

# **BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**

FINANCIAL STATEMENTS

and

AUDITORS' REPORT

SEPTEMBER 30, 2017 AND 2016

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**

**TABLE OF CONTENTS**

**PART I - FINANCIAL SECTION**

Independent Auditors' Report ..... 1-2

Statements of Net Position..... 3

Statements of Revenues, Expenses and Changes in  
Fund Net Position ..... 4

Statements of Cash Flows ..... 5

Notes to Financial Statements ..... 6-14

**PART II - REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Changes in the Total OPEB Liability and Related Ratios..... 15

**PART II - GOVERNMENT AUDIT SECTION**

Independent Auditors' 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 ..... 16-17

Independent Accountants' Report on Compliance with *Florida Statute*  
Section 218.415 - Investments of Public Funds ..... 18

Management letter ..... 19-20

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

### Report on the Financial Statements

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 year ended September 30, 2017, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority of the City as of September 30, 2017, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762

5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Emphasis of Matters**

*Reporting Entity*

As discussed in Note 1, the financial statements present only the Authority and do not purport to, and do not present fairly the financial position of the City as of September 30, 2017, the changes in its financial position, or, where applicable, its cash flows for the year 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.

*Implementation of New Accounting Standard*

As discussed in Note 11 to the financial statements, during the current year, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements require for the first time, that employers report the total Other Postemployment Benefit Plan (OPEB) liability and related deferred inflows/outflows, on their statements of net position. In connection with the implementation of this standard, the Authority decreased its beginning net position by \$411,450. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Management of the Authority of the City has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2018, 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 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 Authority's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited the Authority's financial statements as of September 30, 2016, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 27, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent in all material respects, with the audited financial statements from which it has been derived.



March 6, 2018  
Sarasota, Florida

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF NET POSITION**  
as of September 30, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,836,411	\$ 2,286,270
Accounts receivable, net	29,625	33,654
Due from other governments	228,893	510,837
Prepaid insurance	-	283,828
Inventory	89,351	75,057
<b>Total current assets</b>	<b>3,184,280</b>	<b>3,189,646</b>
Noncurrent assets:		
Restricted cash and cash equivalents	2,900,000	-
Capital assets:		
Non-depreciable	1,827,399	873,170
Depreciable, net	16,830,780	17,616,101
<b>Total noncurrent assets</b>	<b>21,558,179</b>	<b>18,489,271</b>
<b>Total Assets</b>	<b>24,742,459</b>	<b>21,678,917</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to OPEB	116,436	-
<b>Total Deferred Outflows of Resources</b>	<b>116,436</b>	<b>-</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	80,912	64,548
Accrued payroll	8,534	7,440
Interest payable	10,339	-
Construction costs payable	112,425	239,362
Customer prepayments	145,912	71,063
Compensated absences	128,981	-
Notes payable, current portion	204,000	-
<b>Total current liabilities</b>	<b>691,103</b>	<b>382,413</b>
Noncurrent liabilities:		
Customer deposits	346,891	287,752
OPEB obligation	1,285,234	620,340
Compensated absences	46,287	161,652
Notes payable, noncurrent portion	2,696,000	-
<b>Total noncurrent liabilities</b>	<b>4,374,412</b>	<b>1,069,744</b>
<b>Total Liabilities</b>	<b>5,065,515</b>	<b>1,452,157</b>
<b>NET POSITION</b>		
Investment in capital assets	18,545,754	18,489,271
Unrestricted	1,247,626	1,737,489
<b>Total Net Position</b>	<b>\$ 19,793,380</b>	<b>\$ 20,226,760</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION**  
for the years ended September 30, 2017 and 2016

	2017	2016
<b>OPERATING REVENUES:</b>		
Industrial park rentals	\$ 1,556,998	\$ 1,380,625
Other tenant charges	166,467	166,819
Aviation fuel sales	1,370,818	1,286,494
Other airport revenues	940,785	774,583
Total operating revenues	<u>4,035,068</u>	<u>3,608,521</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	1,346,223	1,201,835
Operating expenses	2,280,406	1,940,741
Depreciation	1,205,506	1,162,486
Total operating expenses	<u>4,832,135</u>	<u>4,305,062</u>
<b>OPERATING LOSS</b>	<u>(797,067)</u>	<u>(696,541)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>		
Interest income	21,674	14,737
Interest expense	(10,339)	-
Other, net	12,460	9,369
Total nonoperating revenues (expenses)	<u>23,795</u>	<u>24,106</u>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>(773,272)</u>	<u>(672,435)</u>
Capital contributions from grants	751,342	2,358,077
Total capital contributions	<u>751,342</u>	<u>2,358,077</u>
<b>CHANGE IN NET POSITION</b>	<u>(21,930)</u>	<u>1,685,642</u>
<b>NET POSITION, previously reported</b>	20,226,760	18,541,118
Restatement	<u>(411,450)</u>	-
<b>NET POSITION, beginning of year, as restated</b>	<u>19,815,310</u>	<u>18,541,118</u>
<b>NET POSITION, end of year</b>	<u><u>19,793,380</u></u>	<u><u>20,226,760</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
for the years ended September 30, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 4,113,946	\$ 3,532,176
Cash payments for salaries and benefits	(1,194,504)	(1,108,489)
Cash payments to suppliers for materials and supplies	(1,994,509)	(2,224,312)
Net cash flows from operating activities	<u>924,933</u>	<u>199,375</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Increase (decrease) in customer deposits	59,139	23,203
Net cash flows from noncapital financing activities	<u>59,139</u>	<u>23,203</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets, net of change in related payables	(1,501,351)	(3,546,116)
Proceeds from notes payable	2,900,000	-
Capital grants received, net of change in related receivables	1,033,286	2,094,001
Net cash flows from capital and related financing activities	<u>2,431,935</u>	<u>(1,452,115)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Other investing income	12,460	9,369
Interest and dividends on invested funds	21,674	14,737
Net cash flows from investing activities	<u>34,134</u>	<u>24,106</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,450,141	(1,205,431)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>2,286,270</u>	<u>3,491,701</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>5,736,411</u></u>	<u><u>2,286,270</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>		
Operating loss	(797,067)	(696,541)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	1,205,506	1,162,486
(Increase) decrease in inventory	(14,294)	(1,781)
(Increase) decrease in accounts receivable	4,029	(1,053)
(Increase) decrease in prepaid insurance	283,828	(283,828)
Increase (decrease) in accrued wages/compensated absences	14,710	6,580
Increase (decrease) in OPEB elements	137,008	86,766
Increase (decrease) in accounts payable and accrued expenses	16,364	2,038
Increase (decrease) in customer prepayments and other	74,849	(75,292)
<b>Total adjustments</b>	<u>1,722,000</u>	<u>895,916</u>
Net cash flows from operating activities	<u>\$ 924,933</u>	<u>\$ 199,375</u>
<b>Reconciliation of cash and cash equivalents to statement of net position</b>		
Cash and cash equivalents	\$ 2,836,411	\$ 2,286,270
Restricted cash and cash equivalents	2,900,000	-
<b>Cash and cash equivalents, end of year</b>	<u>\$ 5,736,411</u>	<u>\$ 2,286,270</u>
<b>Noncash financing and investing activities</b>		
None	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

---

**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 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 and expenditures 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, 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.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

---

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

**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. There was no allowance for doubtful accounts as of September 30, 2017 and 2016.

**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.

**CAPITALIZATION OF INTEREST COSTS** - Interest cost incurred in the construction of capital assets is capitalized as a part of the cost of the asset when a project is undertaken with borrowed funds. No interest cost was incurred or capitalized during 2017 and 2016.

**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. Contributed assets are recorded at fair market value as of the date received. 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:

	<u>Years</u>
Buildings and airport improvements	20-40
Airfield improvements	10-23
Machinery and equipment	5-20

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 "Net 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 accumulated unused compensated absences at each year-end equal to each employee's vested accumulated unused sick and vacation hours at their current rate of pay plus payroll taxes and retirement costs. Unless the maturities are determinable, this liability is recorded as a noncurrent liability on the Statement of Net Position.

Employees are credited monthly for vacation time earned ranging from two to four weeks annually depending on length of employment up to a maximum of two years' accrual.

Employees are credited monthly for sick leave earned at the rate of one work day for each month worked. There is no limit on the number of hours that may be accumulated; however, employees retiring or voluntarily terminating with a minimum of seven years of continuous employment and a minimum of twenty days accrued sick leave will be compensated at a percentage of the accrual ranging from 30% to 50% for employees with over twenty years of service.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (concluded)

**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 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, 2017 or 2016.
- 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.

**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.

**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.

**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 at year end, or during the years presented.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE 3 – CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended September 30, 2017

	Balance October 1, 2016			Transfers	Additions	Deletions	Balance October 1, 2017	
<b>Capital assets not being depreciated:</b>								
Land	\$	703,763		\$ -	\$ -	\$ -	\$	703,763
Construction in process		169,407		-	954,229	-		1,123,636
Total assets not being depreciated		<u>873,170</u>		<u>-</u>	<u>954,229</u>	<u>-</u>		<u>1,827,399</u>
<b>Capital assets being depreciated:</b>								
Buildings and improvements		16,592,565		-	116,034	-		16,708,599
Airfield improvements		14,850,259		-	-	-		14,850,259
Equipment		1,113,777		-	304,151	(42,683)		1,375,245
Total assets being depreciated		<u>32,556,601</u>		<u>-</u>	<u>420,185</u>	<u>(42,683)</u>		<u>32,934,103</u>
Less accumulated depreciation for:								
Buildings and improvements		(7,495,751)		-	(410,964)	-		(7,906,715)
Airfield improvements		(6,799,438)		-	(731,682)	-		(7,531,120)
Equipment		(645,311)		-	(62,860)	42,683		(665,488)
Total accumulated depreciation		<u>(14,940,500)</u>		<u>-</u>	<u>(1,205,506)</u>	<u>42,683</u>		<u>(16,103,323)</u>
Depreciable capital assets, net	\$	<u>17,616,101</u>	\$	<u>-</u>	\$ (785,321)	\$ -	\$	<u>16,830,780</u>
Total capital assets, net	\$	<u>18,489,271</u>	\$	<u>-</u>	\$ 168,908	\$ -	\$	<u>18,658,179</u>

**NOTE 4 – LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended September 30, 2017:

	Balance October 1 2016 (*)	Additions	Reductions	Balance September 30, 2017	Amounts Due w within One Year
<b>Long-term debt:</b>					
Airport Revenue Note, Series 2017A	\$ -	\$ 2,900,000	\$ -	\$ 2,900,000	\$ 204,000
Total long-term debt	<u>-</u>	<u>2,900,000</u>	<u>-</u>	<u>2,900,000</u>	<u>204,000</u>
<b>Other Liabilities:</b>					
Other post employment liability	1,031,790	253,444	-	1,285,234	-
Compensated absences	161,652	13,616	-	175,268	128,981
Total other liabilities	<u>1,193,442</u>	<u>267,060</u>	<u>-</u>	<u>1,460,502</u>	<u>128,981</u>
Total long-term obligations	<u>\$ 1,193,442</u>	<u>\$ 3,167,060</u>	<u>\$ -</u>	<u>4,360,502</u>	<u>\$ 332,981</u>
Less amount due in one year				<u>(332,981)</u>	
Total noncurrent obligations due in more than one year				<u>\$ 4,027,521</u>	

(\*) - The previously reported October 1, 2016 balances were increased by \$411,450 as a result of the recording of the other post employment liability in accordance with GASB Statement No. 75. See Note 11 for more information.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE 4 – LONG-TERM OBLIGATIONS** (cont...)

**Notes to Long-Term Obligations Table**

Airport Revenue Note, Series 2017A: The City of Bartow entered into a loan agreement with BB&T, a North Carolina banking corporation, on August 15, 2017 relating to the issuance of the Airport Revenue Note, Series 2017A (the “Note”) in the amount of \$2,900,000. The Note was issued to fund transportation improvements at the Bartow Airport. The Note bears interest at 2.79% with principal due monthly beginning on October 1, 2017 through maturity on July 1, 2032. Contemporaneously with the issuance of the Note, the City of Bartow entered into an interlocal agreement with the Authority. The interlocal agreement authorizes the pass-through of the Note proceeds from the City of Bartow to the Authority in exchange for the Authority’s pledge to use the proceeds to complete the transportation improvement project and to pay the debt service on the Note solely from the Authority’s revenue from fuel sales.

Maturities: Annual requirements to repay all long-term debt as of September 30, 2017, were as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 204,000	\$ 81,897
2019	204,000	72,610
2020	204,000	66,918
2021	204,000	61,226
2022	196,000	55,600
2023-2027	960,000	197,532
2028-2032	928,000	63,649
Total	<u>\$ 2,900,000</u>	<u>\$ 599,432</u>

**NOTE 5 – LEASE REVENUE**

A significant revenue source to the Authority are the leases of its industrial park commercial buildings and airplane hangars to third parties. The leased facilities have a net carrying value at September 30, 2017 of \$4,087,706 (cost \$10,309,534 less \$6,221,828 accumulated depreciation). Minimum lease revenue on noncancelable operating leases of the industrial park buildings for the next five years and thereafter from September 30, 2017, are as follows:

<u>Year Ended September 30,</u>	
2018	\$ 1,192,896
2019	713,856
2020	828,944
2021	214,068
2022	44,587
Later years	<u>2,090,783</u>
Total minimum future rentals	<u>\$ 5,085,134</u>

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

---

**NOTE 6 – 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 one year 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 \$42,589 and \$36,196 for the years ended September 30, 2017 and 2016, respectively. There is no liability to the Plan at September 30, 2017 or 2016 for unpaid employer contributions.

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description:* The Authority participates in the City of Bartow’s postemployment benefits plan which is a single-employer, defined benefit plan. Under the provisions of the Plan, which was established by practice, 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. 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 each year. For fiscal year ended September 30, 2016, the cap was \$459 per month and for the fiscal year ended September 30, 2017, the cap for the Authority’s retirees was increased to \$492 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 Authority also provides \$1,000 life insurance benefit to each retiree, regardless of whether the retiree elects other postemployment benefit coverage. The City obtains an actuarial valuation of the Plan every other year. The last actuarial valuation was performed as of October 1, 2016. The Plan does not issue a stand-alone report.

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

	<u>October 1, 2016</u>
Retirees and beneficiaries currently receiving benefits	6
Active employees:	
Vested	5
Not vested	12
Total	23

*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. For the years ended September 30, 2017 and 2016, the Authority contributed \$31,331 (3.4% of actual payroll) and \$30,748 (3.6% of actual payroll), respectively, to the Plan which essentially represented the cost of the current premium subsidy for six retirees plus the actuarially determined implicit cost to the Authority of having the retirees in the group insurance plan.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS** (cont...)

*Total OPEB Liability:* The Authorities total OPEB liability was measured as of September 30, 2016, and was determined by an actuarial valuation as of October 1, 2016. The actuarial assumptions used in the October 1, 2016 valuation were based on the results of an actuarial experience study dated January 11, 2012.

*Actuarial Assumptions:*

Inflation	3%
Salary inflation	4.75% per year
Discount rate	3.06%
Investment rate of return	0.00%
Healthcare cost trend rates	8.75% for 2017, then 8.50% in 2018, grading down to the ultimate trend rate of 4.00% in 2073

Mortality rates were based on the RP-2000 Generational for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

The discount rate was based on a high quality municipal bond rate of 3.06%. The high-quality bond rate was based on the week closest but not later than the measure date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA. All future benefits were discounted using the above discount rate.

*Changes in the Total OPEB Liability:*

	<b>Total OPEB Liability</b>
<b>Balances at September 30, 2016</b>	<u>\$ 1,031,790</u>
<b>Changes for the year:</b>	
Service cost	75,754
Interest	41,848
Changes of assumptions	135,842
Contributions - employer	31,331
Benefit payments	<u>(31,331)</u>
<b>Net changes</b>	<u>253,444</u>
<b>Balances at September 30, 2017</b>	<u><u>\$ 1,285,234</u></u>

*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 (2.06 percent) or 1-percentage-point higher (4.06 percent) than the current discount rate:

	<b>1% Decrease (2.06%)</b>	<b>Discount Rate (3.06%)</b>	<b>1% Increase (4.06%)</b>
Total OPEB liability	\$ 1,541,213	\$ 1,285,234	\$ 1,084,433

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

---

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS** (cont...)

*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 (7.75 percent decreasing to 3.00 percent) or 1-percentage-point higher (9.75 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	<b>1% Decrease (7.75% decreasing to 3.00%)</b>	<b>Healthcare Cost Trend Rates (8.75% decreasing to 4.00%)</b>	<b>1% Increase (9.75% decreasing to 5.00%)</b>
Total OPEB liability	\$ 1,059,576	\$ 1,285,234	\$ 1,580,416

*OPEB Expense and Deferred Outflows of Resources Related to OPEB:* For the year ended September 30, 2017, the Authority recognized OPEB expense of \$137,008. At September 30, 2017, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>
Changes of assumptions or other inputs	<u>\$ 116,436</u>
Total	<u><u>\$ 116,436</u></u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended September 30,</b>	
2018	\$ 19,406
2019	19,406
2020	19,406
2021	19,406
2022	19,406
Thereafter	19,406
Total	<u><u>\$ 116,436</u></u>

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

---

**NOTE 8 – CUSTOMER CONCENTRATIONS**

The Authority is heavily dependent on rental income from its industrial park leases, amounting to approximately 39% (38% in 2016) of its operating revenue; 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. The Authority's largest customers are governmental agencies who together account for approximately 12% and 15% of operating revenue for 2017 and 2016, respectively. The next five largest customers are commercial entities who together accounted for approximately 13% and 10% of operating revenues in 2017 and 2016, respectively. These five largest commercial tenants operate in diverse industries with the largest of these tenants accounting for 4% of total operating revenue in 2017 and 3% in 2016.

**NOTE 9 – 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 10 – 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.

**NOTE 11 – RESTATEMENT**

For the fiscal year ended September 30, 2017, the Authority implemented the provisions of GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, beginning net position was restated to reflect the change in accounting principles by reducing the previously reported net position by \$411,450 to reflect the increase in the OPEB obligation as calculated under GASB Statement 75.

**Bartow Municipal Airport Development Authority**

**(This page intentionally left blank)**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

---

	2017
<b>Total OPEB Liability</b>	
Service cost	\$ 75,754
Interest	41,848
Changes in assumptions	135,842
Contributions	31,331
Benefit payments	(31,331)
<b>Net change in total OPEB Liability</b>	253,444
<b>Total OPEB Liability - beginning</b>	1,031,790
<b>Total OPEB Liability - ending</b>	\$ 1,285,234
<b>Covered-employee payroll</b>	\$ 726,274
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	177%

Notes to Schedule:

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

*Changes in Assumptions:*

- 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 compare 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 Employee pension valuation.

**GOVERNMENT AUDIT SECTION**

**INDEPENDENT AUDITORS' 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, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 6, 2018.

**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) to determine the 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 may exist that have not been identified.

**Certified Public Accountants**

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

**INDEPENDENT AUDITORS' 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*  
(Concluded)**

**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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 noncompliance 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Durvis, Gray and Company, LLP*

March 6, 2018  
Sarasota, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
FLORIDA STATUTE, 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 (the City)'s, compliance with Section 218.415, *Florida Statutes* during the fiscal year ended September 30, 2017. 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the 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, 2017.

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

*Purvis, Gray and Company, LLP*

March 6, 2018  
Sarasota, Florida

**Certified Public Accountants**

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309  
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

## 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, 2017, and have issued our report thereon dated March 6, 2018.

### Auditors' 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 also issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Compliance with Section 218.415, *Florida Statutes*. Disclosures in those reports, which are also dated March 6, 2018, should be considered in conjunction with this management letter.

The Authority is a proprietary fund of the City. As such, the Authority's transactions are combined with those of the City in the City's financial statements and in the report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*. The management letter required by Chapter 10.550, *Rules of the Auditor General*, is included in the City's financial reporting package. Items specifically related to the Authority are discussed below.

### 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 financial audit report. There were no 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. See Note 1 of the Authority's September 30, 2017 financial statements for this information. There are no component units related to the Authority.

### Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309  
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**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 has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and to identify the specific conditions 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*.

Pursuant to Sections 10.554(1)(i)5.c. 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.

**Annual Financial Report**

Sections 10.554(1)(i)5.b. 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 the annual financial report for the Authority for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. The Authority is a fund of the City, and therefore, the financial information will be included in the City's Annual Financial Report.

**Additional Matters**

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



March 6, 2018  
Sarasota, Florida