

**CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT
PLAN**

FINANCIAL STATEMENTS

September 30, 2019 and 2018

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

SEPTEMBER 30, 2018 AND 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of Bartow General Employees' Retirement Plan
Bartow, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Bartow, General Employees' Retirement Plan (the Plan) as of and for the years ended September 30, 2019 and 2018, 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 audits 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 Trustees
City of Bartow General Employees' Retirement Plan
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 Plan as of September 30, 2019 and 2018, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Plan and do not purport to, and do not present fairly the financial position of the City of Bartow, Florida as of September 30, 2019 and 2018, and the changes in its financial position, 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 – Management's Discussion and Analysis

Management of the Plan has omitted a 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. A management's discussion and analysis, 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 is not affected by this omission.

Required Supplementary Information – Other

U.S. generally accepted accounting principles require that the information listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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. 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.

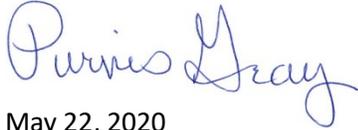
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2020, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control

Board of Trustees
City of Bartow General Employees' Retirement Plan
Bartow, Florida

INDEPENDENT AUDITOR'S REPORT

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 Plan's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

May 22, 2020
Sarasota, Florida

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

STATEMENTS OF PLAN NET POSITION

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Receivables:		
Contributions receivable:		
City	\$ 232,488	\$ 83,872
Plan members	12,295	11,781
Accrued income	<u>7,492</u>	<u>9,907</u>
Total receivables	<u>252,275</u>	<u>105,560</u>
Investments, at fair value:		
Cash and short-term money market funds	1,125,650	2,295,850
Fixed income investments	6,170,095	5,649,754
Real estate investment fund	3,435,894	3,402,232
Equity investments	17,515,587	16,858,488
Diversified mutual fund	<u>1,573,891</u>	<u>-</u>
Total investments	<u>29,821,117</u>	<u>28,206,324</u>
Total assets	<u>30,073,392</u>	<u>28,311,884</u>
LIABILITIES		
Accounts payable	16,520	11,714
Accrued benefits and member contributions payable	<u>11,685</u>	<u>2,380</u>
Total liabilities	<u>28,205</u>	<u>14,094</u>
NET POSITION		
Allocated for deferred retirement obligations	388,894	151,034
Unallocated	<u>29,656,293</u>	<u>28,146,756</u>
NET POSITION, restricted for pension benefits	<u><u>\$ 30,045,187</u></u>	<u><u>\$ 28,297,790</u></u>

See accompanying notes to financial statements

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

STATEMENTS OF CHANGES IN PLAN NET POSITION

For years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ADDITIONS		
Contributions:		
City	\$ 1,568,825	\$ 1,380,716
Plan members	320,965	315,137
Total contributions	<u>1,889,790</u>	<u>1,695,853</u>
Investment income:		
Interest and dividends	1,003,724	1,382,663
Realized and unrealized gains	409,334	1,011,292
Investment income, net	<u>1,413,058</u>	<u>2,393,955</u>
Less investment related expenses:		
Investment monitoring fees	20,500	20,500
Custodial fees	11,135	8,130
Investment management fees	56,469	62,517
Total investment expenses	<u>88,104</u>	<u>91,147</u>
Net investment income	<u>1,324,954</u>	<u>2,302,808</u>
Total additions	<u>3,214,744</u>	<u>3,998,661</u>
DEDUCTIONS		
Benefit payments and refund of contributions	<u>1,423,468</u>	<u>1,817,188</u>
Administrative expenses:		
Actuarial	21,308	21,943
Accounting	2,600	2,625
Audit	5,200	5,200
Insurance	6,836	-
Legal	7,935	14,241
Total administrative expenses	<u>43,879</u>	<u>44,009</u>
Total deductions	<u>1,467,347</u>	<u>1,861,197</u>
NET INCREASE	1,747,397	2,137,464
NET POSITION - beginning of year	<u>28,297,790</u>	<u>26,160,326</u>
NET POSITION - end of year	<u>\$ 30,045,187</u>	<u>\$ 28,297,790</u>

See accompanying notes to financial statements

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

REPORTING ENTITY – The financial statements presented are only for the City of Bartow General Employees' Retirement Plan (the Plan) and are not intended to present the basic financial statements of the City of Bartow, Florida (the "City"). The Plan is included in the City's annual financial report which is a separately issued document. The Plan is a pension trust fund (fiduciary fund type) of the City which accounts for the single employer defined pension plan for all full-time City employees who are not police officers or firefighters.

BASIS OF ACCOUNTING - The Plan's financial statements are prepared using the accrual basis of accounting.

CONTRIBUTIONS - It is the employer's policy to fund the annual required contribution. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Additional contributions required to fully meet the employer's actuarial contribution requirements for the year are accrued as a receivable from the employer at year end.

PLAN EXPENSES - All costs of administering the Plan are paid out of the Plan's funds. Benefit payments, contribution refunds to participants, and administrative expenses are reported as plan expenses when due and payable.

METHOD USED TO VALUE INVESTMENTS - All pension plan investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. All fair values are determined by the third-party custodian. Security transactions and any resulting gains or losses are accounted for by the specific identification method on a trade-date basis.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

EXEMPT TAX STATUS - The Plan is exempt from federal income taxes under provisions of Section 501(a) of the Internal Revenue Code.

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 2 – PLAN DESCRIPTION

The Plan was established by City ordinance and can be amended or terminated by City ordinance. The Plan is administered by a Board of Trustees consisting of seven Trustees; one of whom shall be a resident of Bartow appointed by the other six Trustees and affirmed by the Bartow City Commission; one of whom shall be the Finance Director of the City of Bartow whose term as Trustee shall be continuous; one of whom shall be elected by the Department Heads of the City of Bartow; two of whom shall be Members of the System who are elected by a majority of the General Employees who are non-bargaining unit Members of the System; and two of whom shall be Members of the System who shall be elected by a majority of the General Employees who are bargaining unit Members of the System. The Plan contains only the assets of the General Employees' Pension Trust Fund which is a fiduciary unit of the City of Bartow, Florida because it exists solely to provide benefits to employees of the City. Accordingly, assets of the Plan are included in the City's financial statements and are blended with those of the other pension trust funds of the City. Actuarial liabilities are determined by consulting actuaries. Investments of the Plan are maintained by a third-party custodian.

Participation in the Plan is mandatory for all general employees, defined as any person who is employed full-time by the City other than police officers, and firefighters. Firefighters and police officers are covered under separate defined benefit pension plans. Employees contribute 4% of their salary with the City contributing annually such amounts as are necessary to fully fund the actuarially required annual contribution for the Plan. For the years ended September 30, 2019 and 2018, the City's required contribution as a percentage of covered payroll was 19.6% and 17.5%, respectively. All benefits are 100% vested after six years of credited service. Normal retirement is the earlier of age sixty-two with ten years credited service, or attainment of twenty-five years of credited service. Benefits at normal retirement are computed at 2.53% of the average earnings for the highest five consecutive years of the preceding ten-year period times the number of years of credited service. Members who have completed ten years of service are eligible for early retirement at reduced benefits. Disability benefits are available after ten years of credited service.

Plan Membership – At October 1, 2018 and 2017, the participant data consisted of:

	<u>2018</u>	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefits	99	90
Inactive plan members entitled to but not yet receiving benefits	125	113
Active plan members	<u>184</u>	<u>188</u>
Total	<u>408</u>	<u>391</u>

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 3 – INVESTMENTS

The types of investments in which the Plan may invest are governed by City Ordinance which required the Board of Trustees to adopt an investment policy which authorizes investment in the following instruments: federally-insured depositories, direct or guaranteed obligations of the United States; stocks, commingled funds, mutual funds, bonds or other evidences of indebtedness issued by a U.S. Corporation or any state or territory of the United States; structured mortgage products issued by the U.S. Government or government agency; mortgage related or asset backed securities not issued by the U.S. Government, government agency or instrumentally; bonds issued by municipal issuers; real estate and foreign securities. Equity securities must be traded on a national exchange or electronic network. No more than 70%, at market value, of the Plans assets can be invested in equity securities nor more than 5% in any one issuer. Fixed income securities must be investment grade except 20% can be invested in securities not meeting this criterion and must have a minimum total portfolio weighted average credit rating of "A" by Standard and Poors or Moodys and no more than 3% of the fixed income portfolio in any one single corporate issuer. Money market investments must have a minimum rating of A1/P1 or its equivalent by a major credit rating service. Investments made by the Board may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Investment Policy Standard. In the event of investment by the Plan into a pooled fund, the prospectus or governing policy of that pooled fund, as updated from time to time, shall be treated as an addendum to this Investment Policy Statement. Foreign securities at market value cannot exceed 25% of the total fund value at market value. All equity and fixed income securities must be readily marketable. Commingled funds must be independently appraised at least annually. There were no significant changes in the investment policy during the year. Independent investment consultants are retained by the Board to evaluate and report on the Plan's investment performance.

Target Asset Allocation - The following was the Board's adopted asset allocation policy as of September 30, 2019 and September 30, 2018:

Asset Class	Target Allocation	
	September 30, 2019	September 30, 2018
Domestic Equity	45.00%	45.00%
International Equity	15.00%	15.00%
Broad Market Fixed Income	20.00%	30.00%
Global Fixed Income	5.00%	0.00%
Real Estate	10.00%	10.00%
Global Tactical Asset Allocation	5.00%	0.00%
Total	100.00%	100.00%

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 3 - INVESTMENTS (cont...)

Investments at Fair Value - The Plan categorizes fair value measures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal to principal markets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Plan did not have investments classified as Level 3 assets in its portfolio as of September 30, 2019 or 2018 and; therefore, the Level 3 column is not shown.

	September 30, 2019	Level 1	Level 2
Investments at fair value:			
Fixed income investments	\$ 6,170,095	\$ -	\$ 6,170,095
Equity investments	17,515,587	3,214,961	14,300,626
Diversified mutual fund	1,573,891	-	1,573,891
Total investments at fair value	<u>25,259,573</u>	<u>\$3,214,961</u>	<u>\$22,044,612</u>

Investments measured at net asset value (NAV)	
Real estate fund	3,435,894
Cash and short-term money market funds	1,125,650
Total Investments	<u>\$ 29,821,117</u>

	September 30, 2018	Level 1	Level 2
Investments at fair value:			
Fixed income investments	\$ 5,649,754	\$ -	\$ 5,649,754
Real estate investment fund	149,668	149,668	-
Equity investments	16,858,488	2,971,671	13,886,817
Total investments at fair value	<u>22,657,910</u>	<u>\$3,121,339</u>	<u>\$19,536,571</u>

Investments measured at net asset value (NAV)	
Real estate fund	3,252,564
Cash and short-term money market funds	2,295,850
Total Investments	<u>\$ 28,206,324</u>

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 3 - INVESTMENTS (cont...)

Debt and equity securities in Level 1 of the fair value hierarchy are valued using prices quoted from an active market where there is significant transparency in the executed or quoted price. Debt and equity securities in Level 2 of the fair value hierarchy are valued based upon evaluated prices received from fixed income vendors where the data inputs to these valuations do not represent quoted prices from an active market. Investments in cash and short-term money market mutual funds are reported at amortized cost.

The Plan owns shares in a real estate investment fund which is a pooled investment fund that is a broadly diversified core real estate fund that reports in value at the net asset value (NAV) per share. The real estate investment fund allows a redemption at any time and are effective at the end of the calendar quarter in which the request was received. All investments of the real estate trust are appraised by an independent third-party, MAI appraiser each and every quarter, commencing the after the investment is made.

The Plan is invested in a diversified mutual fund which is invested in multiple asset classes including equity and fixed income investments, both foreign and domestic. While the mutual fund does hold fixed income investments it is not included in the interest rate and credit risk disclosure table below because the mutual fund also holds equity investments and interest rate and credit risk information concerning the fixed income investments is not available. The mutual fund is not rated by an independent rating agency.

Information related to interest rate and credit risk for the Plan's fixed income investments is summarized below:

Issuer/Issue	S&P Rating	Fair Value	Weighted Average Duration
As of September 30, 2019:			
Short-term money market	AA+	<u>\$ 1,125,650</u>	0
Fixed income investments:			
Dodge & Cox Income Fund	Not Rated	2,824,533	4.2
Metropolitan West T/R Bond	Not Rated	2,840,470	5.8
Templeton Global Total Return	Not Rated	<u>505,092</u>	-0.8
Total fixed income investments		<u>\$ 6,170,095</u>	
 As of September 30, 2018:			
Short-term money market	AA+	<u>\$ 2,295,850</u>	0
Fixed income investments:			
Dodge & Cox Income Fund	Not Rated	2,588,251	4.4
Metropolitan West T/R Bond	Not Rated	2,568,720	6.1
Templeton Global Total Return	Not Rated	<u>492,783</u>	-1.3
Total fixed income investments		<u>\$ 5,649,754</u>	

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 3 - INVESTMENTS (cont...)

Concentrations - The Plan did not hold investments (other than those issued or explicitly guaranteed by the US Government or in pooled investments) in any one organization that represented 5% or more of the Plan's fiduciary net position as of September 30, 2019 and 2018.

Money-weighted Rate of Return - For the year ended September 30, 2019 and 2018, the money-weighted rate of return, net of investment expenses and adjusted for the changing amounts actually invested, for the Plan was 4.70% and 8.80% respectively.

NOTE 4 - DEFERRED RETIREMENT OPTION PROGRAM (DROP)

The Plan permits its members to elect to receive retirement benefits while still employed and receiving a salary. Members are eligible upon reaching normal retirement. The participant's retirement benefits are credited into an individual member account and paid out to the member upon termination or retirement not to exceed a period of up to 60 months. Amounts credited to the members' DROP accounts earn interest and remain in the pension plans' net position until paid out. Amounts held in DROP accounts as of September 30, 2019 totaled \$388,894 and totaled \$151,034 as of September 30, 2018.

NOTE 5 - NET PENSION LIABILITY

Net Pension Liability - The components of the net pension liability for the Plan as of September 30, 2019 and 2018, were as follows:

	2019	2018
Total pension liability	\$ 37,721,868	\$ 36,216,109
Plan fiduciary net position	(30,045,187)	(28,297,790)
Net pension liability	<u>\$ 7,676,681</u>	<u>\$ 7,918,319</u>
Plan fiduciary net position as percentage of the total pension liability	79.65%	78.14%

Actuarial assumptions:

Actuarial valuation date	October 1, 2018	October 1, 2017
Measurement date	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Discount rate	7.50%	7.50%
Investment rate of return	7.50%	7.50%
Date of actuarial experience study	August 23, 2017	August 23, 2017

Mortality rates were based on the RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 5 - NET PENSION LIABILITY (cont...)

Long-term Expected Real Rate of Return on Pension Plan Investments - was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For 2019 and 2018 the inflation assumption was 2.50%. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 and 2018 are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return	
	September 30, 2019	September 30, 2018
Domestic Equity	7.50%	7.50%
International Equity	8.50%	8.50%
Broad Market Fixed Income	2.50%	2.50%
Global Fixed Income	3.50%	na
Real Estate	4.50%	2.50%
Global Tactical Asset Allocation	3.50%	na

Discount Rate - A discount rate of 7.50% was used to measure the total pension liability of the Plan as of September 30, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City as of September 30, 2019 and 2018, calculated using the discount rate for each year, as well as what the City's net pension liability would be if it calculated using a discount rate that one percentage pointer lower and one percentage point higher than the current rate used for each year.

As of September 30,	Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
2019	7.50%	\$ 12,161,020	\$ 7,676,681	\$ 3,892,073
2018	7.50%	\$ 12,329,589	\$ 7,918,319	\$ 4,217,183

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

NOTE 6 – SUBSEQUENT EVENT

The COVID-19 pandemic has created economic disruptions throughout the country as of the date of this report causing significant declines in the financial markets and economic activity overall and has had a significant short-term effect on the fair value of the Plan's investments subsequent to September 30, 2019. The Plan uses a rolling multi-year averaging technique to determine actuarial market gains and losses, thereby reducing the immediate impact on required city contributions and providing a longer time frame for asset value recovery.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

The following information presents the changes in net pension liability:

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Total pension liability			
Service cost	\$ 707,794	\$ 724,848	\$ 626,030
Interest	2,715,913	2,520,111	2,445,146
Change in funding standard account	-	-	-
Differences between expected and actual experience	(494,481)	1,003,115	(285,652)
Changes in assumptions	-	-	687,125
Contributions - buyback	-	-	50,733
Benefit payments and refunds	<u>(1,423,467)</u>	<u>(1,817,188)</u>	<u>(1,324,802)</u>
Net change in total pension liability	<u>1,505,759</u>	<u>2,430,886</u>	<u>2,198,580</u>
Total pension liability, beginning	<u>36,216,109</u>	<u>33,785,223</u>	<u>31,586,643</u>
Total pension liability, ending	<u><u>\$37,721,868</u></u>	<u><u>\$36,216,109</u></u>	<u><u>\$33,785,223</u></u>
Plan fiduciary net position			
Contributions - employer	1,568,825	1,380,716	1,530,529
Contributions - employee	320,965	315,137	306,285
Contributions - employee buyback	-	-	50,733
Net investment income	1,324,954	2,302,808	2,653,336
Benefit payments and refunds	(1,423,468)	(1,817,188)	(1,324,802)
Administrative expenses	<u>(43,879)</u>	<u>(44,009)</u>	<u>(45,409)</u>
Net change in plan fiduciary net position	<u>1,747,397</u>	<u>2,137,464</u>	<u>3,170,672</u>
Plan fiduciary net position, beginning	<u>28,297,790</u>	<u>26,160,326</u>	<u>22,989,654</u>
Plan fiduciary net position, ending	<u><u>\$30,045,187</u></u>	<u><u>\$28,297,790</u></u>	<u><u>\$26,160,326</u></u>
Net pension liability	<u><u>\$ 7,676,681</u></u>	<u><u>\$ 7,918,319</u></u>	<u><u>\$ 7,624,897</u></u>
Plan fiduciary net position as a percentage of the total pension liability	79.65%	78.14%	77.43%
Covered payroll	\$ 8,016,434	\$ 7,878,494	\$ 7,657,098
Net pension liability as a percentage of covered payroll	95.76%	100.51%	100.90%

Continued...

See Auditor's Report

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Concluded)

The following information presents the changes in net pension liability:

	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Total pension liability			
Service cost	\$ 594,932	\$ 582,546	\$ 613,352
Interest	2,285,926	2,218,251	2,079,693
Change in funding standard account	(33,336)	(224,714)	-
Differences between expected and actual experience	107,208	(387,282)	-
Changes in assumptions	794,635	-	-
Contributions - buyback	-	123,299	-
Benefit payments and refunds	<u>(2,127,216)</u>	<u>(775,295)</u>	<u>(973,494)</u>
Net change in total pension liability	<u>1,622,149</u>	<u>1,536,805</u>	<u>1,719,551</u>
Total pension liability, beginning	<u>29,964,494</u>	<u>28,427,689</u>	<u>26,708,138</u>
Total pension liability, ending	<u>\$31,586,643</u>	<u>\$29,964,494</u>	<u>\$28,427,689</u>
Plan fiduciary net position			
Contributions - employer	1,305,948	1,212,429	1,278,269
Contributions - employee	301,356	414,836	300,454
Contributions - employee buyback	-	-	-
Net investment income	2,094,864	(214,127)	1,464,081
Benefit payments and refunds	(2,127,216)	(775,295)	(973,494)
Administrative expenses	<u>(58,891)</u>	<u>(34,720)</u>	<u>(23,527)</u>
Net change in plan fiduciary net position	<u>1,516,061</u>	<u>603,123</u>	<u>2,045,783</u>
Plan fiduciary net position, beginning	<u>21,473,593</u>	<u>20,870,470</u>	<u>14,878,773</u>
Plan fiduciary net position, ending	<u>\$22,989,654</u>	<u>\$21,473,593</u>	<u>\$20,870,470</u>
Net pension liability	<u>\$ 8,596,989</u>	<u>\$ 8,490,901</u>	<u>\$ 7,557,219</u>
Plan fiduciary net position as a percentage of the total pension liability	72.78%	71.66%	73.42%
Covered payroll	\$ 7,557,033	\$ 8,049,198	\$ 6,833,856
Net pension liability as a percentage of covered payroll	113.76%	105.49%	110.58%

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

See Auditor's Report

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Changes of Assumptions:

For the measurement date September 30, 2017:

1. As required by Chapter 2015-157, Laws of Florida, the assumed rate rates of mortality have been changed from those in the July 1, 2015 Florida Retirement System (FRS) valuation report to those used in the July 1, 2016 FRS valuation report.
2. Additionally, as a result of an actuarial experience study dated August 23, 2017, the following changes have been approved by the Board:
3. The assumed rate of investment return was lowered from 7.75% to 7.5% per year, net of investment related expenses.
4. The assumed rate of salary increases was amended from a flat rate of 4.75% per year to a service-based table.
5. The assumed rates of retirement were amended slightly at certain age and service points.
6. The assumed rates of withdrawal were amended at certain age and service points.
7. A "fresh start" to the existing UAAL layers into one single layer which will be amortized over a 15 year – period. As approved by the Board of Trustees, all future UAAL layers will be amortized over a 15-year period.

For the measurement date September 30, 2016:

1. As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the FRS.
2. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

See Auditor's Report

CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS

The following information presents a schedule of contributions:

Year Ended September 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	1,568,825	1,568,825	-	8,016,434	19.57%
2018	1,415,155	1,380,716	(34,439)	7,878,494	17.53%
2017	1,315,737	1,350,176	34,439	7,657,098	17.63%
2016	1,339,284	1,339,284	-	7,557,033	17.72%
2015	1,437,143	1,437,143	-	8,049,198	17.85%
2014	1,499,813	1,499,813	-	6,833,856	21.95%

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

Notes to Schedule of Contributions:

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Valuation date - for the September 30, 2019 contributions, the valuation date was as of October 1, 2017

Actuarial cost method - Entry age normal actuarial cost method.

Amortization method - level percentage of pay, closed

Remaining amortization period - 20 years as of October 1, 2017.

Asset valuation method - Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average market value return (net of fees).

Payroll growth - None

Salary increases: 0 years - 8.0%, 1 year - 5.0%, 2 years - 4.75%, 3 years - 4.5% and 4+years - 4.25%

Investment rate of return - 7.50% per year compounded annually, net of investment related expenses

Retirement age:

25 years of service = 20%, 26-30 yrs = 10%, 31-35 yrs = 15%, 36-39 yrs = 20%, 40 yrs = 100%

Age 62 with 10 yrs of service = 30%, 63-64 yrs = 20%, 65 yrs = 20%, 66 yrs = 45%, 67-69 yrs = 20%, 70 yrs = 100%

Mortality rates were based on the RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.

Termination rates: 20% in the first year of employment, 16% in the second year, 10% in the third year, 10% in the fourth year, 10% in the fifth year and after 5 years see table below.

% terminating during year (years 6+)		% becoming disabled during year	
Age	Assumption	Age	Assumption
25	12.00%	25	0.90%
35	10.00%	35	0.15%
45	5.40%	45	0.38%
55	1.60%	55	1.00%
65	0.00%		

See Auditor's Report

**CITY OF BARTOW GENERAL EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF INVESTMENT RETURNS**

Average Money-weighted Rate of Return, Net of Investment Expenses:

For the year ended September 30:

2019	4.70%
2018	8.80%
2017	11.58%
2016	9.84%
2015	-1.01%
2014	7.65%

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

See Auditor's Report

**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 Trustees
City of Bartow General Employees' Retirement Plan
Bartow, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Bartow General Employees' Retirement Plan (the Plan), which comprise the statement of plan net position as of September 30, 2019 and 2018, and the related statement of changes in plan net position for the years then ended and the related notes to the financial statements, and have issued our report thereon dated May 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan'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 Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

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Board of Trustees
City of Bartow General Employees' Retirement Plan
Bartow, Florida

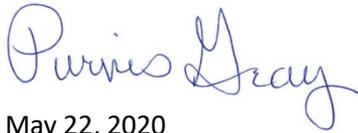
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan'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 Plan'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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 22, 2020
Sarasota, Florida