

# **BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**

FINANCIAL STATEMENTS

And

AUDITOR'S REPORTS

SEPTEMBER 30, 2019 AND 2018

**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 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 years ended September 30, 2019 and 2018, 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.

### **Auditor's 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.

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Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

## INDEPENDENT AUDITOR'S REPORT

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2019 and 2018, 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.

### **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, 2019, 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.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Total Other Postemployment Benefits Liability and Related Ratios (the required supplementary information) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Management of the Authority 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.

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

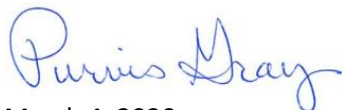
## INDEPENDENT AUDITOR'S REPORT

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Supplemental Schedule of Revenue, Expenses and Changes in Net Position by Classification (the Schedule), is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule 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 has 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2020, 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.



March 4, 2020  
Sarasota, Florida

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF NET POSITION**  
as of September 30, 2019, and 2018

	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,602,891	\$ 3,367,788
Accounts receivable, net	55,571	52,616
Due from other governments	298,665	83,766
Inventory	87,500	103,446
Total current assets	<u>4,044,627</u>	<u>3,607,616</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	2,396,918	1,699,151
Depreciable, net	16,214,754	17,039,739
Total noncurrent assets	<u>18,611,672</u>	<u>18,738,890</u>
<b>Total Assets</b>	<u>22,656,299</u>	<u>22,346,506</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - other post employment benefits	<u>108,296</u>	<u>101,262</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	79,409	135,759
Accrued payroll	9,474	13,861
Interest payable	4,673	-
Construction costs payable	77,746	94,157
Customer prepayments	187,565	175,786
Notes payable, current portion	33,982	-
Total current liabilities	<u>392,849</u>	<u>419,563</u>
Noncurrent liabilities:		
Customer deposits	401,491	390,043
Other post employment benefits	1,226,406	1,276,638
Compensated absences	95,960	74,097
Notes payable, noncurrent portion	74,682	-
Total noncurrent liabilities	<u>1,798,539</u>	<u>1,740,778</u>
<b>Total Liabilities</b>	<u>2,191,388</u>	<u>2,160,341</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - other post employment benefits	<u>223,959</u>	<u>113,718</u>
<b>NET POSITION</b>		
Net investment in capital assets	18,425,262	18,644,733
Unrestricted	1,923,986	1,528,976
<b>Total Net Position</b>	<u>\$ 20,349,248</u>	<u>\$ 20,173,709</u>

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES:</b>		
Rental revenue	\$ 2,175,748	\$ 2,283,528
Other tenant charges	168,407	189,116
Aviation fuel sales	1,429,415	1,439,609
Other airport revenues	<u>506,081</u>	<u>510,974</u>
Total operating revenues	<u>4,279,651</u>	<u>4,423,227</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	1,458,165	1,451,455
Operating expenses	2,413,337	3,001,941
Depreciation	<u>1,260,533</u>	<u>1,232,861</u>
Total operating expenses	<u>5,132,035</u>	<u>5,686,257</u>
<b>OPERATING LOSS</b>	<u>(852,384)</u>	<u>(1,263,030)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>		
Interest income	74,302	39,651
Interest expense	(4,673)	(71,559)
Insurance recoveries	159,366	1,013,219
Loss on disposal of capital assets	-	(54,829)
Loss on early retirement of debt - prepayment penalty	-	(26,975)
Miscellaneous income	<u>3,141</u>	<u>10,296</u>
Total nonoperating revenues (expenses)	<u>232,136</u>	<u>909,803</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>(620,248)</u>	<u>(353,227)</u>
Capital contributions from grants	<u>795,787</u>	<u>733,556</u>
Total capital contributions	<u>795,787</u>	<u>733,556</u>
<b>CHANGE IN NET POSITION</b>	175,539	380,329
<b>NET POSITION, beginning of year</b>	<u>20,173,709</u>	<u>19,793,380</u>
<b>NET POSITION, end of year</b>	<u>\$20,349,248</u>	<u>\$20,173,709</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
for the years ended September 30, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 4,288,475	\$ 4,430,110
Cash payments for salaries and benefits	(1,387,714)	(1,427,003)
Cash payments to suppliers for materials and supplies	(2,453,741)	(2,961,189)
Net cash flows from operating activities	<u>447,020</u>	<u>41,918</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Increase (decrease) in customer deposits	11,448	43,152
Insurance recoveries	159,366	1,013,219
Net cash flows from noncapital financing activities	<u>170,814</u>	<u>1,056,371</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets, net of change in related payables	(1,000,071)	(1,386,669)
Principal paid on borrowings	(40,991)	(2,900,000)
Interest paid on borrowings	-	(81,898)
Prepayment penalty on early retirement of debt	-	(26,975)
Capital grants received, net of change in related receivables	580,888	878,683
Net cash flows from capital and related financing activities	<u>(460,174)</u>	<u>(3,516,859)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Other investing income	3,141	10,296
Interest and dividends on invested funds	74,302	39,651
Net cash flows from investing activities	<u>77,443</u>	<u>49,947</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	235,103	(2,368,623)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>3,367,788</u>	<u>5,736,411</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 3,602,891</u>	<u>\$ 3,367,788</u>
<b>Noncash financing and investing activities</b>		
Financed purchase of vehicles	<u>\$ 149,655</u>	<u>\$ -</u>

Continued...

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF CASH FLOWS - Concluded**  
for the years ended September 30, 2019 and 2018

	2019	2018
<b>Reconciliation of operating loss to net cash provided by operating activities</b>		
Operating loss	\$ (852,384)	\$ (1,263,030)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,260,533	1,232,861
(Increase) decrease in inventory	15,946	(14,095)
(Increase) decrease in accounts receivable	(2,955)	(22,991)
Increase (decrease) in accrued payroll/compensated absences	17,476	(95,844)
(Increase) decrease in OPEB related deferred outflows	(7,034)	15,174
Increase (decrease) in the total OPEB liability	(50,232)	(8,596)
Increase (decrease) in OPEB related deferred inflows	110,241	113,718
Increase (decrease) in accounts payable	(56,350)	54,847
Increase (decrease) in customer prepayments and other	11,779	29,874
<b>Total adjustments</b>	<u>1,299,404</u>	<u>1,304,948</u>
Net cash flows from operating activities	<u>\$ 447,020</u>	<u>\$ 41,918</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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**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, 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, 2019 and 2018

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**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. The allowance for doubtful accounts totaled \$18,871 as of September 30, 2019 and zero as of September 30, 2018.

**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 2019 and 2018.

**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:

	<u>Years</u>
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 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 320 hours.

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, 2019 and 2018

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**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 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, 2019 or 2018.
- 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.

**RECLASSIFICATIONS** – Hangar rental revenue in the prior-year financial statements, totaling \$613,457, has been reclassified to rental revenue for comparative purposes to conform with the presentation in the current-year financial statements.

**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.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019 and 2018

**NOTE 2 - CASH AND INVESTMENTS** (concluded)

**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.

**NOTE 3 – CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended September 30, 2019:

	Balance October 1, 2018	Transfers	Additions	Deletions	Balance September 30, 2019
<b>Capital assets not being depreciated:</b>					
Land	\$ 703,763	\$ -	\$ -	\$ -	\$ 703,763
Construction in process	995,388	(160,024)	857,791	-	1,693,155
Total assets not being depreciated	<u>1,699,151</u>	<u>(160,024)</u>	<u>857,791</u>	<u>-</u>	<u>2,396,918</u>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	16,826,972	-	-	-	16,826,972
Airfield improvements	15,976,084	-	-	-	15,976,084
Equipment	1,424,757	160,024	275,524	(24,572)	1,835,733
Total assets being depreciated	<u>34,227,813</u>	<u>160,024</u>	<u>275,524</u>	<u>(24,572)</u>	<u>34,638,789</u>
Less accumulated depreciation for:					
Buildings and improvements	(8,314,806)	-	(417,379)	-	(8,732,185)
Airfield improvements	(8,159,601)	-	(731,993)	-	(8,891,594)
Equipment	(713,667)	-	(111,161)	24,572	(800,256)
Total accumulated depreciation	<u>(17,188,074)</u>	<u>-</u>	<u>(1,260,533)</u>	<u>24,572</u>	<u>(18,424,035)</u>
Depreciable capital assets, net	<u>\$ 17,039,739</u>	<u>\$ 160,024</u>	<u>\$ (985,009)</u>	<u>\$ -</u>	<u>\$ 16,214,754</u>
Total capital assets, net	<u>\$ 18,738,890</u>	<u>\$ -</u>	<u>\$ (127,218)</u>	<u>\$ -</u>	<u>\$ 18,611,672</u>

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019 and 2018

**NOTE 3 – CAPITAL ASSETS** (concluded)

The following is a summary of changes in capital assets during the year ended September 30, 2018:

	Balance October 1, 2017	Transfers	Additions	Deletions	Balance September 30, 2018
<b>Capital assets not being depreciated:</b>					
Land	\$ 703,763	\$ -	\$ -	\$ -	\$ 703,763
Construction in process	1,123,636	(1,294,910)	1,166,662	-	995,388
Total assets not being depreciated	<u>1,827,399</u>	<u>(1,294,910)</u>	<u>1,166,662</u>	<u>-</u>	<u>1,699,151</u>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	16,708,599	-	131,048	(12,675)	16,826,972
Airfield improvements	14,850,259	1,294,910	-	(169,085)	15,976,084
Equipment	1,375,245	-	70,691	(21,179)	1,424,757
Total assets being depreciated	<u>32,934,103</u>	<u>1,294,910</u>	<u>201,739</u>	<u>(202,939)</u>	<u>34,227,813</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,906,715)	-	(414,429)	6,338	(8,314,806)
Airfield improvements	(7,531,120)	-	(750,274)	121,793	(8,159,601)
Equipment	(665,488)	-	(68,158)	19,979	(713,667)
Total accumulated depreciation	<u>(16,103,323)</u>	<u>-</u>	<u>(1,232,861)</u>	<u>148,110</u>	<u>(17,188,074)</u>
Depreciable capital assets, net	<u>\$ 16,830,780</u>	<u>\$ 1,294,910</u>	<u>\$ (1,031,122)</u>	<u>\$ (54,829)</u>	<u>\$ 17,039,739</u>
Total capital assets, net	<u>\$ 18,658,179</u>	<u>\$ -</u>	<u>\$ 135,540</u>	<u>\$ (54,829)</u>	<u>\$ 18,738,890</u>

**NOTE 4 – LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended September 30, 2019:

	Balance October 1 2018	Additions	Reductions	Balance September 30, 2019	Amounts Due within One Year
<b>Long-term debt:</b>					
Vehicle purchase note	\$ -	\$ 149,655	\$ (40,991)	\$ 108,664	\$ 33,983
Total long-term debt	<u>-</u>	<u>149,655</u>	<u>(40,991)</u>	<u>108,664</u>	<u>33,983</u>
<b>Other Liabilities:</b>					
Other post employment liability	\$ 1,276,638	\$ -	\$ (50,232)	\$ 1,226,406	\$ -
Compensated absences	74,097	21,863	-	95,960	-
Total other liabilities	<u>1,350,735</u>	<u>21,863</u>	<u>(50,232)</u>	<u>1,322,366</u>	<u>-</u>
Total long-term obligations	<u>\$ 1,350,735</u>	<u>\$ 171,518</u>	<u>\$ (91,223)</u>	<u>1,431,030</u>	<u>\$ 33,983</u>
Less amount due in one year				<u>(33,983)</u>	
Total noncurrent obligations due in more than one year				<u>\$ 1,397,047</u>	



**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019 and 2018

**NOTE 4 – LONG-TERM OBLIGATIONS** (concluded)

The following is a summary of changes in long-term obligations for the year ended September 30, 2018:

	Balance October 1 2017	Additions	Reductions	Balance September 30, 2018	Amounts Due within One Year
<b>Long-term debt:</b>					
Airport Revenue Note, Series 2017A	\$ 2,900,000	\$ -	\$ (2,900,000)	\$ -	\$ -
Total long-term debt	2,900,000	-	(2,900,000)	-	-
<b>Other Liabilities:</b>					
Other post employment liability	1,285,234	-	(8,596)	1,276,638	-
Compensated absences	175,268	-	(101,171)	74,097	-
Total other liabilities	1,460,502	-	(109,767)	1,350,735	-
Total long-term obligations	\$ 4,360,502	\$ -	\$ (3,009,767)	1,350,735	\$ -
Less amount due in one year				-	
Total noncurrent obligations due in more than one year				<u>\$ 1,350,735</u>	

**Notes to Long-Term Obligations Table**

All of the Authority’s long-term debt as of September 30, 2018 and 2019 arose through direct borrowings or direct placements.

Annual debt service requirements of the Authority’s long-term debt as of September 30, 2019, are as follows:

Fiscal Year Ending	Principal	Interest
2020	\$ 33,983	\$ 7,009
2021	36,174	4,817
2022	38,507	2,484
Total	<u>\$ 108,664</u>	<u>\$ 14,310</u>

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

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 bore interest at 2.79% with principal due monthly beginning on October 1, 2017 with an original maturity on July 1, 2032. Due to a delay in the planned transportation improvements, the Authority fully repaid the Note in September 2018. In connection with the early retirement of the Note, the Authority paid \$26,975 as an early retirement penalty

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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**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, 2019 of \$3,673,878 (cost \$10,393,387 less \$6,719,509 accumulated depreciation) and had a net carrying value at September 30, 2018 of \$3,934,566 (cost \$10,406,062 less \$6,471,497 accumulated depreciation). Minimum lease revenue on noncancelable operating leases of the industrial park buildings for the next five years and thereafter from September 30, 2019, are as follows:

<u>Year Ended September 30,</u>	
2020	\$ 1,635,205
2021	1,243,173
2022	611,241
2023	275,914
2024	189,365
Later years	<u>3,071,950</u>
Total minimum future rentals	<u>\$ 7,026,848</u>

Minimum lease revenue on noncancelable operating leases of the industrial park buildings for the subsequent five years and thereafter as of September 30, 2018, was as follows:

<u>Year Ended September 30,</u>	
2019	\$ 1,161,254
2020	879,379
2021	268,142
2022	86,269
2023	32,381
Later years	<u>2,084,807</u>
Total minimum future rentals	<u>\$ 4,512,232</u>

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019 and 2018

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**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 \$45,822 and \$39,972 for the years ended September 30, 2019 and 2018, respectively. There is no liability to the Plan at September 30, 2019 or 2018 for unpaid employer contributions.

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description:* The Authority participates in the City’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, 2018, the cap was \$546 per month and for the fiscal year ended September 30, 2019, the cap for the Authority’s retirees was increased to \$594 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, 2018. 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, 2018</u>
Inactive plan members, or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>12</u>
Total	<u><u>18</u></u>

*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, 2019 and 2018, the Authority contributed \$36,846 (3.72% of actual payroll) and \$38,143 (3.85% 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, 2019 and 2018

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

*Total OPEB Liability:* The Authority's total OPEB liability as of September 30, 2019 was determined by an actuarial valuation as of October 1, 2018. The actuarial assumptions used in the October 1, 2016 and 2018 valuations were based on the results of an actuarial experience study dated August 23, 2017.

*Actuarial Assumptions:*

Reporting date	September 30, 2019
Inflation	2.50%
Salary inflation	Service based from 8.00% to 4.25%
Discount rate	4.18%
Healthcare cost trend rates	8.00% for 2019, then 7.50% in 2020, grading down to the ultimate trend rate of 4.00% in 2075
Reporting date	September 30, 2018
Inflation	3.00%
Salary inflation	4.75% per year
Discount rate	3.64%
Healthcare cost trend rates	8.50% for 2018, then 8.00% in 2019, 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 4.18% as of September 30, 2019 and 3.64% as of September 30, 2018. 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.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019 and 2018

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

*Changes in the Total OPEB Liability:*

	<b>Total OPEB Liability</b>
<b>Balances at September 30, 2018</b>	<u>\$ 1,276,638</u>
<b>Changes for the year:</b>	
Service cost	84,776
Interest	48,743
Changes of assumptions and differences between expected and actual experience	(183,751)
Contributions - employer	36,846
Benefit payments	<u>(36,846)</u>
<b>Net changes</b>	<u>(50,232)</u>
<b>Balances at September 30, 2019</b>	<u>\$ 1,226,406</u>
	<b>Total OPEB Liability</b>
<b>Balances at September 30, 2017</b>	<u>\$ 1,285,234</u>
<b>Changes for the year:</b>	
Service cost	91,418
Interest	42,157
Changes of assumptions	(142,171)
Contributions - employer	38,143
Benefit payments	<u>(38,143)</u>
<b>Net changes</b>	<u>(8,596)</u>
<b>Balances at September 30, 2018</b>	<u>\$ 1,276,638</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 or 1-percentage-point higher than the current discount rate:

As of the September 30, 2019 reporting date:

	<u>1% Decrease (3.18%)</u>	<u>Discount Rate (4.18%)</u>	<u>1% Increase (5.18%)</u>
Total other post employment benefits liability	\$ 1,444,032	\$ 1,226,406	\$ 1,052,764

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019 and 2018

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

As of the September 30, 2018 reporting date:

	<u>1% Decrease</u> <u>(2.64%)</u>	<u>Discount Rate</u> <u>(3.64%)</u>	<u>1% Increase</u> <u>(4.64%)</u>
Total other post employment benefits liability	\$ 1,517,679	\$ 1,276,638	\$ 1,086,164

*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:

As of the September 30, 2019 reporting date:

	<u>1% Decrease</u> <u>(7.00%</u> <u>decreasing</u> <u>to 3.00%)</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u> <u>(8.00%</u> <u>decreasing</u> <u>to 4.00%)</u>	<u>1% Increase</u> <u>(9.00%</u> <u>decreasing</u> <u>to 5.00%)</u>
Total other post employment benefits liability	\$ 1,030,996	\$ 1,226,406	\$ 1,477,678

As of the September 30, 2018 reporting date:

	<u>1% Decrease</u> <u>(7.50%</u> <u>decreasing</u> <u>to 3.00%)</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u> <u>(8.50%</u> <u>decreasing</u> <u>to 4.00%)</u>	<u>1% Increase</u> <u>(9.50%</u> <u>decreasing</u> <u>to 5.00%)</u>
Total other post employment benefits liability	\$ 1,054,376	\$ 1,276,638	\$ 1,565,967

*OPEB Expense and Deferred Outflows of Resources Related to OPEB:* For the year ended September 30, 2019 and 2018, the Authority recognized OPEB expense of \$113,043 and \$134,505, respectively.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019 and 2018

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS** (concluded)

At September 30, 2019, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 108,296	\$ 188,471
Difference between expected and actual experience	-	35,488
Total	<u>\$ 108,296</u>	<u>\$ 223,959</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>	
2019	\$ (16,467)
2020	(16,467)
2021	(16,467)
2022	(16,467)
2023	(32,576)
Thereafter	(17,219)
Total	<u>\$ (115,663)</u>

At September 30, 2018, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions or other inputs	\$ 101,262	\$ 113,718
Total	<u>\$ 101,262</u>	<u>\$ 113,718</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	\$ 810
2019	810
2020	810
2021	810
2022	810
Thereafter	(16,506)
Total	<u>\$ (12,456)</u>

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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**NOTE 8 – CUSTOMER CONCENTRATIONS**

The Authority is heavily dependent on rental income from its industrial park leases, amounting to approximately 34% (38% in 2018) 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 7% and 11% of operating revenue for 2019 and 2018, respectively. The next five largest customers are commercial entities who together accounted for approximately 13% and 12% of operating revenues in 2019 and 2018, respectively. These five largest commercial tenants operate in diverse industries with the largest of these tenants accounting for 4% of total operating revenue in 2019 and 2018.

**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.



**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**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 84,776	\$ 91,418	\$ 75,754
Interest	48,743	42,157	41,848
Changes of assumptions and differences between expected and actual experience	(183,751)	(142,171)	135,842
Contributions	36,846	38,143	31,331
Benefit payments	<u>(36,846)</u>	<u>(38,143)</u>	<u>(31,331)</u>
<b>Net change in total OPEB Liability</b>	(50,232)	(8,596)	253,444
<b>Total OPEB Liability - beginning</b>	<u>1,276,638</u>	<u>1,285,234</u>	<u>1,031,790</u>
<b>Total OPEB Liability - ending</b>	<u><u>\$ 1,226,406</u></u>	<u><u>\$ 1,276,638</u></u>	<u><u>\$ 1,285,234</u></u>
<b>Covered-employee payroll</b>	\$ 796,909	\$ 760,772	\$ 726,274
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	154%	168%	177%

Notes to Schedule:

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:*

For the September 30, 2019 measurement date:

- 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:

<u>Fiscal year ending September 30,</u>	<u>Discount Rate</u>
2019	4.18%
2018	3.64%
2017	3.06%
2016	3.71%

For the September 30, 2019 measurement date:

- 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.

## **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, 2019

	Airside	Landside	Bartow Flying School	Capital Projects	Unclassified	Total
<b>OPERATING REVENUES:</b>						
Industrial park rentals	\$ 706,638	\$ 1,487,981	\$ (18,871)	\$ -	\$ -	2,175,748
Other tenant charges	15,637	152,770	-	-	-	168,407
Aviation fuel sales	378,543	-	1,050,872	-	-	1,429,415
Other airport revenues	356	2,278	503,447	-	-	506,081
Total operating revenues	<u>1,101,174</u>	<u>1,643,029</u>	<u>1,535,448</u>	<u>-</u>	<u>-</u>	<u>4,279,651</u>
<b>OPERATING EXPENSES:</b>						
Personnel services	181,985	734,727	541,453	-	-	1,458,165
Fuel expense	333,780	-	776,949	-	-	1,110,729
Other operating expenses	401,914	566,225	334,469	-	-	1,302,608
Depreciation	934,492	210,457	115,584	-	-	1,260,533
Total operating expenses	<u>1,852,171</u>	<u>1,511,409</u>	<u>1,768,455</u>	<u>-</u>	<u>-</u>	<u>5,132,035</u>
<b>OPERATING LOSS</b>	<u>(750,997)</u>	<u>131,620</u>	<u>(233,007)</u>	<u>-</u>	<u>-</u>	<u>(852,384)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>						
Interest income	-	74,302	-	-	-	74,302
Interest expense	(2,336)	(2,337)	-	-	-	(4,673)
Insurance recoveries	-	-	-	-	159,366	159,366
Miscellaneous income	-	3,141	-	-	-	3,141
Total nonoperating revenues (expenses)	<u>(2,336)</u>	<u>75,106</u>	<u>-</u>	<u>-</u>	<u>159,366</u>	<u>232,136</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>(753,333)</u>	<u>206,726</u>	<u>(233,007)</u>	<u>-</u>	<u>159,366</u>	<u>(620,248)</u>
Capital contributions from grants	-	-	-	795,787	-	795,787
Total capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>795,787</u>	<u>-</u>	<u>795,787</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (753,333)</u>	<u>\$ 206,726</u>	<u>\$ (233,007)</u>	<u>\$ 795,787</u>	<u>\$ 159,366</u>	<u>\$ 175,539</u>

**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, 2019, 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 4, 2020.

**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

*Gainesville | Ocala | Tallahassee | Sarasota | Orlando*

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An Independent Member of the BDO Alliance USA.*

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

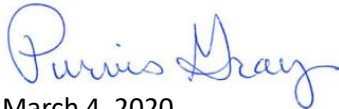
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**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 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 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 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.



March 4, 2020  
Sarasota, Florida



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

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

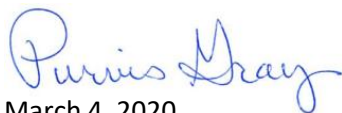
We have examined the Bartow Municipal Airport Development Authority (the Authority) of the City of Bartow, Florida (the City)'s, compliance with Section 218.415, *Florida Statutes* during the fiscal year ended September 30, 2019. Management is responsible for the Authority's compliance with those requirements. 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.

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, 2019.

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.



March 4, 2020  
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

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## 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, 2019, and have issued our report thereon dated March 4, 2020.

### 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 also issued our Independent Auditor's 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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are also dated March 4, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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 to the financial statements for this information. There are no component units related to the Authority.

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Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

## MANAGEMENT LETTER

### Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require 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 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.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.

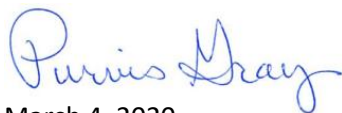
### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not 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 4, 2020  
Sarasota, Florida