



CITY OF BARTOW, FLORIDA
FINANCIAL STATEMENTS AND AUDITORS'
REPORTS

September 30, 2021

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, 2021, 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 17%, 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 City'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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City of Bartow
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, 2021, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 15, during fiscal year ended September 30, 2021, the Bartow Municipal Airport Municipal Authority (the Authority) engaged an actuary to prepare an actuarial valuation for only the Authority to determine the other postemployment benefits (OPEB) liability and related deferred flows of resources. This change is based only upon the Authority and is not an allocation of the City-wide actuarial report and improves the financial reporting. There was a restatement of previously reported OPEB financial statement elements and net position.

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.

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

INDEPENDENT AUDITOR'S REPORT

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 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 20, 2022, 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 20, 2022
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 2021 by \$104,343,053 (net position). Of this amount, \$10,671,947 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$3,632,349 during the year or an 4% increase compared to the prior year net position. Net position for governmental activities increased by \$481,001 while the business-type activities' net position increased by \$3,151,348.
- Total combined revenues resulting from governmental activities and business-type activities increased \$2,663,944 or 4% when compared to the prior year.
- Total combined expenses resulting from governmental activities and business-type activities increased \$6,652,831 or 12% 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 \$25,665,491 an increase of \$1,733,187 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, 2021 and 2020.
- Previously reported net position was increased by \$315,753 as the result of a change in the method of applying the provisions of GASB Cod. Sec. P52 related to the City's OPEB program. More information can be found in Note 15 of the Notes to Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

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

The Statement of Net Position presents information on all the City's assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources), with the difference between the two reported as net position. The focus of the Statement of Net Position (the "unrestricted net position") is designed to be like bottom line results for businesses. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net cost of various activities, both governmental and business-type, that are supported by the government's taxes and other general revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy by various business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds. Traditional users of governmental financial statements may find the fund financial statement presentation more familiar.

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the current year, the City's net position was \$104,343,053. The following table reflects a summary of net position compared to the prior year. For additional information, see the Statement of Net Position by referring to the table of contents of this report.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 33,115,403	\$ 26,154,795	\$ 55,277,238	\$ 58,999,656	\$ 88,392,641	\$ 85,154,451
Capital assets	25,083,830	24,509,665	72,958,883	63,851,697	98,042,713	88,361,362
Total assets	58,199,233	50,664,460	128,236,121	122,851,353	186,435,354	173,515,813
Deferred outflows	12,122,067	6,608,119	3,862,383	2,325,990	15,984,450	8,934,109
Current liabilities	6,712,092	1,424,910	11,608,169	8,671,292	18,320,261	10,096,202
Non-current liabilities	37,744,996	33,361,516	33,627,589	33,764,558	71,372,585	67,126,074
Total liabilities	44,457,088	34,786,426	45,235,758	42,435,850	89,692,846	77,222,276
Deferred inflows	6,495,278	3,598,220	1,888,627	1,234,475	8,383,905	4,832,695
Net position:						
Net investment in capital assets	23,858,989	22,993,195	55,529,227	44,528,675	79,388,216	67,521,870
Restricted	3,492,920	2,818,943	10,789,970	9,561,751	14,282,890	12,380,694
Unrestricted	(7,982,975)	(6,924,205)	18,654,922	27,416,592	10,671,947	20,492,387
Total net position	\$ 19,368,934	\$ 18,887,933	\$ 84,974,119	\$ 81,507,018	\$ 104,343,053	\$ 100,394,951

On September 30, 2021, approximately 76% 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 67% 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 14% of the City's net position represents resources that are subject to external restrictions on how they may be used. That compares to 12% in the prior year. The remaining balance of unrestricted net position, \$10,671,947 or 10% of the City's net position in 2021 may be used to meet the City's ongoing obligations to citizens and creditors. This is a decrease in unrestricted net position of \$9,820,440 or 48% for the year. Total net position of the City increased by \$3,632,349 as a result of operations and \$315,753 due to a restatement in 2021.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 2,521,481	\$ 2,167,607	\$ 51,383,034	\$ 47,276,285	\$ 53,904,515	\$ 49,443,892
Operating grants/contrib.	1,382,683	1,573,553	23,000	69,965	1,405,683	1,643,518
Capital grants/contrib.	287,429	154,153	2,057,566	3,995,447	2,344,995	4,149,600
<i>General revenues:</i>						
Property taxes - General	2,018,417	1,972,233	-	-	2,018,417	1,972,233
Property taxes - CRA	1,199,659	1,144,761	-	-	1,199,659	1,144,761
Pub svc tax/franchise fees	2,671,256	2,663,144	-	-	2,671,256	2,663,144
Transportation fuel taxes	1,101,189	1,005,429	-	-	1,101,189	1,005,429
State shared revenue	2,416,114	2,034,598	-	-	2,416,114	2,034,598
Other	302,816	333,235	393,763	704,053	696,579	1,037,288
Total revenues	13,901,044	13,048,713	53,857,363	52,045,750	67,758,407	65,094,463
Expenses:						
<i>Governmental activities:</i>						
General government	3,264,379	3,276,135	-	-	3,274,346	3,276,135
Law enforcement	6,887,230	5,861,010	-	-	6,887,230	5,861,010
Fire control	3,176,592	2,578,330	-	-	3,176,592	2,578,330
Building and zoning	457,139	421,937	-	-	457,139	421,937
Public works	1,120,229	1,126,780	-	-	1,120,229	1,126,780
Transportation	1,340,287	1,300,646	-	-	1,340,287	1,300,646
Library	1,526,485	1,213,415	-	-	1,526,485	1,213,415
Parks and recreation	4,934,271	4,677,549	-	-	4,924,304	4,677,549
Community redevelopment	595,837	874,027	-	-	595,837	874,027
Interest on long-term debt	34,345	47,725	-	-	34,345	47,725
<i>Business-type activities:</i>						
Electric	-	-	21,812,208	18,455,478	21,812,208	18,455,478
Water	-	-	4,342,406	4,032,730	4,342,406	4,032,730
Wastewater	-	-	4,201,199	4,056,358	4,201,199	4,056,358
Sanitation	-	-	3,856,046	3,423,047	3,856,046	3,423,047
Stormwater	-	-	666,056	707,520	666,056	707,520
Information technology	-	-	278,389	257,420	278,389	257,420
Airport	-	-	5,632,960	5,163,120	5,632,960	5,163,120
Total expenses	23,336,794	21,377,554	40,789,264	36,095,673	64,126,058	57,473,227
Transfers in (out)	9,916,751	9,916,751	(9,916,751)	(9,916,751)	-	-
Change in Net Position	481,001	1,587,910	3,151,348	6,033,326	3,632,349	7,621,236
Net position - Beginning	18,887,933	17,300,023	81,507,018	75,473,692	100,394,951	92,773,715
Restatement	-	-	315,753	-	315,753	-
Net position - Ending	\$ 19,368,934	\$ 18,887,933	\$ 84,974,119	\$ 81,507,018	\$ 104,343,053	\$ 100,394,951

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 2021, governmental activities net position increased by \$481,001 compared to an increase in 2020 of \$1,587,910, which was a decline of \$1,106,909 or 70%. However, this required transfers from business-type activities of \$9,916,751 in 2021 and 2020 to achieve these results. Overall, total revenues-governmental activities were up \$852,331 or 7% while total expenses were up \$1,959,240 or 9%, and transfers to the governmental activities were the same in 2021 as in 2020. Following are key changes in the statement of activities from 2020 to 2021:

- Charges for service revenue increased \$353,874 or 16% in 2021 compared to 2020 mainly because of increased building and zoning charges of approximately \$125,930 or 42% due to greater construction activity within the City. The City's fire assessment also increased by \$131,720 or 21%.
- Operating grants and contributions decreased \$190,870 or 12% in 2021 compared to 2020 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 that were nonrecurring in 2021.
- Capital grants and contributions increased \$133,276 or 86% in 2021 compared to 2020, caused primarily by increased impact fee revenue as a result of increased construction related activity within the City.
- Property taxes are up \$101,082 or 3% in 2021 compared to 2020. The City's millage rate decreased from 3.2768 in 2020 to 3.0862 in 2021, but valuations were up in the City as a whole due to the continued improvement in the economy.
- Remaining general revenues increased by \$454,969 or 8% for various reasons but mainly due to general increased economic activity resulting in increased taxes and state shared revenues.

On the expense side, significant changes were as follows:

- Law enforcement expenses increased by \$1,026,220 or 18% in 2021 compared to 2020. The main cause of this increase is attributable to increased insurance and OPEB expenses.
- Fire control expenses increased by \$598,262 or 18% in 2021 compared to 2020. 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 increased by \$256,722 or 5% in 2021 compared to 2020 mainly due to increased OPEB expense.
- Library expenses increased by \$313,070 or 26% in 2021 compared to 2020 mainly due to increased personnel services expense of approximately \$183,274 (36%) which includes pension and OPEB expenses as well as increased maintenance expenses of \$19,703 (269%) and more purchases of library materials and books which increased by \$38,574 (320%).

- Community redevelopment expenses decreased by \$278,190 or 32% in 2021 compared to 2020 due to decreased redevelopment incentives and down payment assistance grants.
- Remaining program expenses increased by \$43,156 or 1% in 2021 compared to 2020.

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 \$3,151,348 compared to an increase of \$6,033,326 in the prior year, a decline of \$2,881,978 or 48%. This is after the transfer supporting governmental activities discussed above.

- Revenues increased \$1,811,613 or 3% from 2020 to 2021, and expenses increased by \$4,693,591 or 13%. Power costs in the City's Electric Fund were up approximately \$3,081,000 or 27%. The City purchased more kilowatt hours and fuel prices were up in 2021. Because the City uses a power cost adjustment in its retail electric rates, those fuel cost increases were passed on to the City's customers, causing revenues to increase by a similar amount (approximately \$3,480,000 or 12%).
- Charges for services revenue increased by \$4,106,749 or 9% and capital grants and contributions decreased by \$1,937,881 or 49% due to decreased capital grant revenue as the business-type activities reported approximately \$2,170,000 of nonrecurring federal and state grant revenue in 2020 related to hurricane related damages in a previous year.
- Total expenses increased by \$4,693,591 or 13%, due to a myriad of reasons but mainly because of increased power costs as discussed above.
- Operating income for all business-type activities for 2021 was \$11,080,257 or 22% of operating revenue compared to 2020 operating income of \$11,718,404 which represented 25% 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 \$25,665,491. Of this amount, \$161,040 or 1% is non-spendable, \$3,492,920 or 14% is legally restricted for specific purposes, \$3,108,429 or 12% has been assigned by the City Commission for fire services (\$215,817) and amounts to be used during the 2021-22 fiscal year (\$2,892,612), and \$18,903,102 or 73% is unassigned and available for spending at the City's discretion. Following is a discussion of individual major governmental funds.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2021

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 \$21,795,714, and total fund balance was \$23,004,650. This represents 132% and 138% respectively, of total General Fund expenditures for the year ended September 30, 2021.

In the General Fund, the change in fund balance for the year went from an increase of \$1,938,376 in 2020 to an increase of \$956,986 in 2021 for a deterioration of \$981,390. Following is a summary of the notable changes from 2020 to 2021:

- Revenues are up \$525,740 or 5%. The revenue category that was up the most was intergovernmental revenue, which increased \$227,423 or 8% due to increased grant revenue. The revenue category that declined the most was other revenue, which declined \$67,129 or 11% due to a myriad of reasons. Additionally,
 - licenses and permit revenue increased by \$123,170 or 41% due to more building permit revenue as construction activity increased within the City compared to 2020.
 - Charges for services revenue increased \$179,863 or 15% mainly due to increased use of the City's parks and recreation facilities and programs.
- Expenditures increased \$899,677 or 6%. The expenditure categories that changed the most include capital outlay which increased \$821,824 or 218% due to increased capital equipment and improvement expenditures and physical environment which decreased by \$408,853 or 42% due to decreased maintenance related expenditures. Additionally,
 - General government expenditures decreased by \$359,583 or 12% generally due to increased repair and maintenance related costs of approximately \$330,665 (44%) which was more than offset by insurance related expenditures which declined due to changes in the method the City used to allocate insurance costs to the departments covered by the insurance.
 - Public safety expenditures increased by \$564,375 or 9% due to increased insurance expenditures allocated to the police department totaling approximately \$145,000 and increased radio system improvement expenditures of \$311,300 in 2021 that did not affect 2020.

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 \$913,310. The change in fund balance for the year improved from a decrease of \$132,757 in 2020 to a increase of \$405,938 in 2021, an improvement of \$538,695. Following is a summary of the significant changes from 2020 to 2021:

- Total property tax increment revenue increased by \$54,898 or 5% due to increased property values within the CRA District.

- Total expenditures decreased by \$491,579 or 38% mainly due to decreased redevelopment projects and program expenditures of approximately \$253,000 or 31% and a decrease in debt service of approximately \$238,560 or 50% as the CRA paid off a note payable in 2020 that had no effect on 2021.

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 2020 to 2021, by major fund:

- In the Electric Fund, the change in net position deteriorated from an increase of \$3,470,873 in 2020 to an increase of \$1,295,756 in 2021, a decline of \$2,175,117 or 63%. The decline was due to the Electric Fund receiving \$2,254,366 in grant funds in 2020 due to receiving significant FEMA grant funds related to damage incurred during Hurricane Irma. These revenues did not recur in 2021.
- In the Water Fund, the change in net position declined from an increase of \$1,449,624 in 2020 to an increase of \$1,429,777 in 2021, a decline of \$19,847 or 1%. Operating revenue increased by \$160,182 or 3% and operating expenses increased by \$346,681 or 10%.
- In the Wastewater Fund, the change in net position improved from an increase of \$1,446,563 in 2020 to an increase of \$1,502,937 in 2021, an improvement of \$56,374 or 4%. Operating revenue increased by \$26,678 or 1% and operating expenses increased by \$154,678 or 4%. Operating and capital grants increased by \$187,309 or 20% in 2021 compared to 2020, due to increased impact fee revenue received as construction activity within the City improved in 2021.
- In the Airport Fund, the change in net position in 2020 was a negative \$507,750 compared to a negative \$818,021 in 2021, resulting in a deterioration of \$310,271. Operating revenue increased by \$236,572 or 6%, and operating expenses increased by \$472,127 or 9%. Operating and capital grants decreased by \$34,970 or 7% in 2021 compared to 2020. Previously reported net position was increased by \$315,753 due to a change in accounting principle as the Airport received a stand-alone OPEB valuation as opposed to being included in the City-wide valuation as had been done previous to October 1, 2020. More information can be found at Note 15 of the Notes to Financial Statements section.
- In the combined Non-Major Funds, the change in net position was a positive \$174,016 in 2020 compared to a negative \$259,101 in 2020, a deterioration of \$433,117 or 249%. Operating revenues increased by \$203,550 or 5% and operating expenses increased \$412,504 or 9%. The gain on the sale of property declined by \$134,325 or 92% because of a significant sale in 2020 that was not recurring in 2021. 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 reports two types of fiduciary funds, a custodial fund and three single employer defined benefit pension plans trust funds for its employees.

The three pension trust funds reported \$79,993,778 of net position restricted for pension benefits on September 30, 2021. This is an increase of \$12,203,792 or 18% for the year. The combined funds reported net investment income of \$7,116,454 for 2020 compared to \$12,611,580 in 2021. 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 2021 General Fund budget anticipated using \$3,908,064 of beginning fund balance during 2021. Amendments to the original budget during 2021 increased anticipated revenues, decreased budgeted expenditures and increased other financing uses resulting in a final *budgeted* surplus of \$389,601 (final budget), and included the following:

- The original budget for revenue was increased by \$78,957 due to greater than initially anticipated licenses and permit revenue as well as intergovernmental revenue offset by lower than anticipated charges for services as well as fines and forfeiture revenue.
- The original budget for expenditures was reduced by \$4,017,792. Amendments included reductions to the general government budget totaling \$1,099,474 (mainly in the commission and city manager departments) reductions to public safety of \$15,401, reductions to the culture/recreation budget totaling \$1,882,130, and reductions to the physical environment ("public works") budget totaling \$1,067,418, and increases to fleet maintenance totaling \$34,144 and increases to community development of \$12,487,
- The original budget for other financing uses was decreased by \$200,916 to reflect lower than initially anticipated interfund transfers out of the general fund.

Actual results for 2021 increased beginning fund balance by \$956,986 which is \$567,385 better than the final budget discussed above. Actual revenues came in \$170,321 or 2% more than the final amended budget. Expenditures came in \$397,064 or 2% lower than the final amended budget, spread across all departments.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2021

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, 2021, totals \$98,042,713 (net of accumulated depreciation), an increase of \$9,681,351 for the current year. Governmental activities' net additions were \$1,757,838, depreciation expense was \$1,160,987 and the book value of assets disposed was \$22,686 for a net increase of \$574,165. Business-type net additions were \$13,785,805, depreciation expense was \$4,676,751, and the book value of assets disposed was \$1,868 for a net increase of \$9,107,186. Following is a schedule of capital assets at the end of the current and prior year:

	Capital Assets Activity (net of accumulated depreciation) as of September 30,					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,799,618	\$ 6,810,190	\$ 1,662,582	\$ 1,662,582	\$ 8,462,200	\$ 8,472,772
Buildings and improvements	15,947,650	15,857,329	142,218,890	140,788,362	158,166,540	156,645,691
Equipment	7,638,635	7,361,271	12,865,249	11,793,946	20,503,884	19,155,217
Infrastructure	33,820,085	32,889,791	-	-	33,820,085	32,889,791
Construction in progress	152,097	37,096	13,352,593	2,193,816	13,504,690	2,230,912
Accumulated Depreciation	(39,274,255)	(38,446,012)	(97,140,431)	(92,587,009)	(136,414,686)	(131,033,021)
Total	<u>\$ 25,083,830</u>	<u>\$ 24,509,665</u>	<u>\$ 72,958,883</u>	<u>\$ 63,851,697</u>	<u>\$ 98,042,713</u>	<u>\$ 88,361,362</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, 2021

Long-term obligations. At the end of the current fiscal year, the City's long-term obligations totaled \$71,372,585 compared to \$66,825,120 at the end of 2020. 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	
	2021	2020 (*)	2021	2020	2021	2020 (*)
Bonds and notes payable	\$ 1,224,841	\$ 1,516,470	\$ 19,509,837	\$ 21,565,060	\$ 20,734,678	\$ 23,081,530
Estimated workers compensation claims	577,828	648,060	-	-	577,828	648,060
Other post employment benefits	26,733,265	20,478,378	10,724,328	8,128,980	37,457,593	28,607,358
Net pension liability	7,652,025	9,260,595	2,420,207	2,865,293	10,072,232	12,125,888
Compensated absences	1,557,037	1,458,013	973,217	904,271	2,530,254	2,362,284
Total	<u>\$ 37,744,996</u>	<u>\$ 33,361,516</u>	<u>\$ 33,627,589</u>	<u>\$ 33,463,604</u>	<u>\$ 71,372,585</u>	<u>\$ 66,825,120</u>

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

At the end of the current fiscal year, the City's *long-term debt* totaled \$20,734,678, compared to the restated balance of \$23,081,530 at the end of 2020, a decrease of \$2,346,852 or 10%. Of the year-end balance, \$1,224,841 was in governmental activities and \$19,509,837 was in business-type activities. The net decrease in long-term debt for 2021 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 \$50,637,907 compared to \$43,743,590 at the end of 2020. Of the year-end balance, \$36,520,155 was in governmental activities and \$14,117,752 was in business-type activities. The total OPEB liability, as restated, increased by \$8,850,235 during 2021 and the net pension liabilities decreased by \$2,053,656.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2021

Factors considered in preparing the City's 2021-20 fiscal year budget were:

- The unemployment rate for the Central Florida area as of October 2021 was 4.9% compared to 4.0% state-wide and 4.7% nationally.
- The operating millage rate for the 2021-22 fiscal year increased from \$3.0862 to \$4.0000 per \$1,000.00 of taxable value.
- The taxable value of commercial and residential property increased \$44,100,179 or 6% in the 2021 tax year (fiscal year ending September 30, 2022).
- Water and Sewer rates will remain unchanged beginning October 2021. Annual adjustments had been preset through the fiscal year ending September 30, 2016. A water and sewer rate study is planned for the upcoming fiscal year for consideration of a rate increase during fiscal 2022-23.
- There were no changes to Solid Waste rates. Plans are underway for commissioning a firm to complete a rate and ordinance/regulation study for consideration of a rate increase during fiscal 2022-23
- Electric rates remained the same for 2021-22. 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 2021-22. 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 decreased to approximately 19,539 or 5% in 2021 based on State estimates. No material increases or decrease is expected for the 2021-22 fiscal year.

REQUEST FOR INFORMATION

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

CITY OF BARTOW, FLORIDA
Statement of Net Position

September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 20,614,919	\$ 30,002,617	\$ 50,617,536
Investment securities	7,443,925	900,929	8,344,854
Receivables, current:			
Customer accounts, net	454,252	6,659,011	7,113,263
Intergovernmental and other	634,670	156,495	791,165
Accrued income	11,958	-	11,958
Inventory and prepaids	161,040	1,455,574	1,616,614
Restricted assets:			
Equity in pooled cash and cash equivalents	3,698,763	15,849,398	19,548,161
Customer receivable	95,876	253,214	349,090
Capital assets:			
Non-depreciable	6,951,715	15,015,175	21,966,890
Depreciable, net	18,132,115	57,943,708	76,075,823
TOTAL ASSETS	58,199,233	128,236,121	186,435,354
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	4,195,389	839,759	5,035,148
Deferred outflows - loss on refunding	-	253,511	253,511
Deferred outflows related to OPEB	7,926,678	2,769,113	10,695,791
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,122,067	3,862,383	15,984,450
LIABILITIES			
Accounts payable and accrued expenses	963,083	2,348,552	3,311,635
Construction costs payable	-	2,909,147	2,909,147
Accrued wages	455,468	178,450	633,918
Due to other governments	155,931	-	155,931
Unearned revenue	5,127,730	2,914,597	8,042,327
Accrued interest payable	9,880	167,711	177,591
Customer deposits	-	3,089,712	3,089,712
Long-term obligations:			
Due within one year	294,696	2,099,505	2,394,201
Due in more than one year	37,450,300	31,528,084	68,978,384
TOTAL LIABILITIES	44,457,088	45,235,758	89,692,846
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,133,795	385,710	2,519,505
Deferred inflows related to OPEB	4,361,483	1,502,917	5,864,400
Total deferred inflows of resources	6,495,278	1,888,627	8,383,905
NET POSITION			
Net investment in capital assets	23,858,989	52,720,650	76,579,639
Restricted for:			
General government facilities	1,052,216	-	1,052,216
Community redevelopment	911,555	-	911,555
Transportation	1,529,149	-	1,529,149
Municipal Airport activities	-	2,232,763	2,232,763
Debt service	-	1,481,071	1,481,071
Water and wastewater improvements	-	7,076,136	7,076,136
Unrestricted	(7,982,975)	21,463,499	13,480,524
TOTAL NET POSITION	\$ 19,368,934	\$ 84,974,119	\$ 104,343,053

The accompanying notes are an integral part of these financial statements

CITY OF BARTOW, FLORIDA
Statement of Activities
For the year ended September 30, 2021

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	Business-Type	Total
						Activities	Activities	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 4,423,343	\$ (1,158,964)	\$ 75,117	\$ 78,840	\$ 62,182	\$ (3,048,240)	\$ -	\$ (3,048,240)
Law enforcement	6,887,230	-	168,567	495,211	29,757	(6,193,695)	-	(6,193,695)
Fire control	3,176,592	-	760,250	126,156	-	(2,290,186)	-	(2,290,186)
Building and zoning	457,139	-	426,423	-	-	(30,716)	-	(30,716)
Public works	1,152,880	(32,651)	-	-	-	(1,120,229)	-	(1,120,229)
Transportation	1,340,287	-	127,745	-	195,490	(1,017,052)	-	(1,017,052)
Library	1,526,485	-	8,936	682,476	-	(835,073)	-	(835,073)
Parks and recreation	4,934,271	-	954,443	-	-	(3,979,828)	-	(3,979,828)
Community redevelopment	595,837	-	-	-	-	(595,837)	-	(595,837)
Interest on long-term debt	34,345	-	-	-	-	(34,345)	-	(34,345)
Total governmental activities	24,528,409	(1,191,615)	2,521,481	1,382,683	287,429	(19,145,201)	-	(19,145,201)
Business-type activities								
Electric	21,317,806	494,402	32,208,352	-	-	-	10,396,144	10,396,144
Water	4,130,735	211,671	5,126,437	-	567,599	-	1,351,630	1,351,630
Wastewater	4,018,110	183,089	5,153,741	-	1,101,154	-	2,053,696	2,053,696
Sanitation	3,677,503	178,543	3,709,988	-	-	-	(146,058)	(146,058)
Stormwater	601,182	64,874	575,735	-	-	-	(90,321)	(90,321)
Information technolo	219,353	59,036	216,124	-	-	-	(62,265)	(62,265)
Airport	5,632,960	-	4,392,657	23,000	388,813	-	(828,490)	(828,490)
Total business-type activities	39,597,649	1,191,615	51,383,034	23,000	2,057,566	-	12,674,336	12,674,336
TOTAL PRIMARY GOVERNMENT	\$ 64,126,058	\$ -	\$ 53,904,515	\$ 1,405,683	\$ 2,344,995	\$ (19,145,201)	\$ 12,674,336	\$ (6,470,865)
GENERAL REVENUES								
Taxes:								
Property taxes, levied for general purposes						2,018,417	-	2,018,417
Property taxes, levied for community redevelopment purposes						1,199,659	-	1,199,659
Public service taxes and franchise fees						2,671,256	-	2,671,256
Fuel taxes levied for transportation purposes						1,101,189	-	1,101,189
State shared revenue						2,416,114	-	2,416,114
Investment earnings						32,638	266,276	298,914
Miscellaneous						103,178	111,402	214,580
Gain (loss) on disposal of capital assets						167,000	16,085	183,085
TRANSFERS						9,916,751	(9,916,751)	-
Total general revenues and transfers						19,626,202	(9,522,988)	10,103,214
CHANGE IN NET POSITION						481,001	3,151,348	3,632,349
NET POSITION, beginning of year						18,887,933	81,507,018	100,394,951
Restatement (Note 15)						-	315,753	315,753
NET POSITION, beginning of year, as restated						18,887,933	81,822,771	100,710,704
NET POSITION, end of year						\$ 19,368,934	\$ 84,974,119	\$ 104,343,053

The accompanying notes are an integral part of these financial statements

CITY OF BARTOW, FLORIDA

Balance Sheet – Governmental Funds

September 30, 2021

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
ASSETS				
Equity in pooled cash and cash equivalents	\$ 20,614,919	\$ 947,571	\$ 345,360	\$ 21,907,850
Investments	7,443,925	-	-	7,443,925
Receivables, net				
Customer accounts, net	453,827	-	425	454,252
Intergovernmental and other	412,143	-	222,527	634,670
Accrued income	11,958	-	-	11,958
Inventory	129,409	-	-	129,409
Prepaid expenditures	27,311	1,755	2,565	31,631
Restricted assets:				
Cash and cash equivalents	1,052,216	-	1,353,616	2,405,832
Customer receivables	41,700	-	54,176	95,876
TOTAL ASSETS	\$ 30,187,408	\$ 949,326	\$ 1,978,669	\$ 33,115,403
LIABILITIES				
Accounts payable	817,452	36,016	109,615	963,083
Accrued payroll	388,121	-	67,347	455,468
Accrued claims payable	577,828	-	-	577,828
Due to other governments	155,931	-	-	155,931
Unearned revenue	5,127,730	-	-	5,127,730
TOTAL LIABILITIES	7,067,062	36,016	176,962	7,280,040
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	115,696	-	54,176	169,872
FUND BALANCE				
Nonspendable:				
Inventory	129,409	-	-	129,409
Prepays	27,311	1,755	2,565	31,631
Restricted for:				
Transportation improvements	-	-	1,353,616	1,353,616
Transportation activities	-	-	175,533	175,533
Facilities improvements	1,052,216	-	-	1,052,216
Redevelopment	-	911,555	-	911,555
Assigned to:				
Fire services	-	-	215,817	215,817
Subsequent year budget	2,892,612	-	-	2,892,612
Unassigned	18,903,102	-	-	18,903,102
TOTAL FUND BALANCES	23,004,650	913,310	1,747,531	25,665,491
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 30,187,408	\$ 949,326	\$ 1,978,669	\$ 33,115,403

The accompanying notes are an integral part of these financial statements

CITY OF BARTOW, FLORIDAReconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
September 30, 2021

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

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 25,665,491
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	25,083,830
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities	169,872
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.	12,122,067
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.	(6,495,278)
Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in governmental funds.	(9,880)
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	(37,744,996)
This is the amount of workers' comp liability recorded at the fund level	577,828
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 19,368,934</u></u>

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

For the year ended September 30, 2021

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
REVENUES:				
Taxes	\$ 4,860,872	\$ 1,199,659	\$ 1,221,026	\$ 7,281,557
Licenses and permits	424,886	-	-	424,886
Intergovernmental revenue	3,023,413	-	237,547	3,260,960
Charges for services	1,368,155	-	877,436	2,245,591
Fines and forfeitures	143,981	-	1,750	145,731
Other	517,083	656	177,209	694,948
Total revenues	<u>10,338,390</u>	<u>1,200,315</u>	<u>2,514,968</u>	<u>14,053,673</u>
EXPENDITURES:				
General government	2,573,821	-	-	2,573,821
Public safety	6,635,201	-	2,891,191	9,526,392
Physical environment	555,485	-	-	555,485
Economic environment	156,397	553,970	-	710,367
Transportation	-	-	917,172	917,172
Culture/recreation	5,425,827	-	-	5,425,827
Capital outlay	1,197,790	-	1,002,056	2,199,846
Debt service	87,920	240,407	-	328,327
Total expenditures	<u>16,632,441</u>	<u>794,377</u>	<u>4,810,419</u>	<u>22,237,237</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,294,051)</u>	<u>405,938</u>	<u>(2,295,451)</u>	<u>(8,183,564)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,916,751	-	2,665,714	12,582,465
Transfers (out)	(2,665,714)	-	-	(2,665,714)
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,251,037</u>	<u>-</u>	<u>2,665,714</u>	<u>9,916,751</u>
NET CHANGE IN FUND BALANCE	956,986	405,938	370,263	1,733,187
FUND BALANCE, beginning of year	<u>22,047,664</u>	<u>507,372</u>	<u>1,377,268</u>	<u>23,932,304</u>
FUND BALANCE, end of year	<u>\$ 23,004,650</u>	<u>\$ 913,310</u>	<u>\$ 1,747,531</u>	<u>\$ 25,665,491</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, 2021

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,733,187
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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.	1,757,838
This is the amount of depreciation recorded in the current period.	(1,160,987)
This is the book value of dispositions recorded in the current period.	(22,686)

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.	291,629
This is the change in accrued interest payable on long-term obligations.	2,353
This is the change in accrued compensated absences during the year.	(99,024)

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.	(1,763,650)
This amount represents the change in deferred outflows related to OPEB.	5,045,113
This amount represents the change in the total OPEB liability.	(6,254,887)

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.	(1,133,408)
This amount represents the change in deferred outflows related to pensions.	468,835
This amount represents the change in the net pension liability.	1,608,570

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 481,001
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CITY OF BARTOW, FLORIDA

Statement of Net Position – Proprietary Funds

September 30, 2021

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
ASSETS						
Current assets:						
Equity in pooled cash and cash equivalents	\$ 15,576,830	\$ 2,401,806	\$ (133,023)	\$ 4,232,650	\$ 7,924,354	\$ 30,002,617
Investment securities	-	900,929	-	-	-	900,929
Receivables:						
Customers, net	4,855,829	602,868	682,478	35,696	482,140	6,659,011
Intergovernmental and other	-	3,299	-	153,196	-	156,495
Inventory and prepaids	1,178,417	99,442	16,942	87,697	73,076	1,455,574
Total current assets	21,611,076	4,008,344	566,397	4,509,239	8,479,570	39,174,626
Noncurrent assets:						
Restricted assets:						
Equity in pooled cash and cash equivalents	2,688,524	7,045,736	6,115,138	-	-	15,849,398
Customer receivable	-	146,421	106,793	-	-	253,214
Capital assets:						
Non-depreciable	329,762	643,557	11,959,598	1,865,935	216,323	15,015,175
Depreciable, net	12,045,754	11,354,535	15,842,130	15,379,609	3,321,680	57,943,708
Total noncurrent assets	15,064,040	19,190,249	34,023,659	17,245,544	3,538,003	89,061,495
Total assets	36,675,116	23,198,593	34,590,056	21,754,783	12,017,573	128,236,121
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	409,519	124,229	111,945	-	194,066	839,759
Deferred outflows - refunding loss	-	253,511	-	-	-	253,511
Deferred outflows related to OPEB	1,330,455	396,919	367,395	37,670	636,674	2,769,113
Total deferred outflows of resources	1,739,974	774,659	479,340	37,670	830,740	3,862,383

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, 2021

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
LIABILITIES						
Current liabilities:						
Accounts payable	1,961,155	38,735	39,480	113,618	195,564	2,348,552
Construction costs payable	-	-	2,808,577	100,570	-	2,909,147
Accrued wages	81,864	21,350	25,004	12,829	37,403	178,450
Unearned revenue	2,010	2,621	2,766,698	143,268	-	2,914,597
Bonds and notes payable, current	92,822	1,502,479	465,697	38,507	-	2,099,505
Total current liabilities	2,137,851	1,565,185	6,105,456	408,792	232,967	10,450,251
Noncurrent liabilities:						
Liabilities payable from restricted assets:						
Customer deposits	2,688,524	-	-	401,188	-	3,089,712
Interest payable	3,112	146,517	16,426	1,656	-	167,711
Compensated absences	358,287	174,725	154,691	129,233	156,281	973,217
Post employment obligation payable	4,487,049	1,338,635	1,239,064	1,512,354	2,147,226	10,724,328
Net pension liability	1,180,245	358,032	322,628	-	559,302	2,420,207
Bonds and notes payable, noncurrent portion	292,971	12,671,886	4,445,475	-	-	17,410,332
Total noncurrent liabilities	9,010,188	14,689,795	6,178,284	2,044,431	2,862,809	34,785,507
Total liabilities	11,148,039	16,254,980	12,283,740	2,453,223	3,095,776	45,235,758
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	188,097	57,060	51,417	-	89,136	385,710
Deferred inflows related to OPEB	732,054	218,396	202,151	-	350,316	1,502,917
Total deferred inflows of resources	920,151	275,456	253,568	-	439,452	1,888,627
NET POSITION						
Net investment in capital assets	11,989,723	4,478	20,081,979	17,106,467	3,538,003	52,720,650
Restricted for:						
Debt retirement	-	1,406,900	74,171	-	-	1,481,071
Utility system improvements (expendable)	-	3,711,500	3,364,636	-	-	7,076,136
Municipal airport activities	-	-	-	2,232,763	-	2,232,763
Unrestricted	14,357,177	2,319,938	(988,698)	-	5,775,082	21,463,499
Total net position	\$ 26,346,900	\$ 7,442,816	\$ 22,532,088	\$ 19,339,230	\$ 9,313,085	\$ 84,974,119

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, 2021

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
OPERATING REVENUES:						
Charges for services	\$ 32,208,352	\$ 5,126,437	\$ 5,153,741	\$ 4,392,657	\$ 4,501,847	\$ 51,383,034
Total operating income	32,208,352	5,126,437	5,153,741	4,392,657	4,501,847	51,383,034
OPERATING EXPENSES:						
Personnel services	3,180,136	946,655	835,271	1,897,583	1,650,617	8,510,262
Purchased power	14,492,952	-	-	-	-	14,492,952
Operating expenses	3,379,614	2,196,091	1,926,001	2,475,368	2,645,738	12,622,812
Depreciation	748,688	840,761	1,326,418	1,256,748	504,136	4,676,751
Total operating expenses	21,801,390	3,983,507	4,087,690	5,629,699	4,800,491	40,302,777
OPERATING INCOME	10,406,962	1,142,930	1,066,051	(1,237,042)	(298,644)	11,080,257
NONOPERATING REVENUE (EXPENSE)						
Investment revenue	211,818	19,959	14,296	11,565	8,638	266,276
Interest expense	(10,818)	(358,899)	(113,509)	(3,261)	-	(486,487)
Intergovernmental	-	-	-	23,000	-	23,000
Gain (loss) on disposal of property	1,978	-	3,800	(1,868)	12,175	16,085
Other, net	2,567	58,188	31,145	772	18,730	111,402
Total nonoperating revenues (expense)	205,545	(280,752)	(64,268)	30,208	39,543	(69,724)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	10,612,507	862,178	1,001,783	(1,206,834)	(259,101)	11,010,533
CAPITAL CONTRIBUTIONS						
Capital grants and contributions	-	57,070	702,963	388,813	-	1,148,846
Impact fees	-	510,529	398,191	-	-	908,720
Total capital contributions	-	567,599	1,101,154	388,813	-	2,057,566
TRANSFERS IN (OUT)	(9,316,751)	-	(600,000)	-	-	(9,916,751)
CHANGE IN NET POSITION	1,295,756	1,429,777	1,502,937	(818,021)	(259,101)	3,151,348
NET POSITION, beginning of year	25,051,144	6,013,039	21,029,151	19,841,498	9,572,186	81,507,018
Restatement (Note 15)	-	-	-	315,753	-	315,753
NET POSITION, beginning of year, as restated	25,051,144	6,013,039	21,029,151	20,157,251	9,572,186	81,822,771
NET POSITION, end of year	\$ 26,346,900	\$ 7,442,816	\$ 22,532,088	\$ 19,339,230	\$ 9,313,085	\$ 84,974,119

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, 2021

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 31,315,821	\$ 5,081,226	\$ 5,182,931	\$ 4,411,306	\$ 4,464,996	\$ 50,456,280
Payments to suppliers	(17,187,041)	(2,240,813)	(2,547,075)	(1,538,331)	(2,634,292)	(26,147,552)
Payments for salaries and benefits	(2,807,984)	(842,673)	(699,428)	(2,427,550)	(1,326,043)	(8,103,678)
Net cash flows from operating activities	11,320,796	1,997,740	1,936,428	445,425	504,661	16,205,050
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers to other funds	(9,316,751)	-	(600,000)	-	-	(9,916,751)
Operating grants	-	-	-	23,000	-	23,000
Increase (decrease) in deposits	(5,272)	-	-	15,448	-	10,176
Net cash flows from noncapital financing activities	(9,322,023)	-	(600,000)	38,448	-	(9,883,575)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets, net of related payables	(1,873,134)	(633,091)	(7,863,206)	(467,877)	(53,350)	(10,890,658)
Principal paid on notes, bonds and lease obligations	(91,855)	(1,471,515)	(115,092)	(36,174)	-	(1,714,636)
Interest paid on borrowings and other debt costs	(11,559)	(312,702)	(455,679)	(4,816)	-	(784,756)
Proceeds from the sale of assets	1,978	-	3,800	-	12,175	17,953
Capital contributions and impact fees received, net of change in related receivables	40,638	560,601	1,096,051	266,436	-	1,963,726
Net cash flows from capital and related financing activities	(1,933,932)	(1,856,707)	(7,334,126)	(242,431)	(41,175)	(11,408,371)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on invested funds	211,818	28,290	14,296	11,565	8,638	274,607
Other income	2,567	58,188	31,145	772	18,730	111,402
Net cash flows from investing activities	214,385	86,478	45,441	12,337	27,368	386,009
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	279,226	227,511	(5,952,257)	253,779	490,854	(4,700,887)
CASH AND CASH EQUIVALENTS, beginning of year	17,986,128	9,220,031	11,934,372	3,978,871	7,433,500	50,552,902
CASH AND CASH EQUIVALENTS, end of year	\$ 18,265,354	\$ 9,447,542	\$ 5,982,115	\$ 4,232,650	\$ 7,924,354	\$ 45,852,015
As shown in the Accompanying Financial Statements						
Equity in cash and investments	\$ 15,576,830	\$ 2,401,806	\$ (133,023)	\$ 4,232,650	\$ 7,924,354	\$ 30,002,617
Restricted equity in cash and investments	2,688,524	7,045,736	6,115,138	-	-	15,849,398
Total cash and cash equivalents	\$ 18,265,354	\$ 9,447,542	\$ 5,982,115	\$ 4,232,650	\$ 7,924,354	\$ 45,852,015

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, 2021

	Business Type Activities - Enterprise Funds				
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds
					Total
Noncash financing and investing activities:					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 10,406,962	\$ 1,142,930	\$ 1,066,051	\$ (1,237,042)	\$ (298,644)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	748,688	840,761	1,326,418	1,256,748	504,136
(Increase) decrease in inventory and prepaids	43,121	2,609	2,031	(9,695)	(3)
(Increase) decrease in accounts receivable	(894,541)	(45,288)	28,225	30,467	(36,851)
Increase (decrease) in accounts payable	642,404	(47,331)	(623,105)	57,513	11,449
Increase (decrease) in accrued wages and compensated absences	5,156	21,271	31,565	(5,796)	22,075
(Increase) decrease in OPEB related deferred outflows	(854,120)	(246,005)	(230,311)	(2,844)	(418,197)
Increase (decrease) in the total OPEB liability	1,101,886	266,137	264,854	367,892	594,579
Increase (decrease) in OPEB related deferred inflows	302,621	82,342	78,565	-	153,352
(Increase) decrease in pension related deferred outflows	17,763	(8,029)	(10,595)	-	(13,905)
Increase (decrease) in the net pension liability	(303,754)	(45,543)	(29,372)	-	(66,417)
Increase (decrease) in pension related deferred inflows	102,600	33,809	31,137	-	53,087
Increase (decrease) in unearned revenue and other	2,010	77	965	(11,818)	-
Net cash flows from operating activities	\$ 11,320,796	\$ 1,997,740	\$ 1,936,428	\$ 445,425	\$ 504,661

The accompanying notes are an integral part of these financial statements

CITY OF BARTOW, FLORIDA

Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2021

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 180,994	\$ 118,313
Receivables:		
City and plan members	14,568	-
Accrued income	25,892	-
Total receivables	40,460	-
Prepaid expenses	169,639	-
Investments, at fair value:		
Short-term money market funds	1,573,146	-
Fixed income investments	22,406,094	-
Equity securities	50,067,858	-
Diversified mutual fund	1,806,459	-
Real estate investments	3,877,012	-
Total investments	79,730,569	-
Total assets	80,121,662	118,313
LIABILITIES		
Accounts payable	83,744	-
Accrued benefits payable	44,140	-
Due to other governments	-	118,313
Total Liabilities	127,884	118,313
NET POSITION		
Restricted for pension benefits	\$ 79,993,778	\$ -

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, 2021

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
City	\$ 2,829,713	\$ -
Plan members	445,924	-
State of Florida	295,083	-
Fees collected on behalf of other governments	-	245,674
Total contributions	3,570,720	245,674
Investment income	12,820,725	-
Less investment expenses:		
Performance evaluation	73,000	-
Custodial fees	37,652	-
Investment management fees	98,493	-
Total investment expenses	209,145	-
Net investment income	12,611,580	-
Total additions	16,182,300	245,674
DEDUCTIONS		
Administrative expenses:		
Legal	79,529	-
Administrator fee	58,029	-
Actuarial	102,918	-
Travel, training and other	9,494	-
Accounting	14,834	-
Insurance	13,339	-
Audit	14,200	-
Total administrative expenses	292,343	-
Remittance of fees to other governments	-	245,674
Payments to retirees and participants	3,686,165	-
Total deductions	3,978,508	245,674
CHANGE IN NET POSITION	12,203,792	-
NET POSITION, beginning of year	67,789,986	-
NET POSITION, end of year	\$ 79,993,778	\$ -

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 two blended component units as follows:

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

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

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

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

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

B. BASIS OF PRESENTATION

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

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

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

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

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

Governmental Funds:

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

Reported as Major Funds:

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

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

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

Reported as Non-Major Governmental Funds:

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

Proprietary Funds:

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

Reported as Major Enterprise Funds:

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

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

Reported as Non-Major Enterprise Funds:

- **Sanitation Fund** is used to account for the operations associated with solid waste collection and disposal services for the residents of the City.
- **Information Technology** 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. The City reports the following fiduciary funds:

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

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

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

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

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

CUSTOMER ACCOUNTS RECEIVABLE - The City accrues unbilled service of its enterprise funds representing the estimated value of service from the last billing date to year-end, which totaled \$2,262,347 on September 30, 2021. 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, 2021, business-type activities and governmental activities reserves for doubtful accounts totaled \$43,229 and \$1,301,397, 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 2021. The notes, which have a face value of \$700,000, are reduced by an allowance representing management's estimate of uncollectible amounts which totaled \$700,000 on September 30, 2021 resulting in a carrying value of zero at September 30, 2021 and resulting in \$165,000 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 incurred before the end of a construction period is a financing activity separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

RESTRICTED ASSETS - Assets are reported as restricted when constraints are placed on their use. The constraints are either: (1) imposed by law or through constitutional provisions or enabling legislation; or (2) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments including specific provisions of debt resolutions and agreements. Restricted assets include cash and investments as well as other assets such as the customer restricted receivables reported in the water fund and wastewater fund that represent unpaid impact fees due 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 \$175,246 and \$119,837, respectively, for the fiscal year ended September 30, 2021. Such payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the government-wide and general fund financial statements but are not budgeted and therefore are not included in the general fund budgetary basis financial statements.

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

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

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

EQUITY CLASSIFICATIONS -

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

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. On September 30, 2021, the governmental activities had a deficit unrestricted net position of \$7,982,975.

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, 2021.
- *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, 2021 was 3.0862.

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, 2021, 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, 2021, 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	\$ 7,850
Cash deposits in financial institutions:	
Insured or fully collateralized bank deposits	65,485,507
Investments:	
Florida Safe - investment pool	1,572,623
FLCLASS - investment pool	3,099,717
Total equity in pooled cash and cash equivalents	<u>\$ 70,165,697</u>

Investments:

U.S. Government Agencies	<u>\$ 8,344,854</u>
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The "Florida Safe" and "FLCLASS" investment pools are similar to a money market investment in that it strives to maintain a net asset value of \$1.00 per share and meets the criteria in GASB Cod. Sec. In5 to measure all of pooled investments at amortized cost. The pools are rated AAAM by Standard and Poor and the pools are not exposed to custodial credit risk because the investments are not evidenced by securities that exist in physical or book entry form.

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

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

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

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

All of the City's investments were held in the City's name. Information concerning credit risk and interest rate risk for the City's investments on September 30, 2021 is presented below:

Investment Type	S&P Rating	Fair Value / Amortized Cost	Average Maturity Years
Primary government			
Investments measured at fair value			
U.S. Treasury Notes	AA+	\$ 4,445,570	4.50
U.S. Government Agencies	AA+	3,899,284	3.80
		<u>8,344,854</u>	
Investments measured at amortized cost and reported as a cash and cash equivalent:			
Florida Safe - investment pool	AAAm	1,572,623	0.13
FLCLASS - investment pool	AAAm	3,099,717	0.21
		<u>\$ 4,672,340</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, 2021, based on measurement criteria as specified:

	Carrying Value	Fair Value			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Treasury Notes	\$ 4,445,570	\$ -	\$ 4,445,570	\$ -	\$ -
U.S. Government Agencies	3,899,284	-	3,899,284	-	-
Florida Safe - investment pool	1,572,623	-	-	-	1,572,623
FLCLASS - investment pool	3,099,717	-	-	-	3,099,717
Total investments	<u>\$ 13,017,194</u>	<u>\$ -</u>	<u>\$ 8,344,854</u>	<u>\$ -</u>	<u>\$ 4,672,340</u>

The City's pension trust funds also held investment securities during the year and on September 30, 2021, which are reported at fair value. The City's pension trust funds have the following carrying values as of September 30, 2021, based on the measurement criteria as specified:

General Employees' Retirement Plan Pension Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Fixed income investments	\$ 8,766,963	\$ -	\$ 8,766,963	\$ -	\$ -
Diversified mutual fund	1,806,459	-	1,806,459	-	-
Equity investments	24,900,909	3,871,724	21,029,185	-	-
Total investments by fair value level	35,474,331	<u>\$ 3,871,724</u>	<u>\$ 31,602,607</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)					
Real estate fund	3,877,012				
Cash and short term money market funds	907,646				
Total investments	<u>\$ 40,258,989</u>				

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

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

Police Officers' Retirement Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Inflation protected bond funds	\$ 549,000	\$ -	\$ -	\$ -	\$ 549,000
U.S. Government and agencies	1,785,001	-	1,785,001	-	-
Corporate and foreign obligations	1,875,981	-	1,875,981	-	-
Fixed income mutual funds	4,898,543	4,898,543	-	-	-
Equity investments	5,126,832	5,126,832	-	-	-
Equity mutual funds	10,970,889	10,970,889	-	-	-
Total investments	\$ 25,206,246	\$ 20,996,264	\$ 3,660,982	\$ -	\$ 549,000

Firefighters' Retirement Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Inflation protected bond funds	\$ 116,500	\$ -	\$ -	\$ -	\$ 116,500
Fixed income investments	5,079,606	5,079,606	-	-	-
Equity investments	9,069,228	9,069,228	-	-	-
Total investments	\$ 14,265,334	\$ 14,148,834	\$ -	\$ -	\$ 116,500

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+	\$ 907,646	
Fixed income investments:			
Dodge & Cox Income Fund	Not Rated	4,398,652	5.1
Metropolitan West T/R Bond Fund	Not Rated	4,368,311	6.3
		\$ 8,766,963	

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+	\$ 537,385	16.70
U.S. Government mortgaged-backed securities	AA+	983,341	24.80
U.S. Government mortgaged-backed securities	Not Rated	264,275	25.90
Inflation protected bond funds	Not Rated	549,000	0.00
Other mutual funds	Not Rated	4,898,543	8.30
Corporate and foreign bonds	AAA to BBB-	1,875,981	7.77
		\$ 9,108,525	

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&P Rating</u>	<u>Fair Value</u>	<u>Average Maturity Years</u>
Fixed income investments:			
Inflation protected bond funds	Not Rated	\$ 116,500	0.00
Dodge & Cox Income Fund	Not Rated	5,079,606	8.30
		<u>\$ 5,196,106</u>	

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CITY OF BARTOW, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021, was as follows:

	Balance October 1, 2020	Transfers	Increases	Decreases	Balance September 30, 2021
<u>Governmental Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 5,221,977	\$ -	\$ -	\$ (10,572)	\$ 5,211,405
Infrastructure - land	1,588,213	-	-	-	1,588,213
Construction in process	37,096	(12,008)	127,009	-	152,097
Total capital assets, not being depreciated	6,847,286	(12,008)	127,009	(10,572)	6,951,715
Capital assets, being depreciated:					
Buildings and improvements	15,857,329	-	90,321	-	15,947,650
Equipment	7,361,271	12,008	610,214	(344,858)	7,638,635
Infrastructure:					
Road network	29,327,167	-	930,294	-	30,257,461
Sidewalk network	3,562,624	-	-	-	3,562,624
Total capital assets, being depreciated	56,108,391	12,008	1,630,829	(344,858)	57,406,370
Less accumulated depreciation for:					
Buildings and improvements	(10,119,691)	-	(443,441)	-	(10,563,132)
Equipment	(6,265,003)	-	(357,618)	332,744	(6,289,877)
Infrastructure:					
Road network	(19,565,322)	-	(326,582)	-	(19,891,904)
Sidewalk network	(2,495,996)	-	(33,346)	-	(2,529,342)
Total accumulated depreciation	(38,446,012)	-	(1,160,987)	332,744	(39,274,255)
Total capital assets being depreciated, net	17,662,379	12,008	469,842	(12,114)	18,132,115
Governmental activities capital assets, net	\$ 24,509,665	\$ -	\$ 596,851	\$ (22,686)	\$ 25,083,830
<u>Business-type activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 1,662,582	\$ -	\$ -	\$ -	\$ 1,662,582
Construction-in-progress	2,193,816	(2,852)	11,161,629	-	13,352,593
Total capital assets, not being depreciated	3,856,398	(2,852)	11,161,629	-	15,015,175
Capital assets, being depreciated:					
Buildings, utility plant and improvements	140,788,362	2,852	1,427,676	-	142,218,890
Equipment	11,793,946	-	1,196,500	(125,197)	12,865,249
Total capital assets, being depreciated	152,582,308	2,852	2,624,176	(125,197)	155,084,139
Less accumulated depreciation	(92,587,009)	-	(4,676,751)	123,329	(97,140,431)
Total capital assets being depreciated, net	59,995,299	2,852	(2,052,575)	(1,868)	57,943,708
Business-type activities capital assets, net	\$ 63,851,697	\$ -	\$ 9,109,054	\$ (1,868)	\$ 72,958,883

NOTE 6 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	62,940
Library		53,086
Law enforcement		188,523
Fire control		64,085
Public works		40,388
Transportation		406,855
Parks and recreation		333,662
Community redevelopment		11,448
Total depreciation expense - governmental activities	\$	<u>1,160,987</u>

Business-type Activities:

Electric	\$	748,688
Water		840,761
Wastewater		1,326,418
Airport		1,256,748
Sanitation		378,843
Information Technology		74,653
Stormwater		50,640
Total depreciation expense - business-type activities	\$	<u>4,676,751</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2021:

	Balance October 1, 2020 (*)	Increases	Decreases	Balance September 30, 2021	Amounts Due within One Year
Governmental Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	\$ 1,516,470	\$ -	\$ (291,629)	\$ 1,224,841	\$ 294,696
Total long-term debt	1,516,470	-	(291,629)	1,224,841	294,696
Other liabilities:					
Estimated workers compensation claims	648,060	-	(70,232)	577,828	-
Other postemployment benefits	20,478,378	6,254,887	-	26,733,265	-
Net pension liability	9,260,595	-	(1,608,570)	7,652,025	-
Compensated absences	1,458,013	99,024	-	1,557,037	-
Total other liabilities	31,845,046	6,353,911	(1,678,802)	36,520,155	-
Total long-term obligations	\$ 33,361,516	\$ 6,353,911	\$ (1,970,431)	37,744,996	\$ 294,696
Less amounts due in one year				(294,696)	
Total noncurrent obligations due in more than one year				\$ 37,450,300	
Business-type Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	\$ 953,528	\$ -	\$ (183,370)	\$ 770,158	\$ 185,301
SRF Construction Loan (No. WW 755040)	4,424,113	-	(359,467)	4,064,646	367,454
SRF Preconstruction Loan (No. WW 75504P)	942,738	-	(96,212)	846,526	98,243
Water and sewer, Series 2016	15,170,000	-	(1,380,000)	13,790,000	1,410,000
Note payable 2019 - vehicle purchase	74,681	-	(36,174)	38,507	38,507
Total bonds and notes payable	21,565,060	-	(2,055,223)	19,509,837	2,099,505
Other liabilities:					
Other postemployment benefits	8,128,980	2,595,348	-	10,724,328	-
Net pension liability	2,865,293	-	(445,086)	2,420,207	-
Compensated absences	904,271	68,946	-	973,217	-
Total other liabilities	11,898,544	2,664,294	(445,086)	14,117,752	-
Total long-term liabilities	\$ 33,463,604	\$ 2,664,294	\$ (2,500,309)	33,627,589	\$ 2,099,505
Less amounts due in one year				(2,099,505)	
Net long-term liabilities in excess of one year				\$ 31,528,084	

(*) the previously reported September 30, 2020 balances of the other postemployment benefits liability was decreased by \$300,954 in the business-type activities because of a change in accounting principle as more fully explained in Note 15.

Notes to Long-Term Obligations Table

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

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

Interest Included as Direct Expense:

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

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

Governmental and Business-Type Activities:

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

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

Business-Type Activities:

- Water and Sewer Refunding Revenue Bank Loan, Series 2016 - These bonds were issued September 22, 2016 to refund the Water and Sewer Revenue Bonds, Series 2006. The bonds bear interest at 2.08% payable semiannually October 1 and April 1 with a final maturity on October 1, 2029. The Series 2016 bonds are secured by a senior lien on the net revenues of the water and sewer systems and require the maintenance of a principal and interest sinking fund. The Series 2016 bonds also require \$1,928,239 of the bond proceeds to be placed in a construction fund account to be used on system improvements within a three-year period beginning on September 22, 2016. As of September 30, 2021, 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.
- 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. On October 19, 2021, the loan agreement was amended to provide an additional \$12,000,000 for a total available loan financing of \$24,000,000. The loan has a zero percent interest rate and an estimated loan service fee of 2% of the total available financing or \$480,000 after the October 19, 2021 amendment. The amended loan agreement requires 40 semi-annual payments of \$612,000 beginning in February 2023. The loan proceeds will be used for improvements to the City's water treatment plant. None of the loan proceeds have been drawn by the City as of September 30, 2021.

Maturities:

Annual requirements to repay all long-term debt as of September 30, 2021, were as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 294,696	\$ 29,641	\$ 2,099,505	\$ 398,364
2023	300,835	22,509	2,105,102	351,516
2024	310,045	15,229	2,146,360	306,261
2025	319,265	7,726	2,197,831	260,012
2026	-	-	2,038,027	212,712
2027-2031	-	-	8,923,012	416,216
Total	<u>\$ 1,224,841</u>	<u>\$ 75,105</u>	<u>\$ 19,509,837</u>	<u>\$ 1,945,081</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:

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenue	Percentage of Net Revenues to Principal and Interest Paid
Water and sewer revenue	8/15/2031	\$ 20,493,511	\$ 2,250,348	\$ 4,499,748	199.96%

NOTE 8 – INTERFUND TRANSACTIONS

There were no interfund receivables and payables as of September 30, 2021.

Interfund transfers in (out) for the year ending September 30, 2021 consisted of the annual budgeted reallocation of resources as follows:

	Transfer In:			
	General Fund	Transportation Fund	Fire Services Fund	Total
Transfers Out:				
Electric Fund	\$ 9,316,751	\$ -	\$ -	\$ 9,316,751
Wastewater Fund	600,000	-	-	600,000
General Fund	-	513,183	2,152,531	2,665,714
Total	<u>\$ 9,916,751</u>	<u>\$ 513,183</u>	<u>\$ 2,152,531</u>	<u>\$ 12,582,465</u>

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

- \$9,316,751 was transferred from the Electric Fund to the General Fund to support governmental activities.
- \$600,000 was transferred from the Wastewater Fund to the General Fund to support governmental activities.
- \$513,183 was transferred from the General Fund to the Transportation Fund to provide additional funding for expenses in excess of revenues.
- \$2,152,531 was transferred from the General Fund to the Fire Services Fund to provide additional funding for expenses in excess of revenues.

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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	18.8%	52.4%	44.3%
Plan members	4.0%	4.0%	2.0%
Actuarially determined contribution	\$ 1,572,711	\$ 977,359	\$ 564,459
Contributions made	\$ 1,573,343	\$ 1,013,818	\$ 537,635

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

	as of October 1, 2020		
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	113	43	16
Inactive plan members entitled to but not yet receiving benefits	144	30	4
Active plan members	186	34	20
Total	443	107	40

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, 2020 are shown below. The net pension liability as of September 30, 2021 for financial reporting purposes was determined by actuarial valuations as of October 1, 2019 updated to September 30, 2020 (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 9/30/2020	\$ 37,721,868	\$ 30,045,187	\$ 7,676,681
Changes for the year:			
Service cost	747,116	-	747,116
Interest	2,826,188	-	2,826,188
Difference between actual and expected experience	570,119	-	570,119
Change in assumptions	(506,559)	-	(506,559)
Contributions - Buy Back	187,878	187,878	-
Contributions - City	-	1,531,822	(1,531,822)
Contributions - employee	-	332,239	(332,239)
Net investment income	-	3,003,425	(3,003,425)
Benefit payments, including refunds of employee contributions	(1,572,968)	(1,572,968)	-
Administrative expense	-	(41,612)	41,612
Net changes	2,251,774	3,440,784	(1,189,010)
Reporting period ending 9/30/2021	\$ 39,973,642	\$ 33,485,971	\$ 6,487,671

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 9/30/2020	\$ 22,907,038	\$ 20,043,309	\$ 2,863,729
Changes for the year:			
Service cost	409,497	-	409,497
Interest	1,775,628	-	1,775,628
Difference between actual and expected experience	294,146	-	294,146
Share Plan allocation	25,328	-	25,328
Changes of assumptions	621,793	-	621,793
Contributions - Buy Back	10,748	10,748	-
Contributions - City	-	937,089	(937,089)
Contributions - State	-	165,084	(165,084)
Contributions - employee	-	75,864	(75,864)
Net investment income	-	2,827,801	(2,827,801)
Benefit payments, including refunds of employee contributions	(1,680,464)	(1,680,464)	-
Administrative expense	-	(104,616)	104,616
Net changes	1,456,676	2,231,506	(774,830)
Reporting period ending 9/30/2021	\$ 24,363,714	\$ 22,274,815	\$ 2,088,899

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 9/30/2020	\$ 12,435,049	\$ 10,849,571	\$ 1,585,478
Changes for the year:			
Service cost	180,217	-	180,217
Interest	955,707	-	955,707
Difference between actual and expected experience	117,715	-	117,715
Changes of assumptions	403,310	-	403,310
Contributions - City	-	412,374	(412,374)
Contributions - State	-	114,351	(114,351)
Contributions - employee	-	23,139	(23,139)
Net investment income	-	1,285,228	(1,285,228)
Benefit payments, including refunds of employee contributions	(567,136)	(567,136)	-
Administrative expense	-	(88,327)	88,327
Net changes	1,089,813	1,179,629	(89,816)
Reporting period ending 9/30/2021	\$ 13,524,862	\$ 12,029,200	\$ 1,495,662

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, 2019 updated to September 30, 2020	October 1, 2019 updated to September 30, 2020	October 1, 2019 updated to September 30, 2020
Inflation	2.50%	2.50%	2.50%
Projected salary increases	Service based	Service based	Service based
Investment rate of return	7.50%	7.50%	7.25%
Discount rate	7.50%	7.50%	7.25%
Mortality rates	PubS.H-2010	PubS.H-2010	PubS.H-2010
Date of actuarial experience study	August 23, 2017	September 19, 2019	September 19, 2019

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

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, 2021, are summarized in the following table

	General Employees' Retirement Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund
Asset Class	Long-Term Expected Real Rates of Return		
Domestic equity	7.50%	7.50%	7.50%
International equity	8.50%	8.50%	8.50%
Broad market fixed income	2.50%	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
	Target Asset Allocations		
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, 2021, the net money-weighted rate of return, adjusted for the changing amounts actually invested, for each of the Plans was as follows:

	General Employees' Retirement Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund
Money-weighted Rate of Return	19.49%	16.83%	20.15%

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

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension - For the year ended September 30, 2021, the City recognized pension expense of \$1,946,014 consisting of pension expense for the general employees' pension plan of \$936,086, the police officers' pension plan \$663,432 and the firefighters' pension plan of \$346,496. On September 30, 2021, the City reported deferred outflows and deferred inflows of resources related to pensions, combined and individually for all three plans, was as follows:

Combined All Pension Trust Funds:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,071,907	\$ 727,907
Change in assumptions	839,077	379,920
Net difference between projected and actual earnings on Plan investments	-	1,411,678
City contributions subsequent to the measurement date	3,124,164	-
Total	<u>\$ 5,035,148</u>	<u>\$ 2,519,505</u>

General Employees' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 678,369	\$ 247,240
Change in assumptions	-	379,920
Difference between projected and actual earnings on Plan investments	-	406,786
City contributions subsequent to the measurement date	1,572,711	-
Total	<u>\$ 2,251,080</u>	<u>\$ 1,033,946</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	\$ 196,098	\$ 35,489
Change in assumptions	437,406	-
Net difference between projected and actual earnings on Plan investments	-	782,702
City contributions subsequent to the measurement date	1,013,818	-
Total	<u>\$ 1,647,322</u>	<u>\$ 818,191</u>

Firefighters' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 197,440	\$ 445,178
Change in assumptions	401,671	-
Net difference between projected and actual earnings on Plan investments	-	222,190
City contributions subsequent to the measurement date	537,635	-
Total	<u>\$ 1,136,746</u>	<u>\$ 667,368</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2020 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
2022	\$ (80,604)	\$ 42,332	\$ (58,714)	\$ (96,986)
2023	(160,439)	166,676	11,373	17,610
2024	31,012	(140,137)	(35,426)	(144,551)
2025	(145,546)	(253,558)	14,510	(384,594)
	<u>\$ (355,577)</u>	<u>\$ (184,687)</u>	<u>\$ (68,257)</u>	<u>\$ (608,521)</u>

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

Discount Rate – a rate of 7.50% for the General Employees Retirement Trust Fund, 7.50% for the Police Officers' Retirement Trust Fund and 7.25% for the Firefighters' Retirement Trust Fund was used to measure the total pension liability of each of the three plans as of September 30, 2020, 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, 2020), 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%	\$ 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>

The following presents the net pension liability of the City as of the financial reporting date (September 30, 2021), 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'	7.25%	\$ 8,556,359	\$ 3,481,104	\$ (784,007)
Police Officers'	7.50%	2,174,809	(731,242)	(3,136,926)
Firefighters'	7.25%	1,403,322	(265,771)	(1,655,928)
City's Net Pension Liability		<u>\$ 12,134,490</u>	<u>\$ 2,484,091</u>	<u>\$ (5,576,861)</u>
Change in City's net pension liability between measurement date and reporting date		<u>\$ (6,997,549)</u>	<u>\$ (7,588,141)</u>	<u>\$ (8,067,096)</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, 2020, the cap was \$629 per month and for fiscal year September 30, 2021, the cap was increased to \$645 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, 2021, the City paid \$468,300 for retiree health insurance premiums or approximately 3% of actual payroll.

Participant data as of the most recent actuarial valuation:

Inactive plan members of beneficiaries currently receiving benefits	75
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	245
Total	<u>320</u>

Total OPEB liability – The City's total OPEB liability was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020. The actuarial assumptions used in the September 30, 2020 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	2.14%
Investment rate of return	0.00%
Healthcare cost trend rates	7.00% in 2021, grading down to the ultimate trend rate of 4.00% in 2075.

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

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

Discount rate – The discount rate was based on a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Reporting period ending September 30, 2020, previously stated	\$ 28,908,312
Restatement (Note 15)	(300,954)
Reporting period ending September 30, 2020, as restated	28,607,358
Changes for the year:	
Service cost	1,610,448
Interest	1,122,331
Differences between expected and actual experience	(1,793,963)
Changes of assumptions	8,543,463
Benefit payments	(632,044)
Net changes	8,850,235
Reporting period ending September 30, 2021	\$ 37,457,593

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 (1.14 percent) or 1-percentage-point higher (3.14 percent) than the current discount rate:

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	\$ 44,746,983	\$ 37,457,593	\$ 31,725,117

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 (6.00 percent decreasing to 3.00 percent) or 1-percentage-point higher (8.00 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 3.00%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.00%)	1% Increase (8.00% decreasing to 5.00%)
Total OPEB liability	\$ 30,846,549	\$ 37,457,593	\$ 46,059,168

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

OPEB expenses and deferred outflows of resources related to OPEB – For the year ended September 30, 2021, the City recognized OPEB expense of \$3,112,070. On September 30, 2021, 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	\$ 10,012,836	\$ 2,384,493
Differences between expected and actual experience	-	3,479,907
City contributions subsequent to the measurement date	682,955	-
Total	<u>\$ 10,695,791</u>	<u>\$ 5,864,400</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2020 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	Amount
2022	\$ 687,794
2023	687,795
2024	287,333
2025	669,060
2026	1,097,122
Thereafter	719,332
Total	<u>\$ 4,148,436</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, 2021 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, 2021 and 2020, were as follows:

	2021	2020
Claims liability balance, October 1	\$ 648,060	\$ 603,735
Claims and changes in estimates	27,037	206,038
Claims payments	(97,269)	(161,713)
Claims liability balance, September 30	<u>\$ 577,828</u>	<u>\$ 648,060</u>
Cash set aside to pay claims at September 30	<u>\$ 919,171</u>	<u>\$ 918,618</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.

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.

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

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 \$5,653,700 as of September 30, 2021 related to the wastewater facility expansion project in the wastewater fund (\$4,620,525) and water improvement projects in the water fund (\$1,033,175).

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, 2021, the total annual working capital needs of the PRWC was \$198,000 of which the City's proportionate share was \$8,317.

Project Implementation Agreements - Effective April 19, 2021, the City entered into two separate project implementation agreements with other PRWC participating governments for both the Southeast Wellfield Project and the West Polk Lower Floridan Wellfield. The purpose of the agreements is to govern the design, permitting, construction, operation, maintenance, and funding of the two projects. The City's commitment as a party to these agreements is to pay the PRWC for alternative water services consisting of a base rate charge and a water use rate charge. The City will be notified as to the amount of these water charges on or before May 31st prior to the fiscal year in which finished water service is scheduled to commence and on or before May 31st thereafter. The expected date of finished water production from these projects or the future water charges are indeterminable as of the date of this report.

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

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

- During the fiscal year ended September 30, 2021, the Authority changed the method of applying the provisions of GASB Cod. Sec. P52 related to the Authority's OPEB program, namely the postemployment health care and life insurance benefit plan. In periods prior to the year ended September 30, 2021, the Authority determined their OPEB liability, and related deferred flows of resources, by being included within the City's OPEB actuarial valuation and then would allocate a portion of the City level OPEB financial elements to the Authority. During the fiscal year ended September 30, 2021, the Authority engaged an actuary to prepare an actuarial valuation for only the Authority to determine the total OPEB liability and related deferred flows of resources to be reported on September 30, 2021. This change improves financial reporting as the most recent actuarial valuation is based only upon the Authority and is not an allocation of the City-wide actuary report. The effect of this change was a restatement of previously reported OPEB financial statement elements and net position as shown below:

	September 30, 2020		
	Balances as previously reported	Restatement	Balances as restated
Government-Wide:			
Business-type Activities:			
Deferred outflows related to OPEB	1,186,198	(168,562)	1,017,636
Deferred inflows related to OPEB	1,069,398	(183,361)	886,037
Total OPEB Liability	8,429,934	(300,954)	8,128,980
Net position	81,507,018	315,753	81,822,771
Fund Level:			
Airport fund:			
Deferred outflows related to OPEB	203,388	(168,562)	34,826
Deferred inflows related to OPEB	183,361	(183,361)	-
Total OPEB Liability	1,445,416	(300,954)	1,144,462
Net position	19,841,498	315,753	20,157,251

- During the fiscal year ended September 30, 2021, the City implemented the provisions of GASB Statement No. 84 – Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds). Implementation of this Statement did not require a restatement of net position or fund balance but resulted in the creation of a custodial fund to account for fees collected on behalf of other governments. See Note 1 for more information about the City's fund structure.



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REQUIRED SUPPLEMENTARY INFORMATION

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

For the year ended September 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
RESOURCES:				
Taxes	\$ 5,053,568	\$ 5,066,064	\$ 5,232,082	\$ 166,018
Licenses and permits	281,388	424,678	424,886	208
Intergovernmental revenue	2,859,260	2,960,066	3,023,413	63,347
Charges for services	1,505,955	1,374,916	1,368,155	(6,761)
Fines and forfeitures	223,164	173,568	143,981	(29,587)
Other	536,987	539,987	517,083	(22,904)
Total revenues	10,460,322	10,539,279	10,709,600	170,321
CHARGES TO APPROPRIATIONS:				
General government:				
Commission	2,403,673	1,490,896	1,303,413	187,483
City manager	704,893	507,694	504,845	2,849
City clerk	246,080	281,549	279,705	1,844
Finance	311,769	262,861	256,856	6,005
Personnel	222,780	247,167	252,113	(4,946)
Purchasing	40,275	44,829	42,889	1,940
Planning	153,065	148,065	144,728	3,337
Fleet maintenance	172,017	206,161	205,057	1,104
Public safety:				
Police	6,571,508	6,667,603	6,655,044	12,559
Building	525,513	414,017	400,841	13,176
Physical environment:				
Public works	2,101,191	1,033,773	982,303	51,470
Economic environment:				
Community development	144,045	156,532	156,397	135
Culture/recreation:				
Library	831,927	712,147	696,294	15,853
Library Coop - County	174,519	146,492	143,714	2,778
Library Coop - State aid	610,125	463,149	457,106	6,043
Parks and recreation	3,411,455	2,986,336	2,925,575	60,761
Golf course	2,115,028	1,057,333	1,043,115	14,218
Golf course - restaurant	678,644	574,111	553,656	20,455
Total expenditures	21,418,507	17,400,715	17,003,651	397,064
EXCESS (DEFICIENCY) OF REVENUE				
OVER(UNDER) EXPENDITURES	(10,958,185)	(6,861,436)	(6,294,051)	567,385
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,866,630)	(2,665,714)	(2,665,714)	-
Transfers in	9,916,751	9,916,751	9,916,751	-
Total other financing sources (uses)	7,050,121	7,251,037	7,251,037	-
NET CHANGE IN FUND BALANCE	\$ (3,908,064)	\$ 389,601	\$ 956,986	\$ 567,385

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, 2021, totaled \$371,210 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.

See Auditor's Report

CITY OF BARTOW, FLORIDA

Budgetary Comparison Schedule – Community Redevelopment Agency

For the year ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Taxes	\$ 1,197,922	\$ 1,197,922	\$ 1,199,659	\$ 1,737
Other	2,000	2,000	656	(1,344)
Total revenues	<u>1,199,922</u>	<u>1,199,922</u>	<u>1,200,315</u>	<u>393</u>
EXPENDITURES:				
Economic environment	959,514	959,514	553,970	405,544
Debt service	240,408	240,408	240,407	1
Total expenditures	<u>1,199,922</u>	<u>1,199,922</u>	<u>794,377</u>	<u>405,545</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,938</u>	<u>\$ 405,938</u>

See Auditor's Report

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

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 772,677	\$ 747,116	\$ 707,794	\$ 724,848
Interest	2,994,734	2,826,188	2,715,913	2,520,111
Change in assumptions	1,142,456	(506,559)	-	-
Change in funding standard account	-	-	-	-
Difference between expected and actual experience	450,120	570,119	(494,481)	1,003,115
Benefit payments, including refunds of of employee contributions	(1,633,064)	(1,572,968)	(1,423,467)	(1,817,188)
Employee buy-back	-	187,878	-	-
Net change in total pension liability	3,726,923	2,251,774	1,505,759	2,430,886
Total pension liability, beginning	39,973,642	37,721,868	36,216,109	33,785,223
Total pension liability, ending (a)	<u>\$ 43,700,565</u>	<u>\$ 39,973,642</u>	<u>\$ 37,721,868</u>	<u>\$ 36,216,109</u>
Plan fiduciary net position				
Contributions - City	\$ 1,573,343	\$ 1,531,822	\$ 1,568,825	\$ 1,380,716
Contributions - Employee	334,871	332,239	320,965	315,137
Contributions - Employee buy-back	-	187,878	-	-
Net investment income (loss)	6,548,888	3,003,425	1,324,954	2,302,808
Benefit payments, including refunds of employee contributions	(1,633,064)	(1,572,968)	(1,423,468)	(1,817,188)
Administrative expenses	(90,548)	(41,612)	(43,879)	(44,009)
Net change in plan fiduciary net position	6,733,490	3,440,784	1,747,397	2,137,464
Plan fiduciary net position, beginning	33,485,971	30,045,187	28,297,790	26,160,326
Plan fiduciary net position, ending (b)	<u>\$ 40,219,461</u>	<u>\$ 33,485,971</u>	<u>\$ 30,045,187</u>	<u>\$ 28,297,790</u>
Net pension liability (asset) (a)-(b)	<u>\$ 3,481,104</u>	<u>\$ 6,487,671</u>	<u>\$ 7,676,681</u>	<u>\$ 7,918,319</u>
Plan fiduciary net position as a percentage of total pension liability	92.03%	83.77%	79.65%	78.14%
Covered payroll	\$ 8,368,229	\$ 8,306,534	\$ 8,016,434	\$ 7,878,494
Net pension liability as a percentage of covered payroll	41.60%	78.10%	95.76%	100.51%

Continued...

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

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

Changes of Assumptions:

For measurement date September 30, 2021:

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

For measurement date September 30, 2020:

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

For measurement date September 30, 2017:

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

For measurement date September 30, 2016:

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

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

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 411,847	\$ 409,497	\$ 390,208	\$ 392,286
Interest	1,805,616	1,775,628	1,749,591	1,691,917
Change in excess State money	-	-	(35,798)	21,555
Change in benefit terms	37,376	-	-	-
Share plan allocation	30,409	25,328	41,676	-
Difference between expected and actual experience	(465,497)	294,146	(106,467)	42,199
Change of assumptions	-	621,793	68,634	-
Contributions - Buy Back	9,748	10,748	-	-
Benefit payments, including refunds of employee contributions	(1,476,108)	(1,680,464)	(1,432,563)	(1,374,240)
Net change in total pension liability	353,391	1,456,676	675,281	773,717
Total pension liability, beginning	24,363,714	22,907,038	22,231,757	21,458,040
Total pension liability, ending (a)	<u>\$ 24,717,105</u>	<u>\$ 24,363,714</u>	<u>\$ 22,907,038</u>	<u>\$ 22,231,757</u>
Plan fiduciary net position				
Contributions - City	\$ 838,572	\$ 937,089	\$ 902,680	\$ 741,815
Contributions - State of Florida	175,246	165,084	161,981	153,190
Contributions - Employee	76,656	75,864	72,904	63,130
Contributions - Buy Back	9,748	10,748	-	-
Net investment income (loss)	3,671,671	2,827,801	973,587	1,452,125
Benefit payments, including refunds of employee contributions	(1,476,108)	(1,680,464)	(1,432,564)	(1,374,240)
Administrative expenses	(122,253)	(104,616)	(82,969)	(83,411)
Net change in plan fiduciary net position	3,173,532	2,231,506	595,619	952,609
Plan fiduciary net position, beginning	22,274,815	20,043,309	19,447,690	18,495,081
Plan fiduciary net position, ending (b)	<u>\$ 25,448,347</u>	<u>\$ 22,274,815</u>	<u>\$ 20,043,309</u>	<u>\$ 19,447,690</u>
Net pension liability (asset) (a)-(b)	<u>\$ (731,242)</u>	<u>\$ 2,088,899</u>	<u>\$ 2,863,729</u>	<u>\$ 2,784,067</u>
Plan fiduciary net position as a percentage of total pension liability	102.96%	91.43%	87.50%	87.48%
Covered payroll	\$ 1,935,748	\$ 1,898,516	\$ 1,821,678	\$ 1,578,253
Net pension liability as a percentage of covered payroll	-37.78%	110.03%	157.20%	176.40%

Continued...

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

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

Changes of benefit terms:

For measurement date September 30, 2021:

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

For measurement date September 30, 2016:

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

For measurement date September 30, 2015:

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

Changes of Assumptions:

For measurement date September 30, 2020:

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

For measurement date September 30, 2019:

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

For measurement date September 30, 2016:

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

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

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 220,243	\$ 180,217	\$ 258,526	\$ 268,455
Interest	975,604	955,707	987,212	916,733
Change in excess State money	-	-	(245,371)	31,984
Change of benefit terms	-	-	(1,093)	-
Difference between expected and actual experience	(83,517)	117,715	(741,965)	258,169
Change of assumptions	-	403,311	131,704	-
Benefit payments, including refunds of of employee contributions	(576,993)	(567,137)	(564,106)	(538,594)
Net change in total pension liability	535,337	1,089,813	(175,093)	936,747
Total pension liability, beginning	13,524,862	12,435,049	12,610,142	11,673,395
Total pension liability, ending (a)	<u>\$ 14,060,199</u>	<u>\$ 13,524,862</u>	<u>\$ 12,435,049</u>	<u>\$ 12,610,142</u>
Plan fiduciary net position				
Contributions - City	\$ 417,798	\$ 412,374	\$ 503,585	\$ 478,195
Contributions - State of Florida	119,837	114,351	106,289	107,353
Contributions - Employee	24,649	23,139	20,984	20,540
Net investment income (loss)	2,391,021	1,285,228	470,431	792,524
Benefit payments, including refunds of employee contributions	(576,993)	(567,136)	(564,103)	(538,594)
Administrative expenses	(79,542)	(88,327)	(83,846)	(68,748)
Net change in plan fiduciary net position	2,296,770	1,179,629	453,340	791,270
Plan fiduciary net position, beginning	12,029,200	10,849,571	10,396,231	9,604,961
Plan fiduciary net position, ending (b)	<u>\$ 14,325,970</u>	<u>\$ 12,029,200</u>	<u>\$ 10,849,571</u>	<u>\$ 10,396,231</u>
Net pension liability (asset) (a)-(b)	<u>\$ (265,771)</u>	<u>\$ 1,495,662</u>	<u>\$ 1,585,478</u>	<u>\$ 2,213,911</u>
Plan fiduciary net position as a percentage of total pension liability	101.89%	88.94%	87.25%	82.44%
Covered payroll	\$ 1,214,338	\$ 1,156,915	\$ 1,049,282	\$ 1,027,021
Net pension liability as a percentage of covered payroll	-21.89%	129.28%	151.10%	215.57%

Continued...

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

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

Changes in Benefit Terms:

For measurement date September 30, 2019:

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

Changes of Assumptions:

For measurement date September 30, 2020:

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

For measurement date September 30, 2019:

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

For measurement date September 30, 2016:

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

CITY OF BARTOW, FLORIDA

All Retirement Trust Funds

Schedule of Contributions

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

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, 2019 for fiscal year 2021 contributions.
- Asset Valuation Method: Historic geometric four-year average market value (net of fees).
- Salary Increases: The general employees' plan uses a service-based assumption ranging from 8% for less than one year of service to 4.25% for greater than 4 years of service. The police officers' plan assumes a 9% increase in an employee's first year and 4.5% per-year thereafter. The firefighters' plan assumes a 10% increase in an employee's first year and 4.5% per-year thereafter.
- Investment Rate of Return; 7.50% for the general employees' plan, 7.90% for the police officers' plan and 7.75% for the firefighters' plan.
- Payroll Growth: 0% for all plans.
- General Employees' Plan Retirement Age: Varies depending on years of service and employee age.
- Police Officers' Plan Retirement Age: Earlier of age 55 with 10 years of credited service or 20 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
- Firefighters' Plan Retirement Age: Earlier of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or 28 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
- Mortality: Mortality rates were based on the RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.
- Termination and disability rate tables:

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

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

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

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

Notes to Schedule:

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

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

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

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

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

Other changes of assumptions:

For measurement date September 30, 2017:

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

See Auditor's Report



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OTHER SUPPLEMENTARY INFORMATION

CITY OF BARTOW, FLORIDA

Combining Balance Sheet – Non-Major Governmental Funds
as of September 30, 2021

	Transportation Fund	Fire Services Fund	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 1,762	\$ 343,598	\$ 345,360
Receivables, net			
Customer accounts, net	-	425	425
Intergovernmental and other	219,827	2,700	222,527
Prepaid expenditures	-	2,565	2,565
Restricted assets:			
Cash and cash equivalents	1,353,616	-	1,353,616
Customer receivables	54,176	-	54,176
TOTAL ASSETS	\$ 1,629,381	\$ 349,288	\$ 1,978,669
LIABILITIES			
Accounts payable	43,623	65,992	109,615
Accrued payroll	2,433	64,914	67,347
TOTAL LIABILITIES	46,056	130,906	176,962
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	54,176	-	54,176
FUND BALANCE			
Nonspendable:			
Prepaid expenditures	-	2,565	2,565
Restricted for:			
Transportation improvements	1,353,616	-	1,353,616
Transportation activities	175,533	-	175,533
Assigned to:			
Fire services	-	215,817	215,817
TOTAL FUND BALANCES	1,529,149	218,382	1,747,531
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,629,381	\$ 349,288	\$ 1,978,669

See Auditor's Report

CITY OF BARTOW, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major
 Governmental Funds
 for the year ended September 30, 2021

	Transportation Fund	Fire Services Fund	Total
REVENUES:			
Taxes	\$ 1,101,189	\$ 119,837	\$ 1,221,026
Intergovernmental revenue	231,228	6,319	237,547
Charges for services	117,186	760,250	877,436
Fines and forfeitures	-	1,750	1,750
Other	158,750	18,459	177,209
Total revenues	<u>1,608,353</u>	<u>906,615</u>	<u>2,514,968</u>
EXPENDITURES:			
Public safety	-	2,891,191	2,891,191
Transportation	917,172	-	917,172
Capital outlay	995,062	6,994	1,002,056
Total expenditures	<u>1,912,234</u>	<u>2,898,185</u>	<u>4,810,419</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(303,881)</u>	<u>(1,991,570)</u>	<u>(2,295,451)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>513,183</u>	<u>2,152,531</u>	<u>2,665,714</u>
NET CHANGE IN FUND BALANCE	209,302	160,961	370,263
FUND BALANCE, beginning of year	<u>1,319,847</u>	<u>57,421</u>	<u>1,377,268</u>
FUND BALANCE, end of year	<u>\$ 1,529,149</u>	<u>\$ 218,382</u>	<u>\$ 1,747,531</u>

See Auditor's Report

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – Transportation Fund
for the year ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,016,276	\$ 1,101,189	\$ 1,101,189	\$ -
Intergovernmental revenue	167,826	167,826	231,228	63,402
Charges for service	117,187	117,187	117,186	(1)
Other	65,195	160,404	158,750	(1,654)
Total revenues	1,366,484	1,546,606	1,608,353	61,747
EXPENDITURES:				
Transportation	1,048,343	920,088	917,172	2,916
Capital outlay	1,032,240	997,135	995,062	2,073
Total expenditures	2,080,583	1,917,223	1,912,234	4,989
OTHER FINANCING SOURCES (USES):				
Transfer in	714,099	513,183	513,183	-
Total other financing sources (uses)	714,099	513,183	513,183	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 142,566	\$ 209,302	\$ 66,736

See Auditor's Report

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – Fire Services Fund
for the year ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 106,289	\$ 119,837	\$ 119,837	\$ -
Intergovernmental revenue	1,800	1,800	6,319	4,519
Charges for service	753,540	760,250	760,250	-
Fines and forfeitures	-	-	1,750	1,750
Other	-	18,200	18,459	259
Total revenues	861,629	900,087	906,615	6,528
EXPENDITURES:				
Public safety	2,644,014	2,900,275	2,891,191	9,084
Capital outlay	370,146	6,994	6,994	-
Total expenditures	3,014,160	2,907,269	2,898,185	9,084
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(2,152,531)	(2,007,182)	(1,991,570)	15,612
OTHER FINANCING SOURCES (USES):				
Transfers in	2,152,531	2,152,531	2,152,531	-
Total other financing sources	2,152,531	2,152,531	2,152,531	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 145,349	\$ 160,961	\$ 15,612

See Auditor's Report

CITY OF BARTOW, FLORIDACombining Statement of Net Position – Non-Major Enterprise Funds
as of September 30, 2021

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
ASSETS				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 3,539,377	\$ 2,949,954	\$ 1,435,023	\$ 7,924,354
Receivables:				
Customers, net	479,120	3,020	-	482,140
Inventory and prepaids	-	73,076	-	73,076
Total current assets	4,018,497	3,026,050	1,435,023	8,479,570
Capital assets:				
Non-depreciable	155,917	-	60,406	216,323
Depreciable, net	1,138,761	253,161	1,929,758	3,321,680
Total noncurrent assets	1,294,678	253,161	1,990,164	3,538,003
Total assets	5,313,175	3,279,211	3,425,187	12,017,573
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	150,455	17,440	26,171	194,066
Deferred outflows related to OPEB	444,174	55,145	137,355	636,674
Total deferred outflows of resources	594,629	72,585	163,526	830,740
LIABILITIES				
Current liabilities:				
Accounts payable	173,416	13,327	8,821	195,564
Accrued wages	29,800	2,862	4,741	37,403
Total current liabilities	203,216	16,189	13,562	232,967
Noncurrent liabilities:				
Compensated absences	103,239	32,870	20,172	156,281
Post employment obligation payable	1,498,007	185,980	463,239	2,147,226
Net pension liability	433,615	50,263	75,424	559,302
Total noncurrent liabilities	2,034,861	269,113	558,835	2,862,809
Total liabilities	2,238,077	285,302	572,397	3,095,776
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	69,106	8,010	12,020	89,136
Deferred inflows related to OPEB	244,397	30,342	75,577	350,316
Total deferred inflows of resources	313,503	38,352	87,597	439,452
NET POSITION				
Net investment in capital assets	1,294,678	253,161	1,990,164	3,538,003
Unrestricted	2,061,546	2,774,981	938,555	5,775,082
Total net position	\$ 3,356,224	\$ 3,028,142	\$ 2,928,719	\$ 9,313,085

See Auditor's 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, 2021

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 3,709,988	\$ 216,124	\$ 575,735	\$ 4,501,847
Total operating income	3,709,988	216,124	575,735	4,501,847
OPERATING EXPENSES:				
Personnel services	1,226,431	123,012	301,174	1,650,617
Operating expenses	2,250,772	80,724	314,242	2,645,738
Depreciation	378,843	74,653	50,640	504,136
Total operating expenses	3,856,046	278,389	666,056	4,800,491
OPERATING INCOME (LOSS)	(146,058)	(62,265)	(90,321)	(298,644)
NONOPERATING REVENUE (EXPENSE)				
Investment revenue	3,831	3,138	1,669	8,638
Gain on disposal of property	12,175	-	-	12,175
Other, net	18,730	-	-	18,730
Total nonoperating revenues (expense)	34,736	3,138	1,669	39,543
CHANGE IN NET POSITION	(111,322)	(59,127)	(88,652)	(259,101)
NET POSITION, beginning of year	3,467,546	3,087,269	3,017,371	9,572,186
NET POSITION, end of year	\$ 3,356,224	\$ 3,028,142	\$ 2,928,719	\$ 9,313,085

See Auditor's Report

CITY OF BARTOW, FLORIDA

Combining Statement of Cash Flows– Non-Major Enterprise Funds
for the year ended September 30, 2021

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 3,661,388	\$ 227,873	\$ 575,735	\$ 4,464,996
Payments to suppliers	(2,226,810)	(69,395)	(338,087)	(2,634,292)
Payments for salaries and benefits	(1,054,223)	(103,587)	(168,233)	(1,326,043)
Net cash flows from operating activities	380,355	54,891	69,415	504,661
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets, net of related payables	(53,350)	-	-	(53,350)
Proceeds from the sale of assets	12,175	-	-	12,175
Net cash flows from capital and related financing activities	(41,175)	-	-	(41,175)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on invested funds	3,831	3,138	1,669	8,638
Other income	18,730	-	-	18,730
Net cash flows from investing activities	22,561	3,138	1,669	27,368
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	361,741	58,029	71,084	490,854
CASH AND CASH EQUIVALENTS, beginning of year	3,177,636	2,891,925	1,363,939	7,433,500
CASH AND CASH EQUIVALENTS, end of year	\$ 3,539,377	\$ 2,949,954	\$ 1,435,023	\$ 7,924,354
As shown in the Accompanying Financial Statements				
Equity in cash and investments	\$ 3,539,377	\$ 2,949,954	\$ 1,435,023	\$ 7,924,354
Total cash and cash equivalents	\$ 3,539,377	\$ 2,949,954	\$ 1,435,023	\$ 7,924,354

See Auditor's Report

CITY OF BARTOW, FLORIDA

Combining Statement of Cash Flows– Non-Major Enterprise Funds (concluded)
for the year ended September 30, 2021

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
Noncash financing and investing activities:				
None	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (146,058)	\$ (62,265)	\$ (90,321)	\$ (298,644)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	378,843	74,653	50,640	504,136
(Increase) decrease in inventory and prepaids	-	(3)	-	(3)
(Increase) decrease in accounts receivable	(48,600)	11,749	-	(36,851)
Increase (decrease) in accounts payable	23,962	11,332	(23,845)	11,449
Increase (decrease) in accrued wages and compensated absences	14,473	1,279	6,323	22,075
(Increase) decrease in OPEB related deferred outflows	(285,531)	(35,406)	(97,260)	(418,197)
Increase (decrease) in the total OPEB liability	370,583	45,701	178,295	594,579
Increase (decrease) in OPEB related deferred inflows	101,375	12,547	39,430	153,352
(Increase) decrease in pension related deferred outflows	(7,945)	(408)	(5,552)	(13,905)
Increase (decrease) in the net pension liability	(61,338)	(8,890)	3,811	(66,417)
Increase (decrease) in pension related deferred inflows	40,591	4,602	7,894	53,087
Net cash flows from operating activities	\$ 380,355	\$ 54,891	\$ 69,415	\$ 504,661

See Auditor's Report

CITY OF BARTOW, FLORIDACombining Statement of Fiduciary Net Position – Pension Trust Funds
as of September 30, 2021

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 134,125	\$ 46,869	\$ 180,994
Receivables:				
City and plan members	14,568	-	-	14,568
Accrued income	1,664	24,226	2	25,892
Total receivables	16,232	24,226	2	40,460
Prepaid expenses	-	122,826	46,813	169,639
Investments, at fair value:				
Short-term money market funds	907,646	549,000	116,500	1,573,146
Fixed income investments	8,766,963	8,559,525	5,079,606	22,406,094
Equity investments	24,900,909	16,097,721	9,069,228	50,067,858
Diversified mutual fund	1,806,459	-	-	1,806,459
Real estate investments	3,877,012	-	-	3,877,012
Total investments	40,258,989	25,206,246	14,265,334	79,730,569
Total assets	40,275,221	25,487,423	14,359,018	80,121,662
LIABILITIES				
Accounts payable	26,674	33,472	23,598	83,744
Accrued benefits payable	29,086	5,604	9,450	44,140
Total Liabilities	55,760	39,076	33,048	127,884
NET POSITION				
Restricted for pension benefits	\$ 40,219,461	\$ 25,448,347	\$ 14,325,970	\$ 79,993,778

See Auditor's Report

CITY OF BARTOW, FLORIDACombining Statement of Changes in Fiduciary Net Position – Pension Trust Funds
for the year ended September 30, 2021

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS				
Contributions:				
City	\$ 1,573,343	\$ 838,572	\$ 417,798	\$ 2,829,713
Plan members	334,871	86,404	24,649	445,924
State of Florida	-	175,246	119,837	295,083
Total contributions	1,908,214	1,100,222	562,284	3,570,720
Investment income	6,647,009	3,751,130	2,422,586	12,820,725
Less investment expenses:				
Performance evaluation	25,000	24,500	23,500	73,000
Custodial fees	15,149	14,438	8,065	37,652
Investment management fees	57,972	40,521	-	98,493
Total investment expenses	98,121	79,459	31,565	209,145
Net investment income	6,548,888	3,671,671	2,391,021	12,611,580
Total additions	8,457,102	4,771,893	2,953,305	16,182,300
DEDUCTIONS				
Administrative expenses:				
Legal	16,130	44,483	18,916	79,529
Administrator fee	35,445	28,414	20,470	58,029
Actuarial	24,692	28,270	23,656	102,918
Travel, training and other	-	5,829	3,665	9,494
Accounting	2,450	6,628	5,756	14,834
Insurance	6,431	4,229	2,679	13,339
Audit	5,400	4,400	4,400	14,200
Total administrative expenses	90,548	122,253	79,542	292,343
Payments to retirees and participants	1,633,064	1,476,108	576,993	3,686,165
Total deductions	1,723,612	1,598,361	656,535	3,978,508
CHANGE IN NET POSITION	6,733,490	3,173,532	2,296,770	12,203,792
NET POSITION, beginning of year	33,485,971	22,274,815	12,029,200	67,789,986
NET POSITION, end of year	\$ 40,219,461	\$ 25,448,347	\$ 14,325,970	\$ 79,993,778

See Auditor's Report



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GOVERNMENT AUDITING SECTION

**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2022. 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. However, material weaknesses may exist that have not been identified.

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 20, 2022
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, 2021. 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, 2021.

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 20, 2022
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, 2021, and have issued our report thereon dated June 20, 2022. 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; 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*; 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 20, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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

MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and 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 20, 2022
Sarasota, Florida