

# **BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**

FINANCIAL STATEMENTS

And

AUDITOR'S REPORTS

SEPTEMBER 30, 2021 AND 2020

**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, 2021 and 2020, and the related notes to the financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express 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, 2021 and 2020, 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.

### **Change in Accounting Principle**

As described in Note 11 to the financial statements, the Authority changed the method of applying the provisions of Governmental Accounting Standards Board (GASB) Codification Section P52 related to the Authority's Other Postemployment Benefits program, namely the postemployment health care and life insurance benefit plan, which resulted in a \$315,753 restatement of net position at September 30, 2020. Our opinion is not modified with respect to this matter.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements referred to above present only the Authority and do not purport to, and do not present fairly, the financial position of the City as of September 30, 2021 and 2020, the changes in its financial position or, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **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 GASB, 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 GASB, 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 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 January 6, 2022, 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.



January 6, 2022  
Sarasota, Florida

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF NET POSITION**  
as of September 30, 2021, and 2020

	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,232,650	\$ 3,978,871
Accounts receivable, net	35,696	66,163
Due from other governments	105,395	30,819
Due from others	47,801	-
Inventory	73,697	64,002
Deposits	14,000	-
Total current assets	<u>4,509,239</u>	<u>4,139,855</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	1,865,935	1,430,820
Depreciable, net	15,379,609	16,518,893
Total noncurrent assets	<u>17,245,544</u>	<u>17,949,713</u>
<b>Total Assets</b>	<u>21,754,783</u>	<u>22,089,568</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - other post employment benefits	<u>37,670</u>	<u>203,388</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	113,618	56,105
Accrued payroll	12,829	26,511
Interest payable	1,656	3,211
Construction costs payable	100,570	-
Customer prepayments	143,268	155,086
Notes payable, current portion	38,507	36,174
Total current liabilities	<u>410,448</u>	<u>277,087</u>
Noncurrent liabilities:		
Customer deposits	401,188	385,740
Other post employment benefits	1,512,354	1,445,416
Compensated absences	129,233	121,347
Notes payable, noncurrent portion	-	38,507
Total noncurrent liabilities	<u>2,042,775</u>	<u>1,991,010</u>
<b>Total Liabilities</b>	<u>2,453,223</u>	<u>2,268,097</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - other post employment benefits	-	183,361
<b>NET POSITION</b>		
Net investment in capital assets	17,106,467	17,875,032
Unrestricted	2,232,763	1,966,466
<b>Total Net Position</b>	<u>\$ 19,339,230</u>	<u>\$ 19,841,498</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES:</b>		
Rental revenue	\$ 2,413,998	\$ 2,211,992
Other tenant charges	197,983	177,142
Aviation fuel sales	1,325,825	1,242,578
Other airport revenues	<u>454,851</u>	<u>524,373</u>
Total operating revenues	<u>4,392,657</u>	<u>4,156,085</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	1,897,583	1,543,936
Fuel expense	947,475	907,018
Other operating expenses	1,527,893	1,370,989
Depreciation	<u>1,256,748</u>	<u>1,335,629</u>
Total operating expenses	<u>5,629,699</u>	<u>5,157,572</u>
<b>OPERATING LOSS</b>	<u>(1,237,042)</u>	<u>(1,001,487)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>		
Interest income	11,565	51,605
Interest expense	(3,261)	(5,548)
Loss on disposal of capital assets	(1,868)	-
Intergovernmental	23,000	69,000
Miscellaneous income	<u>772</u>	<u>897</u>
Total nonoperating revenues (expenses)	<u>30,208</u>	<u>115,954</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>(1,206,834)</u>	<u>(885,533)</u>
Capital contributions from grants	<u>388,813</u>	<u>377,783</u>
Total capital contributions	<u>388,813</u>	<u>377,783</u>
<b>CHANGE IN NET POSITION</b>	(818,021)	(507,750)
<b>NET POSITION, beginning of year , previously reported</b>	19,841,498	20,349,248
Restatement (Note 11)	<u>315,753</u>	-
<b>NET POSITION, beginning of year, as restated</b>	<u>20,157,251</u>	<u>20,349,248</u>
<b>NET POSITION, end of year</b>	<u>\$19,339,230</u>	<u>\$19,841,498</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
for the years ended September 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 4,411,306	\$ 4,113,014
Cash payments for salaries and benefits	(1,538,331)	(1,418,192)
Cash payments to suppliers for materials, supplies and fuel	(2,427,550)	(2,277,813)
Net cash flows from operating activities	<u>445,425</u>	<u>417,009</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Increase (decrease) in customer deposits	15,448	(15,751)
Operating grants	23,000	69,000
Net cash flows from noncapital financing activities	<u>38,448</u>	<u>53,249</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets, net of change in related payables and deposits	(467,877)	(751,416)
Principal paid on borrowings	(36,174)	(33,983)
Interest paid on borrowings	(4,816)	(7,010)
Capital grants received, net of change in related receivables	266,436	645,629
Net cash flows from capital and related financing activities	<u>(242,431)</u>	<u>(146,780)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Other investing income	772	897
Interest and dividends on invested funds	11,565	51,605
Net cash flows from investing activities	<u>12,337</u>	<u>52,502</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	253,779	375,980
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>3,978,871</u>	<u>3,602,891</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 4,232,650</u>	<u>\$ 3,978,871</u>
<b>Classification on the statement of net position</b>		
Cash and cash equivalents	<u>\$ 4,232,650</u>	<u>\$ 3,978,871</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 4,232,650</u>	<u>\$ 3,978,871</u>
<b>Noncash financing and investing activities</b>		
None	<u>\$ -</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, 2021 and 2020

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	<u>2021</u>	<u>2020</u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>		
Operating loss	\$ (1,237,042)	\$ (1,001,487)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,256,748	1,335,629
(Increase) decrease in inventory	(9,695)	23,498
(Increase) decrease in accounts receivable	30,467	(10,592)
Increase (decrease) in accrued payroll/compensated absences	(5,796)	42,424
(Increase) decrease in OPEB related deferred outflows	(2,844)	(95,092)
Increase (decrease) in the total OPEB liability	367,892	219,010
Increase (decrease) in OPEB related deferred inflows	-	(40,598)
Increase (decrease) in accounts payable	57,513	(23,304)
Increase (decrease) in customer prepayments and other	<u>(11,818)</u>	<u>(32,479)</u>
<b>Total adjustments</b>	<u>1,682,467</u>	<u>1,418,496</u>
Net cash flows from operating activities	<u>\$ 445,425</u>	<u>\$ 417,009</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION** - The **Bartow Municipal Airport Development Authority**, (The "Authority") was established by Ordinance 776-A of the City of Bartow, Florida (the "City") pursuant to a special act of the Florida Legislature in June, 1967. The Authority manages and operates an airport and industrial park on land owned and leased to the Authority by the City of Bartow for \$1 per year. The Authority's Board of Commissioners are also the City Commissioners of the City of Bartow.

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

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

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

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

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are industrial park rentals, hangar rentals, 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, 2021 and 2020

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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 was zero as of September 30, 2021 and September 30, 2020.

**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 2021 and 2020.

**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.

**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, 2021 or 2020.
- 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.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021 and 2020

**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, 2021:

	Balance October 1, 2020	Transfers	Additions	Deletions	Balance September 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 703,763	\$ -	\$ -	\$ -	\$ 703,763
Construction in process	727,057	-	435,115	-	1,162,172
Total assets not being depreciated	<u>1,430,820</u>	<u>-</u>	<u>435,115</u>	<u>-</u>	<u>1,865,935</u>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	17,082,202	-	-	-	17,082,202
Airfield improvements	17,158,821	-	-	-	17,158,821
Equipment	1,988,444	-	119,332	(125,197)	1,982,579
Total assets being depreciated	<u>36,229,467</u>	<u>-</u>	<u>119,332</u>	<u>(125,197)</u>	<u>36,223,602</u>
Less accumulated depreciation for:					
Buildings and improvements	(9,155,022)	-	(428,294)	-	(9,583,316)
Airfield improvements	(9,644,482)	-	(674,544)	-	(10,319,026)
Equipment	(911,070)	-	(153,910)	123,329	(941,651)
Total accumulated depreciation	<u>(19,710,574)</u>	<u>-</u>	<u>(1,256,748)</u>	<u>123,329</u>	<u>(20,843,993)</u>
Depreciable capital assets, net	<u>\$ 16,518,893</u>	<u>\$ -</u>	<u>\$ (1,137,416)</u>	<u>\$ (1,868)</u>	<u>\$ 15,379,609</u>
Total capital assets, net	<u>\$ 17,949,713</u>	<u>\$ -</u>	<u>\$ (702,301)</u>	<u>\$ (1,868)</u>	<u>\$ 17,245,544</u>

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021 and 2020

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

The following is a summary of changes in capital assets during the year ended September 30, 2020:

	Balance October 1, 2019	Transfers	Additions	Deletions	Balance September 30, 2020
<b>Capital assets not being depreciated:</b>					
Land	\$ 703,763	\$ -	\$ -	\$ -	\$ 703,763
Construction in process	1,693,155	(1,437,967)	471,869	-	727,057
Total assets not being depreciated	<u>2,396,918</u>	<u>(1,437,967)</u>	<u>471,869</u>	<u>-</u>	<u>1,430,820</u>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	16,826,972	255,230	-	-	17,082,202
Airfield improvements	15,976,084	1,182,737	-	-	17,158,821
Equipment	1,835,733	-	201,801	(49,090)	1,988,444
Total assets being depreciated	<u>34,638,789</u>	<u>1,437,967</u>	<u>201,801</u>	<u>(49,090)</u>	<u>36,229,467</u>
Less accumulated depreciation for:					
Buildings and improvements	(8,732,185)	-	(422,837)	-	(9,155,022)
Airfield improvements	(8,891,594)	-	(752,888)	-	(9,644,482)
Equipment	(800,256)	-	(159,904)	49,090	(911,070)
Total accumulated depreciation	<u>(18,424,035)</u>	<u>-</u>	<u>(1,335,629)</u>	<u>49,090</u>	<u>(19,710,574)</u>
Depreciable capital assets, net	<u>\$ 16,214,754</u>	<u>\$ 1,437,967</u>	<u>\$ (1,133,828)</u>	<u>\$ -</u>	<u>\$ 16,518,893</u>
Total capital assets, net	<u>\$ 18,611,672</u>	<u>\$ -</u>	<u>\$ (661,959)</u>	<u>\$ -</u>	<u>\$ 17,949,713</u>

**NOTE 4 – LONG-TERM OBLIGATIONS**

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

	Balance October 1 2020 (*)	Additions	Reductions	Balance September 30, 2021	Amounts Due within One Year
<b>Long-term debt:</b>					
Vehicle purchase note	\$ 74,682	\$ -	\$ (36,174)	\$ 38,508	\$ 38,508
Total long-term debt	<u>74,682</u>	<u>-</u>	<u>(36,174)</u>	<u>38,508</u>	<u>38,508</u>
<b>Other Liabilities:</b>					
Other post employment liability	\$ 1,144,462	\$ 367,892	\$ -	\$ 1,512,354	\$ -
Compensated absences	121,347	88,788	(80,902)	129,233	-
Total other liabilities	<u>1,265,809</u>	<u>456,680</u>	<u>(80,902)</u>	<u>1,641,587</u>	<u>-</u>
Total long-term obligations	<u>\$ 1,340,491</u>	<u>\$ 456,680</u>	<u>\$ (117,076)</u>	<u>1,680,095</u>	<u>\$ 38,508</u>
Less amount due in one year				<u>(38,508)</u>	
Total noncurrent obligations due in more than one year				<u>\$ 1,641,587</u>	

(\*) the previously reported September 30, 2020 balances of the other post employment liability was decreased by \$300,954 because of a change in accounting principle as more fully explained in Note 11.



**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021 and 2020

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2020:

	Balance October 1 2019	Additions	Reductions	Balance September 30, 2020	Amounts Due within One Year
<b>Long-term debt:</b>					
Vehicle purchase note	\$ 108,664	\$ -	\$ (33,982)	\$ 74,682	\$ 36,175
Total long-term debt	<u>108,664</u>	<u>-</u>	<u>(33,982)</u>	<u>74,682</u>	<u>36,175</u>
<b>Other Liabilities:</b>					
Other post employment liability	1,226,406	219,010	-	1,445,416	-
Compensated absences	95,960	84,414	(59,027)	121,347	-
Total other liabilities	<u>1,322,366</u>	<u>303,424</u>	<u>(59,027)</u>	<u>1,566,763</u>	<u>-</u>
Total long-term obligations	<u>\$ 1,431,030</u>	<u>\$ 303,424</u>	<u>\$ (93,009)</u>	<u>1,641,445</u>	<u>\$ 36,175</u>
Less amount due in one year				<u>(36,175)</u>	
Total noncurrent obligations due in more than one year				<u>\$ 1,605,270</u>	

**Notes to Long-Term Obligations Table**

All of the Authority's long-term debt as of September 30, 2021 and 2020 arose through direct borrowings or direct placements.

Annual debt service requirements of the Authority's long-term debt as of September 30, 2021, are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2022	<u>\$ 38,508</u>	<u>\$ 2,484</u>
Total	<u>\$ 38,508</u>	<u>\$ 2,484</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.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021 and 2020

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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 on September 30, 2021 of \$3,404,035 (cost \$10,648,617 less \$7,244,582 accumulated depreciation) and had a net carrying value at September 30, 2020 of \$3,669,300 (cost \$10,648,617 less \$6,979,317 accumulated depreciation). Minimum lease revenue on noncancelable operating leases of the industrial park buildings for the next five years and thereafter from September 30, 2021, are as follows:

<u>Year Ended September 30,</u>	
2022	\$ 1,312,852
2023	611,948
2024	410,610
2025	298,813
2026	183,747
Later years	<u>1,676,998</u>
Total minimum future rentals	<u>\$ 4,494,968</u>

Minimum lease revenue on noncancelable operating leases of the industrial park buildings for the subsequent five years and thereafter as of September 30, 2020, was as follows:

<u>Year Ended September 30,</u>	
2021	\$ 1,317,261
2022	814,725
2023	402,717
2024	314,519
2025	215,560
Later years	<u>2,929,904</u>
Total minimum future rentals	<u>\$ 5,994,686</u>

**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 six-months of continuous service and permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The Authority matches employee contributions to the Plan up to 10% of base pay. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Authority’s contributions to this Plan, which also represents that Authority’s total Plan expense, was \$50,571 and \$43,436 for the years ended September 30, 2021 and 2020, respectively. There is no liability to the Plan on September 30, 2021 or 2020 for unpaid employer contributions.

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description:* The Authority administers a single-employer defined benefit other postemployment benefits (OPEB) program, namely a postemployment health care plan that covers retired employees of the Authority (the “Plan”). Under the provisions of the Plan, which was established by practice, employees who retire and meet retirement eligibility requirements under the Authority’s retirement plan and have at least 10 years of continuous service are eligible to receive subsidized health insurance beginning at age 65. To be eligible for the subsidy beginning at age 65, retirees must continue to be on the Authority’s insurance prior to age 65 and pay 100% of the active premium. At age 65, depending on which health plan the retiree chooses, the Authority will pay the retiree premium up to the cap set each year. For fiscal year ended September 30, 2020, the cap was \$547 per month and for the fiscal year ended September 30, 2021, the cap for the Authority’s retirees was increased to \$578 per month. The retiree is responsible for the remaining amount not covered by the Authority, if any. In addition, retirees must pay the full cost of coverage for spouses and dependents. The Authority also provides \$1,000 life insurance benefit to each retiree, regardless of whether the retiree elects other postemployment benefit coverage. The Authority obtains an actuarial valuation of the Plan every other year. The last actuarial valuation was performed as of September 30, 2020. The Plan does not issue a stand-alone report.

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

	<u>September 30, 2020</u>
Inactive plan members, or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>21</u>
Total	<u><u>26</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, 2021 and 2020, the Authority contributed \$32,402 (3.36% of actual payroll) and \$32,846 (3.04% of actual payroll), respectively, to the Plan which essentially represented the cost of the current premium subsidy for five 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, 2021 and 2020

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

*Total OPEB Liability:*

- The Authority’s total OPEB liability as of September 30, 2021 was determined by an actuary using the alternative measurement method as of September 30, 2020, which is also the measurement date.
- The Authority’s total OPEB liability as of September 30, 2020 was determined by an actuarial valuation as of October 1, 2018 rolled forward to September 30, 2019 measurement date.
- The actuarial assumptions used in the October 1, 2018 valuation was based on the results of an actuarial experience study dated August 23, 2017.

*Actuarial Assumptions:*

Reporting date	September 30, 2021
Inflation	2.50%
Salary inflation	2.50%
Discount rate	2.14%
Healthcare cost trend rates	7.00% for 2021, then 7.50% in 2022, grading down to the ultimate trend rate of 4.00% in 2075

Reporting date	September 30, 2020
Inflation	2.50%
Salary inflation	Service based from 8.00% to 4.25%
Discount rate	3.58%
Healthcare cost trend rates	7.50% for 2020, then 7.00% in 2021, grading down to the ultimate trend rate of 4.00% in 2075

Mortality rates for the September 30, 2021 reporting date, using the alternative measurement method, were based on The Society of Actuaries’ Retirement Plan Experience Committee (RPEC) Pub-2010 Public Retirement Plans Mortality Tables Reports using projection scale MP-2019. Mortality rates for the September 30, 2020 reporting date actuarial valuation 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 2.14% as of September 30, 2020 measurement date and 3.58% as of September 30, 2019 measurement date. For both measurement dates above, the high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High-Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used. All future benefits were discounted using the above discount rates.

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021 and 2020

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

*Changes in the Total OPEB Liability:*

	<b>Total OPEB Liability</b>	
	Reporting period ending September 30,	
	2021	2020
<b>Beginning of Year</b>	\$ 1,445,416	\$ 1,226,406
<b>Changes for the year:</b>		
Service cost	88,004	61,886
Interest	43,548	53,642
Changes of assumptions and differences between expected and actual experience	268,742	103,482
Contributions - employer	-	32,846
Benefit payments	(32,402)	(32,846)
<b>Net changes for the year</b>	<u>367,892</u>	<u>219,010</u>
<b>Restatement (Note 11)</b>	(300,954)	-
<b>Total change</b>	<u>66,938</u>	<u>219,010</u>
<b>End of Year</b>	<u>\$ 1,512,354</u>	<u>\$ 1,445,416</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:

<u>Reporting period ending</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
September 30, 2021	2.14%	\$ 1,756,073	\$ 1,512,354	\$ 1,317,364
September 30, 2020	3.58%	\$ 1,711,629	\$ 1,445,416	\$ 1,234,504

*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:

<u>Reporting period ending</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
September 30, 2021	7% decreasing to 4%	\$ 1,279,610	\$ 1,512,354	\$ 1,687,650
September 30, 2020	8% decreasing to 4%	\$ 1,197,451	\$ 1,445,416	\$ 1,768,260

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021 and 2020

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

*OPEB Expense and Deferred Outflows of Resources Related to OPEB:* For the year ended September 30, 2021 and 2020, the Authority recognized OPEB expense of \$400,294 and \$113,951, respectively.

On September 30, 2021, 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>
Contributions subsequent to the measurement date	\$ 37,670	\$ -
Total	<u>\$ 37,670</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources for contributions made subsequent to the measurement date will be reported as a reduction in the total OPEB liability in the year ending September 30, 2022.

At September 30, 2020, 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	\$ 203,388	\$ 153,803
Difference between expected and actual experience	-	29,558
Total	<u>\$ 203,388</u>	<u>\$ 183,361</u>

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

**Year ended September 30,**

2021	\$ 3,172
2022	3,172
2023	3,173
2024	43,450
2025	5,057
Thereafter	<u>(37,997)</u>
Total	<u>\$ 20,027</u>

**NOTE 8 – CUSTOMER CONCENTRATIONS**

The Authority is heavily dependent on rental income from its industrial park leases and the related other tenant charges, amounting to approximately 55% (53% in 2020) 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% of operating revenue for 2021 and 2020, respectively. The next five largest customers are commercial entities who together accounted for approximately 15% of operating revenues in 2021 and 13% in 2020 respectively. These five largest commercial tenants operate in diverse industries with the largest of these tenants accounting for 4% of total operating revenue in 2021 and 2020.

**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.

**CONSTRUCTION COMMITMENTS** – The Authority has construction commitments of \$1,315,251 as of September 30, 2021 of which \$1,085,880 are to be funded by grants.

**COVID-19** – The COVID-19 pandemic has created economic disruptions throughout the country. Management is evaluating the impact of the COVID-19 pandemic on the Airport and has concluded that while it is reasonably possible that the virus could have a negative effect on the financial condition and results of operations of the Airport, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**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**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2021 and 2020

**NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE**

During the fiscal year ended September 30, 2021, the Authority changed the method of applying the provisions of GASB Cod. Sec. P52 related to the Authority’s OPEB program, namely the postemployment health care and life insurance benefit plan. In periods prior to the year ended September 30, 2021, the Authority determined their OPEB liability, and related deferred flows of resources, by being included within the City’s OPEB actuarial valuation and then would allocate a portion of the City level OPEB financial elements to the Authority. During the fiscal year ended September 30, 2021, the Authority engaged an actuary to prepare an actuarial valuation for only the Authority to determine the total OPEB liability and related deferred flows of resources to be reported on September 30, 2021. This change improves financial reporting as the most recent actuarial valuation is based only upon the Authority and is not an allocation of the City-wide actuary report. The largest change between the two is that the Authority qualifies for the alternative measurement method and this method does not allow for changes in the OPEB liability to be included in deferred flows of resources related to OPEB and these changes are recognized immediately through OPEB expense. The effect of this change in accounting principle resulted in an increase of \$315,753 to the September 30, 2020 net position as detailed below.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total OPEB Liability</u>	<u>Net Position</u>
September 30, 2020, as previously reported	\$ 203,388	\$ 183,361	\$ 1,445,416	\$ 19,841,498
Restatement	<u>(168,562)</u>	<u>(183,361)</u>	<u>(300,954)</u>	<u>315,753</u>
September 30, 2020, as restated	<u>\$ 34,826</u>	<u>\$ -</u>	<u>\$ 1,144,462</u>	<u>\$ 20,157,251</u>



**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**

	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 88,004	\$ 61,886	\$ 84,776	\$ 91,418	\$ 75,754
Interest	43,548	53,642	48,743	42,157	41,848
Changes of assumptions and differences between expected and actual experience	268,742	103,482	(183,751)	(142,171)	135,842
Contributions	-	32,846	36,846	38,143	31,331
Benefit payments	(32,402)	(32,846)	(36,846)	(38,143)	(31,331)
<b>Net change in total OPEB Liability</b>	367,892	219,010	(50,232)	(8,596)	253,444
<b>Total OPEB Liability - beginning</b>	1,445,416	1,226,406	1,276,638	1,285,234	1,031,790
Restatement (Note 11)	(300,954)	-	-	-	-
<b>Total OPEB Liability - ending</b>	<u>\$ 1,512,354</u>	<u>\$ 1,445,416</u>	<u>\$ 1,226,406</u>	<u>\$ 1,276,638</u>	<u>\$ 1,285,234</u>
<b>Covered-employee payroll</b>	\$ 964,285	\$ 1,119,558	\$ 1,066,246	\$ 1,015,473	\$ 726,274
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	157%	129%	115%	126%	177%

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

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

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

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

*Difference Between Expected and Actual Experience:*

For the reporting year ended September 30, 2018:

- 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>
2021	2.14%
2020	3.58%
2019	4.18%
2018	3.64%
2017	3.06%
2016	3.71%

For the reporting year ending September 30, 2019:

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

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

**Bartow Municipal Airport Development Authority**

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## **SUPPLEMENTARY INFORMATION**

**BARTOW MUNICIPAL AIRPORT DEVELOPMENT AUTHORITY**  
**SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SUPPLEMENTAL SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION BY CLASSIFICATION**  
For the year ended September 30, 2021

	Airside	Landside	Bartow Flying School	Total
<b>OPERATING REVENUES:</b>				
Industrial park rentals	\$ 710,582	\$1,703,416	\$ -	\$2,413,998
Other tenant charges	15,522	182,461	-	197,983
Aviation fuel sales	346,366	-	979,459	1,325,825
Other airport revenues	-	3,037	451,814	454,851
Total operating revenues	<u>1,072,470</u>	<u>1,888,914</u>	<u>1,431,273</u>	<u>4,392,657</u>
<b>OPERATING EXPENSES:</b>				
Personnel services	360,523	1,132,853	404,207	1,897,583
Fuel expense	332,674	-	614,801	947,475
Other operating expenses	424,155	719,043	384,695	1,527,893
Depreciation	889,192	227,032	140,524	1,256,748
Total operating expenses	<u>2,006,544</u>	<u>2,078,928</u>	<u>1,544,227</u>	<u>5,629,699</u>
<b>OPERATING LOSS</b>	<u>(934,074)</u>	<u>(190,014)</u>	<u>(112,954)</u>	<u>(1,237,042)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>				
Interest income	-	11,565	-	11,565
Interest expense	(1,631)	(1,630)	-	(3,261)
Loss on disposal of capital assets	-	(1,868)	-	(1,868)
Intergovernmental	23,000	-	-	23,000
Miscellaneous income	-	772	-	772
Total nonoperating revenues (expenses)	<u>21,369</u>	<u>8,839</u>	<u>-</u>	<u>30,208</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>(912,705)</u>	<u>(181,175)</u>	<u>(112,954)</u>	<u>(1,206,834)</u>
Capital contributions from grants	122,704	266,109	-	388,813
Total capital contributions	<u>122,704</u>	<u>266,109</u>	<u>-</u>	<u>388,813</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (790,001)</u>	<u>\$ 84,934</u>	<u>\$ (112,954)</u>	<u>\$ (818,021)</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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 6, 2022.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



January 6, 2022  
Sarasota, Florida

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

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

We have examined the Bartow Municipal Airport Development Authority (the Authority) of the City of Bartow, Florida’s (the City) compliance with Section 218.415, *Florida Statutes*, during the fiscal year ended September 30, 2021. 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, 2021.

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.



January 6, 2022  
Sarasota, Florida

## MANAGEMENT LETTER

Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

### Report on the Financial Statements

We have audited the financial statements of the Bartow Municipal Airport Development Authority (the Authority) of the City of Bartow, Florida (the City) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 6, 2022.

### 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 January 6, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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.

### 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*.

CERTIFIED PUBLIC ACCOUNTANTS

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Board of Commissioners  
Bartow Municipal Airport Development Authority  
Bartow, Florida

## MANAGEMENT LETTER

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

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

### **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.



January 6, 2022  
Sarasota, Florida