



CITY OF BARTOW, FLORIDA
FINANCIAL STATEMENTS AND AUDITORS'
REPORTS

September 30, 2022

FINANCIAL SECTION

Independent Auditor's Report	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	20
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances –Governmental Funds to the Statement of Activities.....	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Statement of Fiduciary Net Position – Fiduciary Funds	29
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	30
Notes To Financial Statements.....	31
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund.....	70
Notes to the Budgetary Comparison Schedule – General Fund.....	71
Budgetary Comparison Schedule – Community Redevelopment Agency	72
General Employees' Retirement Trust Fund	
Schedule of Changes in Net Pension Liability and Related Ratios.....	73
Police Officers' Retirement Trust Fund	
Schedule of Changes in Net Pension Liability and Related Ratios.....	76
Firefighters' Retirement Trust Fund	
Schedule of Changes in Net Pension Liability and Related Ratios.....	79
All Retirement Trust Funds	
Schedule of Contributions	82
Schedule of Changes in the Total OPEB Liability and Related Ratios	84

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Non-Major Governmental Funds.....	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	86
Budgetary Comparison Schedule – Transportation Fund	87
Budgetary Comparison Schedule – Fire Services Fund	88
Combining Statement of Net Position – Non-Major Enterprise Funds	89
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Non-Major Enterprise Funds	90
Combining Statement of Cash Flows– Non-Major Enterprise Funds	91
Combining Statement of Fiduciary Net Position – Pension Trust Funds.....	93
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	94

OTHER INFORMATION

Data Elements required by Section 218.32(1)(e), <i>Florida Statutes</i> – Bartow Municipal Airport Development Authority	95
--	----

GOVERNMENT AUDITING SECTION

Schedule of Expenditures of Federal Awards and State Financial Assistance	96
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	98
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 <i>Government Auditing Standards</i>	99
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	101
Schedule of Findings and Questioned Costs	104
Independent Accountant’s Report on Compliance with Florida Statute Section 218.415 – Investments of Public Funds.....	107
Management Letter.....	108
Management’s Letter of Response	111

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bartow, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

We did not audit the financial statements of the Police Officers' Retirement Trust Fund or the Firefighters' Retirement Trust Fund, which represent 40% and 16%, respectively, of the assets and expenditures/deductions of the aggregate remaining fund information as of September 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund, is based solely on the report of other auditors. The financial statements of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA

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

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion, or provide any assurance, on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and budgetary comparison, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 2023, 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 14, 2023
Sarasota, Florida

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

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

Financial Highlights

- The City's assets (plus deferred outflows of resources) exceeded its liabilities (plus deferred inflows of resources) at the close of fiscal year 2022 by \$119,856,174 (net position). Of this amount, \$24,701,476 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$15,513,121 during the year or a 15% increase compared to the prior year net position. Net position for governmental activities increased by \$3,557,605 while the business-type activities' net position increased by \$11,955,516.
- Total combined revenues resulting from governmental activities and business-type activities increased \$24,367,983 or 36% when compared to the prior year.
- Total combined expenses resulting from governmental activities and business-type activities increased \$12,487,211 or 19% 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 \$27,052,344 an increase of \$1,386,853 or 5% 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, 2022 and 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2022

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 30,853,328	\$ 33,115,403	\$ 86,528,604	\$ 55,277,238	\$ 117,381,932	\$ 88,392,641
Capital assets	26,989,915	25,083,830	86,689,491	72,958,883	113,679,406	98,042,713
Total assets	57,843,243	58,199,233	173,218,095	128,236,121	231,061,338	186,435,354
Deferred outflows	10,630,850	12,122,067	3,568,273	3,862,383	14,199,123	15,984,450
Current liabilities	2,124,153	6,712,092	19,807,586	11,608,169	21,931,739	18,320,261
Non-current liabilities	32,298,732	37,744,996	43,637,045	33,627,589	75,935,777	71,372,585
Total liabilities	34,422,885	44,457,088	63,444,631	45,235,758	97,867,516	89,692,846
Deferred inflows	11,124,669	6,495,278	16,412,102	1,888,627	27,536,771	8,383,905
Net position:						
Net investment in capital assets	25,735,429	23,858,989	56,442,295	55,529,227	82,177,724	79,388,216
Restricted	4,340,952	3,492,920	8,636,022	10,789,970	12,976,974	14,282,890
Unrestricted	(7,149,842)	(7,982,975)	31,851,318	18,654,922	24,701,476	10,671,947
Total net position	\$ 22,926,539	\$ 19,368,934	\$ 96,929,635	\$ 84,974,119	\$ 119,856,174	\$ 104,343,053

On September 30, 2022, approximately 69% 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 76% for the prior year. The City uses these capital assets to provide services to citizens; consequently, this component of net position is not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 11% of the City's net position represents resources that are subject to external restrictions on how they may be used. That compares to 14% in the prior year. The remaining balance of unrestricted net position, \$24,701,476 or 20% of the City's net position in 2022 may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase in unrestricted net position of \$14,029,529 or 131% for the year.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2022

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	
	2022	2021	2022	2021	2022	2021
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 3,562,288	\$ 2,521,481	\$ 63,664,775	\$ 51,383,034	\$ 67,227,063	\$ 53,904,515
Operating grants/contrib.	1,387,926	1,382,683	62,183	23,000	1,450,109	1,405,683
Capital grants/contrib.	1,142,256	287,429	11,538,372	2,057,566	12,680,628	2,344,995
<i>General revenues:</i>						
Property taxes - General	2,744,430	2,018,417	-	-	2,744,430	2,018,417
Property taxes - CRA	1,399,634	1,199,659	-	-	1,399,634	1,199,659
Pub svc tax/franchise fees	2,784,300	2,671,256	-	-	2,784,300	2,671,256
Transportation fuel taxes	1,125,176	1,101,189	-	-	1,125,176	1,101,189
State shared revenue	2,940,849	2,416,114	-	-	2,940,849	2,416,114
Other	(587,402)	302,816	361,603	393,763	(225,799)	696,579
Total revenues	16,499,457	13,901,044	75,626,933	53,857,363	92,126,390	67,758,407
Expenses:						
<i>Governmental activities:</i>						
General government	2,964,513	3,264,379	-	-	2,964,513	3,264,379
Law enforcement	6,982,864	6,887,230	-	-	6,982,864	6,887,230
Fire control	2,736,629	3,176,592	-	-	2,736,629	3,176,592
Building and zoning	446,199	457,139	-	-	446,199	457,139
Public works	1,058,587	1,120,229	-	-	1,058,587	1,120,229
Transportation	1,547,843	1,340,287	-	-	1,547,843	1,340,287
Library	1,596,649	1,526,485	-	-	1,596,649	1,526,485
Parks and recreation	4,967,436	4,934,271	-	-	4,967,436	4,934,271
Community redevelopment	530,619	595,837	-	-	530,619	595,837
Interest on long-term debt	27,264	34,345	-	-	27,264	34,345
<i>Business-type activities:</i>						
Electric	-	-	33,657,295	21,812,208	33,657,295	21,812,208
Water	-	-	4,650,318	4,342,406	4,650,318	4,342,406
Wastewater	-	-	4,559,795	4,201,199	4,559,795	4,201,199
Sanitation	-	-	3,996,439	3,856,046	3,996,439	3,856,046
Stormwater	-	-	614,006	666,056	614,006	666,056
Information technology	-	-	264,889	278,389	264,889	278,389
Airport	-	-	6,011,924	5,632,960	6,011,924	5,632,960
Total expenses	22,858,603	23,336,794	53,754,666	40,789,264	76,613,269	64,126,058
Transfers in (out)	9,916,751	9,916,751	(9,916,751)	(9,916,751)	-	-
Change in Net Position	3,557,605	481,001	11,955,516	3,151,348	15,513,121	3,632,349
Net position - Beginning	19,368,934	18,887,933	84,974,119	81,507,018	104,343,053	100,394,951
Restatement	-	-	-	315,753	-	315,753
Net position - Ending	\$ 22,926,539	\$ 19,368,934	\$ 96,929,635	\$ 84,974,119	\$ 119,856,174	\$ 104,343,053

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 2022, governmental activities net position increased by \$3,557,605 compared to an increase in 2021 of \$481,001, which was an improvement of \$3,076,604 or 640%. However, this required transfers from business-type activities of \$9,916,751 in 2022 and 2021 to achieve these results. Overall, total revenues-governmental activities were up \$2,598,413 or 19% while total expenses were down \$478,191 or 2%, and transfers to the governmental activities were the same in 2022 as in 2021. Following are key changes in the statement of activities from 2021 to 2022:

- Charges for service revenue increased \$1,040,807 or 41% in 2022 compared to 2021 mainly driven by a \$578,104 (76%) increase in the fire assessment fees and \$158,984 (37%) increase in building and planning related permits and fees due to increased construction activity within the City.
- Capital grants and contributions increased \$854,827 or 297% in 2022 compared to 2021, caused primarily by a \$233,953 (107%) increase in impact fee revenue as a result of increased construction related activity within the City and an increase in capital grants recognized of \$620,874.
- Property taxes are up \$925,988 or 29% in 2022 compared to 2021. The City's millage rate increased from 3.0862 in 2021 to 4.0000 in 2022, a 29% increase in the millage rate.
- Remaining general revenues decreased by \$228,452 or 4% for various reasons but mainly due to declines in the fair value of City investments which was partially offset by increased taxes and state shared revenues due to increased economic activity.

On the expense side, significant changes were as follows:

- General government expenses decreased by \$299,866 or 9% in 2022 compared to 2021 caused by a myriad of changes across a diverse range of expense categories including the following changes:
 - Payroll and payroll taxes increased approximately \$223,000 or 9%.
 - Pension expenses decreased approximately \$98,000 or 41%.
 - OPEB expense decreased approximately \$131,000 or 13%
- Fire control expenses decreased by \$439,963 or 14% in 2022 compared to 2021. The main cause of this decrease is attributable to decreased pension expense (\$338,528) and decreased OPEB expenses (\$161,158). These decreases were partially offset by increases in personnel costs, excluding pension and OPEB expenses, of \$145,768 or 10%.
- Transportation expenses increased by \$207,556 or 15% in 2022 compared to 2021 mainly due to increased depreciation expense (approximately \$54,000) and non-capital sidewalk costs in 2022 of approximately \$143,000.
- Remaining program expenses increased by \$54,082 or <1% in 2022 compared to 2021.

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 \$11,955,516 compared to an increase of \$3,151,348 in the prior year, an improvement of \$8,804,168 or 279%. This is after the transfer supporting governmental activities discussed above.

- Revenues increased \$21,769,570 or 40% from 2021 to 2022, and expenses increased by \$12,965,402 or 32%. Power costs in the City's Electric Fund were up approximately \$11,249,491 or 78%. The City purchased more kilowatt hours and fuel prices were up in 2022. 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 \$11,400,000 or 35%).
- Charges for services revenue increased by \$12,281,741 or 24%
- Capital grants and contributions increased by \$9,480,806 or 461% due to the following:
 - Use of American Recovery Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) of \$2,845,959 for sewer related projects.
 - Increased impact fee collections of \$511,000 and donated water and sewer infrastructure of \$3,226,474 due to increased construction activity within the City.
 - Increased contributions for electric distribution infrastructure expansion of \$2,845,600.
- Total expenses increased by \$12,965,402 or 32%, due to a myriad of reasons but mainly because of increased power costs as discussed above.
- Operating income for all business-type activities for 2022 was \$10,344,061 or 16% of operating revenue compared to 2021 operating income of \$11,080,257 which represented 22% 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.

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2022

At the end of the current fiscal year, the City's governmental funds reported a combined fund balance of \$27,052,344. Of this amount, \$259,754 or 1% is non-spendable, \$4,340,952 or 16% is legally restricted for specific purposes, \$2,989,654 or 11% has been assigned by the City Commission for fire services (\$54,833) and amounts to be used during the 2022-23 fiscal year (\$2,934,821), and \$19,461,984 or 72% is unassigned and available for spending at the City's discretion. Following is a discussion of individual major governmental funds.

General Fund. The General Fund is the chief operating fund of the City. At year end, unassigned and assigned fund balance of the General Fund totaled \$22,396,805, and total fund balance was \$23,898,209. This represents 120% and 128% respectively, of total General Fund expenditures for the year ended September 30, 2022.

In the General Fund, the change in fund balance for the year went from an increase of \$956,986 in 2021 to an increase of \$893,559 in 2022 for a deterioration of \$63,427. Following is a summary of the notable changes from 2021 to 2022:

- Revenues are up \$1,276,009 or 12%. The revenue category that was up the most was intergovernmental revenue, which increased \$915,316 or 30% due to increased grant revenue. The revenue category that declined the most was investment income, which declined approximately \$1,200,000 mainly due to changes in the fair value of City investments. Additionally,
 - Tax revenue increased by approximately \$841,000 or 17% mainly due to increased property tax revenue of \$873,187.
 - licenses and permit revenue increased by approximately \$140,000 or 33% due to more building permit revenue as construction activity increased within the City compared to 2021.
 - Charges for services revenue increased by approximately \$236,900 or 17% mainly due to increased use of the City's parks and recreation facilities and programs.
- Expenditures increased \$2,092,399 or 13%. The expenditure categories that changed the most include public safety which increased \$878,869 or 13% due to increased payroll and payroll taxes of \$871,300 or 26% and economic environment which decreased by \$102,022 or 65% due to staff allocated to this function thus reducing payroll and payroll related expenditures. Additionally,
 - Culture/recreation expenditures increased by \$402,034 or 7% due to a wide variety of changes across a myriad of expenditure accounts and includes an approximate increase on payroll and payroll taxes of \$162,400 or 6% and increased repair and maintenance expenditures of approximately \$96,000 or 43%.

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 \$1,567,118. The change in fund balance for the year improved from a increase of \$405,938 in 2021 to an increase of \$653,808 in 2022, an improvement of \$247,870.

Following is a summary of the significant changes from 2021 to 2022:

- Total property tax increment revenue increased by \$199,975 or 17% due to increased millage rates within the CRA District.
- Total expenditures decreased by \$45,110 or 6% mainly due to decreased redevelopment projects and program expenditures.

Proprietary Funds. The City's proprietary funds provide essentially the same type of information found in the government-wide financial statements, but presented by fund, and is in more detail. The City's proprietary funds consist of seven enterprise funds, four of which are reported as major funds. An overall picture of the operating results of the combined enterprise funds was addressed above in the discussion of the City's business-type activities. Following are the highlights of the changes from 2021 to 2022, by major fund:

- In the Electric Fund, the change in net position improved from an increase of \$1,295,756 in 2021 to an increase of \$3,578,307 in 2022, an improvement of \$2,282,551 or 176%. The improvement was due to the Electric Fund receiving \$2,910,555 in contributions in aid of construction in 2022. These revenues were not available in 2021 and are not expected to be recurring in the future.
- In the Water Fund, the change in net position improved from an increase of \$1,429,777 in 2021 to an increase of \$2,353,043 in 2022, an improvement of \$923,266 or 65%. Operating revenue decreased by \$77,768 or 2% and operating expenses increased by \$345,729 or 9%. Capital grants and contributions increased by \$1,374,381 or 242% due to increased impact fees and the recording of \$1,183,984 of donated water system infrastructure in 2022.
- In the Wastewater Fund, the change in net position improved from an increase of \$1,502,937 in 2021 to an increase of \$5,947,129 in 2022, an improvement of \$4,444,192 or 296%. Operating revenue increased by \$47,389 or 1% and operating expenses increased by \$368,650 or 9%. Capital grants and contributions increased by \$4,750,314 or 431% due to increased impact fees, the recording of \$2,042,491 of donated wastewater system infrastructure and recognizing \$2,845,959 of ARPA SLFRF grant revenue in 2022.
- In the Airport Fund, the change in net position in 2021 was a negative \$818,021 compared to a positive \$516,291 in 2022, resulting in an improvement of \$1,334,312. Operating revenue increased by \$932,900 or 21%, and operating expenses increased by \$381,397 or 7%. Capital grants increased by \$445,556 or 115% in 2022 compared to 2021.
- In the combined Non-Major Funds, the change in net position was a negative \$259,101 in 2021 compared to a negative \$439,254 in 2022, a deterioration of \$180,153 or 70%. Operating revenues decreased by \$22,814 or 1% and operating expenses increased \$74,843 or 2%. 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 \$64,811,197 of net position restricted for pension benefits on September 30, 2022. This is a decrease of \$15,182,581 or 19% for the year. The combined funds reported net investment income of \$12,611,580 for 2021 compared to a net investment loss of \$14,366,372 in 2022. 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 2022 General Fund budget anticipated using \$2,892,612 of beginning fund balance during 2022. Amendments to the original budget during 2022 increased anticipated revenues, decreased budgeted expenditures and increased other financing uses resulting in a final *budgeted* surplus of \$2,830,573 (final budget), and included the following:

- The original budget for revenue was increased by \$1,569,975 due to greater than initially anticipated licenses and permit revenue as well as intergovernmental revenue.
- The original budget for expenditures was reduced by \$3,195,597. Amendments included reductions to the general government budget totaling \$950,548 (mainly in the commission, city manager and finance departments) reductions to public safety of \$152,600, reductions to the culture/recreation budget totaling \$1,295,551 and reductions to the physical environment ("public works") budget totaling \$693,164.
- The original budget for other financing uses was decreased by \$957,613 to reflect lower than initially anticipated interfund transfers out of the general fund.

Actual results for 2022 increased beginning fund balance by \$893,559 which is \$1,937,014 worse than the final budget discussed above. Actual revenues came in \$1,210,029 or 9% less than the final amended budget. Expenditures came in \$652,853 or 4% more than the final amended budget, spread across all departments. Actual other financing sources (uses) were \$74,132 less than the final amended budget.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets includes land, buildings and improvements, infrastructure, and equipment, net of accumulated depreciation. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, totals \$113,679,406 (net of accumulated depreciation), an increase of \$15,636,693 for the current year. Governmental activities' net additions were \$3,120,197 and depreciation expense was \$1,214,112 for a net increase of \$1,906,085. Business-type net additions were \$18,508,931, depreciation expense was \$4,703,452, and the book value of assets disposed was \$74,871 for a net increase of \$13,730,608. 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 6,799,618	\$ 6,799,618	\$ 1,662,582	\$ 1,662,582	\$ 8,462,200	\$ 8,462,200
Buildings and improvements	16,925,918	15,947,650	150,668,563	142,218,890	167,594,481	158,166,540
Equipment	8,218,700	7,638,635	13,884,099	12,865,249	22,102,799	20,503,884
Infrastructure	35,035,241	33,820,085	-	-	35,035,241	33,820,085
Construction in progress	263,996	152,097	22,099,109	13,352,593	22,363,105	13,504,690
Accumulated Depreciation	(40,253,558)	(39,274,255)	(101,624,862)	(97,140,431)	(141,878,420)	(136,414,686)
Total	<u>\$ 26,989,915</u>	<u>\$ 25,083,830</u>	<u>\$ 86,689,491</u>	<u>\$ 72,958,883</u>	<u>\$ 113,679,406</u>	<u>\$ 98,042,713</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, 2022

Long-term obligations. At the end of the current fiscal year, the City's long-term obligations totaled \$75,935,777 compared to \$71,372,585 at the end of 2021. 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	
	2022	2021	2022	2021	2022	2021
Bonds and notes payable	\$ 930,145	\$ 1,224,841	\$ 30,286,678	\$ 19,509,837	\$ 31,216,823	\$ 20,734,678
Estimated workers compensation claims	509,329	577,828	-	-	509,329	577,828
Other post employment benefits	27,173,871	26,733,265	11,022,483	10,724,328	38,196,354	37,457,593
Net pension liability	2,201,719	7,652,025	1,279,385	2,420,207	3,481,104	10,072,232
Compensated absences	1,483,668	1,557,037	1,048,499	973,217	2,532,167	2,530,254
Total	<u>\$ 32,298,732</u>	<u>\$ 37,744,996</u>	<u>\$ 43,637,045</u>	<u>\$ 33,627,589</u>	<u>\$ 75,935,777</u>	<u>\$ 71,372,585</u>

At the end of the current fiscal year, the City's *long-term debt* totaled \$31,216,823, compared to the balance of \$20,734,678 at the end of 2021, an increase of \$10,482,145 or 51%. Of the year-end balance, \$930,145 was in governmental activities and \$30,286,678 was in business-type activities. The net increase in long-term debt for 2022 was attributable to increased borrowing for sewer system improvements partially offset by scheduled principal payments and amortization of bond discounts and deferred refunding losses.

Long-term obligations other than long-term debt consist of obligations related to workers compensation claims, total OPEB liability, accrued compensated absences and net pension liabilities. At the end of the current fiscal year, the City's long-term obligations other than long-term debt totaled \$44,718,954 compared to \$50,637,907 at the end of 2021. Of the year-end balance, \$31,368,587 was in governmental activities and \$13,350,367 was in business-type activities. The total OPEB liability increased by \$738,761 during 2022 and the net pension liabilities decreased by \$7,588,141 (including the increase in the net pension asset during 2022).

CITY OF BARTOW, FLORIDA

Management's Discussion and Analysis

September 30, 2022

Factors considered in preparing the City's 2022-23 fiscal year budget were:

- The unemployment rate for the Central Florida area as of October 2022 was 3.5%, compared to 2.9% state-wide and 3.6% nationally.
- The operating millage rate for the 2022-23 fiscal year increased from \$4.0000 to \$4.6080 per \$1,000.00 of taxable value.
- The taxable value of commercial and residential property increased \$140,298,357 or 17% in the 2022 tax year (fiscal year ending September 30, 2023).
- 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 began 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 increased to approximately 19,653 or 1% in 2022 based on State estimates. No significant changes in population are expected for the 2022-23 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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 11,311,275	\$ 30,387,532	\$ 41,698,807
Investment securities	12,180,156	4,442,765	16,622,921
Receivables, current:			
Customer accounts, net	491,850	12,581,953	13,073,803
Intergovernmental and other	823,629	91,688	915,317
Lease receivable	-	1,610,293	1,610,293
Accrued income	16,096	-	16,096
Inventory and prepaids	259,754	2,031,225	2,290,979
Net pension asset	997,013	-	997,013
Receivables, noncurrent:			
Customer accounts, net	-	2,566,618	2,566,618
Lease receivable	-	11,981,307	11,981,307
Restricted assets:			
Equity in pooled cash and cash equivalents	4,673,096	20,569,908	25,243,004
Customer receivable	100,459	265,315	365,774
Capital assets:			
Non-depreciable	7,063,614	23,761,691	30,825,305
Depreciable, net	19,926,301	62,927,800	82,854,101
TOTAL ASSETS	57,843,243	173,218,095	231,061,338
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	4,179,402	1,087,313	5,266,715
Deferred outflows - loss on refunding	-	198,488	198,488
Deferred outflows related to OPEB	6,451,448	2,282,472	8,733,920
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,630,850	3,568,273	14,199,123
LIABILITIES			
Accounts payable and accrued expenses	906,867	4,414,941	5,321,808
Construction costs payable	324,341	2,086,247	2,410,588
Accrued wages	719,037	300,351	1,019,388
Due to other governments	163,057	-	163,057
Unearned revenue	3,348	10,106,703	10,110,051
Accrued interest payable	7,503	148,278	155,781
Customer deposits	-	2,751,066	2,751,066
Long-term obligations:			
Due within one year	300,836	2,105,098	2,405,934
Due in more than one year	31,997,896	41,531,947	73,529,843
TOTAL LIABILITIES	34,422,885	63,444,631	97,867,516
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	6,560,461	1,389,292	7,949,753
Deferred inflows related to OPEB	4,564,208	1,587,827	6,152,035
Deferred inflows related to leases	-	13,434,983	13,434,983
Total deferred inflows of resources	11,124,669	16,412,102	27,536,771
NET POSITION			
Net investment in capital assets	25,735,429	56,442,295	82,177,724
Restricted for:			
General government facilities	1,252,657	-	1,252,657
Community redevelopment	1,565,868	-	1,565,868
Transportation	1,522,427	-	1,522,427
Municipal Airport activities	-	2,558,427	2,558,427
Debt service	-	1,513,436	1,513,436
Water and wastewater improvements	-	4,564,159	4,564,159
Unrestricted	(7,149,842)	31,851,318	24,701,476
TOTAL NET POSITION	\$ 22,926,539	\$ 96,929,635	\$ 119,856,174

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Activities

For the year ended September 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grant and Contributions	Capital Grant and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 4,279,212	\$ (1,314,699)	\$ 131,876	\$ 75,003	\$ 199,776	\$ (2,557,858)	\$ -	\$ (2,557,858)
Law enforcement	6,982,864	-	236,406	473,256	21,278	(6,251,924)	-	(6,251,924)
Fire control	2,736,629	-	1,338,354	127,373	-	(1,270,902)	-	(1,270,902)
Building and zoning	446,199	-	585,407	-	-	139,208	-	139,208
Public works	1,094,129	(35,542)	-	-	-	(1,058,587)	-	(1,058,587)
Transportation	1,547,843	-	132,070	-	500,007	(915,766)	-	(915,766)
Library	1,596,649	-	10,835	712,294	-	(873,520)	-	(873,520)
Parks and recreation	4,967,436	-	1,127,340	-	421,195	(3,418,901)	-	(3,418,901)
Community redevelopment	530,619	-	-	-	-	(530,619)	-	(530,619)
Interest on long-term debt	27,264	-	-	-	-	(27,264)	-	(27,264)
Total governmental activities	24,208,844	(1,350,241)	3,562,288	1,387,926	1,142,256	(16,766,133)	-	(16,766,133)
Business-type activities								
Electric	33,129,513	527,782	43,610,386	3,183	2,910,555	-	12,866,829	12,866,829
Water	4,408,821	241,497	5,048,669	-	1,941,980	-	2,340,331	2,340,331
Wastewater	4,342,856	216,939	5,201,130	-	5,851,468	-	6,492,803	6,492,803
Sanitation	3,769,205	227,234	3,745,040	-	-	-	(251,399)	(251,399)
Stormwater	542,386	71,620	579,757	-	-	-	(34,249)	(34,249)
Information technology	199,720	65,169	154,236	-	-	-	(110,653)	(110,653)
Airport	6,011,924	-	5,325,557	59,000	834,369	-	207,002	207,002
Total business-type activities	52,404,425	1,350,241	63,664,775	62,183	11,538,372	-	21,510,664	21,510,664
TOTAL PRIMARY GOVERNMENT	\$ 76,613,269	\$ -	\$ 67,227,063	\$ 1,450,109	\$ 12,680,628	\$ (16,766,133)	\$ 21,510,664	\$ 4,744,531
GENERAL REVENUES								
Taxes:								
Property taxes, levied for general purposes						2,744,430	-	2,744,430
Property taxes, levied for community redevelopment purposes						1,399,634	-	1,399,634
Public service taxes and franchise fees						2,784,300	-	2,784,300
Fuel taxes levied for transportation purposes						1,125,176	-	1,125,176
State shared revenue						2,940,849	-	2,940,849
Investment earnings (loss)						(1,161,629)	238,469	(923,160)
Miscellaneous						447,027	141,059	588,086
Gain (loss) on disposal of capital assets						127,200	(17,925)	109,275
TRANSFERS						9,916,751	(9,916,751)	-
Total general revenues and transfers						20,323,738	(9,555,148)	10,768,590
CHANGE IN NET POSITION						3,557,605	11,955,516	15,513,121
NET POSITION, beginning of year						19,368,934	84,974,119	104,343,053
NET POSITION, end of year						\$ 22,926,539	\$ 96,929,635	\$ 119,856,174

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Balance Sheet – Governmental Funds

September 30, 2022

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
ASSETS				
Equity in pooled cash and cash equivalents	\$ 11,311,275	\$ 1,596,568	\$ 212,176	\$ 13,120,019
Investments	12,180,156	-	-	12,180,156
Receivables, net				
Customer accounts, net	491,225	-	625	491,850
Intergovernmental and other	629,619	-	194,010	823,629
Accrued income	16,096	-	-	16,096
Inventory	166,748	-	-	166,748
Prepaid expenditures	81,999	1,250	9,757	93,006
Restricted assets:				
Cash and cash equivalents	1,252,657	-	1,611,695	2,864,352
Customer receivables	43,693	-	56,766	100,459
TOTAL ASSETS	\$ 26,173,468	\$ 1,597,818	\$ 2,085,029	\$ 29,856,315
LIABILITIES				
Accounts payable	728,063	30,700	148,104	906,867
Construction costs payable	160,740	-	163,601	324,341
Accrued payroll	589,496	-	129,541	719,037
Accrued claims payable	509,329	-	-	509,329
Due to other governments	163,057	-	-	163,057
Unearned revenue	3,348	-	-	3,348
TOTAL LIABILITIES	2,154,033	30,700	441,246	2,625,979
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	121,226	-	56,766	177,992
FUND BALANCE				
Nonspendable:				
Inventory	166,748	-	-	166,748
Prepays	81,999	1,250	9,757	93,006
Restricted for:				
Transportation improvements	-	-	1,353,616	1,353,616
Transportation activities	-	-	168,811	168,811
Facilities improvements	1,252,657	-	-	1,252,657
Redevelopment	-	1,565,868	-	1,565,868
Assigned to:				
Fire services	-	-	54,833	54,833
Subsequent year budget	2,934,821	-	-	2,934,821
Unassigned	19,461,984	-	-	19,461,984
TOTAL FUND BALANCES	23,898,209	1,567,118	1,587,017	27,052,344
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 26,173,468	\$ 1,597,818	\$ 2,085,029	\$ 29,856,315

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDAReconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
September 30, 2022

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

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 27,052,344
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	26,989,915
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities	177,992
The net pension assets are not current financial resources and therefore are not reported in the governmental funds.	997,013
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.	10,630,850
Deferred inflows of resources represent an increase in net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	(11,124,669)
Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in governmental funds.	(7,503)
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	(32,298,732)
This is the amount of workers' comp liability recorded at the fund level	509,329
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 22,926,539</u></u>

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

For the year ended September 30, 2022

	General Fund	Community Redevelopment Agency	Non-major Governmental Funds	Total
REVENUES:				
Taxes	\$ 5,702,020	\$ 1,399,634	\$ 1,248,589	\$ 8,350,243
Licenses and permits	565,255	-	-	565,255
Intergovernmental revenue	3,938,729	-	489,051	4,427,780
Charges for services	1,605,057	-	1,462,917	3,067,974
Fines and forfeitures	204,475	-	225	204,700
Investment loss, net	(1,168,517)	-	-	(1,168,517)
Other	767,380	3,441	266,329	1,037,150
Total revenues	<u>11,614,399</u>	<u>1,403,075</u>	<u>3,467,111</u>	<u>16,484,585</u>
EXPENDITURES:				
General government	2,738,277	-	-	2,738,277
Public safety	7,514,070	-	2,953,860	10,467,930
Physical environment	617,598	-	-	617,598
Economic environment	54,375	511,779	-	566,154
Transportation	-	-	934,519	934,519
Culture/recreation	5,827,861	-	-	5,827,861
Capital outlay	1,885,807	-	1,700,197	3,586,004
Debt service	86,852	237,488	-	324,340
Total expenditures	<u>18,724,840</u>	<u>749,267</u>	<u>5,588,576</u>	<u>25,062,683</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,110,441)</u>	<u>653,808</u>	<u>(2,121,465)</u>	<u>(8,578,098)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,916,751	-	1,944,951	11,861,702
Transfers (out)	(1,944,951)	-	-	(1,944,951)
Sale of general capital assets	32,200	-	16,000	48,200
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,004,000</u>	<u>-</u>	<u>1,960,951</u>	<u>9,964,951</u>
NET CHANGE IN FUND BALANCE	893,559	653,808	(160,514)	1,386,853
FUND BALANCE, beginning of year	<u>23,004,650</u>	<u>913,310</u>	<u>1,747,531</u>	<u>25,665,491</u>
FUND BALANCE, end of year	<u>\$ 23,898,209</u>	<u>\$ 1,567,118</u>	<u>\$ 1,587,017</u>	<u>\$ 27,052,344</u>

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds to the Statement of Activities
For the year ended September 30, 2022

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	1,386,853
---	-----------	------------------

Governmental funds report capital outlay as expenditures. However,
in the statement of activities, the cost of these assets is allocated over
their estimated useful lives and reported as depreciation expense.

This is the amount of capital assets recorded in the current period.	3,120,197
This is the amount of depreciation recorded in the current period.	(1,214,112)

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	8,120
---	-------

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.	294,696
This is the change in accrued interest payable on long-term obligations.	2,377
This is the change in accrued compensated absences during the year.	73,369

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.	(202,725)
This amount represents the change in deferred outflows related to OPEB.	(1,475,230)
This amount represents the change in the total OPEB liability.	(440,606)

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.	(4,426,666)
This amount represents the change in deferred outflows related to pensions.	(15,987)
This amount represents the change in the net pension liability (asset).	6,447,319

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	3,557,605
--	-----------	------------------

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

September 30, 2022

	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	\$ 6,260,361	\$ 1,866,703	\$ 10,984,599	\$ 4,083,383	\$ 7,192,486	\$ 30,387,532
Investment securities	3,637,580	805,185	-	-	-	4,442,765
Receivables:						
Customers, net	10,266,994	622,316	810,904	80,294	801,445	12,581,953
Lease receivable, current	-	16,569	-	1,593,724	-	1,610,293
Intergovernmental and other	5,738	1,410	-	84,540	-	91,688
Inventory and prepaids	1,635,280	159,236	23,790	130,629	82,290	2,031,225
Total current assets	21,805,953	3,471,419	11,819,293	5,972,570	8,076,221	51,145,456
Noncurrent assets:						
Restricted assets:						
Equity in pooled cash and cash equivalents	2,673,035	7,792,108	10,104,765	-	-	20,569,908
Customer receivable	-	153,418	111,897	-	-	265,315
Receivables, noncurrent	2,566,618	-	-	-	-	2,566,618
Lease receivable, noncurrent	-	652,009	-	11,329,298	-	11,981,307
Capital assets:						
Non-depreciable	329,762	726,504	20,442,747	1,962,483	300,195	23,761,691
Depreciable, net	14,938,501	12,146,457	16,858,001	15,362,934	3,621,907	62,927,800
Total noncurrent assets	20,507,916	21,470,496	47,517,410	28,654,715	3,922,102	122,072,639
Total assets	42,313,869	24,941,915	59,336,703	34,627,285	11,998,323	173,218,095
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	537,588	178,235	131,241	-	240,249	1,087,313
Deferred outflows - refunding loss	-	198,488	-	-	-	198,488
Deferred outflows related to OPEB	1,085,501	323,841	299,753	38,097	535,280	2,282,472
Total deferred outflows of resources	1,623,089	700,564	430,994	38,097	775,529	3,568,273

Continued...

See Accompanying Notes to Financial Statements

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

September 30, 2022

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
LIABILITIES						
Current liabilities:						
Accounts payable	3,862,365	115,946	138,154	91,519	206,957	4,414,941
Construction costs payable	-	-	1,805,424	28,323	252,500	2,086,247
Accrued wages	151,694	39,002	40,762	21,338	47,555	300,351
Unearned revenue	2,104	2,699	10,011,437	90,463	-	10,106,703
Bonds and notes payable, current	94,756	1,534,405	475,937	-	-	2,105,098
Total current liabilities	4,110,919	1,692,052	12,471,714	231,643	507,012	19,013,340
Noncurrent liabilities:						
Liabilities payable from restricted assets:						
Customer deposits	2,673,035	-	-	78,031	-	2,751,066
Interest payable	2,363	131,108	14,807	-	-	148,278
Compensated absences	367,626	204,522	159,319	147,009	170,023	1,048,499
Post employment obligation payable	4,572,191	1,364,036	1,262,575	1,569,052	2,254,629	11,022,483
Net pension liability	632,552	209,720	154,424	-	282,689	1,279,385
Bonds and notes payable, noncurrent portion	198,214	11,137,481	16,845,885	-	-	28,181,580
Total noncurrent liabilities	8,445,981	13,046,867	18,437,010	1,794,092	2,707,341	44,431,291
Total liabilities	12,556,900	14,738,919	30,908,724	2,025,735	3,214,353	63,444,631
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	686,892	227,736	167,690	-	306,974	1,389,292
Deferred inflows related to OPEB	767,959	229,108	212,066	-	378,694	1,587,827
Deferred inflows related to leases	-	650,857	-	12,784,126	-	13,434,983
Total deferred inflows of resources	1,454,851	1,107,701	379,756	12,784,126	685,668	16,412,102
NET POSITION						
Net investment in capital assets	14,975,293	2,326,804	18,173,502	17,297,094	3,669,602	56,442,295
Restricted for:						
Debt retirement	-	1,437,646	75,790	-	-	1,513,436
Utility system improvements (expendable)	-	4,449,531	114,628	-	-	4,564,159
Municipal airport activities	-	-	-	2,558,427	-	2,558,427
Unrestricted	14,949,914	1,581,878	10,115,297	-	5,204,229	31,851,318
Total net position	\$ 29,925,207	\$ 9,795,859	\$ 28,479,217	\$ 19,855,521	\$ 8,873,831	\$ 96,929,635

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDAStatement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
For the year ended September 30, 2022

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
OPERATING REVENUES:						
Charges for services	\$ 43,610,386	\$ 5,048,669	\$ 5,201,130	\$ 5,325,557	\$ 4,479,033	\$ 63,664,775
Total operating income	43,610,386	5,048,669	5,201,130	5,325,557	4,479,033	63,664,775
OPERATING EXPENSES:						
Personnel services	3,074,357	1,124,400	764,689	1,648,234	1,549,798	8,161,478
Purchased power	25,742,443	-	-	-	-	25,742,443
Operating expenses	4,048,772	2,322,707	2,340,322	3,143,360	2,858,180	14,713,341
Depreciation	783,136	882,129	1,351,329	1,219,502	467,356	4,703,452
Total operating expenses	33,648,708	4,329,236	4,456,340	6,011,096	4,875,334	53,320,714
OPERATING INCOME (LOSS)	9,961,678	719,433	744,790	(685,539)	(396,301)	10,344,061
NONOPERATING REVENUE (EXPENSE)						
Investment income (loss)	(46,782)	(49,994)	16,203	309,289	9,753	238,469
Interest expense	(8,587)	(321,082)	(103,455)	(828)	-	(433,952)
Intergovernmental	3,183	-	-	59,000	-	62,183
Gain (loss) on disposal of property	45,511	-	8,200	-	(71,636)	(17,925)
Other, net	29,500	62,706	29,923	-	18,930	141,059
Total nonoperating revenues (expense)	22,825	(308,370)	(49,129)	367,461	(42,953)	(10,166)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	9,984,503	411,063	695,661	(318,078)	(439,254)	10,333,895
CAPITAL CONTRIBUTIONS						
Capital grants and contributions	2,910,555	1,183,984	5,191,470	834,369	-	10,120,378
Impact fees	-	757,996	659,998	-	-	1,417,994
Total capital contributions	2,910,555	1,941,980	5,851,468	834,369	-	11,538,372
TRANSFERS IN (OUT)	(9,316,751)	-	(600,000)	-	-	(9,916,751)
CHANGE IN NET POSITION	3,578,307	2,353,043	5,947,129	516,291	(439,254)	11,955,516
NET POSITION, beginning of year	26,346,900	7,442,816	22,532,088	19,339,230	9,313,085	84,974,119
NET POSITION, end of year	\$ 29,925,207	\$ 9,795,859	\$ 28,479,217	\$ 19,855,521	\$ 8,873,831	\$ 96,929,635

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Cash Flows – Proprietary Funds

For the year ended September 30, 2022

	Business Type Activities - Enterprise Funds					
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 35,632,697	\$ 5,029,299	\$ 5,072,704	\$ 4,754,177	\$ 4,159,728	\$ 54,648,605
Payments to suppliers	(28,346,868)	(2,305,290)	(2,248,496)	(1,565,678)	(2,856,001)	(37,322,333)
Payments for salaries and benefits	(2,806,154)	(999,402)	(714,462)	(3,222,391)	(1,393,687)	(9,136,096)
Net cash flows from operating activities	4,479,675	1,724,607	2,109,746	(33,892)	(89,960)	8,190,176
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers to other funds	(9,316,751)	-	(600,000)	-	-	(9,916,751)
Operating grants	3,183	-	-	59,000	-	62,183
Increase (decrease) in deposits	(15,489)	-	-	11,924	-	(3,565)
Net cash flows from noncapital financing activities	(9,329,057)	-	(600,000)	70,924	-	(9,858,133)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets, net of related payables	(3,675,883)	(573,015)	(9,814,244)	(1,357,622)	(670,592)	(16,091,356)
Loan proceeds	-	-	12,876,346	-	-	12,876,346
Principal paid on notes, bonds and lease obligations	(92,823)	(1,502,479)	(105,074)	(38,507)	-	(1,738,883)
Interest paid on borrowings and other debt costs	(9,336)	(281,468)	(465,696)	(2,484)	-	(758,984)
Proceeds from the sale of assets	45,511	-	11,433	-	-	56,944
Capital contributions and impact fees received, net of change in related receivables	2,910,555	752,889	11,048,612	903,025	-	15,615,081
Net cash flows from capital and related financing activities	(821,976)	(1,604,073)	13,551,377	(495,588)	(670,592)	9,959,148
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on invested funds	309,900	45,750	16,203	309,289	9,754	690,896
Other income	29,500	44,985	29,923	-	18,930	123,338
Purchase of investments	(4,000,000)	-	-	-	-	(4,000,000)
Net cash flows from investing activities	(3,660,600)	90,735	46,126	309,289	28,684	(3,185,766)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,331,958)	211,269	15,107,249	(149,267)	(731,868)	5,105,425
CASH AND CASH EQUIVALENTS, beginning of year	18,265,354	9,447,542	5,982,115	4,232,650	7,924,354	45,852,015
CASH AND CASH EQUIVALENTS, end of year	\$ 8,933,396	\$ 9,658,811	\$ 21,089,364	\$ 4,083,383	\$ 7,192,486	\$ 50,957,440
As shown in the Accompanying Financial Statements						
Equity in cash and investments	\$ 6,260,361	\$ 1,866,703	\$ 10,984,599	\$ 4,083,383	\$ 7,192,486	\$ 30,387,532
Restricted equity in cash and investments	2,673,035	7,792,108	10,104,765	-	-	20,569,908
Total cash and cash equivalents	\$ 8,933,396	\$ 9,658,811	\$ 21,089,364	\$ 4,083,383	\$ 7,192,486	\$ 50,957,440

Continued...

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (concluded)

For the year ended September 30, 2022

	Business Type Activities - Enterprise Funds					Total
	Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Non-major Funds	
Noncash financing and investing activities:						
Donated infrastructure	\$ -	\$ 1,183,983	\$ 2,042,491	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 9,961,678	\$ 719,433	\$ 744,790	\$ (685,539)	\$ (396,301)	\$ 10,344,061
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	783,136	882,129	1,351,329	1,219,502	467,356	4,703,452
(Increase) decrease in inventory and prepaids	(456,863)	(59,794)	(6,848)	(56,932)	(9,214)	(589,651)
(Increase) decrease in accounts receivable	(7,977,783)	(19,448)	(128,426)	(44,598)	(319,305)	(8,489,560)
(Increase) decrease in leases receivables	-	-	-	1,015,679	-	1,015,679
Increase (decrease) in lease related deferred inflows	-	-	-	(1,489,656)	-	(1,489,656)
Increase (decrease) in accounts payable	1,901,210	77,211	98,674	(22,099)	11,393	2,066,389
Increase (decrease) in accrued wages and compensated absences	79,169	47,449	20,386	26,285	23,894	197,183
(Increase) decrease in OPEB related deferred outflows	244,954	73,078	67,642	(427)	101,394	486,641
Increase (decrease) in the total OPEB liability	85,142	25,401	23,511	56,698	107,403	298,155
Increase (decrease) in OPEB related deferred inflows	35,905	10,712	9,915	-	28,378	84,910
(Increase) decrease in pension related deferred outflows	(128,069)	(54,006)	(19,296)	-	(46,183)	(247,554)
Increase (decrease) in the net pension liability	(547,693)	(148,312)	(168,204)	-	(276,613)	(1,140,822)
Increase (decrease) in pension related deferred inflows	498,795	170,676	116,273	-	217,838	1,003,582
Increase (decrease) in unearned revenue and other	94	78	-	(52,805)	-	(52,633)
Net cash flows from operating activities	\$ 4,479,675	\$ 1,724,607	\$ 2,109,746	\$ (33,892)	\$ (89,960)	\$ 8,190,176

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2022

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 184,933	\$ 223,159
Receivables:		
City and plan members	145,474	-
State of Florida	781	-
Due from broker	4,618	-
Accrued income	20,610	-
Total receivables	171,483	-
Prepaid expenses	180,710	-
Investments, at fair value:		
Short-term money market funds	1,305,215	-
Fixed income investments	15,699,953	-
Equity securities	37,134,328	-
Diversified mutual fund	1,546,349	-
Real estate investments	8,675,350	-
Total investments	64,361,195	-
Total assets	64,898,321	223,159
LIABILITIES		
Accounts payable	56,577	-
Accrued benefits payable	30,547	-
Due to other governments	-	223,159
Total Liabilities	87,124	223,159
NET POSITION		
Restricted for pension benefits	\$ 64,811,197	\$ -

See Accompanying Notes to Financial Statements

CITY OF BARTOW, FLORIDA

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2022

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
City	\$ 2,768,277	\$ -
Plan members	476,210	-
State of Florida	296,702	-
Fees collected on behalf of other governments	-	2,453,709
Total contributions	3,541,189	2,453,709
Investment loss	(14,148,906)	-
Less investment expenses:		
Performance evaluation	67,000	-
Custodial fees	36,458	-
Investment management fees	114,008	-
Total investment expenses	217,466	-
Net investment income	(14,366,372)	-
Total additions	(10,825,183)	2,453,709
DEDUCTIONS		
Administrative expenses:		
Legal	87,874	-
Administrator fee	67,833	-
Actuarial	78,961	-
Travel, training and other	5,365	-
Accounting	16,813	-
Insurance	13,783	-
Audit	16,500	-
Total administrative expenses	287,129	-
Remittance of fees to other governments	-	2,453,709
Payments to retirees and participants	4,070,269	-
Total deductions	4,357,398	2,453,709
CHANGE IN NET POSITION	(15,182,581)	-
NET POSITION, beginning of year	79,993,778	-
NET POSITION, end of year	\$ 64,811,197	\$ -

See Accompanying Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

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

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

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

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

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

B. BASIS OF PRESENTATION

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

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

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

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

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

Governmental Funds:

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

Reported as Major Funds:

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

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

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

Reported as Non-Major Governmental Funds:

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

Proprietary Funds:

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

Reported as Major Enterprise Funds:

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

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

Reported as Non-Major Enterprise Funds:

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

Fiduciary Funds:

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

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

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

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

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

CUSTOMER ACCOUNTS RECEIVABLE - The City accrues unbilled service of its enterprise funds representing the estimated value of service from the last billing date to year-end, which totaled \$2,944,367 on September 30, 2022. 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, 2022, business-type activities and governmental activities reserves for doubtful accounts totaled \$78,380 and \$1,393,174, respectively. Receivables are reported in the financial statements net of the reserve for doubtful accounts.

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

NOTES RECEIVABLE - In the Community Redevelopment Agency, notes receivable represents loans to property owners to fund property improvements and are secured by first mortgage liens on the related properties with payment terms extending to five years. In some cases, the notes will be forgiven if certain conditions are met by the property owner. Certain of the loans are non-interest bearing and have been discounted to reflect a 5% annual interest rate which is being amortized to income over the life of the related loans. There was no discount amortization for 2022. The notes, which have a face value of \$784,000, are reduced by an allowance representing management's estimate of uncollectible amounts which totaled \$784,000 on September 30, 2022 resulting in a carrying value of zero at September 30, 2022 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 are financing activities separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

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

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

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

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

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

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

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

COMPENSATED ABSENCES – The City 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 \$173,289 and \$123,413, respectively, for the fiscal year ended September 30, 2022. 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, 2022, the governmental activities had a deficit unrestricted net position of \$7,149,842.

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

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

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

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

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

- *Committed* — This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission. These amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City did not have any committed resources as of September 30, 2022.
- *Assigned* — This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City Manager through the budgetary process. The City reports assigned fund balance that was budgeted to cover the difference between estimated revenue and appropriations in the subsequent year's budget.
- *Unassigned* — This classification is 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.

LEASES -

Lessee: The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements when the initial, individual value of the lease liability is \$5,000 or more. For the year ended September 30, 2022, the City reports no right-to-use lease assets or lease liabilities.

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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

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

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

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

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

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the City is established by the City Commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, the County, independent districts and the County School Board tax requirements. State statutes permit cities to levy property taxes at a rate of up to 10 mills. The City's millage rate in effect for the fiscal year ended September 30, 2022 was 4.0000.

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

NOTE 3 - BUDGETARY LAW AND PRACTICE

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

Adjustment of Appropriations:

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

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

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- *Compliance with Finance Related Legal and Contractual Provisions* - the City had no material violations of finance related legal and contractual provisions.
- *Deficit Fund Balance or Net Position of Individual Funds* - As of September 30, 2022, 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, 2022, total actual expenditures exceeded total fund budgeted appropriations by \$652,853 in the general fund, \$159,144 in the transportation special revenue fund, and \$50,755 in the fire service special revenue fund.

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

Equity in pooled cash and cash equivalents:

Cash on hand	\$	7,680
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits		62,226,190
Investments:		
Florida Safe - investment pool		1,583,948
FLCLASS - investment pool		3,123,993
Total equity in pooled cash and cash equivalents	\$	<u>66,941,811</u>

Investments:

U.S. Government and U.S. Government Agencies	\$	<u>16,622,921</u>
--	----	-------------------

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

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

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

INVESTMENTS - The types of investments that the City may invest 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, 2022 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+	\$ 13,721,966	3.02
U.S. Government Agencies	AA+	2,900,955	2.94
		<u>16,622,921</u>	
Investments measured at amortized cost and reported as a cash and cash equivalent:			
Florida Safe - investment pool	AAAm	1,583,948	0.11
FLCLASS - investment pool	AAAm	3,123,993	0.07
		<u>\$ 4,707,941</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, 2022, based on measurement criteria as specified:

	Carrying Value	Fair Value			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Treasury Notes	\$ 13,721,966	\$ -	\$ 13,721,966	\$ -	\$ -
U.S. Government Agencies	2,900,955	-	2,900,955	-	-
Florida Safe - investment pool	1,583,948	-	-	-	1,583,948
FLCLASS - investment pool	3,123,993	-	-	-	3,123,993
Total investments	<u>\$ 21,330,862</u>	<u>\$ -</u>	<u>\$ 16,622,921</u>	<u>\$ -</u>	<u>\$ 4,707,941</u>

The City's pension trust funds also held investment securities during the year and on September 30, 2022, which are reported at fair value. The City's pension trust funds have the following carrying values as of September 30, 2022, based on the measurement criteria as specified:

General Employees' Retirement Plan Pension Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Cash and short term money market funds	\$ 590,215	\$ -	\$ -	\$ -	\$ 590,215
Fixed income investments	7,444,963	-	7,444,963	-	-
Diversified mutual fund	1,546,349	-	1,546,349	-	-
Equity investments	18,626,376	3,380,130	15,246,246	-	-
Total investments by fair value level	28,207,903	\$ 3,380,130	\$ 24,237,558	\$ -	\$ 590,215
Investments measured at the net asset value (NAV)					
Real estate fund	4,823,462				
Total investments	\$ 33,031,365				

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	\$ 568,500	\$ -	\$ -	\$ -	\$ 568,500
U.S. Government and agencies	1,048,131	-	1,048,131	-	-
Corporate and foreign obligations	952,143	-	952,143	-	-
Fixed income mutual funds	3,254,550	3,254,550	-	-	-
Equity investments	4,442,067	4,442,067	-	-	-
Equity mutual funds	7,197,542	7,197,542	-	-	-
Total investments	17,462,933	\$ 14,894,159	\$ 2,000,274	\$ -	\$ 568,500
Investments measured at the net asset value (NAV)					
Real estate fund	2,432,771				
Total investments	\$ 19,895,704				

Firefighters' Retirement Trust Fund:

	Fair Value	Level 1	Level 2	Level 3	Amortized Cost
Investments at fair value					
Inflation protected bond funds	\$ 146,500	\$ -	\$ -	\$ -	\$ 146,500
Fixed income investments	3,000,166	3,000,166	-	-	-
Equity investments	6,868,343	6,868,343	-	-	-
Total investments	\$ 10,015,009	\$ 9,868,509	\$ -	\$ -	\$ 146,500
Investments measured at the net asset value (NAV)					
Real estate fund	1,419,117				
Total investments	\$ 11,434,126				

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

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

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

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

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

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

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

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

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

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Short-term money market	AA+	\$ 590,215	
Fixed income investments:			
Dodge & Cox Income Fund	Not Rated	3,799,030	5.5
Metropolitan West T/R Bond Fund	Not Rated	3,645,933	6.8
		\$ 7,444,963	

NOTE 5 - DEPOSITS AND INVESTMENTS (concluded)

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

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

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Fixed income investments:			
U.S. Government obligations	AA+	\$ 170,728	22.60
U.S. Government mortgaged-backed securities	AA+	705,933	23.80
U.S. Government mortgaged-backed securities	Not Rated	171,470	27.50
Inflation protected bond funds	Not Rated	568,500	0.00
Other mutual funds	Not Rated	3,254,550	10.40
Corporate and foreign bonds	AAA to BBB-	952,143	7.79
		<u>\$ 5,823,324</u>	

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

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

Investment Type	S&P Rating	Fair Value	Average Maturity Years
Fixed income investments:			
Inflation protected bond funds	Not Rated	\$ 146,500	0.00
Dodge & Cox Income Fund	Not Rated	3,000,166	10.40
		<u>\$ 3,146,666</u>	

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2022, was as follows:

	Balance October 1, 2021	Transfers	Increases	Decreases	Balance September 30, 2022
<u>Governmental Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 5,211,405	\$ -	\$ -	\$ -	\$ 5,211,405
Infrastructure - land	1,588,213	-	-	-	1,588,213
Construction in process	152,097	(82,059)	193,958	-	263,996
Total capital assets, not being depreciated	6,951,715	(82,059)	193,958	-	7,063,614
Capital assets, being depreciated:					
Buildings and improvements	15,947,650	47,458	1,087,385	(156,575)	16,925,918
Equipment	7,638,635	176,384	658,299	(254,618)	8,218,700
Infrastructure:					
Road network	30,257,461	-	937,778	-	31,195,239
Sidewalk network	3,562,624	34,601	242,777	-	3,840,002
Total capital assets, being depreciated	57,406,370	258,443	2,926,239	(411,193)	60,179,859
Less accumulated depreciation for:					
Buildings and improvements	(10,563,132)	-	(412,161)	156,575	(10,818,718)
Equipment	(6,289,877)	(176,384)	(395,432)	254,618	(6,607,075)
Infrastructure:					
Road network	(19,891,904)	-	(367,970)	-	(20,259,874)
Sidewalk network	(2,529,342)	-	(38,549)	-	(2,567,891)
Total accumulated depreciation	(39,274,255)	(176,384)	(1,214,112)	411,193	(40,253,558)
Total capital assets being depreciated, net	18,132,115	82,059	1,712,127	-	19,926,301
Governmental activities capital assets, net	\$ 25,083,830	\$ -	\$ 1,906,085	\$ -	\$ 26,989,915
<u>Business-type activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 1,662,582	\$ -	\$ -	\$ -	\$ 1,662,582
Construction-in-progress	13,352,593	(924,389)	9,674,138	(3,233)	22,099,109
Total capital assets, not being depreciated	15,015,175	(924,389)	9,674,138	(3,233)	23,761,691
Capital assets, being depreciated:					
Buildings, utility plant and improvements	142,218,890	924,389	7,767,435	(242,151)	150,668,563
Equipment	12,865,249	(16,132)	1,067,358	(32,376)	13,884,099
Total capital assets, being depreciated	155,084,139	908,257	8,834,793	(274,527)	164,552,662
Less accumulated depreciation	(97,140,431)	16,132	(4,703,452)	202,889	(101,624,862)
Total capital assets being depreciated, net	57,943,708	924,389	4,131,341	(71,638)	62,927,800
Business-type activities capital assets, net	\$ 72,958,883	\$ -	\$ 13,805,479	\$ (74,871)	\$ 86,689,491

NOTE 6 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	69,826
Library		54,030
Law enforcement		210,010
Fire control		53,792
Public works		46,978
Transportation		461,299
Parks and recreation		306,728
Community redevelopment		11,449
Total depreciation expense - governmental activities	\$	<u>1,214,112</u>

Business-type Activities:

Electric	\$	783,136
Water		882,129
Wastewater		1,351,329
Airport		1,219,502
Sanitation		359,077
Information Technology		57,639
Stormwater		50,640
Total depreciation expense - business-type activities	\$	<u>4,703,452</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2022:

	Balance October 1, 2021	Increases	Decreases	Balance September 30, 2022	Amounts Due within One Year
Governmental Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	\$ 1,224,841	\$ -	\$ (294,696)	\$ 930,145	\$ 300,836
Total long-term debt	1,224,841	-	(294,696)	930,145	300,836
Other liabilities:					
Estimated workers compensation claims	577,828	-	(68,499)	509,329	-
Other postemployment benefits	26,733,265	440,606	-	27,173,871	-
Net pension liability	7,652,025	-	(5,450,306)	2,201,719	-
Compensated absences	1,557,037	-	(73,369)	1,483,668	-
Total other liabilities	36,520,155	440,606	(5,592,174)	31,368,587	-
Total long-term obligations	\$ 37,744,996	\$ 440,606	\$ (5,886,870)	32,298,732	\$ 300,836
Less amounts due in one year				(300,836)	
Total noncurrent obligations due in more than one year				\$ 31,997,896	
Business-type Activities:					
Long-term debt:					
BB&T Refunding Series 2014-A	\$ 770,158	\$ -	\$ (185,302)	\$ 584,856	\$ 189,161
SRF Construction Loan (No. WW 755040)	4,064,646	-	(367,454)	3,697,192	375,620
SRF Preconstruction Loan (No. WW 75504P)	846,526	-	(98,242)	748,284	100,317
SRF Construction Loan (No. WW 530220)	-	12,876,346	-	12,876,346	-
Water and sewer, Series 2016	13,790,000	-	(1,410,000)	12,380,000	1,440,000
Note payable 2019 - vehicle purchase	38,507	-	(38,507)	-	-
Total bonds and notes payable	19,509,837	12,876,346	(2,099,505)	30,286,678	2,105,098
Other liabilities:					
Other postemployment benefits	10,724,328	298,155	-	11,022,483	-
Net pension liability	2,420,207	-	(1,140,822)	1,279,385	-
Compensated absences	973,217	75,282	-	1,048,499	-
Total other liabilities	14,117,752	373,437	(1,140,822)	13,350,367	-
Total long-term liabilities	\$ 33,627,589	\$ 13,249,783	\$ (3,240,327)	43,637,045	\$ 2,105,098
Less amounts due in one year				(2,105,098)	
Net long-term liabilities in excess of one year				\$ 41,531,947	

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, 2022, the City has \$1,927,240 in the construction fund account and this amount is reported as a component of restricted equity in pooled cash and cash equivalents in the water fund and business-type activities.

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

- SRF Loans - These loans are from the State of Florida Revolving Loan Program ("SRF") to fund pre-construction costs and construction of improvements to the wastewater systems. Agreement No. WW75504P bears interest at 2.38%. Agreement No. WW755040 bears interest at 1.97%. Agreement No. WW530220 is an interest free loan. All three loans are payable semi-annually as to principal and interest of each year with the final payment due August 15, 2031. The loans are secured by a junior lien on the net revenues of the water and sewer systems. Loan WW530220 is for a total of \$23,685,025 of which \$12,876,346 has been drawn as of as of March 31, 2023.

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 required annual payments of principal and interest in the amount of \$40,991 and the note bore 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. This note was paid off in 2022.

Maturities:

Annual requirements to repay all long-term debt as of September 30, 2022, were as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 300,836	\$ 22,509	\$ 2,105,098	\$ 351,516
2024	310,045	15,229	2,750,325	306,261
2025	319,264	7,726	3,405,770	260,012
2026	-	-	3,245,962	212,712
2027	-	-	3,292,133	169,353
2028-2032	-	-	12,878,495	246,862
2033-2037	-	-	2,608,895	-
Total	\$ 930,145	\$ 45,464	\$ 30,286,678	\$ 1,546,716

Pledged Revenues:

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

<u>Pledged Revenue</u>	<u>Revenue Pledged Through</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Net Revenue</u>	<u>Percentage of Net Revenues to Principal and Interest Paid</u>
Water and sewer revenue	8/15/2031	\$ 31,219,947	\$ 2,252,939	\$ 3,756,519	166.74%

NOTE 8 – LEASES

Lease Receivable – In 2022, the City implemented GASB Statement No. 87, Leases and as a result identified the following reportable lease receivables:

- The City reports one lease receivable related to an antenna lease agreement originally executed in 2007. The lease term was originally for an initial 5-year period with the option of 2 separate 5-year renewal periods thereafter. The lease term for each of these leases was originally 15 years ending in 2022 but was amended to extend the lease term to 2042. The City receives monthly payments which are increased each year by 3% and the City recognized \$32,955 in lease revenue during the fiscal year related to this lease. On September 30, 2022, the City's receivable for lease payments was \$668,578. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. On September 30, 2022, the balance of the deferred inflow of resources was \$650,857. The activity related to this lease is reported in the City's water enterprise fund.
- The City's airport fund is a lessor for noncancellable leases of buildings within the airport's industrial park and recognizes a lease receivable and deferred inflow of resources on the statement of net position related to these leases. The terms of the lease agreements are varied but generally establish a fixed lease payment due over the term of the agreement and contain a provision for a cost-of-living increase each year based on the change in the consumer price index (CPI) which was not included in the measurement of the receivable. The airport fund recognized \$2,572,548 of lease revenue during the fiscal year. On September 30, 2022, the airport fund reported lease receivables of \$12,923,022. The airport fund also reports deferred inflows of resources associated with these leases in the amount of \$12,784,126 as of September 30, 2022. The deferred inflows of resources will be recognized as revenue over the various lease terms.

The airport fund is a party to certain regulated lease agreements as lessor of industrial park commercial buildings. These leases are to tenants in the aviation industry and are regulated by the Federal Aviation Administration (FAA). Such leases of 5 years or longer require FAA approval and the FAA requires similar lease rates for similarly situated aviation related leases and prohibits unfair discrimination against certain aviation types. The airport fund recognized \$143,556 of lease revenue from these agreements for the year ended September 30, 2022. A schedule of expected future minimum payments under these agreements are as follows:

Fiscal year Ending September 30,		
2023	\$	132,602
2024		99,741
2025		99,741
2026		73,297
2027		58,863
2028-2032		282,679
2033-2037		240,619
2038-2042		70,232
	\$	<u>1,057,774</u>

NOTE 9 – INTERFUND TRANSACTIONS

There were no interfund receivables and payables as of September 30, 2022.

Interfund transfers in (out) for the year ending September 30, 2022 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	-	586,651	1,358,300	1,944,951
Total	<u>\$ 9,916,751</u>	<u>\$ 586,651</u>	<u>\$ 1,358,300</u>	<u>\$ 11,861,702</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.
- \$586,651 was transferred from the General Fund to the Transportation Fund to provide additional funding for expenses in excess of revenues.
- \$1,358,300 was transferred from the General Fund to the Fire Services Fund to provide additional funding for expenses in excess of revenues.

NOTE 10 – PENSION TRUST FUNDS

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

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

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

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

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

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Contribution rates:			
City and State	17.4%	40.0%	44.0%
Plan members	4.0%	4.0%	2.0%
Actuarially determined contribution	\$ 1,479,001	\$ 987,520	\$ 595,359
Contributions made	\$ 1,479,001	\$ 994,366	\$ 591,612

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

	as of October 1, 2021		
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	124	45	17
Inactive plan members entitled to but not yet receiving benefits	154	30	4
Active plan members	167	40	19
Total	445	115	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, 2021 are shown below. The net pension liability as of September 30, 2022 for financial reporting purposes was determined by actuarial valuations as of October 1, 2020 updated to September 30, 2021 (the measurement date).

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

General Employees' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2021	\$ 39,973,642	\$ 33,485,971	\$ 6,487,671
Changes for the year:			
Service cost	772,677	-	772,677
Interest	2,994,734	-	2,994,734
Difference between actual and expected experience	450,120	-	450,120
Change in assumptions	1,142,456	-	1,142,456
Contributions - City	-	1,573,343	(1,573,343)
Contributions - employee	-	334,871	(334,871)
Net investment income	-	6,548,888	(6,548,888)
Benefit payments, including refunds of employee contributions	(1,633,064)	(1,633,064)	-
Administrative expense	-	(90,548)	90,548
Net changes	3,726,923	6,733,490	(3,006,567)
Reporting period ending 9/30/2022	\$ 43,700,565	\$ 40,219,461	\$ 3,481,104

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 9/30/2021	\$ 24,363,714	\$ 22,274,815	\$ 2,088,899
Changes for the year:			
Service cost	411,847	-	411,847
Interest	1,805,616	-	1,805,616
Difference between actual and expected experience	(465,497)	-	(465,497)
Share Plan allocation	30,409	-	30,409
Changes in benefit terms	37,376	-	37,376
Contributions - Buy Back	9,748	9,748	-
Contributions - City	-	838,572	(838,572)
Contributions - State	-	175,246	(175,246)
Contributions - employee	-	76,656	(76,656)
Net investment income	-	3,671,671	(3,671,671)
Benefit payments, including refunds of employee contributions	(1,476,108)	(1,476,108)	-
Administrative expense	-	(122,253)	122,253
Net changes	353,391	3,173,532	(2,820,141)
Reporting period ending 9/30/2022	\$ 24,717,105	\$ 25,448,347	\$ (731,242)

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

Firefighters' Retirement Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2021	\$ 13,524,862	\$ 12,029,200	\$ 1,495,662
Changes for the year:			
Service cost	220,243	-	220,243
Interest	975,604	-	975,604
Difference between actual and expected experience	(83,517)	-	(83,517)
Changes of assumptions	-	-	-
Contributions - City	-	417,798	(417,798)
Contributions - State	-	119,837	(119,837)
Contributions - employee	-	24,649	(24,649)
Net investment income	-	2,391,021	(2,391,021)
Benefit payments, including refunds of employee contributions	(576,993)	(576,993)	-
Administrative expense	-	(79,542)	79,542
Net changes	535,337	2,296,770	(1,761,433)
Reporting period ending 9/30/2022	\$ 14,060,199	\$ 14,325,970	\$ (265,771)

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, 2020 updated to September 30, 2021	October 1, 2020 updated to September 30, 2021	October 1, 2020 updated to September 30, 2021
Inflation	2.50%	2.50%	2.50%
Projected salary increases	Service based	Service based	Service based
Investment rate of return	7.25%	7.50%	7.25%
Discount rate	7.25%	7.50%	7.25%
Mortality rates	PubG.H.-2010	PubS.H.-2010	PubS.H.-2010
Date of actuarial experience study	August 23, 2017	September 19, 2019	September 19, 2019

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

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

Long-term Expected Rate of Return on Pension Plan Investments - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

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

Investments and Rate of Return - The Plans' investment policy and information related to concentrations and custodial and credit risk is discussed in Note 5 to the financial statements. For the year ended September 30, 2022, 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	-17.18%	-19.11%	-18.96%

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

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension - For the year ended September 30, 2022, the City recognized pension expense of \$651,351 consisting of pension expense for the general employees' pension plan of \$481,250, the police officers' pension plan of \$162,133 and the firefighters' pension plan of \$7,968. On September 30, 2022, 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	\$ 842,962	\$ 797,550
Change in assumptions	1,358,774	253,280
Net difference between projected and actual earnings on Plan investments	-	6,898,923
City contributions subsequent to the measurement date	3,064,979	-
Total	<u>\$ 5,266,715</u>	<u>\$ 7,949,753</u>

General Employees' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 622,650	\$ 123,620
Change in assumptions	856,842	253,280
Difference between projected and actual earnings on Plan investments	-	3,403,253
City contributions subsequent to the measurement date	1,479,001	-
Total	<u>\$ 2,958,493</u>	<u>\$ 3,780,153</u>

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

Police Officers' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 98,049	\$ 310,332
Change in assumptions	207,264	-
Net difference between projected and actual earnings on Plan investments	-	2,148,124
City contributions subsequent to the measurement date	994,366	-
Total	<u>\$ 1,299,679</u>	<u>\$ 2,458,456</u>

Firefighters' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 122,263	\$ 363,598
Change in assumptions	294,668	-
Net difference between projected and actual earnings on Plan investments	-	1,347,546
City contributions subsequent to the measurement date	591,612	-
Total	<u>\$ 1,008,543</u>	<u>\$ 1,711,144</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2021 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
2023	\$ (567,325)	\$ (392,438)	\$ (309,794)	\$(1,269,557)
2024	(375,874)	(699,251)	(356,593)	(1,431,718)
2025	(552,432)	(657,506)	(306,658)	(1,516,596)
2026	(805,030)	(403,948)	(321,168)	(1,530,146)
	<u>\$ (2,300,661)</u>	<u>\$ (2,153,143)</u>	<u>\$ (1,294,213)</u>	<u>\$(5,748,017)</u>

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

Discount Rate – a rate of 7.25% 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, 2021, 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, 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 Measurement 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>

The following presents the net pension liability of the City as of the financial reporting date (September 30, 2022), calculated using the current discount rates discussed above for each plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	Net Pension Liability at Financial Reporting Date		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.25%	\$ 18,758,316	\$ 13,482,275	\$ 9,047,667
Police Officers'	7.50%	8,610,542	5,596,433	3,100,896
Firefighters'	7.25%	5,004,166	3,251,500	1,791,896
City's Net Pension Liability		<u>\$ 32,373,024</u>	<u>\$ 22,330,208</u>	<u>\$ 13,940,459</u>
Change in City's net pension liability between measurement date and reporting date		<u>\$ 20,238,534</u>	<u>\$ 19,846,117</u>	<u>\$ 19,517,320</u>

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS PLAN

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

Plan Description – Under the provisions of the Plan, retirees who are eligible to retire under one of the City's pension plans and have at least 10 years of continuous service are eligible to receive subsidized health insurance beginning at age 65. In order to be eligible for the subsidy beginning at age 65, retirees must continue to be on the City's insurance prior to age 65 and pay 100% of the active premium. At age 65, depending on which health plan the retiree chooses, the City will pay the retiree premium up to the cap set by the City each year. For the fiscal year ended September 30, 2021, the cap was \$645 per month and for fiscal year September 30, 2022, the cap was increased to \$660 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, 2022, the City paid \$503,577 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	320

Total OPEB liability – The City's total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of September 30, 2021. The actuarial assumptions used in the September 30, 2021 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% in the first year then 4.5% thereafter for Police Officers', 10% in the first year then 4.5% thereafter for Firefighters' and using a service-based table for all other employees assuming an 8.00% increase in year 1, 5.00% increase in year 2, 4.75% increase in year 3, 4.50% in year 4 and 4.25% for the remaining years of service.
Discount rate	2.43%
Investment rate of return	0.00%
Healthcare cost trend rates	7.50% in 2022, grading down to the ultimate trend rate of 4.00% in 2075.

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

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

Discount rate – The discount rate was based on a high-quality municipal bond rate of 2.43%. 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, 2021	\$ 37,457,593
Changes for the year:	
Service cost	2,492,928
Interest	847,791
Changes of assumptions	(1,930,154)
Benefit payments	(671,804)
Net changes	738,761
Reporting period ending September 30, 2022	\$ 38,196,354

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

	1% Decrease (1.43%)	Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB liability	\$ 45,469,675	\$ 38,196,354	\$ 32,465,294

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

	1% Decrease (6.50% decreasing to 3.00%)	Healthcare Cost Trend Rates (7.50% decreasing to 4.00%)	1% Increase (8.50% decreasing to 5.00%)
Total OPEB liability	\$ 30,884,135	\$ 38,196,354	\$ 46,130,501

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS PLAN (concluded)

OPEB expenses and deferred outflows of resources related to OPEB – For the year ended September 30, 2022, the City recognized OPEB expense of \$3,708,098. On September 30, 2022, 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	\$ 8,014,089	\$ 3,291,525
Differences between expected and actual experience	-	2,860,510
City contributions subsequent to the measurement date	719,831	-
Total	<u>\$ 8,733,920</u>	<u>\$ 6,152,035</u>

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2021 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended September 30,</u>	<u>Amount</u>
2023	\$ 421,364
2024	20,902
2025	402,629
2026	830,691
2027	452,901
Thereafter	(266,433)
Total	<u>\$ 1,862,054</u>

NOTE 12 – OTHER EMPLOYEE BENEFIT PLANS

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

NOTE 13 – RISK MANAGEMENT

INSURANCE - Commercial insurance protection with normal deductibles is in place to limit the City's exposure from losses arising from liability and property damages for which there has been no significant reduction in coverages, nor have settlement amounts exceeded the City's coverages during the year ended September 30, 2022 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 \$500,000 per incident through May 31, 2022 and \$650,000 per incident thereafter, 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, 2022 and 2021, were as follows:

	2022	2021
Claims liability balance, October 1	\$ 577,828	\$ 648,060
Claims and changes in estimates	256,040	27,037
Claims payments	<u>(324,539)</u>	<u>(97,269)</u>
Claims liability balance, September 30	<u>\$ 509,329</u>	<u>\$ 577,828</u>
Cash set aside to pay claims at September 30	<u>\$ 919,663</u>	<u>\$ 919,171</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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

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

CONSTRUCTION COMMITMENTS – The City has construction commitments of approximately \$14,930,000 as of September 30, 2022 related to the wastewater facility expansion project in the wastewater fund (\$13,602,000) water improvement projects in the water fund (\$268,000) and public facilities (\$10,000) and soccer field improvements (\$1,050,000) in the general fund.

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

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

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

IMPACT FEE CREDITS – In prior years certain developers constructed City utility system improvements to provide water and wastewater service to the areas being developed. In return for these utility system improvements, the developer received credit for future water and wastewater impact fee payments. As of September 30, 2022, the remaining impact fee credits totaled \$2,486,885 of water impact fee credits and \$3,359,012 of wastewater impact fee credits. These utility system improvements were recorded as additions to capital assets and as donated infrastructure revenue in the period they were constructed and donated to the City.

NOTE 15 – JOINT VENTURE

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

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

Membership fees - The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC's annual working capital needs which are established annually by a resolution of the PRWC's Board of Directors. For the year ended September 30, 2022, the total annual working capital needs of the PRWC was \$198,000 of which the City's proportionate share was \$8,350.

NOTE 15 – JOINT VENTURE (concluded)

Project Implementation Agreements - During 2022, the City agreed to be a project participant in the following Projects, the Southeast Wellfield, a new lower Floridan aquifer public supply wellfield located in southeast Polk County and the West Polk Lower Aquifer Wellfield, a new lower Floridan aquifer public water supply wellfield located in west Polk County, Florida. Project participants agree to receive potable water from the Projects once completed. The Projects are being funded through the PRWC using a combination of grants and loans and the ultimate debt service and operating costs of the project will be passed through to the Project participants through the water service charges which have not been determined as of the date of this report. The City will be notified as to the amount of these water charges on or before May 31st prior to the fiscal year in which finished water service is scheduled to commence and on or before May 31st thereafter. The expected date of finished water production from these projects or the future water charges are indeterminable as of the date of this report.

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

NOTE 16 – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

During the fiscal year ended September 30, 2022, the City implemented the provisions of GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

REQUIRED SUPPLEMENTARY INFORMATION

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

For the year ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES:				
Taxes	\$ 5,979,572	\$ 6,053,363	\$ 6,216,357	\$ 162,994
Licenses and permits	303,857	517,060	565,255	48,195
Intergovernmental revenue	3,414,414	4,061,861	3,938,729	(123,132)
Charges for services	1,506,718	1,506,718	1,605,057	98,339
Fines and forfeitures	168,361	168,361	204,475	36,114
Investment loss, net	60,748	247,595	(1,168,517)	(1,416,112)
Other	335,120	783,807	767,380	(16,427)
Total revenues	11,768,790	13,338,765	12,128,736	(1,210,029)
CHARGES TO APPROPRIATIONS:				
General government:				
Commission	2,201,125	1,735,349	1,576,167	159,182
City manager	657,231	500,905	483,849	17,056
City clerk	293,208	293,208	288,588	4,620
Finance	474,983	243,696	209,237	34,459
Personnel	280,484	211,998	270,361	(58,363)
Purchasing	70,837	42,164	50,699	(8,535)
Planning	154,234	154,234	156,356	(2,122)
Fleet maintenance	170,476	165,373	288,949	(123,576)
Public safety:				
Police	6,621,480	6,552,778	7,146,117	(593,339)
Building	547,950	464,052	475,959	(11,907)
Physical environment:				
Public works	1,837,676	1,144,512	1,084,295	60,217
Economic environment:				
Community development	153,113	54,482	54,375	107
Culture/recreation:				
Library	766,875	797,149	801,149	(4,000)
Library Coop - County	230,066	175,032	156,596	18,436
Library Coop - State aid	601,615	416,796	440,529	(23,733)
Parks and recreation	4,781,863	3,000,018	3,047,588	(47,570)
Golf course	1,194,668	2,011,010	2,079,684	(68,674)
Golf course - restaurant	744,037	623,568	628,679	(5,111)
Total expenditures	21,781,921	18,586,324	19,239,177	(652,853)
EXCESS (DEFICIENCY) OF REVENUE OVER(UNDER) EXPENDITURES	(10,013,131)	(5,247,559)	(7,110,441)	(1,862,882)
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,816,232)	(1,858,619)	(1,944,951)	(86,332)
Transfers in	9,916,751	9,916,751	9,916,751	-
Sale of general capital assets	20,000	20,000	32,200	12,200
Total other financing sources (uses)	7,120,519	8,078,132	8,004,000	(74,132)
NET CHANGE IN FUND BALANCE	\$ (2,892,612)	\$ 2,830,573	\$ 893,559	\$ (1,937,014)

CITY OF BARTOW, FLORIDA

Notes to the Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2022

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

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund and the Budgetary Comparison Schedule – General Fund - The General Fund's tax increment contribution to the Community Redevelopment Agency Fund for the fiscal year ended September 30, 2022, totaled \$514,337 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.

Excess of Charges to Appropriations (actual) over Budgeted Appropriations – The actual charges to appropriations of several general fund departments exceeded their budgetary appropriations which led to total general fund charges to appropriations that exceeded total budgeted appropriations by \$652,853 for the year ended September 30, 2022.

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

For the year ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes	\$ 1,379,818	\$ 1,379,818	\$ 1,399,634	\$ 19,816
Other	-	-	3,441	3,441
Total revenues	1,379,818	1,379,818	1,403,075	23,257
EXPENDITURES:				
Economic environment	1,142,318	1,142,318	511,779	630,539
Capital outlay	-	-	-	-
Debt service	237,500	237,500	237,488	12
Total expenditures	1,379,818	1,379,818	749,267	630,551
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 653,808	\$ 653,808

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

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

City reporting period date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability					
Service cost	\$ 778,554	\$ 772,677	\$ 747,116	\$ 707,794	\$ 724,848
Interest	3,153,676	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	898,049	450,120	570,119	(494,481)	1,003,115
Benefit payments, including refunds of employee contributions	(1,960,287)	(1,633,064)	(1,572,968)	(1,423,467)	(1,817,188)
Employee buy-back	-	-	187,878	-	-
Net change in total pension liability	2,869,992	3,726,923	2,251,774	1,505,759	2,430,886
Total pension liability, beginning	43,700,565	39,973,642	37,721,868	36,216,109	33,785,223
Total pension liability, ending (a)	<u>\$ 46,570,557</u>	<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	\$ 1,479,001	\$ 1,573,343	\$ 1,531,822	\$ 1,568,825	\$ 1,380,716
Contributions - Employee	339,990	334,871	332,239	320,965	315,137
Contributions - Employee buy-back	-	-	187,878	-	-
Net investment income (loss)	(6,894,678)	6,548,888	3,003,425	1,324,954	2,302,808
Benefit payments, including refunds of employee contributions	(1,960,288)	(1,633,064)	(1,572,968)	(1,423,468)	(1,817,188)
Administrative expenses	(95,204)	(90,548)	(41,612)	(43,879)	(44,009)
Net change in plan fiduciary net position	(7,131,179)	6,733,490	3,440,784	1,747,397	2,137,464
Plan fiduciary net position, beginning	40,219,461	33,485,971	30,045,187	28,297,790	26,160,326
Plan fiduciary net position, ending (b)	<u>\$ 33,088,282</u>	<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>\$ 13,482,275</u>	<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	71.05%	92.03%	83.77%	79.65%	78.14%
Covered payroll	\$ 8,502,922	\$ 8,368,229	\$ 8,306,534	\$ 8,016,434	\$ 7,878,494
Net pension liability as a percentage of covered payroll	158.56%	41.60%	78.10%	95.76%	100.51%

Continued...

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

City reporting period date	9/30/2018	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	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability					
Service cost	\$ 534,915	\$ 411,847	\$ 409,497	\$ 390,208	\$ 392,286
Interest	1,837,901	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	29,430	30,409	25,328	41,676	-
Difference between expected and actual experience	127,869	(465,497)	294,146	(106,467)	42,199
Change of assumptions	-	-	621,793	68,634	-
Contributions - Buy Back	9,749	9,748	10,748	-	-
Benefit payments, including refunds of employee contributions	(1,493,357)	(1,476,108)	(1,680,464)	(1,432,563)	(1,374,240)
Net change in total pension liability	1,046,507	353,391	1,456,676	675,281	773,717
Total pension liability, beginning	24,717,105	24,363,714	22,907,038	22,231,757	21,458,040
Total pension liability, ending (a)	<u>\$ 25,763,612</u>	<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	\$ 821,077	\$ 838,572	\$ 937,089	\$ 902,680	\$ 741,815
Contributions - State of Florida	173,289	175,246	165,084	161,981	153,190
Contributions - Employee	99,592	76,656	75,864	72,904	63,130
Contributions - Buy Back	9,749	9,748	10,748	-	-
Net investment income (loss)	(4,783,300)	3,671,671	2,827,801	973,587	1,452,125
Benefit payments, including refunds of employee contributions	(1,493,357)	(1,476,108)	(1,680,464)	(1,432,564)	(1,374,240)
Administrative expenses	(108,218)	(122,253)	(104,616)	(82,969)	(83,411)
Net change in plan fiduciary net position	(5,281,168)	3,173,532	2,231,506	595,619	952,609
Plan fiduciary net position, beginning	25,448,347	22,274,815	20,043,309	19,447,690	18,495,081
Plan fiduciary net position, ending (b)	<u>\$ 20,167,179</u>	<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>\$ 5,596,433</u>	<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	78.28%	102.96%	91.43%	87.50%	87.48%
Covered payroll	\$ 2,487,455	\$ 1,935,748	\$ 1,898,516	\$ 1,821,678	\$ 1,578,253
Net pension liability as a percentage of covered payroll	224.99%	-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	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability					
Service cost	\$ 214,184	\$ 220,243	\$ 180,217	\$ 258,526	\$ 268,455
Interest	1,012,540	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	136,937	(83,517)	117,715	(741,965)	258,169
Change of assumptions	-	-	403,311	131,704	-
Benefit payments, including refunds of employee contributions	(616,624)	(576,993)	(567,137)	(564,106)	(538,594)
Net change in total pension liability	747,037	535,337	1,089,813	(175,093)	936,747
Total pension liability, beginning	14,060,199	13,524,862	12,435,049	12,610,142	11,673,395
Total pension liability, ending (a)	<u>\$ 14,807,236</u>	<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	\$ 468,199	\$ 417,798	\$ 412,374	\$ 503,585	\$ 478,195
Contributions - State of Florida	123,413	119,837	114,351	106,289	107,353
Contributions - Employee	26,879	24,649	23,139	20,984	20,540
Net investment income (loss)	(2,688,394)	2,391,021	1,285,228	470,431	792,524
Benefit payments, including refunds of employee contributions	(616,624)	(576,993)	(567,136)	(564,103)	(538,594)
Administrative expenses	(83,707)	(79,542)	(88,327)	(83,846)	(68,748)
Net change in plan fiduciary net position	(2,770,234)	2,296,770	1,179,629	453,340	791,270
Plan fiduciary net position, beginning	14,325,970	12,029,200	10,849,571	10,396,231	9,604,961
Plan fiduciary net position, ending (b)	<u>\$ 11,555,736</u>	<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>\$ 3,251,500</u>	<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	78.04%	101.89%	88.94%	87.25%	82.44%
Covered payroll	\$ 1,343,926	\$ 1,214,338	\$ 1,156,915	\$ 1,049,282	\$ 1,027,021
Net pension liability as a percentage of covered payroll	241.94%	-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					
2022	\$ 1,479,001	\$ 1,479,001	\$ -	\$ 8,502,922	17.39%
2021	\$ 1,572,711	\$ 1,573,343	\$ 632	\$ 8,368,229	18.80%
2020	\$ 1,531,822	\$ 1,531,822	\$ -	\$ 8,306,534	18.44%
2019	\$ 1,568,825	\$ 1,568,825	\$ -	\$ 8,016,434	19.57%
2018	\$ 1,415,155	\$ 1,380,716	\$ (34,439)	\$ 7,878,494	17.53%
2017	\$ 1,315,737	\$ 1,350,176	\$ 34,439	\$ 7,657,098	17.63%
2016	\$ 1,339,284	\$ 1,339,284	\$ -	\$ 7,557,033	17.72%
2015	\$ 1,437,143	\$ 1,437,143	\$ -	\$ 8,049,198	17.85%
Police Officers' Plan					
2022	\$ 987,520	\$ 964,936	\$ (22,584)	\$ 2,487,455	38.79%
2021	\$ 977,359	\$ 983,409	\$ 6,050	\$ 1,935,748	50.80%
2020	\$ 1,101,140	\$ 1,076,942	\$ (24,198)	\$ 1,898,516	56.73%
2019	\$ 1,056,574	\$ 1,040,883	\$ (15,691)	\$ 1,821,678	57.14%
2018	\$ 869,617	\$ 873,450	\$ 3,833	\$ 1,578,253	55.34%
2017	\$ 785,451	\$ 801,304	\$ 15,853	\$ 1,564,644	51.21%
2016	\$ 821,002	\$ 857,739	\$ 36,737	\$ 1,689,305	50.77%
2015	\$ 832,990	\$ 832,990	\$ -	\$ 1,981,362	42.04%
Firefighters' Plan					
2022	\$ 595,359	\$ 591,612	\$ (3,747)	\$ 1,343,926	44.02%
2021	\$ 564,459	\$ 537,635	\$ (26,824)	\$ 1,214,338	44.27%
2020	\$ 531,024	\$ 526,725	\$ (4,299)	\$ 1,156,915	45.53%
2019	\$ 575,006	\$ 609,876	\$ 34,870	\$ 1,049,282	58.12%
2018	\$ 553,564	\$ 553,564	\$ -	\$ 1,027,021	53.90%
2017	\$ 511,223	\$ 500,427	\$ (10,796)	\$ 1,076,259	46.50%
2016	\$ 499,572	\$ 510,368	\$ 10,796	\$ 1,051,732	48.53%
2015	\$ 519,379	\$ 519,379	\$ -	\$ 1,025,578	50.64%

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, 2020 for fiscal year 2022 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		Age		Years of Service		Age	
Age	% terminating during year (*)	% disabled during year			Assumption		Assumption		Assumption		Assumption
25	12.00%	0.09%		0-4	12.00%	20	0.30%	0-4	6.00%	20	0.03%
30	12.00%	0.09%		5-9	5.00%	30	0.40%	5-9	5.00%	30	0.04%
35	10.00%	0.15%		10+	3.00%	40	0.70%	10+	4.00%	40	0.07%
40	10.00%	0.15%				50	1.80%			50	0.18%
45	5.40%	0.38%									
50	5.40%	0.38%									
55	1.60%	1.00%									

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

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

Reporting date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total OPEB Liability						
Service cost	\$ 2,492,928	\$ 1,610,448	\$ 1,237,729	\$ 1,282,787	\$ 1,433,413	\$ 1,141,412
Interest	847,791	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	(1,930,154)	8,543,463	2,644,515	(2,168,781)	(2,672,114)	2,803,250
Benefit payments	(671,804)	(632,044)	(555,224)	(457,185)	(420,400)	(420,400)
Net change in total OPEB Liability	738,761	8,850,235	4,392,052	(1,196,444)	(810,028)	4,380,363
Total OPEB Liability - beginning (*)	37,457,593	28,607,358	24,516,260	25,712,704	26,522,732	22,142,369
Total OPEB Liability - ending	<u>\$ 38,196,354</u>	<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	 \$ 13,506,505	 \$ 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	 282.80%	 288.11%	 226.77%	 201.93%	 211.17%	 228.73%

Notes to Schedule:

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

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

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

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

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

Other changes of assumptions:

For measurement date September 30, 2017:

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

SUPPLEMENTARY INFORMATION

CITY OF BARTOW, FLORIDA

Combining Balance Sheet – Non-Major Governmental Funds
as of September 30, 2022

	Transportation Fund	Fire Services Fund	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 16,009	\$ 196,167	\$ 212,176
Receivables, net			
Customer accounts, net	-	625	625
Intergovernmental and other	193,110	900	194,010
Prepaid expenditures	559	9,198	9,757
Restricted assets:			
Cash and cash equivalents	1,611,695	-	1,611,695
Customer receivables	56,766	-	56,766
TOTAL ASSETS	\$ 1,878,139	\$ 206,890	\$ 2,085,029
LIABILITIES			
Accounts payable	130,905	17,199	148,104
Construction costs payable	163,601	-	163,601
Accrued payroll	3,881	125,660	129,541
TOTAL LIABILITIES	298,387	142,859	441,246
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	56,766	-	56,766
FUND BALANCE			
Nonspendable:			
Prepaid expenditures	559	9,198	9,757
Restricted for:			
Transportation improvements	1,353,616	-	1,353,616
Transportation activities	168,811	-	168,811
Assigned to:			
Fire services	-	54,833	54,833
TOTAL FUND BALANCES	1,522,986	64,031	1,587,017
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,878,139	\$ 206,890	\$ 2,085,029

CITY OF BARTOW, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major
 Governmental Funds
 for the year ended September 30, 2022

	Transportation Fund	Fire Services Fund	Total
REVENUES:			
Taxes	\$ 1,125,176	\$ 123,413	\$ 1,248,589
Intergovernmental revenue	485,451	3,600	489,051
Charges for services	124,563	1,338,354	1,462,917
Fines and forfeitures	-	225	225
Other	264,217	2,112	266,329
Total revenues	1,999,407	1,467,704	3,467,111
EXPENDITURES:			
Public safety	-	2,953,860	2,953,860
Transportation	934,519	-	934,519
Capital outlay	1,673,702	26,495	1,700,197
Total expenditures	2,608,221	2,980,355	5,588,576
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(608,814)	(1,512,651)	(2,121,465)
OTHER FINANCING SOURCES (USES)			
Transfers in	586,651	1,358,300	1,944,951
Sale of general capital assets	16,000	-	16,000
TOTAL OTHER FINANCING SOURCES	602,651	1,358,300	1,960,951
NET CHANGE IN FUND BALANCE	(6,163)	(154,351)	(160,514)
FUND BALANCE, beginning of year	1,529,149	218,382	1,747,531
FUND BALANCE, end of year	\$ 1,522,986	\$ 64,031	\$ 1,587,017

CITY OF BARTOW, FLORIDA**Budgetary Comparison Schedule – Transportation Fund
for the year ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,055,951	\$ 1,110,418	\$ 1,125,176	\$ 14,758
Intergovernmental revenue	229,608	485,109	485,451	342
Charges for service	122,322	122,322	124,563	2,241
Other	79,186	286,654	264,217	(22,437)
Total revenues	<u>1,487,067</u>	<u>2,004,503</u>	<u>1,999,407</u>	<u>(5,096)</u>
EXPENDITURES:				
Transportation	1,097,075	938,994	934,519	4,475
Capital outlay	<u>1,497,924</u>	<u>1,510,083</u>	<u>1,673,702</u>	<u>(163,619)</u>
Total expenditures	<u>2,594,999</u>	<u>2,449,077</u>	<u>2,608,221</u>	<u>(159,144)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	1,107,932	500,319	586,651	86,332
Sale of general capital assets	-	16,000	16,000	-
Total other financing sources (uses)	<u>1,107,932</u>	<u>516,319</u>	<u>602,651</u>	<u>86,332</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 71,745</u>	<u>\$ (6,163)</u>	<u>\$ (77,908)</u>

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

Excess of Charges to Appropriations (actual) over Budgeted Appropriations – The actual charges to appropriations exceeded the budgetary appropriations by \$159,144 for the year ended September 30, 2022.

CITY OF BARTOW, FLORIDA
Budgetary Comparison Schedule – Fire Services Fund
for the year ended September 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 114,351	\$ 123,413	\$ 123,413	\$ -
Intergovernmental revenue	1,800	1,800	3,600	1,800
Charges for service	1,325,312	1,338,354	1,338,354	-
Fines and forfeitures	-	-	225	225
Other	861	2,861	2,112	(749)
Total revenues	<u>1,442,324</u>	<u>1,466,428</u>	<u>1,467,704</u>	<u>1,276</u>
EXPENDITURES:				
Public safety	2,422,634	2,901,476	2,953,860	(52,384)
Capital outlay	227,990	26,848	26,495	353
Total expenditures	<u>2,650,624</u>	<u>2,928,324</u>	<u>2,980,355</u>	<u>(52,031)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,208,300)</u>	<u>(1,461,896)</u>	<u>(1,512,651)</u>	<u>(50,755)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,208,300	1,358,300	1,358,300	-
Total other financing sources	<u>1,208,300</u>	<u>1,358,300</u>	<u>1,358,300</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (103,596)</u>	<u>\$ (154,351)</u>	<u>\$ (50,755)</u>

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

Excess of Charges to Appropriations (actual) over Budgeted Appropriations – The actual charges to appropriations exceeded the budgetary appropriations by \$52,031 for the year ended September 30, 2022.

CITY OF BARTOW, FLORIDACombining Statement of Net Position – Non-Major Enterprise Funds
as of September 30, 2022

	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	\$ 2,754,233	\$ 2,914,091	\$ 1,524,162	\$ 7,192,486
Receivables:				
Customers, net	796,936	4,509	-	801,445
Inventory and prepaids	9,800	72,188	302	82,290
Total current assets	3,560,969	2,990,788	1,524,464	8,076,221
Capital assets:				
Non-depreciable	239,789	-	60,406	300,195
Depreciable, net	1,547,268	195,522	1,879,117	3,621,907
Total noncurrent assets	1,787,057	195,522	1,939,523	3,922,102
Total assets	5,348,026	3,186,310	3,463,987	11,998,323
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	192,727	23,098	24,424	240,249
Deferred outflows related to OPEB	362,396	48,947	123,937	535,280
Total deferred outflows of resources	555,123	72,045	148,361	775,529
LIABILITIES				
Current liabilities:				
Accounts payable	183,602	369	22,986	206,957
Construction costs payable	252,500	-	-	252,500
Accrued wages	37,878	5,501	4,176	47,555
Total current liabilities	473,980	5,870	27,162	507,012
Noncurrent liabilities:				
Compensated absences	117,143	33,833	19,047	170,023
Post employment obligation payable	1,526,432	206,166	522,031	2,254,629
Net pension liability	226,772	27,178	28,739	282,689
Total noncurrent liabilities	1,870,347	267,177	569,817	2,707,341
Total liabilities	2,344,327	273,047	596,979	3,214,353
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	246,253	29,513	31,208	306,974
Deferred inflows related to OPEB	256,384	34,628	87,682	378,694
Total deferred inflows of resources	502,637	64,141	118,890	685,668
NET POSITION				
Net investment in capital assets	1,534,557	195,522	1,939,523	3,669,602
Unrestricted	1,521,628	2,725,645	956,956	5,204,229
Total net position	\$ 3,056,185	\$ 2,921,167	\$ 2,896,479	\$ 8,873,831

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, 2022

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation Fund	Information Technology Fund	Stormwater Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 3,745,040	\$ 154,236	\$ 579,757	\$ 4,479,033
Total operating income	3,745,040	154,236	579,757	4,479,033
OPERATING EXPENSES:				
Personnel services	1,187,486	132,840	229,472	1,549,798
Operating expenses	2,449,876	74,410	333,894	2,858,180
Depreciation	359,077	57,639	50,640	467,356
Total operating expenses	3,996,439	264,889	614,006	4,875,334
OPERATING INCOME (LOSS)	(251,399)	(110,653)	(34,249)	(396,301)
NONOPERATING REVENUE (EXPENSE)				
Investment revenue	4,066	3,678	2,009	9,753
Gain (loss) on disposal of property	(71,636)	-	-	(71,636)
Other, net	18,930	-	-	18,930
Total nonoperating revenues (expense)	(48,640)	3,678	2,009	(42,953)
CHANGE IN NET POSITION	(300,039)	(106,975)	(32,240)	(439,254)
NET POSITION, beginning of year	3,356,224	3,028,142	2,928,719	9,313,085
NET POSITION, end of year	\$ 3,056,185	\$ 2,921,167	\$ 2,896,479	\$ 8,873,831

CITY OF BARTOW, FLORIDA

Combining Statement of Cash Flows– Non-Major Enterprise Funds
for the year ended September 30, 2022

	Business Type Activities - Non-Major Enterprise Funds			
	Sanitation	Information	Stormwater	Total
	Fund	Technology	Fund	
	Fund	Fund	Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 3,427,224	\$ 152,747	\$ 579,757	\$ 4,159,728
Payments to suppliers	(2,449,490)	(86,480)	(320,031)	(2,856,001)
Payments for salaries and benefits	(1,115,282)	(105,808)	(172,597)	(1,393,687)
Net cash flows from operating activities	(137,548)	(39,541)	87,129	(89,960)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING				
ACTIVITIES:				
Acquisition and construction of capital assets, net of related payables	(670,592)	-	-	(670,592)
Net cash flows from capital and related financing activities	(670,592)	-	-	(670,592)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on invested funds	4,066	3,678	2,010	9,754
Other income	18,930	-	-	18,930
Net cash flows from investing activities	22,996	3,678	2,010	28,684
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(785,144)	(35,863)	89,139	(731,868)
CASH AND CASH EQUIVALENTS, beginning of year	3,539,377	2,949,954	1,435,023	7,924,354
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,754,233</u>	<u>\$ 2,914,091</u>	<u>\$ 1,524,162</u>	<u>\$ 7,192,486</u>
As shown in the Accompanying Financial Statements				
Equity in cash and investments	\$ 2,754,233	\$ 2,914,091	\$ 1,524,162	\$ 7,192,486
Restricted equity in cash and investments	-	-	-	-
Total cash and cash equivalents	<u>\$ 2,754,233</u>	<u>\$ 2,914,091</u>	<u>\$ 1,524,162</u>	<u>\$ 7,192,486</u>

Continued...

CITY OF BARTOW, FLORIDACombining Statement of Cash Flows– Non-Major Enterprise Funds (concluded)
for the year ended September 30, 2022

	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)	\$ (251,399)	\$ (110,653)	\$ (34,249)	\$ (396,301)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	359,077	57,639	50,640	467,356
(Increase) decrease in inventory and prepaids	(9,800)	888	(302)	(9,214)
(Increase) decrease in accounts receivable	(317,816)	(1,489)	-	(319,305)
Increase (decrease) in accounts payable	10,186	(12,958)	14,165	11,393
Increase (decrease) in accrued wages and compensated absences	21,982	3,602	(1,690)	23,894
(Increase) decrease in OPEB related deferred outflows	81,778	6,198	13,418	101,394
Increase (decrease) in the total OPEB liability	28,425	20,186	58,792	107,403
Increase (decrease) in OPEB related deferred inflows	11,987	4,286	12,105	28,378
(Increase) decrease in pension related deferred outflows	(42,272)	(5,658)	1,747	(46,183)
Increase (decrease) in the net pension liability	(206,843)	(23,085)	(46,685)	(276,613)
Increase (decrease) in pension related deferred inflows	177,147	21,503	19,188	217,838
Net cash flows from operating activities	<u>\$ (137,548)</u>	<u>\$ (39,541)</u>	<u>\$ 87,129</u>	<u>\$ (89,960)</u>

CITY OF BARTOW, FLORIDACombining Statement of Fiduciary Net Position – Pension Trust Funds
as of September 30, 2022

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 133,010	\$ 51,923	\$ 184,933
Receivables:				
City and plan members	87,438	29,512	28,524	145,474
State of Florida	-	-	781	781
Due from broker	-	4,618	-	4,618
Accrued income	3,603	16,671	336	20,610
Total receivables	91,041	50,801	29,641	171,483
Prepaid expenses	-	128,922	51,788	180,710
Investments, at fair value:				
Short-term money market funds	590,215	568,500	146,500	1,305,215
Fixed income investments	7,444,963	5,254,824	3,000,166	15,699,953
Equity investments	18,626,376	11,639,609	6,868,343	37,134,328
Diversified mutual fund	1,546,349	-	-	1,546,349
Real estate investments	4,823,462	2,432,771	1,419,117	8,675,350
Total investments	33,031,365	19,895,704	11,434,126	64,361,195
Total assets	33,122,406	20,208,437	11,567,478	64,898,321
LIABILITIES				
Accounts payable	20,638	24,197	11,742	56,577
Accrued benefits payable	13,486	17,061	-	30,547
Total Liabilities	34,124	41,258	11,742	87,124
NET POSITION				
Restricted for pension benefits	\$ 33,088,282	\$ 20,167,179	\$ 11,555,736	\$ 64,811,197

CITY OF BARTOW, FLORIDACombining Statement of Changes in Fiduciary Net Position – Pension Trust Funds
for the year ended September 30, 2022

	Pension Trust Funds			
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS				
Contributions:				
City	\$ 1,479,001	\$ 821,077	\$ 468,199	\$ 2,768,277
Plan members	339,990	109,341	26,879	476,210
State of Florida	-	173,289	123,413	296,702
Total contributions	1,818,991	1,103,707	618,491	3,541,189
Investment income	(6,779,182)	(4,709,418)	(2,660,306)	(14,148,906)
Less investment expenses:				
Performance evaluation	25,000	21,500	20,500	67,000
Custodial fees	15,546	13,324	7,588	36,458
Investment management fees	74,950	39,058	-	114,008
Total investment expenses	115,496	73,882	28,088	217,466
Net investment income	(6,894,678)	(4,783,300)	(2,688,394)	(14,366,372)
Total additions	(5,075,687)	(3,679,593)	(2,069,903)	(10,825,183)
DEDUCTIONS				
Administrative expenses:				
Legal	7,327	46,874	33,673	87,874
Administrator fee	33,560	20,879	13,394	67,833
Actuarial	38,879	21,570	18,512	78,961
Travel, training and other	301	2,407	2,657	5,365
Accounting	2,800	6,721	7,292	16,813
Insurance	6,837	4,267	2,679	13,783
Audit	5,500	5,500	5,500	16,500
Total administrative expenses	95,204	108,218	83,707	287,129
Payments to retirees and participants	1,960,288	1,493,357	616,624	4,070,269
Total deductions	2,055,492	1,601,575	700,331	4,357,398
CHANGE IN NET POSITION	(7,131,179)	(5,281,168)	(2,770,234)	(15,182,581)
NET POSITION, beginning of year	40,219,461	25,448,347	14,325,970	79,993,778
NET POSITION, end of year	<u>\$ 33,088,282</u>	<u>\$ 20,167,179</u>	<u>\$ 11,555,736</u>	<u>\$ 64,811,197</u>



(This page intentionally left blank)

OTHER INFORMATION

CITY OF BARTOW, FLORIDA

Data Elements required by Section 218.32(1)(e), *Florida Statutes*— Bartow Municipal Airport
 Development Authority
 as of and for the year ended September 30, 2022

Data Element	Reference	Comment
The total number of Authority employees compensated in the last pay period of the district's fiscal year being reported	Section 218.32(1)(e)(2)(a)	22
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year being reported.	Section 218.32(1)(e)(2)(b)	15
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	\$1,101,699 for the fiscal year ended September 30, 2022
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	\$289,298 for the fiscal year ended September 30, 2022
The annual financial report of a dependent special district or an independent special district amending a final adopted budget under s. 189.016(6) must include a budget variance report based on the budget adopted under s. 189.016(4) before the beginning of the fiscal year being reported.	Section 218.32(1)(e)(3)	The budget for the fiscal year ended September 30, 2022 was not amended so this is not applicable.
Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	<ul style="list-style-type: none"> • Master Plan - \$233,187.10 • Hangar Taxilane - \$8,161.38 • Airport Security - \$19,382.00 • Rail Project - \$922,922.12 • Building #270 - \$158,707.69

GOVERNMENT AUDITING SECTION

CITY OF BARTOW, FLORIDASchedule of Expenditures of Federal Awards and State Financial Assistance
for the year ended September 30, 2022**FEDERAL PROGRAMS:**

Federal Grants		Contract/Grant	Total
Funding Source and Grant Program	AL#	Identification	Expenditures
U.S Department of Transportation:			
Direct program:			
Federal Aviation Administration			
Airport Improvement Program:			
Master Plan	20.106	3-12-0005-037-2020	\$ 272,157
Hangar Taxilane	20.106	3-12-0005-041-2022	5,686
COVID-19 Airport Rescue Grant	20.106	3-12-0005-040-2022	59,000
Total U.S Department of Transportation			<u>336,843</u>
U.S Department of Housing and Urban Development:			
Pass through program:			
Polk County Housing and Neighborhood Development			
Community Development Block Grant (CDBG) - Entitlement:			
Grant Cluster:			
East Gay Street Sidewalks	14.218	M20001	277,360
Peace River Center	14.218	M20001	151,000
Carver Center	14.218	M20001	20,195
Total U.S. Department of Housing and Urban Development			<u>448,555</u>
U.S. Department of Homeland Security			
Pass through program:			
Florida Division of Emergency Management			
Disaster Grants - Public Assistance Program:			
COVID-19 - FEMA COVID-19 Project	97.036	FEMA COVID-19 PJ Y01-180803	4,636
COVID-19 - FEMA COVID-19 Project	97.036	FEMA COVID-19 PJ Y01-552200	68,883
Total U.S. Department of Homeland Security			<u>73,519</u>
U.S. Department of Justice			
Passed through:			
Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant:			
Office Safety and Wellness	16.738	2021-JAGC-POLK-6-3B-095	16,126
PD Security Project	16.738	2022-JAGD-POLK-3-4B-069	5,152
Total U.S. Department of Justice			<u>21,278</u>
U.S. Department of Treasury			
Passed through State of Florida Division of Emergency Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	<u>2,845,959</u>
Total Expenditures of Federal Awards			<u>\$ 3,726,154</u>

Continued...

CITY OF BARTOW, FLORIDASchedule of Expenditures of Federal Awards and State Financial Assistance (concluded)
for the year ended September 30, 2022**STATE PROGRAMS:**

Funding Source and Grant Program	CSFA#	Contract/Grant Identification	Total Expenditures
State of Florida Department of Environmental Protection			
Direct programs:			
Wastewater Treatment Facility Improvements:			
Wastewater Treatment Plan Improvements - Loan	37.077	WW530220	\$ 12,876,346
Passed through Southwest Florida Water Management District			
Alternative Water Supply Program:			
Golf Course Advanced Irrigation System Grant	37.100	n/a	250,000
Total State of Florida Department of Environmental Protection			<u>13,126,346</u>
State of Florida Department of Transportation			
Direct programs:			
Intermodal Access Development Program:			
Railway Improvements	55.014	437059-1-94-01	365,858
Aviation Grant Program:			
Hangar Taxilane	55.004	450834-1-94-01	316
Airport Security	55.004	450676-1-94-01	7,423
Total State of Florida Department of Transportation			<u>373,597</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 13,499,943</u></u>

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

CITY OF BARTOW, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
for the year ended September 30, 2022

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards and state financial assistance included herein represents the activities of all federal and state financial grant activity of the City of Bartow, Florida (the City), which includes the Bartow Municipal Airport Development Authority for the year ended September 30, 2022.

Federal awards and state financial assistance received directly, as well as passed through to other government agencies, if any, are included in the schedule. For the year ended September 30, 2022, the City had no subrecipients and therefore did not pass any federal awards or state financial assistance through to other government agencies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 3 – INDIRECT COST

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

NOTE 4 - CONTINGENCIES

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

NOTE 5 – NON-CASH CONTRIBUTIONS

The City did not receive any federal or state non-cash assistance, including personal protection equipment for the fiscal year ended September 30, 2022.

NOTE 6 – OTHER INFORMATION

Amounts on the schedule of expenditures of federal awards and state financial assistance include \$34,601 of expenses incurred in a prior period related to the federal CDBG program for the East Gay Street Sidewalks project.

**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, 2022, 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 14, 2023. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' and the Firefighters' Retirement Trust Funds, as described in our report on the City's financial statements. This report does include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement Trust Fund were not audited in accordance with *Government Auditing Standards*. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA

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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-01, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-02.

The City of Bartow's Response to Findings

The City of Bartow's response to the findings identified in our audit is described in the accompanying Management's Letter of Response. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 14, 2023
Sarasota, Florida

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

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

Report on Compliance for Each Major Federal Program/State Project

Opinion on Each Major Federal Program/State Project

We have audited the City of Bartow, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2022. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program/State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.500, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



June 14, 2023
Sarasota, Florida

**CITY OF BARTOW, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Part A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Non-compliance material to financial statements noted?	Yes

Federal Awards and State Financial Assistance Projects

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

Identification of Major Programs/Projects:

Federal Program or Cluster

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

State Financial Assistance Projects

Florida Department of Environmental Protection	
Wastewater Treatment Facility Construction	CSFA No. 37.077

CITY OF BARTOW, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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

PART B - FINDINGS - FINANCIAL STATEMENT AUDIT

2022-01 – Significant Deficiency in Internal Control Over Billing of Compactor/Container Rental Revenue

Criteria – The Solid Waste department should be billing their customers timely for all revenue.

Condition – Internal controls were not sufficient in the Solid Waste department to timely and accurately bill customers for compactor and container rentals.

Cause – The City had a long-tenured employee retire during 2022, and appropriate training was not provided to the newer employee in this role.

Effect – The City had unbilled revenue from April 2022 to September 2022 related to compactor and container rentals estimated to be \$430,729. This was discovered by the department in January 2023, and adjusted accordingly.

Recommendation – We recommend that the City implement a monthly reconciliation of accounts receivable related to solid waste and that a supervisor review the data timely.

2022-02 – Expenditures in Excess of Budgeted Appropriations

Criteria – In accordance with Florida Statute 166.241, municipalities may not expend or contract for expenditures except pursuant to the adopted budget.

Condition – As of September 30, 2022, the City of Bartow's expenditures exceeded the amended budget by \$652,853, \$159,144, and \$52,031 in the General Fund, Transportation Fund, and Fire Services Fund, respectively.

Cause – Inconsistent and incorrect implementation of the Florida Statutes. The cumulative effect of amendments performed throughout the fiscal year reduced the General Fund expenditure budget by \$3,195,597, reduced the Transportation Fund expenditure budget by \$145,922, and increased the Fire Services Fund expenditure budget by \$277,700.

**CITY OF BARTOW, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Effect – The City of Bartow’s fiscal year 2022 budgets was not appropriately amended, and, therefore, is not in compliance with Florida Statute 166.241, which prohibits municipalities from expending or contracting for expenditures except pursuant to the adopted budget.

Recommendation – We recommend that the City of Bartow implement a process to review expenditures and monitor the budget on a regular basis, and communicate with the City Commissioners if unanticipated expenditures will be incurred.

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

None

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

None

PART E - OTHER ISSUES

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

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

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA 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, 2022. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2022.

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

Purvis Gray

June 14, 2023
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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, 2022, and have issued our report thereon dated June 14, 2023. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' and the Firefighters' Retirement Trust Funds, as described in our report on the City's financial statements.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 14, 2023, 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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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

MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we do not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific information – Special Districts

For information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6 and 7, *Rules of the Auditor General*, please see the supplementary schedule on page 95 for the City's special district, Bartow Municipal Airport Development Authority (the Authority). This information was provided by the Authority's management and is unaudited. Accordingly, we do not express an opinion or provide any assurance on the information.

Additional Matters

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

Purpose of this Letter

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

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

MANAGEMENT LETTER

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



June 14, 2023
Sarasota, Florida

MANAGEMENT RESPONSE LETTER



CITY OF BARTOW

June 16, 2023

Tiffany Mangold, CPA
Audit Director
Purvis Gray
5001 Lakewood Ranch Blvd., Suite 101
Sarasota, FL 34240

RE: Response to **Auditor's** Comments for City of Bartow 21-22 Audit Findings

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

2022-01 Significant Deficiency in Internal Control Over Billing of Compactor/Container Rental Revenue

Criteria: The Solid Waste Department should be billing their customers timely for all revenue.

Condition: Internal controls were not sufficient in the Solid Waste department to timely and accurately bill customers for compactor and container rentals.

Cause: The City had a long-tenured employee retire during 2022, and appropriate training was not provided to the newer employee in this role.

Effect: The City had unbilled revenue from April 2022 to September 2022 related to compactor and container rentals estimated to be \$430,729. This was discovered by the department in January 2023, and adjusted accordingly.

Recommendation: We recommend the City implement a monthly reconciliation of accounts receivable related to solid waste and that a supervisor review the data timely.

Management's Response to Comment 2022-01 Significant Deficiency in Internal Control Over Billing of Compactor/Container Rental Revenue

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

The City rehired the retired employee previously responsible for Solid Waste billing on a permanent part-time basis in October 2022 to bring Solid Waste billing into current status and to assist with other tasks in the department. Solid Waste billing was brought current by March 2023. The City plans to maintain this position on a permanent part-time basis and is in the process of fully training the newer employee on Solid Waste billing. This will bring the total count of employees trained in Solid Waste billing to three (3) which should prevent this issue from recurring in the future. In addition, the supervisor will review and confirm that Solid Waste billing remains current monthly.

2022-02 Expenditures in Excess of Budgeted Appropriations

Criteria: In accordance with Florida Statute 166.241, municipalities may not expend or contract for expenditures except pursuant to the adopted budget.

Condition: As of September 30, 2022, the City of Bartow's expenditures exceeded the amended budget by \$652,853, \$159,144 and \$52,031 in the General Fund, Transportation Fund and Fire Services Fund, respectively.

Cause: Inconsistent and incorrect implementation of the Florida Statutes. The cumulative effect of amendments performed throughout the fiscal year reduced the General Fund expenditure budget by \$3,195,597, reduced the Transportation Fund expenditure budget by \$145,922 and increased the Fire Services Fund expenditure budget by \$277,700.

Effect: The City of Bartow's fiscal year 2022 budget was not appropriately amended, and, therefore, is not in compliance with Florida Statute 166.241, which prohibits municipalities from expending or contracting for expenditures except pursuant to the adopted budget.

Recommendation: We recommend that the City implement a process to review expenditures and monitor the budget on a regular basis, and communicate with the City Commissioners if unanticipated expenditures will be incurred.

Management's Response to Comment 2022-02 Expenditures in Excess of Budgeted Appropriations

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

The budget is reviewed regularly by all departments, including the finance department and by management. What appears to be expenditures in excess of approved budget was the result of errors in the application of adjustments to the final budget performed as part of the final budget amendment on November 21, 2022, after the close of the fiscal year. Pending accruals and adjustments were not properly accounted for. To illustrate the impact the November 21, 2022 amendment error had on the final year ended September 30, 2022 approved budget, the amendment reduced the approved General Fund expenditure budget by \$6,609,817 and reduced the approved Transportation Fund expenditure budget by \$192,481. Future amendments will be reviewed by finance department staff, the Finance Director and the Assistant City Manager and will include a review of any pending accruals and/or adjustments.