BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

and

AUDITOR'S REPORTS

SEPTEMBER 30, 2025 and 2024

BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY

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Bartow Municipal Airport Development Authority

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Bartow Municipal Airport Development Authority
Bartow, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bartow Municipal Airport Development Authority (the Authority) of the City of Bartow, Florida (the City) as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Incomplete Presentation

As discussed in Note 1, the financial statements referred to above present only the Authority and do not purport to, and do not present fairly, the financial position of the City as of September 30, 2025 and 2024, the changes in its financial position or, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Board of Commissioners
Bartow Municipal Airport Development Authority
Bartow, Florida

INDEPENDENT AUDITOR'S REPORT

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Board of Commissioners
Bartow Municipal Airport Development Authority
Bartow, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Changes in the Total Other Postemployment Benefits Liability and Related Ratios and Notes to the Schedule (the required supplementary information) as listed in the table of contents 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 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Supplemental Schedule of Revenue, Expenses and Changes in Net Position by Classification (the Schedule) and the Data Elements required by Section 218.32(1)(e), Florida Statutes (Data Elements), are presented for purposes of additional analysis and are not required parts 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 Schedule and Data Elements have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the Schedule or Data Elements.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Purvis Gray

January 5, 2026
Sarasota, Florida

As management of the **Bartow Municipal Airport Development Authority** (The "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2025. The Authority is an enterprise fund of the City of Bartow, Florida (The "City") and since certain corporate powers were retained by the City in the creation of the Authority, the Authority is not considered legally separate from the City for financial reporting purposes. The accompanying management's discussion and analysis present only information of the Authority and not those of the City or any of the City's other funds or component units.

Financial Highlights:

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $28,536,997 (net position). The unrestricted net position, which represents the amounts available to meet the Authority's ongoing obligations to citizens and creditors, was $6,453,762 on September 30, 2025 compared to $4,990,504 at the end of the prior year.
- The Authority's total net position increased $5,509,061 for the year ended September 30, 2025 compared to an increase of $1,221,069 in the prior year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consists of the following: (1) statement of net position, (2) statement of revenues, expenses and changes in net position, (3) statement of cash flows and (4) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The statement of net position presents financial information on all of the Authority's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows is crucial for assessing the entity's ability to generate cash to meet its obligations, invest in assets, and fund its operations and provides a summary of the cash inflows and outflows over a specific period. It complements other financial statements, providing a comprehensive view of the entity's financial performance and liquidity.

The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's progress in funding its obligations to provide Other Postemployment Benefits (OPEB) to its employees as well as this management's discussion and analysis.

The supplemental schedule of revenue, expenses and changes in net position by classification is presented immediately following the required supplementary information on OPEB.

The basic financial statement components and supplementary information can be found by referencing the table of contents of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $28,536,997, at the close of the most recent fiscal year.

Bartow Municipal Airport Development Authority's Net Position

	2025	2024	2023
Assets			
Current and other assets	$ 21,315,496	$ 21,585,227	$ 17,869,303
Capital assets	23,092,229	18,260,261	17,131,857
Total assets	44,407,725	39,845,488	35,001,160
Total deferred outflows of resources	20,382	44,832	43,876
Liabilities			
Long-term liabilities	773,855	1,189,990	1,155,019
Other liabilities	1,535,686	771,319	1,106,324
Total liabilities	2,309,541	1,961,309	2,261,343
Total deferred inflows of resources	13,581,569	14,901,075	10,976,826
Net Position:			
Net investment in capital assets	22,083,235	18,037,432	16,547,267
Unrestricted	6,453,762	4,990,504	5,259,600
Total net position	$ 28,536,997	$ 23,027,936	$ 21,806,867

By far, the largest portion of the Authority's net position, $22,083,235, reflects its investment in capital assets (e.g., land, construction in process, buildings and improvements, airfield improvements, and equipment), net of accumulated depreciation and less any related outstanding liabilities that were used to acquire those assets. The Authority uses these capital assets to provide a variety of services. Accordingly, these assets are not available for future spending.

As of the end of the current year, the Authority's unrestricted net position was $6,453,762 or 101% of current year expenses. As of the end of the prior year the Authority's unrestricted net position was $4,990,504 or 67% of prior year expenses. As of September 30, 2023, the Authority's unrestricted net position was $5,259,600 or 83% of that year's expenses.

Bartow Municipal Airport Development Authority's Changes in Net Position

	2025	2024	2023
Revenues:			
Program Revenues:			
Charges for services	$ 5,873,412	$ 5,938,593	$ 5,715,235
Capital grants and contributions	5,385,492	2,102,379	1,655,114
General Revenues:			
Interest income	654,752	655,229	478,272
Insurance recoveries	-	-	467,013
Total revenues	11,913,656	8,696,201	8,315,634
Expenses:			
Airport	6,404,595	7,475,132	6,364,288
Total Expenses	6,404,595	7,475,132	6,364,288
Increase (decrease) in Net Position	5,509,061	1,221,069	1,951,346
Net Position - Beginning	23,027,936	21,806,867	19,855,521
Net Position - Ending	$ 28,536,997	$ 23,027,936	$ 21,806,867

The Authority's overall net position increased $5,509,061 during 2025 compared to $1,221,069 in the prior year. The reasons for the changes are discussed below:

Total revenues increased by $3,217,455 (37%) due to the following significant items:

- Capital grants and contributions increased by approximately $3,283,000 or 156% due to increased activity related to grant-funded projects.

Total expenses decreased by $1,070,537 or 14%, which was caused mainly by the following:

- Personnel services expenses decreased by $271,250 (15%). This decrease was primarily driven by a negative Other Postemployment Benefit (OPEB) expense of $423,834, resulting from changes in assumed healthcare premium rates. OPEB is typically recorded as an expense rather than a negative expense. The decrease was partially offset by increases related to rate adjustments and the addition of staff.
- Fuel expense decreased by $270,354 or 17% due to the decreased cost of fuel.
- Other operating expenses decreased by $460,287 (17%), primarily because noncapital renovation and repair costs were significantly higher in the prior year. During FY 2024, the Authority incurred substantial costs related to a major building renovation project, resulting in lower comparable expenses in the current year despite the project continuing into the current period.

During the fiscal year ending September 30, 2024, revenues increased by $380,567 or 5% from the prior year (2023) and expenses increased by $1,110,844 or 17%. Significant changes between the 2024 and 2023 fiscal year are as follows:

- Charges for services increased by $223,358 or 4% due mainly to a $186,670 (7%) increase in rental revenue, a $64,493 (26%) increase in other tenant charges and a $61,971 (3%) increase in fuel sales. The increase in rental revenue is mainly due to annual cost level increases on existing leases plus the revenue associated with new lease agreements. Other tenant charges increased due to higher costs for insurance and property taxes on Authority leased buildings that are passed-through as a component of lease revenue to tenants.

- Capital grants and contributions increased by $447,265 or 27% due to increased activity related to grant-funded projects.

- Interest income increased by $176,957 or 37% mainly due to increased interest rates on Authority deposits as well as more surplus funds placed in interest bearing deposit accounts as compared to the prior year.

- Insurance recoveries totaled $467,013 for the fiscal year ended September 30, 2023, compared to zero in 2024. The prior year insurance recovery revenue is related to Hurricane Ian which made landfall in Florida on September 28, 2022.

- Personnel services increased mainly due to an increase in the Authority's OPEB liability which increased OPEB expense by approximately $633,974 when compared to the OPEB expense in the prior year. The increase in the OPEB expense was mainly caused by significant decrease in the previous year's OPEB expense due to a change in the discount rate used to calculate the OPEB liability from 2.43% (FY 2022) to 4.77% (FY 2023). The change in the discount rate is due to changes in municipal bond interest rates. The discount rate used for the current year was 4.87%.

- Other operating expenses increased mainly due to noncapital renovation and repair and maintenance expenses that increased in 2024 by approximately $750,000 when compared to the prior year. This is due to a major building renovation project during FY 2024.

Fund Information – The Authority is reported as an enterprise fund in the City's basic financial statements and therefore the financial statements represented in this report are those of an enterprise fund. The activity reported in these financial statements provides the same type of information found in government-wide financial statements, but in more detail. Summarized government-wide financial information and the major changes can be found in the Government-wide Overall Financial Analysis section of this management's discussion and analysis.

Capital Assets and Debt Administration

Capital assets **-** The Authority's investment in capital assets for its business-type activities as of September 30, 2025, amounts to $23,092,229 (net of accumulated depreciation). The total increase in capital assets for the current fiscal year was 26%. Capital assets increased by 7% from 2023 to 2024.

Authority's Capital Assets (net of accumulated depreciation)

	2025	2024	2023
Land	$ 703,763	$ 703,763	$ 703,763
Construction in process	9,825,734	3,871,622	1,581,271
Buildings and improvements	6,716,345	7,208,854	7,607,106
Airfield improvements	5,169,731	5,738,841	6,358,844
Equipment	676,656	737,181	880,873
Total	$23,092,229	$18,260,261	17,131,857

Long-term Debt - At the end of the current fiscal year and the prior two years, the Authority had no long-term debt outstanding.

Economic Factors and Next Year's Budgets and Rates

The Authority has several capital projects planned for 2026 and has budgeted capital outlay expenditures for these projects totaling approximately $3,350,000 much of which is grant funded resulting in budgeted 2026 grant revenue of approximately $2,277,000.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government'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, 5993 Airport Blvd, Bartow, FL 33830.

BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION
as of September 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,567,226	$ 5,048,436
Accounts receivable, net	82,937	86,843
Lease receivable, current	1,699,363	2,004,588
Due from other governments	2,081,724	557,939
Prepaid expense	-	126,484
Inventory	89,725	91,424
Deposits	28,100	28,100
Total current assets	8,549,075	7,943,814
Noncurrent assets:		
Lease receivable, noncurrent	12,766,421	13,641,413
Capital assets:		
Non-depreciable	10,529,497	4,575,385
Depreciable, net	12,562,732	13,684,876
Total noncurrent assets	35,858,650	31,901,674
Total Assets	44,407,725	39,845,488
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - other post employment benefits	20,382	44,832
LIABILITIES		
Current liabilities:		
Accounts payable	94,177	88,549
Accrued payroll	33,941	28,766
Construction costs payable	1,008,994	222,829
Customer prepayments	117,849	124,254
Total current liabilities	1,254,961	464,398
Noncurrent liabilities:		
Customer deposits	280,725	306,921
Other post employment benefits	564,299	1,032,965
Compensated absences	209,556	157,025
Total noncurrent liabilities	1,054,580	1,496,911
Total Liabilities	2,309,541	1,961,309
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - lease related	13,581,569	14,901,075
NET POSITION		
Net investment in capital assets	22,083,235	18,037,432
Unrestricted	6,453,762	4,990,504
Total Net Position	$ 28,536,997	$ 23,027,936

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
for the year ended September 30, 2025 and 2024

	2025	2024
OPERATING REVENUES:		
Rental revenue	$ 3,092,715	$ 2,933,489
Other tenant charges	391,614	314,395
Aviation fuel sales	1,726,957	2,039,744
Other airport revenues	662,126	650,965
Total operating revenues	5,873,412	5,938,593
OPERATING EXPENSES:		
Personnel services	1,582,350	1,853,600
Fuel expense	1,301,149	1,571,503
Other operating expenses	2,257,857	2,718,144
Depreciation	1,263,239	1,331,885
Total operating expenses	6,404,595	7,475,132
OPERATING INCOME (LOSS)	(531,183)	(1,536,539)
NONOPERATING REVENUE (EXPENSE):		
Interest income	654,752	655,229
Total nonoperating revenues (expenses)	654,752	655,229
INCOME (LOSS) BEFORE CONTRIBUTIONS	123,569	(881,310)
Capital contributions from grants	5,385,492	2,102,379
Total capital contributions	5,385,492	2,102,379
CHANGE IN NET POSITION	5,509,061	1,221,069
NET POSITION, beginning of year	23,027,936	21,806,867
NET POSITION, end of year	$ 28,536,997	$23,027,936

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 5,731,624	$ 5,655,176
Cash payments for salaries and benefits	(1,968,860)	(1,815,688)
Cash payments to suppliers for materials, supplies and fuel	(3,425,195)	(4,377,199)
Net cash flows from operating activities	337,569	(537,711)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase/(decrease) in customer deposits	(26,196)	115,478
Net cash flows from noncapital financing activities	(26,196)	115,478
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets, net of change in related payables and deposits	(5,309,042)	(2,843,150)
Capital grants received, net of change in related receivables	3,861,707	2,339,227
Net cash flows from capital and related financing activities	(1,447,335)	(503,923)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	654,752	655,229
Net cash flows from investing activities	654,752	655,229
NET CHANGE IN CASH AND CASH EQUIVALENTS	(481,210)	(270,927)
CASH AND CASH EQUIVALENTS, beginning of year	5,048,436	5,319,363
CASH AND CASH EQUIVALENTS, end of year	$ 4,567,226	$ 5,048,436
Classification on the statement of net position		
Cash and cash equivalents	$ 4,567,226	$ 5,048,436
Cash and cash equivalents, end of year	$ 4,567,226	$ 5,048,436

Continued…

	2025	2024
Reconciliation of operating loss to net cash provided by operating activities		
Operating income (loss)	$ (531,183)	$ (1,536,539)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,263,239	1,331,885
(Increase) decrease in inventory	1,699	81,800
(Increase) decrease in accounts receivable	3,906	42,140
(Increase) decrease in leases receivable	1,180,217	(4,200,055)
(Increase) decrease in prepaid insurance	126,484	(126,484)
(Increase) decrease in OPEB related deferred outflows	24,450	(956)
Increase (decrease) in accrued payroll/compensated absences	57,706	(7,186)
Increase (decrease) in the total OPEB liability	(468,666)	46,054
Increase (decrease) in accounts payable	5,628	(42,868)
Increase (decrease) in customer prepayments and other	(6,405)	(49,751)
Increase (decrease) in lease related deferred inflows of resources	(1,319,506)	3,924,249
Total adjustments	868,752	998,828
Net cash flows from operating activities	$ 337,569	$ (537,711)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION - The **Bartow Municipal Airport Development Authority** (The "Authority") was established by Ordinance 776-A of the City of Bartow, Florida (the “City”) 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 of Bartow for $1 per year. The Authority's Board of Commissioners are also the City Commissioners of the City of Bartow.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

REPORTING ENTITY - Certain corporate powers were retained by the City in the creation of the Authority. As such, the Authority is not considered legally separate from the City for financial reporting purposes. The accompanying financial statements present only the balances and transactions of the Authority and not those of the City of Bartow or any of its other funds or component units. The Authority’s transactions are also reported as a business-type activity in the City’s financial statements.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements.

The Authority uses the accrual basis of accounting wherein revenues are recognized when earned and expenses are recognized when incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority’s principal ongoing operations. The principal operating revenues of the Authority are industrial park rentals, hangar rentals, aircraft rentals and aviation fuel sales. Operating expenses include the cost of maintaining the industrial park, the cost of aviation fuel, personnel services, administrative expenses and depreciation on capital assets. Nonoperating revenues and expenses consist of interest income, interest expense and other gains or losses.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

FUND ACCOUNTING - The authority operates as a single major enterprise fund under the fund accounting framework of governmental accounting. Within this framework, an enterprise fund accounts for operations in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the fund's customers on a continuing basis be financed or recovered primarily through user charges.

CASH AND CASH EQUIVALENTS - The financial statement caption “cash and cash equivalents” includes all deposits with banks and financial institutions including certificates of deposit.

ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS - Receivables are recorded at their net realizable value, reduced by an allowance for doubtful accounts when management determines that collectability is doubtful. The allowance for doubtful accounts was zero as of September 30, 2025 and 2024.

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

INVENTORY - Inventory consists of aircraft fuel and supplies for resale and is presented at the lower of cost or market on a first in, first out basis and is expensed as used.

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, which are recognized as expenses in the period in which the costs are incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

CAPITAL ASSETS - Property and equipment purchased or acquired and having an original cost of $5,000 or more is capitalized and carried at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are also capitalized if the individual cost exceeds $10,000. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is provided on the straight-line method over the following estimated useful lives:

	Years
Buildings and airport improvements	20-40
Airfield improvements	10-23
Machinery and equipment	3-20

Contributions of funds from federal, state, or local sources for the purpose of purchasing or constructing capital assets and capital assets donated to the Authority are recorded as capital contributions after "income (loss) before contributions" on the Statement of Revenues, Expenses and Changes in Fund Net Position. Donated capital assets are recorded at estimated acquisition value.

ACCUMULATED UNUSED COMPENSATED ABSENCES - The Authority records a liability for compensated absences in accordance with GASB Statement No. 101, Compensated Absences, which was implemented during the current fiscal year. Under this standard, the Authority recognizes a liability for leave balances that are more likely than not to be used for time off or paid in cash. Consistent with the Authority's adopted policy, compensated absences are assumed to be used on a last-in, first-out (LIFO) basis. Accordingly, the liability reported at year-end represents the amount that would be paid if an employee were to terminate employment as of the reporting date, including applicable payroll taxes and retirement costs.

Vacation Leave. Employees earn vacation monthly at rates ranging from two to four weeks per year based on years of service, up to a maximum accumulation of 320 hours. Accrued vacation is payable to employees upon separation in accordance with policy.

Sick Leave. Employees earn one day of sick leave per month, with no maximum accumulation. Employees separating from service with at least seven years of continuous employment and a minimum of 20 days accrued sick leave are eligible for a payout of a portion of accumulated sick leave. The payout percentage ranges from 30% to 50% depending on years of service. Because the timing of future leave usage cannot be precisely determined, the entire compensated absences liability is classified as noncurrent unless payment is expected within one year.

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

EQUITY CLASSIFICATIONS - Equity is reported as "net position" and is displayed in three components:

a) 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 and capital construction costs payable that are attributable to the acquisition, construction or improvement of those assets.

b) Restricted net position - Consists of resources with constraints placed on the 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. There was no restricted net position as of September 30, 2025 or 2024.

c) Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

REVENUE RECOGNITION - Revenues are recognized when earned and measurable. Rental income is recognized over the term of the related lease.

LEASES – The Authority is a lessor for noncancellable leases of buildings within the industrial park. The Authority recognizes a lease receivable and a deferred inflow of resources on the statement of net position.

At the commencement of a lease, the Authority initially measures the lease receivable at 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 Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The Authority's lease agreements do not contain an explicit interest component that is charged to the lessees and has decided to discount the lease receipts using the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as a proxy for interest that could be earned on surplus funds by the Authority.
- 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 Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

BUDGETARY LAW AND PRACTICE - On or before the second Monday of July each year, the executive director submits to the Bartow Municipal Airport Development Authority (the Board), a proposed budget for the ensuing fiscal year. The budget is passed by resolution of the Authority no later than September 30th of each year. Amendments to the budget are approved by resolution of the Authority.

NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS – CURRENT YEAR IMPLEMENTATIONS

GASB Statement No. 101 – Compensated Absences - Effective during the current fiscal year, the Authority implemented GASB Statement No. 101, Compensated Absences. This Statement establishes a unified and updated model for the recognition and measurement of compensated absences and modifies certain related disclosure requirements. The adoption of GASB 101 did not have a significant impact on the Authority's financial statements and did not require a restatement of prior periods.

GASB Statement No. 102 – Certain Risk Disclosures - The Authority also implemented GASB Statement No. 102, Certain Risk Disclosures, issued in December 2023. This Statement enhances financial reporting by requiring disclosures related to concentrations and constraints, as well as certain events or circumstances that may make an entity vulnerable to a substantial financial impact. The implementation of GASB 102 did not have a significant effect on the Authority's financial statements and did not require a prior period restatement.

NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS – FUTURE IMPLEMENTATIONS

GASB Statement No. 103, *Financial Reporting Model Improvements* was issued in 2024 and improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Authority will implement this statement for the fiscal period ending September 30, 2026, and is evaluating the impact this will have on its financial reporting.

GASB Statement No. 104, Disclosure of Certain Capital Assets, was issued in 2024 and requires expanded disclosures related to certain capital assets, including lease assets, intangible right-to-use assets, subscription-based IT assets, and capital assets classified as held for sale. The Statement is effective for fiscal years beginning after June 15, 2025. The Authority will implement GASB 104 for the fiscal year ending September 30, 2026, and is currently evaluating the impact this standard will have on its financial reporting.

NOTE 2 - CASH AND INVESTMENTS

DEPOSITS IN FINANCIAL INSTITUTIONS - Local governmental entities 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. All of the Authority's cash and cash equivalents, which includes certificates of deposit, were with qualified public depositories.

INVESTMENTS - The Authority has not adopted an investment policy and so, by statute, follows the State's guidance set forth in Section 218.415, Florida Statutes. That section requires local governments without written investment policies, including Cities and their component units, to follow the State policy in Section 218.415(17), Florida Statutes which authorizes investments in: The Local Government Surplus Funds Trust Fund under the management of the State Board of Administration; Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories; and direct obligations of the U.S. Treasury. The Authority does not have policies that address credit risk, custodial risk, or interest rate risk. The Authority had no investments on September 30, 2025 or 2024, or during the years then ended.

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2025:

	Balance October 1, 2024	Transfers	Additions	Deletions	Balance September 30, 2025
Capital assets not being depreciated:					
Land	$ 703,763	$ -	$ -	$ -	$ 703,763
Construction in process	3,871,622	(55,995)	6,010,107	-	9,825,734
Total assets not being depreciated	4,575,385	(55,995)	6,010,107	-	10,529,497
Capital assets being depreciated:					
Buildings and improvements	18,231,201	-	-	-	18,231,201
Airfield improvements	17,820,147	-	-	-	17,820,147
Equipment	2,286,981	55,995	85,100	-	2,428,076
Total assets being depreciated	38,338,329	55,995	85,100	-	38,479,424
Less accumulated depreciation for:					
Buildings and improvements	(11,022,347)	-	(492,509)	-	(11,514,856)
Airfield improvements	(12,081,306)	-	(569,110)	-	(12,650,416)
Equipment	(1,549,800)	-	(201,620)	-	(1,751,420)
Total accumulated depreciation	(24,653,453)	-	(1,263,239)	-	(25,916,692)
Depreciable capital assets, net	$ 13,684,876	$ 55,995	$ (1,178,139)	$ -	$ 12,562,732
Total capital assets, net	$ 18,260,261	$ -	$ 4,831,968	$ -	$ 23,092,229

The following is a summary of changes in capital assets during the year ended September 30, 2024:

	Balance October 1, 2023	Transfers	Additions	Deletions	Balance September 30, 2024
Capital assets not being depreciated:					
Land	$ 703,763	$ -	$ -	$ -	$ 703,763
Construction in process	1,581,271	-	2,290,351	-	3,871,622
Total assets not being depreciated	2,285,034	-	2,290,351	-	4,575,385
Capital assets being depreciated:					
Buildings and improvements	18,141,306	-	89,895	-	18,231,201
Airfield improvements	17,820,147	-	-	-	17,820,147
Equipment	2,206,938	-	80,043	-	2,286,981
Total assets being depreciated	38,168,391	-	169,938	-	38,338,329
Less accumulated depreciation for:					
Buildings and improvements	(10,534,200)	-	(488,147)	-	(11,022,347)
Airfield improvements	(11,461,303)	-	(620,003)	-	(12,081,306)
Equipment	(1,326,065)	-	(223,735)	-	(1,549,800)
Total accumulated depreciation	(23,321,568)	-	(1,331,885)	-	(24,653,453)
Depreciable capital assets, net	$ 14,846,823	$ -	$ (1,161,947)	$ -	$ 13,684,876
Total capital assets, net	$ 17,131,857	$ -	$ 1,128,404	$ -	$ 18,260,261

NOTE 4 – LONG-TERM OBLIGATIONS

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

	Balance October 1, 2024	Additions	Reductions	Balance September 30, 2025	Amounts Due within One Year
Other Liabilities:					
Other post employment liability	1,032,965	-	(468,666)	564,299	-
Compensated absences, net	157,025	52,531	-	209,556	-
Total other liabilities	1,189,990	52,531	(468,666)	773,855	-
Total long-term obligations	$ 1,189,990	$ 52,531	$ (468,666)	773,855	$ -
Less amount due in one year				-	
Total noncurrent obligations due in more than one year				$ 773,855	

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

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Amounts Due within One Year
Other Liabilities:					
Other post employment liability	986,911	46,054	-	1,032,965	-
Compensated absences, net	168,108	-	(11,083)	157,025	-
Total other liabilities	1,155,019	46,054	(11,083)	1,189,990	-
Total long-term obligations	$ 1,155,019	$ 46,054	$ (11,083)	1,189,990	$ -
Less amount due in one year				-	
Total noncurrent obligations due in more than one year				$ 1,189,990	

NOTE 5 – NONREGULATED LEASE REVENUE

A significant revenue source to the Authority are the leases of its industrial park commercial buildings and airplane hangars to third parties. Future lease payments on noncancelable leases of the industrial park buildings that are included in the measurement of the lease receivable from September 30, 2025, are as follows:

Fiscal year Ending September 30,	Principal	Interest	Total
2026	$ 1,699,363	$ 450,610	$ 2,149,973
2027	1,548,616	392,696	1,941,312
2028	1,299,899	341,042	1,640,941
2029	1,141,023	300,928	1,441,951
2030	1,073,153	263,877	1,337,030
2031-2035	3,935,976	842,265	4,778,241
2036-2040	1,560,620	429,113	1,989,733
2041-2045	543,589	226,258	769,847
2046-2050	209,613	188,692	398,305
2051-2055	62,690	172,076	234,766
2056-2060	48,650	166,189	214,839
2061-2065	54,928	159,911	214,839
2066-2070	62,016	152,823	214,839
2071-2075	70,020	144,819	214,839
2076-2080	79,056	135,783	214,839
2081-2085	89,258	125,581	214,839
2086-2090	100,777	114,062	214,839
2091-2095	113,782	101,057	214,839
2096-2100	128,465	86,376	214,841
2101-2105	145,044	69,795	214,839
2106-2110	163,762	51,077	214,839
2111-2115	184,896	29,943	214,839
2116-2120	150,588	6,961	157,549
	$ 14,465,784	$ 4,951,934	$ 19,417,718

NOTE 5 – NONREGULATED LEASE REVENUE (concluded)

Future lease payments on noncancelable leases of the industrial park buildings that are included in the measurement of the lease receivable from September 30, 2024, are as follows:

Ending September 30,	Principal	Interest	Total
2025	$ 2,004,588	$ 476,208	$ 2,480,796
2026	1,582,983	415,620	1,998,603
2027	1,410,947	363,765	1,774,712
2028	1,134,332	318,784	1,453,116
2029	1,005,291	285,460	1,290,751
2030-2034	4,353,130	968,751	5,321,881
2035-2039	1,636,348	484,423	2,120,771
2040-2044	803,892	248,286	1,052,178
2045-2049	223,435	193,964	417,399
2050-2054	90,772	174,004	264,776
2055-2059	47,483	167,356	214,839
2060-2064	53,611	161,228	214,839
2065-2069	60,529	154,310	214,839
2070-2074	68,340	146,499	214,839
2075-2079	77,160	137,679	214,839
2080-2084	87,117	127,722	214,839
2085-2089	98,360	116,479	214,839
2090-2094	111,053	103,786	214,839
2095-2099	125,385	89,454	214,839
2100-2104	141,566	73,273	214,839
2105-2109	159,835	55,004	214,839
2110-2114	180,461	34,378	214,839
2115-2119	189,383	11,132	200,515
	$ 15,646,001	$ 5,307,565	$ 20,953,566

NOTE 6 – REGULATED LEASE REVENUE

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

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

The Authority recognized $135,740 of lease revenue from these agreements for the year ended September 30, 2024. A schedule of expected future minimum payments under these agreements are as follows:

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

NOTE 7 – DEFERRED COMPENSATION PLAN

The Authority sponsors a deferred compensation plan created pursuant to Internal Revenue Code Section 457 (the Plan). The Plan was established by and can be amended by the Board of Commissioners. The Plan is available to all Authority employees after completing six-months of continuous service and permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The Authority matches employee contributions to the Plan up to 10% of base pay. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Authority's contributions to this Plan, which also represents that Authority's total Plan expense, was $67,433 for the year ended September 30, 2025 and $58,941 for the year ended September 30, 2024. There is no liability to the Plan on September 30, 2025 or 2024 for unpaid employer contributions.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description: The Authority administers a single-employer defined benefit other postemployment benefits (OPEB) program, namely a postemployment health care plan that covers retired employees of the Authority (the "Plan"). Under the provisions of the Plan, which was established by practice, employees who retire and meet retirement eligibility requirements under the Authority's retirement plan and have at least 10 years of continuous service are eligible to receive subsidized health insurance beginning at age 65. To be eligible for the subsidy beginning at age 65, retirees must continue to be on the Authority'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 Authority will pay the retiree premium up to the cap set each year. For fiscal year ended September 30, 2024, the cap was $349 per month and for the fiscal year ended September 30, 2025, the cap was increased to $377 per month. The retiree is responsible for the remaining amount not covered by the Authority, if any. In addition, retirees must pay the full cost of coverage for spouses and dependents. The Authority also provides $1,000 life insurance benefit to each retiree, regardless of whether the retiree elects other postemployment benefit coverage. The Authority obtains an actuarial valuation of the Plan every other year. The last actuarial valuation was performed as of September 30, 2024. The Plan does not issue a stand-alone report.

Participant data as of the most recent actuarial valuation date is shown below:

	September 30, 2024
Inactive plan members, or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	24
Total	27

Funding Policy and Contributions: The Authority currently pays for postemployment health care benefits in a pay-as-you-go basis. The contribution requirements of the Authority and plan members are established and may be amended by the Authority's Board of Commissioners. These contributions are neither guaranteed nor mandatory. The Authority has retained the right to unilaterally modify its payments towards retiree health care benefits.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (cont…)

Total OPEB Liability:

- The Authority's total OPEB liability as of the September 30, 2025 reporting date was determined by an actuary using the alternative measurement method as of September 30, 2024.
- The Authority's total OPEB liability as of the September 30, 2024 reporting date was determined by an actuary using the alternative measurement method as of September 30, 2022, updated to the measurement date of September 30, 2023.

Actuarial Assumptions:

Reporting date	September 30, 2025
Inflation	2.50%
Salary inflation	2.50%
Discount rate	4.06%
Healthcare cost trend rates	6.75% for 2025, grading down to the ultimate trend rate of 4.00% in 2075.

Reporting date	September 30, 2024
Inflation	2.50%
Salary inflation	2.50%
Discount rate	4.87%
Healthcare cost trend rates	7.00% for 2024, grading down to the ultimate trend rate of 4.00% in 2075.

Mortality rates for the September 30, 2025 and 2024 reporting dates, using the alternative measurement method, were based on The Society of Actuaries' Retirement Plan Experience Committee (RPEC) Pub-2010 Public Retirement Plans Mortality Tables Reports using projection scale MP-2019.

The discount rate used was based on the S&P Municipal Bond 20 Year High Grade Rate Index (a high-quality municipal bond rate) 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. All future benefits were discounted using the above discount rates.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (cont…)

Changes in the Total OPEB Liability:

	Total OPEB Liability Reporting period ending September 30, 2025	 2024
Beginning of Year	$ 1,032,965	$ 986,911
Changes for the year:		
Service cost	51,628	51,464
Interest	51,767	48,570
Changes of assumptions	(386,424)	(13,204)
Differences between expected and actual experience	(141,905)	-
Benefit payments	(43,732)	(40,776)
Net changes for the year	(468,666)	46,054
End of Year	$ 564,299	$ 1,032,965

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Authority, as well as what the Authority'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:

Reporting period ending	Discount Rate	1% Decrease	Discount Rate	1% Increase
September 30, 2025	4.06%	$ 668,234	$ 564,299	$ 484,182
September 30, 2024	4.87%	$ 1,178,917	$ 1,032,965	$ 914,904

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Reporting period ending	Healthcare Cost Trend Rates	1% Decrease	Healthcare Cost Trend Rates	1% Increase
September 30, 2025	6.75% to 4%	$ 466,017	$ 564,299	$ 645,803
September 30, 2024	7.00% to 4%	$ 884,832	$ 1,032,965	$ 1,162,301

OPEB Expense and Deferred Outflows of Resources Related to OPEB: For the year ended September 30, 2025, the Authority recognized negative OPEB expense of -$423,834 and for the year ended September 30, 2024, the Authority recognized OPEB expense of $89,930.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (cont…)

On September 30, 2025 and 2024, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	
	2025	2024
Contributions subsequent to the measurement date	$ 20,382	$ 44,832

Amounts reported as deferred outflows of resources for contributions made subsequent to the measurement date will be reported as a reduction in the total OPEB liability in the following year.

NOTE 9 – CUSTOMER CONCENTRATIONS

The Authority is heavily dependent on rental income from its industrial park leases which in turn is dependent on the vitality of the economy in general and, to a lesser extent, the economic health of the industries in which its major tenants operate. Industrial park lease income amounts to 53% and 49% of operating revenue for the years ended September 30, 2025 and 2024, respectively. One individual customer accounted for 13% of total industrial park lease income for the year ended September 30, 2025 and one individual customer accounted for 10% of industrial park lease income for the year ended September 30, 2024.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

UNEMPLOYMENT CLAIMS – The Authority has elected to reimburse 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 Authority is occasionally a party to claims and assessments arising from its actions in the course of carrying out its public services. To limit the exposure to these losses the Authority carries general liability insurance coverage.

RISK MANAGEMENT - Commercial insurance protection is in place to limit the Authority's exposure to losses arising from major risks, including workers' compensation, liability, property and casualty, and theft. There have been no significant reductions in insurance coverages during the past year. All of the policies contain normal deductibles except the building and contents policy which has a deductible of $5,000 for all perils except damage from "named storms" for which the deductible is the greater of 5% of the insured value or $25,000. The Authority's workers compensation coverage is provided through a local government pooled trust which can make further assessments of its member governments should the assets of the trust be insufficient to pay claims.

NOTE 11 – GRANTS

The Authority has constructed airport improvements that were partially or entirely funded with federal and/or state grants. These costs may be subject to future audits by the grantor agencies. In management's opinion, there are no material instances of noncompliance relating to these grants.

Bartow Municipal Airport Development Authority

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REQUIRED SUPPLEMENTARY INFORMATION

BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service cost	$ 51,628	$ 51,464	$ 117,512	$ 121,898	$ 88,004
Interest	51,767	48,570	40,536	34,604	43,548
Changes of assumptions and differences between expected and actual experience	(528,329)	(13,204)	(703,092)	(65,134)	268,742
Benefit payments	(43,732)	(40,776)	(37,097)	(34,670)	(32,402)
Net change in total OPEB Liability	(468,666)	46,054	(582,141)	56,698	367,892
Total OPEB Liability - beginning	1,032,965	986,911	1,569,052	1,512,354	1,445,416
Restatement	-	-	-	-	(300,954)
Total OPEB Liability - ending	$ 564,299	$ 1,032,965	$ 986,911	$ 1,569,052	$ 1,512,354
Covered-employee payroll	$ 1,344,211	$ 1,015,044	$ 990,287	$ 988,392	$ 964,285
Total OPEB liability as a percentage of covered-employee payroll	42%	102%	100%	159%	157%

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 61,886	$ 84,776	$ 91,418	$ 75,754
Interest	53,642	48,743	42,157	41,848
Changes of assumptions and differences between expected and actual experience	103,482	(183,751)	(142,171)	135,842
Contributions	32,846	36,846	38,143	31,331
Benefit payments	(32,846)	(36,846)	(38,143)	(31,331)
Net change in total OPEB Liability	219,010	(50,232)	(8,596)	253,444
Total OPEB Liability - beginning	1,226,406	1,276,638	1,285,234	1,031,790
Total OPEB Liability - ending	$ 1,445,416	$ 1,226,406	$ 1,276,638	$ 1,285,234
Covered-employee payroll	$ 1,119,558	$ 1,066,246	$ 1,015,473	$ 726,274
Total OPEB liability as a percentage of covered-employee payroll	129%	115%	126%	177%

Notes to Schedule of Changes in the Total Other Post Employment Benefits Liability and Related Ratios:

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

Additional information will be provided annually until ten years of data is presented.

Difference Between Expected and Actual Experience:

- The difference between expected and actual experience reflects the impact of various changes to the census data from the prior valuation.

Changes in Assumptions:

Discount rate changes - The following are the discount rates used in each period:

Fiscal year ending September 30,	Discount Rate
2025	4.06%
2024	4.87%
2023	4.77%
2022	2.43%
2021	2.14%
2020	3.58%
2019	4.18%
2018	3.64%
2017	3.06%
2016	3.71%

For the reporting year ending September 30, 2025:

- Updated health care costs and premiums.

For the reporting year ending September 30, 2019:

- Updated health care costs and premiums;
- Updated health care cost trend rates;
- Updated mortality rates; and
- Updated salary increase assumption, retirement rates and termination rates.

Restatement: For the reporting year ending September 30, 2021: The Authority engaged an actuary to determine the Authority's total OPEB liability independent from the City as has been performed in the past. The restatement reflects this change as well as the effect of moving from an actuarial valuation to the alternative measurement method which requires changes in the total OPEB liability to be recognized immediately and not reported as deferred flows of resources.

Bartow Municipal Airport Development Authority

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SUPPLEMENTARY INFORMATION

BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY
SUPPLEMENTARY INFORMATION (UNAUDITED)
SUPPLEMENTAL SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION BY CLASSIFICATION
For the year ended September 30, 2025

	Airside	Landside	Air Traffic Control	Bartow Flying School	Total
OPERATING REVENUES:					
Industrial park rentals	$ 763,073	$2,309,051	$ 20,591	$ -	$3,092,715
Other tenant charges	22,832	368,782	-	-	391,614
Aviation fuel sales	314,469	-	-	1,412,488	1,726,957
Other airport revenues	-	-	37,185	624,941	662,126
Total operating revenues	1,100,374	2,677,833	57,776	2,037,429	5,873,412
OPERATING EXPENSES:					
Personnel services	334,484	880,354	-	367,512	1,582,350
Fuel expense	273,337	-	-	1,027,812	1,301,149
Other operating expenses	634,562	977,774	10,032	635,489	2,257,857
Depreciation	796,507	292,704	-	174,028	1,263,239
Total operating expenses	2,038,890	2,150,832	10,032	2,204,841	6,404,595
OPERATING INCOME (LOSS)	(938,516)	527,001	47,744	(167,412)	(531,183)
NONOPERATING REVENUE (EXPENSE):					
Interest income	-	654,752	-	-	654,752
Total nonoperating revenues (expenses)	-	654,752	-	-	654,752
INCOME (LOSS) BEFORE CONTRIBUTIONS	(938,516)	1,181,753	47,744	(167,412)	123,569
Capital contributions from grants	5,280,378	105,114	-	-	5,385,492
Total capital contributions	5,280,378	105,114	-	-	5,385,492
CHANGE IN NET POSITION	$4,341,862	$1,286,867	$ 47,744	$ (167,412)	$5,509,061

Data Element	Reference	Comment
The total number of Authority employees compensated in the last pay period of the district's fiscal year being reported	Section 218.32(1)(e)(2)(a)	29
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year being reported.	Section 218.32(1)(e)(2)(b)	22
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	$2,455,801 for the fiscal year ended September 30, 2025
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	$1,427,020 for the fiscal year ended September 30, 2025
The annual financial report of a dependent special district or an independent special district amending a final adopted budget under s. 189.016(6) must include a budget variance report based on the budget adopted under s. 189.016(4) before the beginning of the fiscal year being reported.	Section 218.32(1)(e)(3)	The budget for the fiscal year ended September 30, 2025 was not amended so this is not applicable.
Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	See below

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

Bartow Municipal Airport Development Authority

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GOVERNMENT AUDIT SECTION

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

Board of Commissioners
Bartow Municipal Airport Development Authority
Bartow, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Bartow Municipal Airport Development Authority (the Authority) of the City of Bartow, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 5, 2026.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Commissioners
Bartow Municipal Airport Development Authority
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*

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

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

January 5, 2026
Sarasota, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS

Board of Commissioners
Bartow Municipal Airport Development Authority
Bartow, Florida

We have examined the Bartow Municipal Airport Development Authority (the Authority) of the City of Bartow, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority'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 Authority complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority 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 Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

This report is intended solely for the information and use of the Florida Auditor General, and the Authority's Board of Commissioners and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

January 5, 2026
Sarasota, Florida

MANAGEMENT LETTER

Board of Commissioners
Bartow Municipal Airport Development Authority
Bartow, Florida

Report on the Financial Statements
We have audited the financial statements of the Bartow Municipal Airport Development Authority (the Authority) of the City of Bartow, Florida (the City) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated January 5, 2026.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated January 5, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)l., *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 financial audit report. There were no findings or recommendations in the preceding financial audit report.

Official Title and Legal Authority
Section 10.554(l)(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 Authority was created by an inter-local agreement dated February 26, 1982. There are no component units.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority 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 Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Board of Commissioners
Bartow Municipal Airport Development Authority
Bartow, Florida

MANAGEMENT LETTER

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 Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and 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 did not have any such recommendations.

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

A PACE program did not operate within the Authority's geographical boundaries during the fiscal year under audit.

Specific Information - Special Districts
For information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, please see the supplementary information on page 30 provided by management that is unaudited and, 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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have 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, the Authority, its management, and the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis Gray

January 5, 2026
Sarasota, Florida