trust Fund</b>	<b>Police Officers' Retirement Trust Fund</b>	<b>Firefighters' Retirement Trust Fund</b>
<b>Asset Class</b>	<b>Long-Term Expected Real Rates of Return</b>		
Domestic equity	7.50%	7.50%	7.50%
International equity	8.50%	8.50%	8.50%
Broad market fixed income	2.50%	2.50%	2.50%
Global fixed income	3.50%	3.50%	3.50%
Real estate	4.50%	NA	NA
Global tactical allocation	3.50%	NA	NA
	<b>Target Asset Allocations</b>		
Domestic equity	45%	45%	45%
International equity	15%	15%	15%
Broad market fixed income	20%	35%	35%
Global fixed income	5%	5%	5%
Real estate	10%	NA	NA
Global tactical allocation	5%	NA	NA

**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, 2020, the net money-weighted rate of return, adjusted for the changing amounts actually invested, for each of the Plans was as follows:

	<b>General Employees' Retirement Trust Fund</b>	<b>Police Officers' Retirement Trust Fund</b>	<b>Firefighters' Retirement Trust Fund</b>
Money-weighted Rate of Return	9.98%	14.39%	12.01%

**NOTE 9 – PENSION TRUST FUNDS (cont...)**

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension** - For the year ended September 30, 2020, the City recognized pension expense of \$2,775,270 consisting of pension expense for the general employees' pension plan of \$1,592,133 the police officers' pension plan \$836,270 and the firefighters' pension plan of \$346,887. On September 30, 2020, 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	\$ 676,769	\$ 1,165,464
Change in assumptions	394,259	-
Net difference between projected and actual earnings on Plan investments	319,702	-
City contributions subsequent to the measurement date	3,160,817	-
Total	<u>\$ 4,551,547</u>	<u>\$ 1,165,464</u>

**General Employees' Pension Trust Fund:**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 501,558	\$ 442,273
Change in assumptions	171,781	-
Difference between projected and actual earnings on Plan investments	5,156	-
City contributions subsequent to the measurement date	1,531,822	-
Total	<u>\$ 2,210,317</u>	<u>\$ 442,273</u>

**NOTE 9 – PENSION TRUST FUNDS (cont...)**

**Police Officers' Pension Trust Fund:**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,066	\$ 70,978
Change in assumptions	45,756	-
Net difference between projected and actual earnings on Plan investments	162,461	-
City contributions subsequent to the measurement date	1,102,270	-
Total	<u>\$ 1,324,553</u>	<u>\$ 70,978</u>

**Firefighters' Pension Trust Fund:**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 161,145	\$ 652,213
Change in assumptions	176,722	-
Net difference between projected and actual earnings on Plan investments	152,085	-
City contributions subsequent to the measurement date	526,725	-
Total	<u>\$ 1,016,677</u>	<u>\$ 652,213</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2019 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
2021	\$ 57,285	\$ (67,614)	\$ (35,968)	\$ (46,297)
2022	49,052	(9,423)	(73,223)	(33,594)
2023	(30,783)	114,921	(3,136)	81,002
2024	160,668	113,421	(49,934)	224,155
	<u>\$ 236,222</u>	<u>\$ 151,305</u>	<u>\$ (162,261)</u>	<u>\$ 225,266</u>

**NOTE 9 – PENSION TRUST FUNDS (cont...)**

**Discount Rate** – a rate of 7.50% for the General Employees Retirement Trust Fund, 7.90% for the Police Officers' Retirement Trust Fund and 7.75% for the Firefighters' Retirement Trust Fund was used to measure the total pension liability of each of the three plans as of September 30, 2019, 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, 2019), 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'	7.50%	\$ 12,161,020	\$ 7,676,681	\$ 3,892,073
Police Officers'	7.90%	5,507,105	2,863,729	675,998
Firefighters'	7.75%	3,040,352	1,585,478	374,509
City's Net Pension Liability		<u>\$ 20,708,477</u>	<u>\$ 12,125,888</u>	<u>\$ 4,942,580</u>

The following presents the net pension liability of the City as of the financial reporting date (September 30, 2019), 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'	7.50%	\$ 11,084,099	\$ 6,487,671	\$ 2,608,798
Police Officers'	7.50%	4,976,766	2,088,899	(299,198)
Firefighters'	7.25%	3,071,174	1,495,662	180,635
City's Net Pension Liability		<u>\$ 19,132,039</u>	<u>\$ 10,072,232</u>	<u>\$ 2,490,235</u>
Change in City's net pension liability between measurement date and reporting date		<u>\$ (1,576,438)</u>	<u>\$ (2,053,656)</u>	<u>\$ (2,543,345)</u>

**NOTE 10 - 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, 2019, the cap was \$579 per month and for fiscal year September 30, 2020, the cap was increased to \$629 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, 2020, the City paid \$330,000 for retiree health insurance premiums or approximately 2% of actual payroll.

Participant data as of the most recent actuarial valuation:

Inactive plan members of beneficiaries currently receiving benefits	77
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	253
Total	<u>330</u>

**Total OPEB liability** – The City's total OPEB liability was measured as of September 30, 2019 and was determined by an actuarial valuation as of October 1, 2018. The actuarial assumptions used in the October 1, 2018 valuation were based on the results of an actuarial experience study dated August 23, 2017.

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

Inflation	2.50%
Salary inflation	6.00% per year for Police Officers' and Firefighters' and using a service-based table for all other employees assuming an 8.00% increase in year 1, 5.00% increase in year 2, 4.75% increase in year 3, 4.50% in year 4 and 4.25% for the remaining years of service.
Discount rate	3.58%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% in 2020, grading down to the ultimate trend rate of 4.00% in 2077.

**NOTE 10 - OTHER POST EMPLOYMENT BENEFITS PLAN** (cont...)

Mortality rates were based on the RP-2000 Generational for males or females, as appropriate, with adjustment for mortality improvements based on Scale BB.

**Discount rate** – The discount rate was based on a high-quality municipal bond rate of 3.58%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Reporting period ending September 30, 2019</b>	<b>\$ 24,516,260</b>
<b>Changes for the year:</b>	
Service cost	1,237,729
Interest	1,065,032
Changes of assumptions	2,644,515
Benefit payments	(555,224)
<b>Net changes</b>	<b>4,392,052</b>
<b>Reporting period ending September 30, 2020</b>	<b>\$ 28,908,312</b>

**Sensitivity of the Total OPEB Liability to changes in the discount rate** – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	\$ 34,232,561	\$ 28,908,312	\$ 24,690,082

**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 discount rate that is 1-percentage-point lower (7.00 percent decreasing to 3.00 percent) or 1-percentage-point higher (9.00 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 3.00%)	Healthcare Cost Trend Rates (8.00% decreasing to 4.00%)	1% Increase (9.00% decreasing to 5.00%)
Total OPEB liability	\$ 23,949,015	\$ 28,908,312	\$ 35,365,193

**NOTE 10 - OTHER POST EMPLOYMENT BENEFITS PLAN** (cont...)

**OPEB expenses and deferred outflows of resources related to OPEB** – For the year ended September 30, 2019, the City recognized OPEB expense of \$2,279,020. At September 30, 2020, 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	\$ 3,468,121	\$ 3,076,049
Differences between expected and actual experience	-	591,182
City contributions subsequent to the measurement date	599,642	-
Total	<u>\$ 4,067,763</u>	<u>\$ 3,667,231</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2019 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	Amount
2021	\$ (31,541)
2022	(31,541)
2023	(31,540)
2024	(432,002)
2025	(50,275)
Thereafter	377,789
Total	<u>\$ (199,110)</u>

**NOTE 11 – OTHER EMPLOYEE BENEFIT PLANS**

The City contributes to a defined contribution money purchase plan established for the benefit of the City Manager. The contributions are 100% vested and amounted to 10% of the City Manager's. The City also 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. Both Plans are administered by third-party custodians and the plans' assets are not considered part of the reporting entity and are not included in these financial statements.

**NOTE 12 – 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, 2020 or the previous two years. All of the City's insurance is from commercial carriers and there is no self-insurance other than for workers' compensation which is discussed below.

**SELF-INSURED WORKERS' COMPENSATION** - The City provides its employees with workers' compensation coverage for job-related claims expenses through a self-funded plan administered by a third-party administrator. The Plan carries specific stop-loss insurance against catastrophic losses exceeding \$450,000 per incident and for aggregate claims over a two-year period exceeding \$2 million. Actual costs incurred, including administrative and claims expenses, are allocated to the respective departments and funds based on standard workers compensation classification rates applied to the payroll costs of the respective departments and funds within the City.

The City records an estimated liability for reported workers' compensation claims based on loss reserves estimated by the third-party administrator and for loss reserves for claims incurred but not reported, based on actuarially determined estimates of the ultimate cost of such claims (including future claims adjustment expenses) provided by outside consulting actuaries. The liability for the estimated workers' compensation costs is recorded in the general fund because it is fully funded. The liability is also reported as long-term in the governmental activities because the maturities are expected to exceed one year.

Changes in the aggregate workers' compensation liabilities for the years ended September 30, 2020 and 2019, were as follows:

	2020	2019
Claims liability balance, October 1	\$ 603,735	\$ 606,208
Claims and changes in estimates	206,038	257,732
Claims payments	(161,713)	(260,205)
Claims liability balance, September 30	<u>\$ 648,060</u>	<u>\$ 603,735</u>
Cash set aside to pay claims on September 30	<u>\$ 918,618</u>	<u>\$ 915,286</u>

**NOTE 13 – 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.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES** (cont...)

**ELECTRICAL POWER PURCHASE AGREEMENT** - The City owns its electrical distribution systems and purchases its power under an agreement with Orlando Utilities Commission (OUC) which expired December 31, 2017. Effective January 1, 2018, the City has entered into power purchase agreements with the Florida Municipal Power Agency (FMPA) and OUC for the purchase and sale of electricity and entered into an agreement with Duke Energy 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.

**CONSTRUCTION COMMITMENTS** – The City has construction commitments of \$9,721,753 as of September 30, 2020 related to the wastewater facility expansion project in the wastewater fund.

**NOTE 14 – 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, 2020, the total annual working capital needs of the PRWC was \$198,000 of which the City's proportionate share was \$9,071.

**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 15 – SUBSEQUENT EVENT**

On October 20, 2020, the City entered into a loan agreement with the State of Florida Department of Environmental Protection to borrow \$12,000,000 under a Clean Water State Revolving Fund (SRF) construction loan agreement. The loan has a zero percent interest rate and an estimated loan service fee of \$240,000. The loan agreement requires 40 semi-annual payments of \$306,000 beginning in February 2023. The loan proceeds will be used for improvements to the City's water treatment plant.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BARTOW, FLORIDA****Budgetary Comparison Schedule – General Fund**

For the year ended September 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>RESOURCES:</b>				
Taxes	\$ 4,975,878	\$ 4,967,945	\$ 5,154,411	\$ 186,466
Licenses and permits	246,223	246,223	301,716	55,493
Intergovernmental revenue	2,788,996	2,906,765	2,795,990	(110,775)
Charges for services	1,517,343	1,517,343	1,188,292	(329,051)
Fines and forfeitures	136,357	136,357	147,911	11,554
Other	518,598	522,598	584,212	61,614
Total revenues	10,183,395	10,297,231	10,172,532	(124,699)
<b>CHARGES TO APPROPRIATIONS:</b>				
General government:				
Commission	3,228,566	2,321,462	2,086,290	235,172
City manager	702,861	444,146	431,569	12,577
City clerk	235,221	240,478	234,105	6,373
Finance	313,148	167,990	162,629	5,361
Personnel	218,243	162,844	189,508	(26,664)
Purchasing	39,878	21,313	20,877	436
Planning	148,932	137,336	136,182	1,154
Fleet maintenance	175,836	61,215	61,673	(458)
Public safety:				
Police	6,404,238	5,611,109	5,741,596	(130,487)
Building	512,159	402,172	392,190	9,982
Physical environment:				
Public works	1,848,777	1,698,445	1,061,202	637,243
Economic environment:				
Community development	141,603	141,603	141,992	(389)
Culture/recreation:				
Library	625,679	563,161	546,012	17,149
Library Coop - County	174,519	77,900	75,979	1,921
Library Coop - State aid	606,058	445,610	445,682	(72)
Parks and recreation	3,121,640	2,909,550	2,848,458	61,092
Golf course	1,146,135	1,041,680	1,019,947	21,733
Golf course - restaurant	655,950	507,676	496,755	10,921
Total expenditures	20,299,443	16,955,690	16,092,646	863,044
<b>EXCESS (DEFICIENCY) OF REVENUE OVER(UNDER) EXPENDITURES</b>	(10,116,048)	(6,658,459)	(5,920,114)	738,345
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,315,557)	(2,049,530)	(2,058,261)	(8,731)
Transfers in	9,916,751	9,916,751	9,916,751	-
Total other financing sources (uses)	7,601,194	7,867,221	7,858,490	(8,731)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (2,514,854)	\$ 1,208,762	\$ 1,938,376	\$ 729,614

**Note to 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, 2020, totaled \$359,882 and is reported above as a component of the commission departmental expenditures whereas on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund, it is reported as a reduction in the General Fund's tax revenue rather than as an expenditure.

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

For the year ended September 30, 2020

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Taxes	\$ 1,054,183	\$ 1,054,183	\$ 1,144,761	\$ 90,578
Intergovernmental	35,000	35,000	-	(35,000)
Other	2,000	2,000	2,788	788
Total revenues	1,091,183	1,091,183	1,147,549	56,366
<b>EXPENDITURES:</b>				
Economic environment	964,608	1,206,608	806,988	399,620
Debt service	480,675	238,675	478,968	(240,293)
Total expenditures	1,445,283	1,445,283	1,285,956	159,327
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	(354,100)	(354,100)	(138,407)	215,693
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	-	-	5,650	5,650
Total other financing sources (uses)	-	-	5,650	5,650
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (354,100)</b>	<b>\$ (354,100)</b>	<b>\$ (132,757)</b>	<b>\$ 221,343</b>

See Auditors' Report

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

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

Continued...

See Auditors' Report

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

City reporting period date	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2016	9/30/2015	9/30/2014
Total pension liability			
Service cost	\$ 594,932	\$ 582,546	\$ 613,352
Interest	2,285,926	2,218,251	2,079,693
Change in assumptions	794,635	-	-
Change in funding standard account	(33,336)	(224,714)	-
Difference between expected and actual experience	107,208	(387,282)	-
Benefit payments, including refunds of of employee contributions	(2,127,216)	(775,295)	(973,494)
Employee buy-back	-	123,299	-
Net change in total pension liability	1,622,149	1,536,805	1,719,551
Total pension liability, beginning	29,964,494	28,427,689	26,708,138
Total pension liability, ending (a)	<u>\$ 31,586,643</u>	<u>\$ 29,964,494</u>	<u>\$ 28,427,689</u>
Plan fiduciary net position			
Contributions - City	1,305,948	\$ 1,212,429	\$ 1,278,269
Contributions - Employee	301,356	414,836	300,454
Contributions - Employee buy-back	-	-	-
Net investment income (loss)	2,094,864	(214,127)	1,464,081
Benefit payments, including refunds of employee contributions	(2,127,216)	(775,295)	(973,494)
Administrative expenses	(58,891)	(34,720)	(23,527)
Net change in plan fiduciary net position	1,516,061	603,123	2,045,783
Plan fiduciary net position, beginning	21,473,593	20,870,470	18,824,687
Plan fiduciary net position, ending (b)	<u>\$ 22,989,654</u>	<u>\$ 21,473,593</u>	<u>\$ 20,870,470</u>
Net pension liability (asset) (a)-(b)	<u>\$ 8,596,989</u>	<u>\$ 8,490,901</u>	<u>\$ 7,557,219</u>
Plan fiduciary net position as a percentage of total pension liability	72.78%	71.66%	73.42%
Covered payroll	\$ 7,557,033	\$ 8,049,198	\$ 6,833,856
Net pension liability as a percentage of covered payroll	113.76%	105.49%	110.58%

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

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

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***Changes of Assumptions:***

For measurement date September 30, 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 cons

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

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

Continued...

See Auditors' Report

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

City reporting period date	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2016	9/30/2015	9/30/2014
Total pension liability			
Service cost	\$ 409,524	\$ 442,727	\$ 449,350
Interest	1,545,529	1,472,475	1,386,713
Change in excess State money	(58,130)	-	-
Change in benefit terms	6,937	88,018	-
Share plan allocation	-	-	-
Difference between expected and actual experience	(232,824)	(48,806)	-
Change of assumptions	539,060	-	-
Contributions - Buy Back	7,200	-	-
Benefit payments, including refunds of of employee contributions	(895,977)	(957,923)	(732,947)
Net change in total pension liability	1,321,319	996,491	1,103,116
Total pension liability, beginning	19,409,794	18,413,303	17,310,187
Total pension liability, ending (a)	<u>\$ 20,731,113</u>	<u>\$ 19,409,794</u>	<u>\$ 18,413,303</u>
Plan fiduciary net position			
Contributions - City	\$ 706,919	\$ 728,233	\$ 826,682
Contributions - State of Florida	132,660	123,940	118,257
Contributions - Employee	67,573	67,585	71,421
Contributions - Buy Back	7,200	-	-
Net investment income (loss)	1,600,571	(213,507)	1,582,990
Benefit payments, including refunds of employee contributions	(895,977)	(957,923)	(735,413)
Administrative expenses	(73,437)	(68,672)	(42,255)
Net change in plan fiduciary net position	1,545,509	(320,344)	1,821,682
Plan fiduciary net position, beginning	15,538,155	15,858,499	14,036,817
Plan fiduciary net position, ending (b)	<u>\$ 17,083,664</u>	<u>\$ 15,538,155</u>	<u>\$ 15,858,499</u>
Net pension liability (asset) (a)-(b)	<u>\$ 3,647,449</u>	<u>\$ 3,871,639</u>	<u>\$ 2,554,804</u>
Plan fiduciary net position as a percentage of total pension liability	82.41%	80.05%	86.13%
Covered payroll	\$ 1,689,305	\$ 1,981,362	\$ 1,785,535
Net pension liability as a percentage of covered payroll	215.91%	195.40%	143.08%

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

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

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***Changes of benefit terms:***

For measurement date September 30, 2016:

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

For measurement date September 30, 2015:

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

***Changes of Assumptions:***

For measurement date September 30, 2020:

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

For measurement date September 30, 2019:

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

For measurement date September 30, 2016:

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

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

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

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

City reporting period date	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2016	9/30/2015	9/30/2014
Total pension liability			
Service cost	\$ 251,243	\$ 255,726	\$ 254,405
Interest	798,268	767,473	721,136
Change in excess State money	21,617	18,674	26,346
Change of benefit terms	-	-	-
Difference between expected and actual experience	31,215	(206,235)	-
Change of assumptions	356,791	-	-
Benefit payments, including refunds of of employee contributions	(453,717)	(401,380)	(393,888)
Net change in total pension liability	1,005,417	434,258	607,999
Total pension liability, beginning	10,124,104	9,689,846	9,081,847
Total pension liability, ending (a)	<u>\$ 11,129,521</u>	<u>\$ 10,124,104</u>	<u>\$ 9,689,846</u>
Plan fiduciary net position			
Contributions - City	\$ 414,052	\$ 448,832	\$ 420,397
Contributions - State of Florida	102,375	104,779	112,451
Contributions - Employee	21,034	20,448	19,518
Net investment income (loss)	550,637	(100,005)	783,353
Benefit payments, including refunds of employee contributions	(453,717)	(401,380)	(393,888)
Administrative expenses	(64,703)	(51,597)	(43,332)
Net change in plan fiduciary net position	569,678	21,077	898,499
Plan fiduciary net position, beginning	8,030,477	8,009,400	7,110,901
Plan fiduciary net position, ending (b)	<u>\$ 8,600,155</u>	<u>\$ 8,030,477</u>	<u>\$ 8,009,400</u>
Net pension liability (asset) (a)-(b)	<u>\$ 2,529,366</u>	<u>\$ 2,093,627</u>	<u>\$ 1,680,446</u>
Plan fiduciary net position as a percentage of total pension liability	77.27%	79.32%	82.66%
Covered payroll	\$ 1,051,732	\$ 1,025,578	\$ 975,911
Net pension liability as a percentage of covered payroll	240.50%	204.14%	172.19%

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

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

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***Changes in Benefit Terms:***

For measurement date September 30, 2019:

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

***Changes of Assumptions:***

For measurement date September 30, 2020:

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

For measurement date September 30, 2019:

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

For measurement date September 30, 2016:

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

**CITY OF BARTOW, FLORIDA**

## All Retirement Trust Funds

## Schedule of Contributions

Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
<b>General Employees' Plan</b>					
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	\$ 1,38,716	\$ (34,439)	\$ 7,878,494	17.53%
2017	\$ 1,315,737	\$ 1,350,176	\$ 34,439	\$ 7,657,098	17.63%
2016	\$ 1,339,284	\$ 1,339,284	\$ -	\$ 7,557,033	17.72%
2015	\$ 1,437,143	\$ 1,437,143	\$ -	\$ 8,049,198	17.85%
2014	\$ 1,499,813	\$ 1,499,813	\$ -	\$ 6,833,856	21.95%
<b>Police Officers' Plan</b>					
2020	\$ 1,101,140	\$ 1,076,942	\$ (24,198)	\$ 1,898,516	56.73%
2019	\$ 1,056,574	\$ 1,040,883	\$ (15,691)	\$ 1,821,678	57.14%
2018	\$ 869,617	\$ 873,450	\$ 3,833	\$ 1,578,253	55.34%
2017	\$ 785,451	\$ 801,304	\$ 15,853	\$ 1,564,644	51.21%
2016	\$ 821,002	\$ 857,739	\$ 36,737	\$ 1,689,305	50.77%
2015	\$ 832,990	\$ 832,990	\$ -	\$ 1,981,362	42.04%
2014	\$ 944,548	\$ 944,548	\$ -	\$ 1,785,535	52.90%
<b>Firefighters' Plan</b>					
2020	\$ 531,024	\$ 526,725	\$ (4,299)	\$ 1,156,915	45.53%
2019	\$ 575,006	\$ 609,876	\$ 34,870	\$ 1,049,282	58.12%
2018	\$ 553,564	\$ 553,564	\$ -	\$ 1,027,021	53.90%
2017	\$ 511,223	\$ 500,427	\$ (10,796)	\$ 1,076,259	46.50%
2016	\$ 499,572	\$ 510,368	\$ 10,796	\$ 1,051,732	48.53%
2015	\$ 519,379	\$ 519,379	\$ -	\$ 1,025,578	50.64%
2014	\$ 506,498	\$ 506,498	\$ -	\$ 975,911	51.90%

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

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

- Valuation Date: October 1, 2018 for fiscal year 2020 contributions.
- Asset Valuation Method; Historic geometric four-year average market value (net of fees).
- Salary Increases: The general employees' plan uses a service-based assumption ranging from 8% for less than one year of service to 4.25% for greater than 4 years of service. The salary increase assumption is 6.00% for the police officers' and firefighters' plans.
- Investment Rate of Return; 7.50% for the general employees' plan and 8.00% for the police officers' and firefighters' plans.
- Payroll Growth: .25% for the firefighters' plan and zero for the general employees' and police officers' plans.
- General Employees' Plan Retirement Age: Varies depending on years of service and employee age.
- Police Officers' Plan Retirement Age: Earlier of age 55 with 10 years of credited service or 20 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
- Firefighters' Plan Retirement Age: Earlier of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or 28 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
- Mortality: Mortality rates were based on the RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.
- Termination and disability rate tables:

General Employees' Plan			Police Officers' Plan			Firefighters' Plan		
Age	% terminating during year	% disabled during year	Age	% terminating during year	% disabled during year	Age	% terminating during year	% disabled during year
25	12.00%	0.09%	20	11.40%	0.30%	20	6.00%	0.03%
30	12.00%	0.10%	30	9.50%	0.40%	30	5.00%	0.04%
35	10.00%	0.15%	40	4.90%	0.70%	40	2.60%	0.07%
40	8.40%	0.24%	50	1.50%	1.80%	50	0.80%	0.18%
45	5.40%	0.38%						
50	3.00%	0.67%						
55	1.60%	1.00%						

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

Reporting date	9/29/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2019	9/30/2018	9/30/2017	9/30/2016
<b>Total OPEB Liability</b>				
Service cost	\$ 1,237,729	\$ 1,282,787	\$ 1,433,413	\$ 1,141,412
Interest	1,065,032	974,389	849,073	856,101
Differences between expected and actual experience	-	(827,654)	-	-
Changes in assumptions	2,644,515	(2,168,781)	(2,672,114)	2,803,250
Benefit payments	(555,224)	(457,185)	(420,400)	(420,400)
<b>Net change in total OPEB Liability</b>	4,392,052	(1,196,444)	(810,028)	4,380,363
<b>Total OPEB Liability - beginning</b>	24,516,260	25,712,704	26,522,732	22,142,369
<b>Total OPEB Liability - ending</b>	<u>\$ 28,908,312</u>	<u>\$ 24,516,260</u>	<u>\$ 25,712,704</u>	<u>\$ 26,522,732</u>
<b>Covered-employee payroll</b>	\$ 12,747,899	\$ 12,141,199	\$ 12,176,344	\$ 11,595,783
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	226.77%	201.93%	211.17%	228.73%

Notes to Schedule:

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, 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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## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF BARTOW, FLORIDA**

Combining Balance Sheet – Non-Major Governmental Funds  
as of September 30, 2020

	<b>Transportation Fund</b>	<b>Fire Services Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ -	\$ 149,164	\$ 149,164
Receivables, net			
Customer accounts, net	-	350	350
Intergovernmental and other	177,018	36,545	213,563
Prepaid expenditures	-	602	602
Restricted assets:			
Cash and cash equivalents	1,194,951	-	1,194,951
Customer receivables	51,587	-	51,587
<b>TOTAL ASSETS</b>	<b>\$ 1,423,556</b>	<b>\$ 186,661</b>	<b>\$ 1,610,217</b>
<b>LIABILITIES</b>			
Accounts payable	50,123	81,219	131,342
Accrued payroll	1,999	48,021	50,020
<b>TOTAL LIABILITIES</b>	<b>52,122</b>	<b>129,240</b>	<b>181,362</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	51,587	-	51,587
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid expenditures	-	602	602
Restricted for:			
Transportation improvements	1,194,951	-	1,194,951
Transportation activities	124,896	-	124,896
Assigned to:			
Fire services	-	56,819	56,819
<b>TOTAL FUND BALANCES</b>	<b>1,319,847</b>	<b>57,421</b>	<b>1,377,268</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,423,556</b>	<b>\$ 186,661</b>	<b>\$ 1,610,217</b>

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**CITY OF BARTOW, FLORIDA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major  
 Governmental Funds  
 for the year ended September 30, 2020

	<b>Transportation Fund</b>	<b>Fire Services Fund</b>	<b>Total</b>
<b>REVENUES:</b>			
Taxes	\$ 1,005,429	\$ 114,483	\$ 1,119,912
Intergovernmental revenue	221,569	80,438	302,007
Charges for services	114,685	628,529	743,214
Fines and forfeitures	-	175	175
Other	94,534	3,620	98,154
Total revenues	1,436,217	827,245	2,263,462
<b>EXPENDITURES:</b>			
Public safety	-	2,556,943	2,556,943
Transportation	966,752	-	966,752
Capital outlay	849,369	145,836	995,205
Total expenditures	1,816,121	2,702,779	4,518,900
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(379,904)	(1,875,534)	(2,255,438)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	241,768	1,816,493	2,058,261
<b>NET CHANGE IN FUND BALANCE</b>	(138,136)	(59,041)	(197,177)
<b>FUND BALANCE, beginning of year</b>	1,457,983	116,462	1,574,445
<b>FUND BALANCE, end of year</b>	\$ 1,319,847	\$ 57,421	\$ 1,377,268

See Auditors' Report

**CITY OF BARTOW, FLORIDA****Budgetary Comparison Schedule – Transportation Fund  
for the year ended September 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 1,059,233	\$ 1,059,233	\$ 1,005,429	\$ (53,804)
Intergovernmental revenue	189,078	239,313	221,569	(17,744)
Charges for service	114,685	114,685	114,685	-
Other	105,510	105,510	94,534	(10,976)
Total revenues	1,468,506	1,518,741	1,436,217	(82,524)
EXPENDITURES:				
Transportation	1,008,495	1,000,436	966,752	33,684
Capital outlay	1,019,070	849,370	849,369	1
Total expenditures	2,027,565	1,849,806	1,816,121	33,685
OTHER FINANCING SOURCES (USES):				
Transfer in	559,059	240,640	241,768	1,128
NET CHANGE IN FUND BALANCE	\$ -	\$ (90,425)	\$ (138,136)	\$ (47,711)

See Auditors' Report

**CITY OF BARTOW, FLORIDA**
**Budgetary Comparison Schedule – Fire Services Fund**  
**for the year ended September 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 102,375	\$ 102,375	\$ 114,483	\$ 12,108
Intergovernmental revenue	1,800	79,236	80,438	1,202
Charges for service	620,224	620,224	628,529	8,305
Fines and forfeitures	-	-	175	175
Other	-	-	3,620	3,620
Total revenues	724,399	801,835	827,245	25,410
<b>EXPENDITURES:</b>				
Public safety	2,326,818	2,508,480	2,556,943	(48,463)
Capital outlay	68,000	155,835	145,836	9,999
Total expenditures	2,394,818	2,664,315	2,702,779	(38,464)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,670,419)</u>	<u>(1,862,480)</u>	<u>(1,875,534)</u>	<u>(13,054)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,756,498	1,808,891	1,816,493	7,602
Total other financing sources	1,756,498	1,808,891	1,816,493	7,602
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 86,079</u>	<u>\$ (53,589)</u>	<u>\$ (59,041)</u>	<u>\$ (5,452)</u>

See Auditors' Report

**CITY OF BARTOW, FLORIDA**
**Combining Statement of Net Position – Non-Major Enterprise Funds  
as of September 30, 2020**

	<b>Business Type Activities - Non-Major Enterprise Funds</b>			
	<b>Sanitation Fund</b>	<b>Information Technology Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 3,177,636	\$ 2,891,925	\$ 1,363,939	\$ 7,433,500
Receivables:				
Customers, net	430,520	14,769	-	445,289
Inventory and prepaids	-	73,073	-	73,073
Total current assets	3,608,156	2,979,767	1,363,939	7,951,862
Capital assets:				
Non-depreciable	154,279	-	60,406	214,685
Depreciable, net	1,465,892	327,814	1,980,398	3,774,104
Total noncurrent assets	1,620,171	327,814	2,040,804	3,988,789
Total assets	5,228,327	3,307,581	3,404,743	11,940,651
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	142,510	17,032	20,619	180,161
Deferred outflows related to OPEB	158,643	19,739	40,095	218,477
Total deferred outflows of resources	301,153	36,771	60,714	398,638
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	149,454	1,995	32,666	184,115
Accrued wages	24,646	2,692	3,091	30,429
Total current liabilities	174,100	4,687	35,757	214,544
Noncurrent liabilities:				
Compensated absences	93,920	31,761	15,499	141,180
Post employment obligation payable	1,127,424	140,279	284,944	1,552,647
Net pension liability	494,953	59,153	71,613	625,719
Total noncurrent liabilities	1,716,297	231,193	372,056	2,319,546
Total liabilities	1,890,397	235,880	407,813	2,534,090
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	28,515	3,408	4,126	36,049
Deferred inflows related to OPEB	143,022	17,795	36,147	196,964
Total deferred inflows of resources	171,537	21,203	40,273	233,013
<b>NET POSITION</b>				
Net investment in capital assets	1,620,171	327,814	2,040,804	3,988,789
Unrestricted	1,847,375	2,759,455	976,567	5,583,397
Total net position	\$ 3,467,546	\$ 3,087,269	\$ 3,017,371	\$ 9,572,186

See Auditors' Report

**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, 2020

	<b>Business Type Activities - Non-Major Enterprise Funds</b>			
	<b>Sanitation Fund</b>	<b>Information Technology Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 3,468,120	\$ 251,926	\$ 578,251	\$ 4,298,297
Total operating income	3,468,120	251,926	578,251	4,298,297
<b>OPERATING EXPENSES:</b>				
Personnel services	1,059,879	111,295	307,862	1,479,036
Operating expenses	2,002,790	72,567	351,780	2,427,137
Depreciation	360,378	73,558	47,878	481,814
Total operating expenses	3,423,047	257,420	707,520	4,387,987
<b>OPERATING INCOME</b>	<b>45,073</b>	<b>(5,494)</b>	<b>(129,269)</b>	<b>(89,690)</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Investment revenue	5,168	4,199	2,196	11,563
Gain on disposal of property	146,500	-	-	146,500
Other, net	64,270	-	-	64,270
Total nonoperating revenues (expense)	215,938	4,199	2,196	222,333
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>261,011</b>	<b>(1,295)</b>	<b>(127,073)</b>	<b>132,643</b>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital grants and contributions	40,230	-	1,143	41,373
Total capital contributions	40,230	-	1,143	41,373
<b>CHANGE IN NET POSITION</b>	<b>301,241</b>	<b>(1,295)</b>	<b>(125,930)</b>	<b>174,016</b>
<b>NET POSITION, beginning of year</b>	<b>3,166,305</b>	<b>3,088,564</b>	<b>3,143,301</b>	<b>9,398,170</b>
<b>NET POSITION, end of year</b>	<b>\$ 3,467,546</b>	<b>\$ 3,087,269</b>	<b>\$ 3,017,371</b>	<b>\$ 9,572,186</b>

See Auditors' Report

**CITY OF BARTOW, FLORIDA**

Combining Statement of Cash Flows– Non-Major Enterprise Funds  
for the year ended September 30, 2020

	<b>Business Type Activities - Non-Major Enterprise Funds</b>			
	<b>Sanitation Fund</b>	<b>Information Technology Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 3,463,604	\$ 239,459	\$ 578,251	\$ 4,281,314
Payments to suppliers	(2,281,554)	(88,522)	(335,040)	(2,705,116)
Payments for salaries and benefits	(974,240)	(98,753)	(131,620)	(1,204,613)
Net cash flows from operating activities	207,810	52,184	111,591	371,585
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets, net of related payables	(477,401)	(30,724)	(58,241)	(566,366)
Proceeds from the sale of assets	146,500	-	-	146,500
Capital contributions and impact fees received, net of change in related receivables	89,160	9,172	1,143	99,475
Net cash flows from capital and related financing activities	(241,741)	(21,552)	(57,098)	(320,391)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on invested funds	5,168	4,199	2,196	11,563
Other income	64,270	-	-	64,270
Net cash flows from investing activities	69,438	4,199	2,196	75,833
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	35,507	34,831	56,689	127,027
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	3,142,129	2,857,094	1,307,250	7,306,473
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 3,177,636</u>	<u>\$ 2,891,925</u>	<u>\$ 1,363,939</u>	<u>\$ 7,433,500</u>
<b>As shown in the Accompanying Financial Statements</b>				
Equity in cash and investments	\$ 3,177,636	\$ 2,891,925	\$ 1,363,939	\$ 7,433,500
Restricted equity in cash and investments	-	-	-	-
<b>Total cash and cash equivalents</b>	<u>\$ 3,177,636</u>	<u>\$ 2,891,925</u>	<u>\$ 1,363,939</u>	<u>\$ 7,433,500</u>

Continued...

See Auditors' Report

**CITY OF BARTOW, FLORIDA**

Combining Statement of Cash Flows– Non-Major Enterprise Funds (concluded)  
for the year ended September 30, 2020

	<b>Business Type Activities - Non-Major Enterprise Funds</b>			
	<b>Sanitation Fund</b>	<b>Information Technology Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Noncash financing and investing activities:</b>				
None	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 45,073	\$ (5,494)	\$ (129,269)	\$ (89,690)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	360,378	73,558	47,878	481,814
(Increase) decrease in inventory and prepaids	330	4,064	42	4,436
(Increase) decrease in accounts receivable	(4,516)	(12,467)	-	(16,983)
Increase (decrease) in accounts payable	(279,094)	(20,019)	16,698	(282,415)
Increase (decrease) in accrued wages and compensated absences	16,261	2,369	12,192	30,822
(Increase) decrease in OPEB related deferred outflows	(74,273)	(9,421)	(28,214)	(111,908)
Increase (decrease) in the total OPEB liability	171,972	23,431	150,395	345,798
Increase (decrease) in OPEB related deferred inflows	(31,457)	(3,543)	11,576	(23,424)
(Increase) decrease in pension related deferred outflows	44,336	5,629	(8,341)	41,624
Increase (decrease) in the net pension liability	(16,954)	(2,932)	37,975	18,089
Increase (decrease) in pension related deferred inflows	(24,246)	(2,991)	659	(26,578)
Net cash flows from operating activities	\$ 207,810	\$ 52,184	\$ 111,591	\$ 371,585

See Auditors' Report

**CITY OF BARTOW, FLORIDA**Combining Statement of Fiduciary Net Position – Pension Trust Funds  
as of September 30, 2020

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 56,817	\$ 47,725	\$ 104,542
Receivables:				
City and plan members	40,288	74	5	40,367
State of Florida	-	165,084	114,351	279,435
Accrued income	3,175	24,315	-	27,490
Total receivables	43,463	189,473	114,356	347,292
Prepaid expenses	-	123,002	48,851	171,853
Investments, at fair value:				
Short-term money market funds	1,811,496	-	-	1,811,496
Fixed income investments	6,595,299	6,766,098	3,803,892	17,165,289
Equity investments	19,984,702	15,192,400	8,052,597	43,229,699
Diversified mutual fund	1,612,477	-	-	1,612,477
Real estate investments	3,453,268	-	-	3,453,268
Total investments	33,457,242	21,958,498	11,856,489	67,272,229
Total assets	33,500,705	22,327,790	12,067,421	67,895,916
<b>LIABILITIES</b>				
Accounts payable	11,445	48,796	31,011	91,252
Accrued benefits payable	3,289	4,179	7,210	14,678
Total Liabilities	14,734	52,975	38,221	105,930
<b>NET POSITION</b>				
Restricted for pension benefits	\$ 33,485,971	\$ 22,274,815	\$ 12,029,200	\$ 67,789,986

See Auditors' Report

**CITY OF BARTOW, FLORIDA**Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds  
for the year ended September 30, 2020

	<b>Pension Trust Funds</b>			
	<b>General Employees' Pension Trust Fund</b>	<b>Police Officers' Pension Trust Fund</b>	<b>Firefighters' Pension Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
City	\$ 1,531,822	\$ 937,089	\$ 412,374	\$ 2,881,285
Plan members	520,117	86,612	23,139	629,868
State of Florida	-	165,084	114,351	279,435
Total contributions	2,051,939	1,188,785	549,864	3,790,588
Investment income	3,097,831	2,891,098	1,309,323	7,298,252
Less investment expenses:				
Performance evaluation	25,000	18,500	17,500	61,000
Custodial fees	11,951	12,210	6,595	30,756
Investment management fees	57,455	32,587	-	90,042
Total investment expenses	94,406	63,297	24,095	181,798
Net investment income	3,003,425	2,827,801	1,285,228	7,116,454
Total additions	5,055,364	4,016,586	1,835,092	10,907,042
<b>DEDUCTIONS</b>				
Administrative expenses:				
Legal	6,178	28,564	17,110	51,852
Administrator fee	-	19,554	11,941	31,495
Actuarial	20,528	34,861	34,504	89,893
Travel, training and other	-	7,495	12,048	19,543
Accounting	2,625	5,689	5,670	13,984
Insurance	6,981	4,178	2,779	13,938
Audit	5,300	4,275	4,275	13,850
Total administrative expenses	41,612	104,616	88,327	234,555
Payments to retirees and participants	1,572,968	1,680,464	567,136	3,820,568
Total deductions	1,614,580	1,785,080	655,463	4,055,123
<b>CHANGE IN NET POSITION</b>	3,440,784	2,231,506	1,179,629	6,851,919
<b>NET POSITION, beginning of year</b>	30,045,187	20,043,309	10,849,571	60,938,067
<b>NET POSITION, end of year</b>	\$ 33,485,971	\$ 22,274,815	\$ 12,029,200	\$ 67,789,986

See Auditors' Report



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## **GOVERNMENT AUDITING SECTION**

**CITY OF BARTOW, FLORIDA**Schedule of Expenditures of Federal Awards and State Financial Assistance  
for the year ended September 30, 2020

<b>Federal Grants</b>		<b>Contract/Grant</b>	<b>Total</b>
<b>Funding Source and Grant Program</b>	<b>CFDA#</b>	<b>Identification</b>	<b>Expenditures</b>
<b>U.S. Department of Transportation:</b>			
Direct program:			
Federal Aviation Administration			
Airfield Drainage	20.106	G0E66	\$ 27,826
<b>U.S. Department of Homeland Security</b>			
Pass through program:			
Florida Division of Emergency Management			
Disaster Grants - Public Assistance	97.036	FEMA-4337-DR-FL	2,400,569
<b>U.S. Department of Justice</b>			
Passed through:			
Florida Department of Law Enforcement:			
Justice Assistance Grant:			
Traffic Crash Equipment Project II	16.738	2020-JAGC-POLK-5-Y5-047	13,000
PD Security Project	16.738	2020-JAGD-POLK-2-Y6-036	995
Police Equipment	16.738	2019-JAGD-POLK-1-N3-021	1,046
Total U.S. Department of Justice			15,041
<b>U.S. Department of Treasury</b>			
Passed through Polk County, Florida			
COVID-19 - Coronavirus Relief Funds	21.019	n/a	204,923
Passed through Federal Aviation Administration			
COVID-19 - Coronavirus Relief Funds	21.019	n/a	69,000
Total U.S. Department of Treasury			273,923
Total Expenditures of Federal Awards			\$ 2,717,359
<b>State Grants</b>		<b>Contract/Grant</b>	<b>Total</b>
<b>Funding Source and Grant Program</b>	<b>CSFA#</b>	<b>Identification</b>	<b>Expenditures</b>
<b>State of Florida Department of Transportation</b>			
Aviation Grant Program:			
Airfield Drainage	55.004	G0E66	\$ 1,246
Repair and Refurbish Industrial Park Buildings	55.004	G0L98	54,183
Airport Perimeter Security Fencing	55.004	G0O20	131,056
Airfield Signage	55.004	G0L92	163,471
Total State of Florida Department of Transportation			349,956
Total Expenditures of State Financial Assistance			\$ 349,956

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

## **CITY OF BARTOW, FLORIDA**

Notes to Schedule of Expenditures of Federal Awards  
for the year ended September 30, 2020

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### **NOTE 1 - GENERAL**

The accompanying schedule of expenditures of federal awards and state financial assistance included herein represents the activities of all federal and state financial grant activity of the City of Bartow, Florida (the City), which includes the Bartow Municipal Airport Development Authority for the year ended September 30, 2020.

Federal awards and state financial assistance received directly, as well as passed through to other government agencies, if any, are included in the schedule. For the year ended September 30, 2020, the City had no subrecipients and therefore did not pass any federal awards or state financial assistance through to other government agencies.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

### **NOTE 3 – INDIRECT COST**

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

### **NOTE 4 - CONTINGENCIES**

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

### **NOTE 5 – HURRICANE IRMA**

During the fiscal year ended September 30, 2020, FEMA approved \$2,400,569 of eligible expenditures incurred during the fiscal years ending September 30, 2017 and 2018 related to Hurricane Irma, an event that occurred in September 2017.

### **NOTE 6 – NON-CASH CONTRIBUTIONS**

The City did not receive any federal or state non-cash assistance, including personal protection equipment for the fiscal year ended September 30, 2020.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program/State Project**

We have audited the City of Bartow, Florida's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2020. The City's major federal programs is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

CERTIFIED PUBLIC ACCOUNTANTS

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**Opinion on Each Major Federal Program**

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 its major federal programs for the year ended September 30, 2020.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Federal Award Program Finding IC 2020-01, that we consider to be a significant deficiency.

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 ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The City's response to the internal control over compliance finding identified in our audit is included on pages 105 and 106. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. Accordingly, this report is not suitable for any other purpose.



June 17, 2021  
Sarasota, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020  
CITY OF BARTOW  
BARTOW, FLORIDA**

**Part A - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report Issued Based Upon our Audit and the Report of other Auditors:	Unmodified
--	------------

Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No

Non-compliance material to financial statements noted?	No
--	----

**Federal Award Programs**

Internal Control over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes

Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Section .516 of the Uniform Guidance or Chapter 10.557 for <i>Rules of the Auditor General</i> ?	No
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**Identification of Major Programs:**

**Federal Major Programs**

<b>Department of Homeland Security, Federal Emergency Management Agency Passed Through Florida Division of Emergency Management, Public Assistance Program</b> Hurricane Irma	CFDA No. 97.036
--	-----------------

<b>Dollar Threshold Used to Distinguish Between Type A and Type B Programs:</b> Federal Major Programs	\$750,000
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The City of Bartow, Florida (the City) did not qualify as a low risk auditee for federal grant programs pursuant to the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020  
CITY OF BARTOW  
BARTOW, FLORIDA**

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

None

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

**IC 2020-01 – Accuracy of Grant Reimbursement Requests**

Title: Department of Homeland Security Disaster Grants – Public Assistance (Hurricane Irma)

CFDA: 97.036

**Type of Finding:**

- Significant Deficiency in Internal Control over Grant Expenditure Reporting

**Questioned Costs:**

None

**Criteria**

In submitting the accounting records to the grantor, the City is required to certify that reported costs were incurred in performance of eligible work. Internal controls that ensure reported costs are eligible and accurate should adhere to the following standards.

**Uniform Guidance – Part 2 CFR Section 200.303**

- Non-federal entities receiving federal awards must establish and maintain internal control over the federal awards that provides reasonable assurance that the non-federal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**2020 Compliance Supplement: Part 6 – Internal Control**

- One of the objectives of internal control over compliance as found in 2 CFR Section 200.62 is to permit the preparation of reliable federal reports.

**Condition**

In the State of Florida’s accounting to the Federal Emergency Management Agency (FEMA) of eligible costs, it was determined that the City had submitted duplicate billings of \$662,203 for reimbursement.

**Cause**

A series of invoices for eligible costs was supposed to be split among two separate project worksheets, but were applied at their full cost in both project worksheets. Several local representatives working for FEMA assisted the City in allocating costs among different project worksheets and submitting costs for reimbursement. The City relied on the local FEMA representatives to help them submit accurate reports and did not perform a full reconciliation of actual grant expenses to expenses reported to the grantor.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020  
CITY OF BARTOW  
BARTOW, FLORIDA**

**Effect**

The lack of the reconciliation of eligible costs reported in project worksheets to proper documentation can allow errant reports to go undetected.

**Recommendation**

We recommend that the client review control procedures to ensure expenses included in grant reports reconcile to City records. This includes reconciliation and review of work performed by third parties on the City's behalf.

**PART D - OTHER ISSUES**

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

The corrective action plan to the current year finding required to be reported under the Uniform Guidance is included in the City's response letter.

The component auditor reported for fiscal year ended September 30, 2019, on May 29, 2020, for the Police Officers' Retirement Plan and on June 2, 2020, for the Firefighters' Retirement Plan, a significant deficiency for the qualified opinion on the SOC Report of the Fiduciary Trust Company International. There was no significant deficiency reported on the SOC Report for fiscal year ended September 30, 2020, and the matter has been resolved.

**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, 2020, 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 17, 2021. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' and the Firefighters' Retirement Trust Funds, as described in our report on the City's financial statements. This report does include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund were not audited in accordance with *Government Auditing Standards*. However, this report, insofar as it related to the results of the other auditors, is based solely on the reports of the other auditors.

**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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



June 17, 2021  
Sarasota, Florida

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

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

We have examined the City of Bartow, Florida's (the City) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2020. 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.

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, 2020.

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



June 17, 2021  
Sarasota, Florida

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the City of Bartow, Florida (the City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 17, 2021. 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 to 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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 17, 2021, 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. The prior year audit finding 2018-01 for the significant deficiency in internal control over the City's Police Officers' and Firefighters' Retirement Trust Funds, which was repeated in the 2019 audit, has been resolved.

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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 report 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 identification of 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. 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we do not have any such recommendations.

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the City provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the City in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### Purpose of this Letter

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

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

**MANAGEMENT LETTER**

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



June 17, 2021  
Sarasota, Florida

## **OTHER INFORMATION**



## AFFIDAVIT OF IMPACT FEE COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared A. H. (Stacy) Molinar, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Bartow which is a local governmental entity of the State of Florida; and
2. The governing body of the City of Bartow adopted Ordinance No. 2005-55 for Water and Sanitary Sewer, Ordinance No. 2005-57 for Roads, Ordinance No. 2005-58 for Public Facilities and Ordinance No. 2005-54 for Parks and Recreation Facilities implementing impact fees; and
3. The City of Bartow has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

A. H. (Stacy) Molinar  
Director of Finance

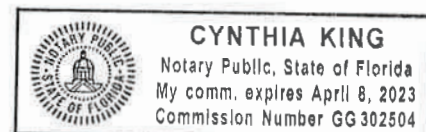
STATE OF FLORIDA  
COUNTY OF POLK

SWORN TO AND SUBSCRIBED before me this 14<sup>th</sup> day of June, 2021.

  
NOTARY PUBLIC

Personally known ☒ or produced identification \_\_\_\_\_.

My Commission Expires: 4/8/2023





## CITY OF BARTOW

June 17, 2021

Ms. Sherrill F. Norman, CPA  
Auditor General of the State of Florida  
111 West Madison Street  
Tallahassee, FL 32399

Dear Ms. Norman:

We have reviewed the Schedule of Findings and Questioned Costs for the audit performed by Purvis, Gray & Company, LLP for the fiscal year ending September 30, 2020. Our response to the finding is as follows:

### **Finding Number IC 2020-01 – Accuracy of Grant Reimbursement Requests**

Title: Department of Homeland Security Disaster Grants – Public Assistance (Hurricane Irma)

CFDA: 97.036

#### **Type of Finding:**

Significant Deficiency in Internal Control over Grant Expenditure Reporting

#### **Condition:**

In the State of Florida's accounting to the Federal Emergency Management Agency (FEMA) of eligible costs, it was determined that the City of Bartow had submitted duplicate billings of \$662,203 for reimbursement.

#### **Cause:**

A series of invoices for eligible costs was supposed to be split among two separate project worksheets but were applied at their full cost in both project worksheets. Several local representatives working for FEMA assisted the City in allocating costs among different project worksheets and submitting costs for reimbursement. The City relied on the local FEMA representatives to help them submit accurate reports and did not perform a full reconciliation of actual grant expenses to expenses reported to the grantor.

#### **Effect:**

The lack of the reconciliation of eligible costs reported in project worksheets to proper documentation can allow errant reports to go undetected.

**Recommendation:**

We recommend that the client review control procedures to ensure expenses included in grant reports reconcile to City records. This includes reconciliation and review of work performed by third parties on the City's behalf.

**Management's Response:**

Anticipated Completion Date: June 30, 2021

Responsible Contact Person: Stacy Molinar, Finance Director

Hurricane Irma came through the City of Bartow leaving behind significant damage. The City's electric utility incurred the most significant damage. At the time of the hurricane, the City's finance department was understaffed with one supervisor, one full-time employee and one temporary employee. Project reporting and document accumulation for the electric utility was spread among non-Finance employees with assistance coming from numerous FEMA representatives. This decentralized processing and the lack of centralized reconciliation led to duplication of submitted billings.

The City will review control procedures to ensure that future expenses included in grant reports reconcile to City records. This will include all reports prepared by City staff or by third parties on behalf of the City.

As of September 30, 2020, the finance department is fully staffed with one supervisor and four additional full-time employees, one of which has been assigned the responsibility of grant accounting. The City is better equipped to handle financial reporting needs of future emergencies as they arise.