

# City of Bowling Green, Missouri

## Basic Financial Statements Year Ended September 30, 2022

**KPM**  
CPAS & ADVISORS

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**KPM**  
**CPAS & ADVISORS**  
**Independent Auditors' Report**

Honorable Mayor and Board of Aldermen  
City of Bowling Green  
Bowling Green, Missouri

## **Report on the Audit of the Financial Statements**

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the City of Bowling Green, Missouri, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Bowling Green, Missouri, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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

### ***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedules, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023, on our consideration of the City of Bowling Green, Missouri's internal control over financial reporting and 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 the 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 City of Bowling Green, Missouri's internal control over financial reporting and compliance.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
March 8, 2023

## **Management's Discussion and Analysis**

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2022

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The Management's Discussion and Analysis of the City of Bowling Green's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the City's financial statements.

### Financial Highlights

The net position of the City's governmental activities increased by \$1,775,157 for the year as a result of current year activities. The net position of the City's business activities increased by \$504,751 for the year.

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2022, by \$34.3 million (net position). Of this amount \$6,451,378 was unrestricted and may be used to meet future obligations of the City.

Total long-term liabilities of the City decreased by \$72,520 during the year.

Total revenues decreased \$2,062,142 or 21% compared to prior year revenues primarily due to completion of the airport grant project, while total expenses decreased \$9,526 or <1%.

### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

### Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in it. The City's net position – the difference between assets and deferred outflows, and liabilities and deferred inflows – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

*Governmental Activities:* Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

*Business-Type Activities:* The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer services are provided here.

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2022

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### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the Board of Aldermen establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

#### **Governmental Funds**

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in reconciliations following the fund financial statements.

#### **Proprietary Funds**

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

### **Notes to the Basic Financial Statements**

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2022

### Government-Wide Financial Analysis

#### Net Position

The following table presents the condensed Statement of Net Position for the City as of September 30, 2022 and 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total September 30, 2022</u>	<u>Total September 30, 2021</u>
<b>Assets</b>				
Current and other assets	\$ 7,131,756	\$ 2,655,333	\$ 9,787,089	\$ 7,604,112
Net pension asset	735,512	-	735,512	1,128,876
Capital assets	16,236,365	15,317,043	31,553,408	31,156,394
<b>Total Assets</b>	<u>24,103,633</u>	<u>17,972,376</u>	<u>42,076,009</u>	<u>39,889,382</u>
<b>Deferred Outflow of Resources</b>				
Deferred pension outflows	347,346	-	347,346	26,153
<b>Liabilities</b>				
Other liabilities	1,644,130	724,910	2,369,040	1,733,925
Long-term liabilities outstanding	1,662,590	4,068,191	5,730,781	5,803,301
<b>Total Liabilities</b>	<u>3,306,720</u>	<u>4,793,101</u>	<u>8,099,821</u>	<u>7,537,226</u>
<b>Deferred Inflow of Resources</b>				
Deferred pension inflows	63,585	-	63,585	398,268
<b>Net Position</b>				
Net investment in capital assets	14,198,348	10,724,541	24,922,889	24,487,414
Restricted				
Non-expendable	29,321	-	29,321	29,321
Expendable	2,191,214	665,147	2,856,361	2,381,332
Unrestricted	4,661,791	1,789,587	6,451,378	5,081,974
<b>Total Net Position</b>	<u>\$ 21,080,674</u>	<u>\$ 13,179,275</u>	<u>\$ 34,259,949</u>	<u>\$ 31,980,041</u>

Total net position of the City increased by \$2,279,908 for the year due to current year activity. Total liabilities for the City increased \$562,595.

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2022

### Change in Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Year Ended September 30, 2022</u>	<u>Total Year Ended September 30, 2021</u>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 279,502	\$ 2,811,210	\$ 3,090,712	\$ 3,178,263
Operating grants and contributions	64,106	22,400	86,506	48,090
Capital grants and contributions	68,107	331,153	399,260	2,662,168
General Revenues				
Property taxes	405,850	-	405,850	401,646
Sales taxes	2,638,305	-	2,638,305	2,445,033
Motor vehicle taxes	247,502	-	247,502	227,339
Other taxes	349,599	-	349,599	335,562
Franchise fees	365,461	-	365,461	296,389
Interest	15,539	41,356	56,895	67,908
Other revenue	9,304	-	9,304	49,138
<b>Total Revenues</b>	<u>4,443,275</u>	<u>3,206,119</u>	<u>7,649,394</u>	<u>9,711,536</u>
<b>Expenses</b>				
Administrative	511,778	-	511,778	421,084
Public safety	680,877	-	680,877	921,410
Fire	90,309	-	90,309	88,384
Community center	25,084	-	25,084	19,783
Airport	64,370	-	64,370	65,869
Street	843,651	-	843,651	829,107
Planning and zoning	78,955	-	78,955	49,756
Cemetery	35,141	-	35,141	29,148
Park	157,003	-	157,003	173,960
Pool	30,255	-	30,255	66,651
Library	92,972	-	92,972	57,934
Other	4,128	-	4,128	4,119
Debt service	53,595	-	53,595	39,706
Water	-	1,771,797	1,771,797	1,737,926
Sewer	-	929,571	929,571	874,175
<b>Total Expenses</b>	<u>2,668,118</u>	<u>2,701,368</u>	<u>5,369,486</u>	<u>5,379,012</u>
<b>Special Item</b>				
Gain on disposal of property	-	-	-	12,744
<b>Increase in Net Position</b>	<u>\$ 1,775,157</u>	<u>\$ 504,751</u>	<u>\$ 2,279,908</u>	<u>\$ 4,345,268</u>

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2022

### Governmental Activities

Governmental activities increased the net position of the City by \$1,775,157. Tax revenues for the City were \$4,006,717 which represents 90% of the financing of these activities. Program revenues for the functions totaled \$411,715. The following table shows the cost of the City's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

#### Net Cost of the City of Bowling Green's Governmental Activities

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Administrative	\$ 511,778	\$ 314,137
Public safety	680,877	670,446
Fire	90,309	90,309
Community center	25,084	25,084
Airport	64,370	(60,531)
Street	843,651	843,651
Planning and zoning	78,955	67,676
Cemetery	35,141	29,031
Park	157,003	153,818
Pool	30,255	30,255
Library	92,972	34,804
Other	4,128	4,128
Debt service	53,595	53,595
	<u>\$ 2,668,118</u>	<u>\$ 2,256,403</u>

### Business-Type Activities

Business-type activities increased the City's net position by \$504,751.

### Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of September 30, 2022, were \$5,886,916. The General Fund increased by \$853,770. The Cemetery Fund increased by \$21,929. The Park Fund increased by \$143,643. The Library Fund increased by \$67,087. The Street CIP Fund increased by \$204,261.

### General Fund Budgetary Highlights

#### Revenues

The original revenue budget of \$5,011,431 was not amended during the year. Actual revenues were \$3,378,150 which is a difference of \$1,633,281.

#### Expenditures

The original expenditure budget of \$5,011,431 was not amended during the year. Actual expenditures were \$2,524,380, which is a difference of \$2,487,051.

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2022

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### Capital Asset and Debt Administration

#### Capital Assets

Net capital assets of the governmental activities were \$16,236,365 as of September 30, 2022, which is an increase of \$733,356 from the prior year primarily due to various street projects. Net capital assets for business-type activities were \$15,317,043 of September 30, 2022. This is a decrease of \$336,342.

#### Long-term Debt

Total long-term debt of the governmental activities as of September 30, 2022, was \$2,038,017, which is up from \$1,561,891, in the prior year, due to principal payments on debt in the amount of \$369,987 and additions to the 2020 financed purchase payable in the amount of \$846,023.

Total long-term debt of the business-type activities as of September 30, 2022, was \$4,592,502, which is down from \$5,106,999 in the prior year, due to principal payments on debt in the amount of \$514,497.

### Economic Factors and Next Year's Budget

A multi-family housing development is in the works, hopefully breaking ground in the next few months. Two new proposed single-family subdivisions would bring much needed housing to Bowling Green, along with new tax dollars and water and sewer services.

Phase 2 of West Locust Street has begun with waterline replace which will be followed by sewer upgrades and road improvements. Other side streets to receive treatment are Kincaid and one block of 11<sup>th</sup>, 12<sup>th</sup>, and 13<sup>th</sup> streets. ARPA monies are being used to fund this project.

A new drive-through coffee shop is nearing completion at the south end of Business Highway 61. Tractor Supply Company has acquired Orscheln's Farm & Home and is in the process of making that transition. Legion Properties has completed construction in Bowling Green Industrial Park.

The 2022-2023 fiscal year budget consists of seven separate funds. The funds include the General Fund, Cemetery Fund, Park Fund, Library Fund, Street CIP Fund, Water Fund, and Sewer Fund. All seven of the City's funds are balanced for the 2022-2023 fiscal year.

The Board approved several capital improvement items for 2022-2023:

#### General Fund

*Police:* Radio upgrade; two new vehicles with equipment installed

*Fire:* Turnout gear, portable radios, hose replacement and new helmets

*Airport:* New hangar as approved by FAA & MoDOT, following master plan

*Streets:* Dump truck and Ford F250

*Community Center:* Replace heating and air conditioning

# City of Bowling Green

Management's Discussion and Analysis

September 30, 2022

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## **Cemetery Fund**

Repave old cemetery road

## **Park Fund**

Park security cameras

## **Street CIP Fund**

Microseal West Champ Clark Drive (7 blocks) and West Main Street; pave DQ road

## **Water Fund**

*Water Distribution:* Badger box, and tilt equipment trailer

## **Sewer Fund**

*Lagoon/WW Collection:* Repair jetter and camera, repair Big A basin floor

City staff, the Mayor and members of the Board of Aldermen receive and review the financial status of the City throughout the fiscal year. This action will continue to allow the aggressive monitoring and management of the City's finances.

## **Contacting the City's Financial Management**

For additional information or questions, please contact any of the following officers:

Linda Luebrecht, City Clerk/Administrator

Kim Moore, Treasurer

City of Bowling Green  
16 W. Church  
Bowling Green, Missouri 63334  
(573) 324-5451

# City of Bowling Green

## Statement of Net Position

September 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents - unrestricted	\$ 4,695,376	\$ 1,456,477	\$ 6,151,853
Investments - unrestricted	556,332	-	556,332
Ad valorem taxes receivable	1,506	-	1,506
Sales tax receivable	495,148	-	495,148
Utilities receivable, net	-	205,642	205,642
Other accounts receivable	59,540	-	59,540
Intergovernmental receivable	77,670	52,531	130,201
Accrued interest receivable	1,613	6	1,619
Inventory	-	172,243	172,243
Prepaid expenses	46,943	20,309	67,252
Noncurrent			
Restricted cash and cash equivalents	1,169,430	633,025	1,802,455
Restricted investments	28,198	115,100	143,298
Net pension asset	735,512	-	735,512
Capital Assets			
Non-depreciable	1,200,119	541,254	1,741,373
Depreciable, net	15,036,246	14,775,789	29,812,035
<b>Total Assets</b>	<b>24,103,633</b>	<b>17,972,376</b>	<b>42,076,009</b>
<b>Deferred Outflow of Resources</b>			
Deferred pension outflows	347,346	-	347,346

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Net Position

September 30, 2022

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Current			
Accounts payable	60,969	97,309	158,278
Accrued expenses	32,293	-	32,293
Deposits payable	2,300	82,978	85,278
Escrow payable	30,038	-	30,038
Unearned revenue	1,119,240	-	1,119,240
Accrued interest payable	17,287	20,312	37,599
Current maturities of long-term debt	382,003	524,311	906,314
	1,644,130	724,910	2,369,040
Noncurrent			
Revenue bonds payable	-	3,434,570	3,434,570
Certificates of participation payable	285,000	-	285,000
Financed purchase payable	1,371,014	633,621	2,004,635
Compensated absences	6,576	-	6,576
	1,662,590	4,068,191	5,730,781
<b>Total Liabilities</b>	3,306,720	4,793,101	8,099,821
<b>Deferred Inflow of Resources</b>			
Deferred pension inflows	63,585	-	63,585
<b>Net Position</b>			
Net investment in capital assets	14,198,348	10,724,541	24,922,889
Restricted			
Non-expendable	29,321	-	29,321
Expendable	2,191,214	665,147	2,856,361
Unrestricted	4,661,791	1,789,587	6,451,378
<b>Total Net Position</b>	\$ 21,080,674	\$ 13,179,275	\$ 34,259,949

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Activities

Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
Administrative	\$ (511,778)	\$ 197,641	\$ -	\$ -	\$ (314,137)	\$ -	\$ (314,137)
Public safety	(680,877)	-	10,431	-	(670,446)	-	(670,446)
Fire	(90,309)	-	-	-	(90,309)	-	(90,309)
Community center	(25,084)	-	-	-	(25,084)	-	(25,084)
Airport	(64,370)	56,794	-	68,107	60,531	-	60,531
Street	(843,651)	-	-	-	(843,651)	-	(843,651)
Planning and zoning	(78,955)	11,279	-	-	(67,676)	-	(67,676)
Cemetery	(35,141)	6,110	-	-	(29,031)	-	(29,031)
Park	(157,003)	2,685	500	-	(153,818)	-	(153,818)
Pool	(30,255)	-	-	-	(30,255)	-	(30,255)
Library	(92,972)	4,993	53,175	-	(34,804)	-	(34,804)
Other	(4,128)	-	-	-	(4,128)	-	(4,128)
Debt service	(53,595)	-	-	-	(53,595)	-	(53,595)
<b>Total Governmental Activities</b>	<b>(2,668,118)</b>	<b>279,502</b>	<b>64,106</b>	<b>68,107</b>	<b>(2,256,403)</b>	<b>-</b>	<b>(2,256,403)</b>
Business-Type Activities							
Water	(1,771,797)	1,676,030	-	128,761	-	32,994	32,994
Sewer	(929,571)	1,135,180	22,400	202,392	-	430,401	430,401
<b>Total Business Type Activities</b>	<b>(2,701,368)</b>	<b>2,811,210</b>	<b>22,400</b>	<b>331,153</b>	<b>-</b>	<b>463,395</b>	<b>463,395</b>
<b>Total Government</b>	<b>\$ (5,369,486)</b>	<b>\$ 3,090,712</b>	<b>\$ 86,506</b>	<b>\$ 399,260</b>	<b>(2,256,403)</b>	<b>463,395</b>	<b>(1,793,008)</b>
		General Revenues					
					405,850	-	405,850
					2,638,305	-	2,638,305
					247,502	-	247,502
					349,599	-	349,599
					365,461	-	365,461
					15,539	41,356	56,895
					9,304	-	9,304
					<b>4,031,560</b>	<b>41,356</b>	<b>4,072,916</b>
					<i>Changes in Net Position</i>	1,775,157	504,751
					Net Position, Beginning of year	19,305,517	12,674,524
					<b>Net Position, End of year</b>	<b>\$ 21,080,674</b>	<b>\$ 13,179,275</b>

See accompanying Notes to the Financial Statements.



# City of Bowling Green

## Balance Sheet – Governmental Funds

September 30, 2022

	Special Revenue Funds					Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Library Fund	Street CIP Fund	
<b>Assets</b>						
Cash and cash equivalents - unrestricted	\$ 2,856,646	\$ 152,821	\$ 529,920	\$ 125,234	\$ 1,030,755	\$ 4,695,376
Investments - unrestricted	350,000	50,000	150,000	6,332	-	556,332
Ad valorem taxes receivable	896	211	-	399	-	1,506
Sales tax receivable	347,360	-	49,262	-	98,526	495,148
Other accounts receivable	59,540	-	-	-	-	59,540
Intergovernmental receivable	77,670	-	-	-	-	77,670
Accrued interest receivable	1,604	6	-	3	-	1,613
Prepaid expenses	43,085	-	2,488	1,370	-	46,943
Restricted cash and cash equivalents	1,168,157	1,273	-	-	-	1,169,430
Restricted investments	-	28,198	-	-	-	28,198
<b>Total Assets</b>	<b>\$ 4,904,958</b>	<b>\$ 232,509</b>	<b>\$ 731,670</b>	<b>\$ 133,338</b>	<b>\$ 1,129,281</b>	<b>\$ 7,131,756</b>
<b>Liabilities and Fund Balances</b>						
Liabilities						
Accounts payable	\$ 60,904	\$ -	\$ -	\$ 65	\$ -	\$ 60,969
Accrued expenses	28,398	-	-	3,895	-	32,293
Escrow payable	30,038	-	-	-	-	30,038
Deposits payable	2,000	-	300	-	-	2,300
Unearned revenue	1,119,240	-	-	-	-	1,119,240
<b>Total Liabilities</b>	<b>1,240,580</b>	<b>-</b>	<b>300</b>	<b>3,960</b>	<b>-</b>	<b>1,244,840</b>

See accompanying Notes to the Financial Statements.

## City of Bowling Green

### Balance Sheet – Governmental Funds

September 30, 2022

	Special Revenue Funds					Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Library Fund	Street CIP Fund	
Fund Balances						
Nonspendable						
Cemetery perpetual care	-	29,321	-	-	-	29,321
Prepaid items	43,085	-	2,488	1,370	-	46,943
Restricted for						
Flag reserves	1,855	-	-	-	-	1,855
Cemetery donations	-	150	-	-	-	150
Cemetery	-	203,038	-	-	-	203,038
Park	-	-	728,882	-	-	728,882
Library	-	-	-	128,008	-	128,008
Street	-	-	-	1,129,281	-	1,129,281
Assigned to						
Fire truck	75,000	-	-	-	-	75,000
Unassigned	3,544,438	-	-	-	-	3,544,438
<b>Total Fund Balances</b>	<b>3,664,378</b>	<b>232,509</b>	<b>731,370</b>	<b>129,378</b>	<b>1,129,281</b>	<b>5,886,916</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,904,958</b>	<b>\$ 232,509</b>	<b>\$ 731,670</b>	<b>\$ 133,338</b>	<b>\$ 1,129,281</b>	<b>\$ 7,131,756</b>

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2022

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Fund balance - total governmental funds	\$ 5,886,916
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	22,413,029
Less accumulated depreciation	<u>(6,176,664)</u>
	16,236,365
The net pension asset is not available to pay for current period expenditures and, therefore, not reported in the funds. The following is the detail of the net effect of these differences in the treatment of the net pension asset and related deferred items:	
Net pension asset	735,512
Deferred outflows due to pensions	347,346
Deferred inflows due to pensions	<u>(63,585)</u>
	1,019,273
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(17,287)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(2,044,593)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 21,080,674</u></u>

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended September 30, 2022

	Special Revenue Funds					Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Library Fund	Street CIP Fund	
<b>Revenues</b>						
Taxes	\$ 2,988,833	\$ 49,356	\$ 289,586	\$ 99,785	\$ 579,158	\$ 4,006,718
Licenses and permits	25,119	-	-	-	-	25,119
Intergovernmental revenues	76,498	-	-	2,667	-	79,165
Charges for services	203,634	6,110	2,685	4,993	-	217,422
Fines and forfeitures	11,003	-	-	-	-	11,003
Miscellaneous	73,063	969	11,371	52,925	2,605	140,933
<b>Total Revenues</b>	3,378,150	56,435	303,642	160,370	581,763	4,480,360
<b>Expenditures</b>						
Current						
Administrative	484,289	-	-	-	-	484,289
Public safety	980,081	-	-	-	-	980,081
Fire	78,049	-	-	-	-	78,049
Community center	22,627	-	-	-	-	22,627
Airport	106,080	-	-	-	-	106,080
Street	663,032	-	-	-	940,417	1,603,449
Planning and zoning	71,599	-	-	-	-	71,599
Cemetery	-	34,506	-	-	-	34,506
Park	-	-	113,584	-	-	113,584
Pool	-	-	30,255	-	-	30,255
Library	-	-	-	89,047	-	89,047
Other	4,128	-	-	-	-	4,128
Debt Service						
Principal, interest and fees	114,495	-	16,160	4,236	283,108	417,999
<b>Total Expenditures</b>	2,524,380	34,506	159,999	93,283	1,223,525	4,035,693
<i>Excess (Deficit) of Revenues Over Expenditures</i>	853,770	21,929	143,643	67,087	(641,762)	444,667
<b>Other Financing Sources</b>						
Lease proceeds	-	-	-	-	846,023	846,023
<i>Excess of Revenues and Other Sources Over Expenditures</i>	853,770	21,929	143,643	67,087	204,261	1,290,690
Fund Balance, October 1	2,810,608	210,580	587,727	62,291	925,020	4,596,226
<b>Fund Balance, September 30</b>	\$ 3,664,378	\$ 232,509	\$ 731,370	\$ 129,378	\$ 1,129,281	\$ 5,886,916

See accompanying Notes to the Financial Statements.

## City of Bowling Green

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities

Year Ended September 30, 2022

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Net change in fund balances - total governmental funds	\$ 1,290,690
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense. The following is the detail of the amount by which capital outlay exceeded depreciation for the year:

Capital assets	1,197,400
Depreciation	(464,044)
	<u>733,356</u>

Some revenues reported in the governmental funds represent current financial resources and were recognized in the Statement of Activities when earned	(37,085)
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The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt is a use of current financial resources of governmental funds. In the Statement of Activities, interest is accrued on outstanding debt whereas, in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences:

Issuance of lease obligation	(846,023)
Repayment of principal on loans and leases	369,987
Accrued interest payable	(5,583)
	<u>(481,619)</u>

Some expenditures reported in the governmental funds represent the use of current financial resources and were recognized in the Statement of Activities when incurred.

Change in pension related costs	262,512
Change in compensated absences	7,303
	<u>269,815</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 1,775,157</u></u>

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Net Position – Proprietary Funds

September 30, 2022

Assets	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Current Assets			
Cash and cash equivalents	\$ 1,179,824	\$ 276,653	\$ 1,456,477
Utilities receivable, net	143,857	61,785	205,642
Intergovernmental receivable	14,640	37,891	52,531
Accrued interest receivable	3	3	6
Inventory	108,141	64,102	172,243
Prepaid expenses	12,363	7,946	20,309
<b>Total Current Assets</b>	1,458,828	448,380	1,907,208
Restricted Assets			
Cash and cash equivalents	548,901	84,124	633,025
Investments	57,550	57,550	115,100
<b>Total Restricted Assets</b>	606,451	141,674	748,125
Property, Plant and Equipment			
Land	57,354	146,276	203,630
Construction in progress	131,042	206,582	337,624
Sewer system	-	14,732,377	14,732,377
Water system	11,146,800	-	11,146,800
Pumping and purification	1,841,680	-	1,841,680
Lake	1,424,111	-	1,424,111
	14,600,987	15,085,235	29,686,222
Less accumulated depreciation	(8,250,920)	(6,118,259)	(14,369,179)
<b>Total Property, Plant, and Equipment</b>	6,350,067	8,966,976	15,317,043
<b>Total Assets</b>	8,415,346	9,557,030	17,972,376
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	56,668	40,641	97,309
Deposits payable	82,978	-	82,978
Accrued interest payable	8,334	11,978	20,312
Current maturities of long-term debt	94,349	429,962	524,311
<b>Total Current Liabilities</b>	242,329	482,581	724,910
Long-Term Liabilities			
Revenue bonds payable	2,764,570	670,000	3,434,570
Financed purchase payable	60,467	573,154	633,621
<b>Total Long-Term Liabilities</b>	2,825,037	1,243,154	4,068,191
<b>Total Liabilities</b>	3,067,366	1,725,735	4,793,101
<b>Net Position</b>			
Net investment in capital assets	3,430,681	7,293,860	10,724,541
Restricted	523,473	141,674	665,147
Unrestricted	1,393,826	395,761	1,789,587
<b>Total Net Position</b>	\$ 5,347,980	\$ 7,831,295	\$ 13,179,275

See accompanying Notes to the Financial Statements.

## City of Bowling Green

### Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

Year Ended September 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Operating Revenues</b>			
Charges for services	\$ 1,673,043	\$ 1,118,021	\$ 2,791,064
Miscellaneous	2,987	17,159	20,146
<b>Total Operating Revenues</b>	1,676,030	1,135,180	2,811,210
<b>Operating Expenses</b>			
Administration	77,000	89,000	166,000
Legal and professional	51,072	48,275	99,347
Service agreement	558,747	229,673	788,420
Purchased services	736	532	1,268
Utilities	63,285	105,653	168,938
Maintenance	13,366	61,571	74,937
Supplies	215,457	11,477	226,934
Water purchased	268,744	-	268,744
Insurance	25,774	16,758	42,532
Depreciation	397,183	276,783	673,966
Miscellaneous	-	2,355	2,355
<b>Total Operating Expenses</b>	1,671,364	842,077	2,513,441
<i>Operating Income</i>	4,666	293,103	297,769
<b>Nonoperating Revenues (Expenses)</b>			
Grant revenue	128,761	224,792	353,553
Interest income	3,172	38,184	41,356
Interest expense	(100,433)	(87,494)	(187,927)
<b>Total Nonoperating Revenues (Expenses)</b>	31,500	175,482	206,982
<i>Net Income</i>	36,166	468,585	504,751
Net Position, October 1	5,311,814	7,362,710	12,674,524
<b>Net Position, September 30</b>	\$ 5,347,980	\$ 7,831,295	\$ 13,179,275

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Cash Flows – Proprietary Funds

Year Ended September 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 1,671,944	\$ 1,154,321	\$ 2,826,265
Cash paid to suppliers	(1,271,956)	(567,332)	(1,839,288)
<b>Net Cash Provided by Operating Activities</b>	<b>399,988</b>	<b>586,989</b>	<b>986,977</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Payments for engineering study	-	11,400	11,400
<b>Net Cash Provided by Cash Flows from Noncapital Financing Activities</b>	<b>-</b>	<b>11,400</b>	<b>11,400</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of fixed assets	(102,997)	(179,691)	(282,688)
Grant proceeds	114,121	175,501	289,622
Payment of bond and lease principal	(96,271)	(418,226)	(514,497)
Payment of interest expense	(100,659)	(91,431)	(192,090)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(185,806)</b>	<b>(513,847)</b>	<b>(699,653)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	3,172	38,184	41,356
<b>Net Cash Provided by Investing Activities</b>	<b>3,172</b>	<b>38,184</b>	<b>41,356</b>
<i>Net Increase in Cash and Cash Equivalents</i>	217,354	122,726	340,080
Cash and Cash Equivalents, Beginning of year	1,511,371	238,051	1,749,422
<b>Cash and Cash Equivalents, End of year</b>	<b>1,728,725</b>	<b>360,777</b>	<b>2,089,502</b>
Less Restricted Cash and Cash Equivalents	548,901	84,124	633,025
<b>Unrestricted Cash and Cash Equivalents</b>	<b>\$ 1,179,824</b>	<b>\$ 276,653</b>	<b>\$ 1,456,477</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income	\$ 4,666	\$ 293,103	\$ 297,769
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	397,183	276,783	673,966
(Increase) decrease in			
Utilities receivable	(7,944)	19,141	11,197
Inventory	1,252	(14,826)	(13,574)
Prepaid expenses	(1,603)	(962)	(2,565)
Increase (decrease) in			
Accounts payable	2,576	13,750	16,326
Deposits payable	3,858	-	3,858
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 399,988</b>	<b>\$ 586,989</b>	<b>\$ 986,977</b>

See accompanying Notes to the Financial Statements.



# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

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### 1. Summary of Significant Accounting Policies

The City of Bowling Green, Missouri, (the City) was incorporated in 1823 under the provisions of the State of Missouri. The City operates under a Board of Aldermen-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, culture-recreation, public improvements, planning, and general administrative services. Other services include water and sewer operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

#### Financial Reporting Entity

The City is organized under the laws of the State of Missouri and is a primary government, which is governed by an elected Board of Aldermen. As required by accounting principles generally accepted in the United States of America, the City has evaluated the criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that no other outside entity meets the criteria and therefore, no other entity has been included as a component unit in the financial statements. In addition, the City is not aware of any entity for which the City would be considered as a component unit of that entity.

#### Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

#### Government-Wide Financial Statements

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

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### Fund Financial Statements

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

*Cemetery Fund:* The Cemetery Fund of the City is used to account for resources restricted, committed or assigned for operations of City cemeteries.

*Park Fund:* The Park Fund of the City is used to account for resources restricted, committed or assigned for operations of City parks.

*Library Fund:* The Library Fund of the City is used to account for resources restricted, committed or assigned for operations of the City library.

*Street CIP Fund:* The Street CIP Fund of the City is used to account for resources restricted, committed or assigned for street related capital improvements.

The City reports the following major proprietary funds:

*Water Fund:* The Water Fund accounts for the activities and capital improvements of the City's water operations.

*Sewer Fund:* The Sewer Fund accounts for the activities and capital improvements of the City's sewer operations.

### Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

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costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the city elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Distribution system	20-100 years
Buildings and improvements	50 years
Purification	20-50 years
Machinery and equipment	5-15 years
Infrastructure	35-50 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

### **Pooled Cash and Cash Equivalents**

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. For purposes of the statement of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash and cash equivalents.

### **Investments**

Investments consist of certificates of deposit with maturities in excess of three months.

### **Inventories**

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Inventory usage is recognized on the consumption method.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Compensated Absences**

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation is payable on termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

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### Revenue Recognition – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenue and expenses are considered nonoperating.

### Net Position

In the government-wide financial statements, net position is classified in three components as follows:

*Net Investment in Capital Assets:* Consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted:* This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

### Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

*Nonspendable fund balance:* This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* This consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's Board of Aldermen.

*Assigned fund balance:* This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

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*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

The Board of Aldermen has formally adopted an ordinance that the General Fund should maintain at least \$1,000,000 in reserves at all times.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has one item that qualifies for reporting in this category, deferred amounts relating to the retirement plan.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position. These amounts are recognized as an inflow of resources in the period that the amounts become available.

### **Pensions**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Program Revenues**

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

### **Unearned Revenue**

This is future revenue received for unspent grant proceeds and will be recognized as income when earned.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### 2. Cash & Cash Equivalents

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of September 30, 2022, all bank balances on deposit were insured or collateralized.

### 3. Investments

Investments of the City as of September 30, 2022, consist of the following:

Investment Type	Maturity	Total
Certificates of Deposit	11/23/2022 - 3/22/2026	\$ 699,630

#### Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of September 30, 2022, all certificates of deposit are entirely insured or collateralized with securities.

The City does not have a policy on interest rate risk.

### 4. Restricted Assets

#### Governmental Activities

Cash, investments, fund balance and net position have been restricted as follows:

	Restricted Cash and Investments	Restricted Fund Balance/ Net Position
<b>General Fund</b>		
Excavation permit bond	\$ 1,500	\$ -
Community center deposits	500	-
Flag reserves	1,855	1,855
Grant funds	1,134,264	-
Developer escrow funds	30,038	-
	\$ 1,168,157	\$ 1,855

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

	<b>Restricted Cash and Investments</b>	<b>Restricted Net Position/ Fund Balance</b>
<b>Cemetery Fund</b>		
Nonspendable		
Perpetual care	\$ 29,321	\$ 29,321
Restricted		
Cemetery tax	-	203,038
Cemetery donations	150	150
	\$ 29,471	\$ 232,509
<b>Park Fund</b>		
Park sales tax	\$ -	\$ 728,882
<b>Library Fund</b>		
Library tax	\$ -	\$ 128,008
<b>Street CIP Fund</b>		
Transportation tax	\$ -	\$ 1,129,281

### Business-Type Activities

The 2003B Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Ordinance and USDA Series 2012 A, B, and C Combined Waterworks and Sewerage System Revenue Bonds established amounts required to be deposited in certain sinking and reserve funds. All required deposits have been made. These special cash reserves are reported in the accompanying Statement of Net Position as restricted cash and investments, and restricted net position. Restricted cash and investments also include cash restricted for customer deposits. These restrictions are as follows:

	<b>Restricted Cash and Investments</b>	<b>Restricted Fund Balance/ Net Position</b>
<b>Water Fund</b>		
USDA Revenue Bonds		
Debt service reserve	\$ 182,160	\$ 182,160
Short lived asset reserve	341,313	341,313
Customer deposits	82,978	-
	\$ 606,451	\$ 523,473
<b>Sewer Fund</b>		
2003B Revenue Bonds		
Principal and interest	\$ 84,124	\$ 84,124
Depreciation and replacement	57,550	57,550
	\$ 141,674	\$ 141,674

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### 5. Accounts Receivable

Accounts receivable is presented net of an allowance for doubtful accounts as follows:

	Gross Receivable	Allowance	Net Receivable
<b>Utilities Receivable</b>			
Water Fund	\$ 144,018	\$ (161)	\$ 143,857
Sewer Fund	61,809	(24)	61,785
	\$ 205,827	\$ (185)	\$ 205,642

### 6. Long-Term Debt – Governmental Activities

Long-term debt of the City consists of the Series 2015 Certificates of Participation, a financed purchase agreement payable and compensated absences.

#### Series 2015 Certificates of Participation

On July 29, 2015, the City issued \$1,235,000 in Certificates of Participation for the purpose of acquiring, constructing, reconstructing, installing, repairing, and equipping certain road and street improvements within the City. In the event of default, by written notice, the trustee may declare all rent payable to the end of the then-current original term or renewal term to be due; or the trustee may take possession of the property and sell the trustee's interest in the property or sublease the property and continue to hold the City liable for the difference between (1) the rent payable by the City for the then-current original term or renewal term and (2) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of the trustee in exercising its remedies under this agreement, including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling or leasing or subleasing the leased property and all brokerage, auctioneers and attorneys' fees and expenses). The trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the property and under this agreement. The Certificates bear interest at a rate of 3.60% with principal payments due on August 1 and interest payments due on February 1 and August 1 each year.

The Series 2015 Certificates of Participation outstanding at September 30, 2022, are due as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 135,000	\$ 15,120	\$ 150,120
2024	140,000	10,260	150,260
2025	145,000	5,220	150,220
	\$ 420,000	\$ 30,600	\$ 450,600



# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### 2020 Financed Purchase Agreement

On September 30, 2020, the City entered into an agreement to refund the Series 2012 Certificates of Participation and to finance various street projects and a sewer project in an amount not to exceed \$2,043,000. The City has issued \$1,858,004 in the Governmental Activities and \$184,996 in the Sewer Fund Business-Type Activities totaling \$2,043,000. In the event of default, the lender shall have the right to possession of the property for the remainder of the term and the right to sublease the property or sell its interest in the property, however the City shall provide the lender with adequate public liability insurance covering the premises for the remainder of the term. The agreement requires annual principal payments on November 1 each year and interest payments on May 1 and November 1 each year with interest at 2.20%.

The City's agreement provides for cancellation at the City's option on the renewal date each year per State statute, however, the City does not foresee exercising its option to cancel.

The total annual minimum lease payments required at September 30, 2022, are as follows:

<u>Year Ending September 30,</u>	<b>Direct Borrowing</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 264,750	\$ 36,372	\$ 301,122
2024	272,014	30,467	302,481
2025	323,811	23,914	347,725
2026	145,826	18,747	164,573
2027	149,069	15,504	164,573
2028	152,385	12,188	164,573
2029	155,775	8,798	164,573
2030	159,240	5,333	164,573
2031	162,782	1,791	164,573
	<u>\$ 1,785,652</u>	<u>\$ 153,114</u>	<u>\$ 1,938,766</u>
Governmental Activities	\$ 1,618,017		
Business-Type Activities			
Sewer Fund	167,635		
	<u>\$ 1,785,652</u>		

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

The following table is a summary of the changes in the Long-Term Debt – Governmental Activities:

	<b>Balance September 30, 2021</b>	<b>New Obligations</b>	<b>Retirements</b>	<b>Balance September 30, 2022</b>	<b>Amounts Due Within One Year</b>
Certificates of Participation Payable Series 2015	\$ 550,000	\$ -	\$ 130,000	\$ 420,000	\$ 135,000
Direct Borrowing 2020 Financed Purchase Payable	1,011,981	846,023	239,987	1,618,017	247,003
Compensated Absences	13,879	-	7,303	6,576	-
	<u>\$ 1,575,860</u>	<u>\$ 846,023</u>	<u>\$ 377,290</u>	<u>\$ 2,044,593</u>	<u>\$ 382,003</u>

## 7. Long-Term Debt – Business Type Activities

Long-term debt in the Water and Sewer Funds consists of the Series 2003B Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2012A, B and C Combined Waterworks and Sewerage System Revenue Bonds and three financed purchases payable.

### Water Fund

#### *Series 2012 Combined Waterworks and Sewerage System Revenue Bonds*

In January 2012, the City entered into an agreement with the United States Department of Agriculture to issue \$2,019,000, \$500,000 and \$979,000 in Combined Waterworks and Sewerage System Revenue Bonds Series A, Series B, and Series C, respectively. If the City defaults in the payment of principal or interest on any of the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, then at any time thereafter and while such default continues, the registered owners of 25% in principal amounts of the bonds outstanding may, by written notice to the City declare the principal of all bonds then outstanding to be due and payable immediately. The bonds bear interest at 2.375% to 4.0%. Principal and interest payments are due monthly each year.

The annual debt service requirements to amortize the principal on the bonds outstanding at September 30, 2022, are listed in the following tables:

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### Series 2012A

<u>Year Ending September 30,</u>	<u>Direct Placement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 45,436	\$ 65,840	\$ 111,276
2024	47,287	63,989	111,276
2025	49,214	62,062	111,276
2026	51,219	60,057	111,276
2027	53,305	57,971	111,276
2028	55,477	55,799	111,276
2029	57,737	53,539	111,276
2030	60,090	51,186	111,276
2031	62,538	48,738	111,276
2032	65,086	46,190	111,276
2033	67,737	43,539	111,276
2034	70,497	40,779	111,276
2035	73,369	37,907	111,276
2036	76,359	34,917	111,276
2037	79,470	31,806	111,276
2038	82,707	28,569	111,276
2039	86,077	25,199	111,276
2040	89,584	21,692	111,276
2041	93,234	18,042	111,276
2042	97,032	14,244	111,276
2043	100,985	10,291	111,276
2044	105,100	6,176	111,276
2045	97,089	1,937	99,026
	<u>\$ 1,666,629</u>	<u>\$ 880,469</u>	<u>\$ 2,547,098</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

*Series 2012B*

<b>Year Ending September 30,</b>	<b>Direct Placement</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 11,262	\$ 16,302	\$ 27,564
2024	11,721	15,843	27,564
2025	12,199	15,365	27,564
2026	12,696	14,868	27,564
2027	13,213	14,351	27,564
2028	13,751	13,813	27,564
2029	14,312	13,252	27,564
2030	14,895	12,669	27,564
2031	15,502	12,062	27,564
2032	16,133	11,431	27,564
2033	16,790	10,774	27,564
2034	17,475	10,089	27,564
2035	18,186	9,378	27,564
2036	18,927	8,637	27,564
2037	19,699	7,865	27,564
2038	20,501	7,063	27,564
2039	21,336	6,228	27,564
2040	22,206	5,358	27,564
2041	23,110	4,454	27,564
2042	24,052	3,512	27,564
2043	25,032	2,532	27,564
2044	26,052	1,512	27,564
2045	23,602	465	24,067
	<u>\$ 412,652</u>	<u>\$ 217,823</u>	<u>\$ 630,475</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### Series 2012C

Year Ending September 30,	Direct Placement		
	Principal	Interest	Total
2023	\$ 25,192	\$ 17,948	\$ 43,140
2024	25,797	17,343	43,140
2025	26,417	16,723	43,140
2026	27,051	16,089	43,140
2027	27,700	15,440	43,140
2028	28,365	14,775	43,140
2029	29,047	14,093	43,140
2030	29,744	13,396	43,140
2031	30,458	12,682	43,140
2032	31,189	11,951	43,140
2033	31,938	11,202	43,140
2034	32,705	10,435	43,140
2035	33,490	9,650	43,140
2036	34,295	8,845	43,140
2037	35,118	8,022	43,140
2038	35,961	7,179	43,140
2039	36,825	6,315	43,140
2040	37,709	5,431	43,140
2041	38,614	4,526	43,140
2042	39,541	3,599	43,140
2043	40,491	2,649	43,140
2044	41,463	1,677	43,140
2045	42,458	682	43,140
2046	5,611	25	5,636
	<u>\$ 767,179</u>	<u>\$ 230,677</u>	<u>\$ 997,856</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### *Water and Sewer Project Payable*

On May 9, 2018, the City entered into an agreement to finance an ultraviolet disinfection system project at the wastewater plant, upgrading lift station D and painting the water tower in the amount of \$1,000,000. \$875,000 of the agreement was recorded as long-term debt in the Sewer Fund and \$125,000 was recorded as long-term debt in the Water Fund. In the event of default, lender may (a) by written notice, declare an amount equal to all amounts then due under the agreement and all remaining rental payments which will become due during the then current fiscal year of the City to be immediately due and payable and such amounts shall thereafter bear interest at the rate of 1.5% per month or the maximum rate permitted by applicable law, whichever is less or (b) by written notice to City, request City to, at City's expense, promptly cease use and return the equipment to lender at its option and with or without terminating the agreement term may enter upon the premises where the equipment is located and take immediate possession of the equipment and (c) sell or lease the equipment or sublease it for the account of the City and holding the City liable for all rental payments and other payments due to the effective date of such selling, leasing or subleasing and for the difference between the net purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the remaining amounts payable by the City through the end of the then current fiscal year and (d) exercise any other right, remedy or privilege which may be available to it under applicable law. The agreement requires annual principal payments on May 16 each year and interest payments on May 16 and November 16 each year with interest at 3.15%.

The City's agreement provides for cancellation at the City's option on the renewal date each year per State statute, however, the City does not foresee exercising its option to cancel.

The total annual minimum lease payments required at September 30, 2022, are as follows:

Year Ending September 30,	Direct Borrowing		
	Principal	Interest	Total
2023	\$ 99,674	\$ 18,382	\$ 118,056
2024	101,244	15,242	116,486
2025	102,839	12,054	114,893
2026	104,458	8,814	113,272
2027	106,104	5,524	111,628
2028	69,088	1,257	70,345
	<u>\$ 583,407</u>	<u>\$ 61,273</u>	<u>\$ 644,680</u>
Business-Type Activities			
Water Fund	\$ 72,926		
Sewer Fund	510,481		
	<u>\$ 583,407</u>		

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### Sewer Fund

#### *Series 2003B Combined Waterworks and Sewerage System Revenue Bonds*

In November 2003, the City entered into an agreement with the Missouri Leveraged State Water Pollution Control Revolving Fund Program to sell \$5,560,000 in Combined Waterworks and Sewerage System Revenue Bonds, Series 2003B. The bonds bear interest at 2.0% to 5.0%. The interest paid is offset by an interest subsidy from the State of Missouri's 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due July 1 of each year. The bonds also require an administrative fee payable annually on July 1 of each year at .714% of the outstanding principal balance. In the event of default, DNR would pursue any available remedies at law or equity by suit, action, mandamus or other proceeding to enforce and compel the payment of principal and interest on the bonds and all other amounts due under the Ordinance and other loan documents, and/or the performance of the duties and obligations of the City under the loan documents, which may include but is not limited to, the payment of damages, penalties, interest, fees and expenses.

The annual debt service requirements to amortize the principal on the Series 2003B revenue bonds outstanding at September 30, 2022, are listed in the following table:

Year Ending September 30,	Direct Placement			Total
	Principal	Interest	Administrative Fee	
2023	\$ 325,000	\$ 47,910	\$ 7,104	\$ 380,014
2024	330,000	31,660	4,784	366,444
2025	340,000	16,150	2,428	358,578
	<u>\$ 995,000</u>	<u>\$ 95,720</u>	<u>\$ 14,316</u>	<u>\$ 1,105,036</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

The following table is a summary of the changes in the Long-Term Debt – Business-Type Activities for the year ended September 30, 2022:

	<b>Balance September 30, 2021</b>	<b>New Obligations</b>	<b>Retirements</b>	<b>Balance September 30, 2022</b>	<b>Amounts Due Within One Year</b>
<b>Water Fund</b>					
Direct Placement/Direct Borrowings					
Revenue Bonds Payable					
Series 2012A	\$ 1,710,294	\$ -	\$ 43,665	\$ 1,666,629	\$ 45,436
Series 2012B	423,475	-	10,823	412,652	11,262
Series 2012C	796,695	-	29,516	767,179	25,192
	<u>2,930,464</u>	<u>-</u>	<u>84,004</u>	<u>2,846,460</u>	<u>81,890</u>
Financed Purchase Payable					
Water project	85,193	-	12,267	72,926	12,459
	<u>3,015,657</u>	<u>-</u>	<u>96,271</u>	<u>2,919,386</u>	<u>94,349</u>
<b>Sewer Fund</b>					
Direct Placement/Direct Borrowings					
Revenue Bonds Payable					
Series 2003B	1,310,000	-	315,000	995,000	325,000
Financed Purchase Payable					
UV System	596,346	-	85,865	510,481	87,215
Sewer project	184,996	-	17,361	167,635	17,747
	<u>781,342</u>	<u>-</u>	<u>103,226</u>	<u>678,116</u>	<u>104,962</u>
	<u>2,091,342</u>	<u>-</u>	<u>418,226</u>	<u>1,673,116</u>	<u>429,962</u>
	<u>\$ 5,106,999</u>	<u>\$ -</u>	<u>\$ 514,497</u>	<u>\$ 4,592,502</u>	<u>\$ 524,311</u>



# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### 8. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	<b>Balance September 30, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2022</b>
<b>Governmental Activities</b>				
Non-depreciable capital assets				
Land	\$ 1,157,159	\$ -	\$ -	\$ 1,157,159
Construction in progress	4,805,803	974,797	5,737,640	42,960
<b>Total Non-depreciable Capital Assets</b>	5,962,962	\$ 974,797	\$ 5,737,640	1,200,119
Depreciable capital assets				
Building and improvements	2,484,717	\$ 179,675	\$ -	2,664,392
Machinery and equipment	1,901,670	49,400	51,063	1,900,007
Infrastructure	10,917,343	5,731,168	-	16,648,511
<b>Total Depreciable Capital Assets</b>	15,303,730	\$ 5,960,243	\$ 51,063	21,212,910
Less Accumulated Depreciation				
Buildings and improvements	881,917	\$ 54,006	\$ -	935,923
Machinery and equipment	1,400,834	123,094	51,063	1,472,865
Infrastructure	3,480,932	286,944	-	3,767,876
<b>Total Accumulated Depreciation</b>	5,763,683	\$ 464,044	\$ 51,063	6,176,664
<b>Total Depreciable Capital Assets, net</b>	9,540,047			15,036,246
<b>Total Governmental Activities Capital Assets, net</b>	\$15,503,009			\$16,236,365

Depreciation expense for governmental activities was charged to functions as follows:

Administrative	\$ 4,114
Community center	2,457
Library	1,731
Public safety	40,359
Fire	12,260
Park	43,419
Airport	26,399
Street	332,670
Cemetery	635
	\$ 464,044

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

	Balance September 30, 2021	Additions	Deletions	Balance September 30, 2022
<b>Business-Type Activities</b>				
Water Fund				
Non-depreciable Capital Assets				
Land	\$ 57,354	\$ -	\$ -	\$ 57,354
Construction-in-progress	-	131,042	-	131,042
<b>Total non-depreciable assets</b>	57,354	<u>\$ 131,042</u>	<u>\$ -</u>	188,396
Depreciable Capital Assets				
Water system	11,146,800	\$ -	\$ -	11,146,800
Pumping and purification	1,841,680	-	-	1,841,680
Lake	1,424,111	-	-	1,424,111
<b>Total Depreciable Capital Assets</b>	14,412,591	<u>\$ -</u>	<u>\$ -</u>	14,412,591
Less Accumulated Depreciation	7,853,737	<u>\$ 397,183</u>	<u>\$ -</u>	8,250,920
<b>Depreciable Capital Assets, net</b>	6,558,854			6,161,671
Sewer Fund				
Non-depreciable Capital Assets				
Land	146,276	\$ -	\$ -	146,276
Construction in progress	-	206,582	-	206,582
<b>Total Non-depreciable Capital Assets</b>	146,276	<u>\$ 206,582</u>	<u>\$ -</u>	352,858
Depreciable Capital Assets				
Sewer system	14,732,377	\$ -	\$ -	14,732,377
Less Accumulated Depreciation	5,841,476	<u>\$ 276,783</u>	<u>\$ -</u>	6,118,259
<b>Depreciable Capital Assets, net</b>	8,890,901			8,614,118
<b>Total Capital Assets Business-Type Activities, net</b>	<u>\$ 15,653,385</u>			<u>\$ 15,317,043</u>

## 9. Employee Pension Plan

### General Information about the Pension Plan

*Plan Description.* The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

*Benefits Provided.* LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

	<u>2022 Valuation</u>
Benefit Multiplier	2.00% for life
Final Average Salary	3 years
Member Contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

*Employees Covered by Benefit Terms.* At June 30, 2022, which is LAGERS fiscal year end and the latest information available, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	19	9
Inactive employees entitled to but not yet receiving benefits	7	17
Active employees	6	9
	<u>32</u>	<u>35</u>

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 4.9% for General and 5.10% for Police of annual covered payroll.

*Net Pension Asset.* The employer's net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2022.

*Actuarial Assumptions.* The total pension liability in the February 28, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00% net of investment expense

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2022, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of 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. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

*Discount Rate.* The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
	(a)	(b)	(a) - (b)
<b>General Division</b>			
Balances at beginning of year	\$ 1,538,864	\$ 2,277,796	\$ (738,932)
Changes for the year			
Service cost	29,333	-	29,333
Interest	105,594	-	105,594
Change of benefit terms	56,042	-	56,042
Difference between expected and actual experiences	159,838	-	159,838
Contributions - employer	-	21,486	(21,486)
Net investment income	-	1,521	(1,521)
Benefits paid, including refunds	(91,147)	(91,147)	-
Administrative expenses	-	(2,982)	2,982
Other (net transfer)	-	18,320	(18,320)
<i>Net Changes</i>	<u>259,660</u>	<u>(52,802)</u>	<u>312,462</u>
<b>Balance at end of year</b>	<u>1,798,524</u>	<u>2,224,994</u>	<u>(426,470)</u>
<b>Police Division</b>			
Balances at beginning of year	1,013,977	1,403,921	(389,944)
Changes for the year			
Service Cost	36,952	-	36,952
Interest	68,735	-	68,735
Change of benefit terms	49,859	-	49,859
Difference between expected and actual experiences	379,035	-	379,035
Contributions - employer	-	26,684	(26,684)
Net investment income	-	1,956	(1,956)
Benefits paid, including refunds	(102,164)	(102,164)	-
Administrative expenses	-	(2,983)	2,983
Other (net transfer)	-	428,022	(428,022)
<i>Net Changes</i>	<u>432,417</u>	<u>351,515</u>	<u>80,902</u>
<b>Balance at end of year</b>	<u>1,446,394</u>	<u>1,755,436</u>	<u>(309,042)</u>
<b>Total Plan Balances at End of Year</b>	<u>\$ 3,244,918</u>	<u>\$ 3,980,430</u>	<u>\$ (735,512)</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

*Sensitivity of the Net Pension Asset to Changes in the Discount Rate.* The following present the net pension asset of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension asset would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	<b>Current Single Discount Rate</b>		
	<b>1% Decrease 6.00%</b>	<b>Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
<b>General Division</b>			
Total Pension Liability	\$ 2,024,526	\$ 1,798,524	\$ 1,612,501
Fiduciary Net Position	2,224,994	2,224,994	2,224,994
<i>Net Pension (Asset)</i>	(200,468)	(426,470)	(612,493)
<b>Police Division</b>			
Total Pension Liability	1,701,244	1,446,394	1,245,965
Fiduciary Net Position	1,755,436	1,755,436	1,755,436
<i>Net Pension (Asset)</i>	(54,192)	(309,042)	(509,471)
<b>Total Net Pension (Asset)</b>	<b>\$ (254,660)</b>	<b>\$ (735,512)</b>	<b>\$ (1,121,964)</b>

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the employer recognized pension expense of \$65,402 in the general division and a pension credit of \$276,443 in the police division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
<b>General Division</b>			
Differences between expected and actual experience	\$ 60,775	\$ -	\$ 60,775
Net difference between projected and actual earnings on pension plan investments	-	(47,333)	(47,333)
Contributions subsequent to the measurement date*	5,831	-	5,831
	66,606	(47,333)	19,273
<b>Police Division</b>			
Differences between expected and actual experience	273,433	(161)	273,272
Changes in assumptions	180	-	180
Net difference between projected and actual earnings on pension plan investments	-	(16,091)	(16,091)
Contributions subsequent to the measurement date*	7,127	-	7,127
	280,740	(16,252)	264,488
	<b>\$ 347,346</b>	<b>\$ (63,585)</b>	<b>\$ 283,761</b>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ending September 30, 2023.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows)		
	General	Police	Total
2023	\$ 41,641	\$ 111,244	\$ 152,885
2024	(18,535)	103,252	84,717
2025	(40,876)	21,195	(19,681)
2026	31,212	21,670	52,882
	\$ 13,442	\$ 257,361	\$ 270,803

### Payable to the Pension Plan

At September 30, 2022, the City had no outstanding contributions reported as payable to the pension plan.

## 10. Assessed Valuation, Tax Levy, & Legal Debt Margin

The assessed valuation of the tangible property and the tax levies per \$100 assessed valuation of that property were as follows:

	<b>2021</b>
<b>Assessed Valuation</b>	
Real estate	\$ 33,376,510
Personal property	9,683,240
	\$ 43,059,750
 <b>Tax Rates Per \$100 of Assessed Valuation</b>	
General Fund	\$ .6382
Cemetery Fund	.0984
Library Fund	.1970
	\$ .9336

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

The legal debt margin at September 30, 2022, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	\$ 4,305,975	\$ 4,305,975	\$ 8,611,950
General Obligation Bonds payable	-	-	-
<b>Legal Debt Margin</b>	<u>\$ 4,305,975</u>	<u>\$ 4,305,975</u>	<u>\$ 8,611,950</u>

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights of way, constructing, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

### 11. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a commercial insurance company. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

### 12. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of September 30, 2022, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

### 13. Bond Ordinances

On August 7, 2007, the City passed a \$3,000,000 bond issue for the purpose of acquiring, constructing, extending, improving, furnishing and equipping the City's combined waterworks and sewerage system. As of September 30, 2022, \$922,000 of the 2007 bond ordinance had not been issued.



# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

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### 14. Unearned Revenue

Unearned revenue consists of revenues received but not considered earned until the eligibility requirements have been met. At September 30, 2022, these unearned revenues include unspent American Rescue Plan proceeds in the General Fund in the amount of \$1,119,240.

### 15. Conduit Debt

On December 20, 2002, the City authorized the issuance of \$103,400,000 of Taxable Industrial Development Revenue Bonds (AmerenUE Project), Series 2002. The issuance is Chapter 100 debt in order to provide economic financial assistance to a third-party private entity and the City has no obligation beyond the rents, revenues, and receipts derived by the City from the Project; therefore, the issue does not constitute a debt of the City and, accordingly, is not included in the City's Statement of Net Position. At September 30, 2022, the amount outstanding was \$7,991,380. The final payment on the outstanding debt was made on December 1, 2022.

### 16. Commitments

At September 30, 2022, the City had the following commitments:

- Alliance Water Resource, Inc. in the amount of \$1,311,420, for professional services which include providing management, operation, and maintenance of the water and sewer system for fiscal year 2023.
- McClure for professional services related to the municipal airport box hanger project and WWTP facility plan in the amounts of \$58,740 and \$34,500 respectively.

### 17. Pledged Revenues

The City has pledged future water and sewer customer revenues to repay the 2003B and 2012 Series A, B, and C Waterworks and Sewerage System Combined Revenue Bonds issued to improve and expand the water and sewer system. The bonds are payable solely from water and sewer customer net revenues and are payable through 2046. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal and interest remaining to be paid on the bonds is \$5,266,149. Principal and interest paid for the current year and total customer net revenues were \$560,640 and \$971,735, respectively. In addition, interest subsidies paid \$37,465 of the total interest expense.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2022

### 18. Tax Abatements

As of September 30, 2022, the City provided tax abatements through the following programs:

The Urban Redevelopment Corporation Law, or Chapter 353, is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo., the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during which the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. Payments in lieu of taxes (PILOTs) may be imposed on the Urban Redevelopment Corporation by the city in order to replace all or part of the real estate taxes abated. The PILOTs must be allocated based on a proportionate share to each taxing district.

The Chapter 100 Industrial Development Act allow cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. Cities and counties are allowed to require the company to make payments in lieu of taxes (PILOTs) for a portion of the taxes it would have otherwise been required to pay.

Information relevant to disclosure of these programs for the year ended September 30, 2022, is as follows:

<b>Tax Abatement Program</b>	<b>Type of Taxes Abated</b>	<b>Amount of Taxes Abated</b>	<b>Payment in Lieu of Tax Received</b>
Urban Redevelopment (Chapter 353)	Real-estate taxes	\$ 1,828	\$ -
Chapter 100	Real-estate taxes	292,777	165,742
		<u>\$ 294,605</u>	<u>\$ 165,742</u>

## Required Supplementary Information

# City of Bowling Green

## Schedule of Changes in the Net Pension Asset and Related Ratios

Year Ended September 30, 2022

### Missouri Local Government Employees Retirement System (LAGERS)

	Year Ended September 30, 2022	Year Ended September 30, 2021	Year Ended September 30, 2020	Year Ended September 30, 2019	Year Ended September 30, 2018	Year Ended September 30, 2017	Year Ended September 30, 2016	Year Ended September 30, 2015
<b>Total Pension Liability</b>								
Service Cost	\$ 66,285	\$ 61,141	\$ 55,920	\$ 63,820	\$ 55,683	\$ 60,825	\$ 65,548	\$ 62,690
Interest on the total pension liability	174,329	176,164	169,779	170,431	153,015	153,375	135,916	127,946
Change of benefit terms	105,901	-	-	-	140,890	-	-	-
Difference between expected and actual experience	538,873	27,204	(9,821)	(101,770)	(12,700)	(147,813)	33,624	(8,745)
Changes of assumptions	-	(50,414)	-	-	-	-	79,884	-
Benefit payments	(193,311)	(120,024)	(140,376)	(134,905)	(67,626)	(69,967)	(73,627)	(73,127)
<i>Net Change in Total Pension Liability</i>	692,077	94,071	75,502	(2,424)	269,262	(3,580)	241,345	108,764
Total Pension Liability, Beginning	<u>2,552,841</u>	<u>2,458,770</u>	<u>2,383,268</u>	<u>2,385,692</u>	<u>2,116,430</u>	<u>2,120,010</u>	<u>1,878,665</u>	<u>1,769,901</u>
<b>Total Pension Liability, Ending</b>	<u>3,244,918</u>	<u>2,552,841</u>	<u>2,458,770</u>	<u>2,383,268</u>	<u>2,385,692</u>	<u>2,116,430</u>	<u>2,120,010</u>	<u>1,878,665</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	48,170	40,146	37,359	43,212	47,885	28,420	34,732	38,202
Pension Plan Net Investment Income	3,477	792,024	40,126	205,321	321,533	281,993	(4,958)	46,237
Benefit Payments	(193,311)	(120,024)	(140,376)	(134,905)	(67,626)	(69,967)	(73,627)	(73,127)
Pension Plan Administrative Expense	(5,965)	(5,237)	(6,720)	(5,793)	(4,182)	(3,792)	(3,616)	(4,008)
Other (Net Transfer)	446,342	(22,214)	9,549	(885)	7,297	(22,822)	25,469	31,350
<i>Net Change in Plan Fiduciary Net</i>	298,713	684,695	(60,062)	106,950	304,907	213,832	(22,000)	38,654
Plan Fiduciary Net Position, Beginning	<u>3,681,717</u>	<u>2,997,022</u>	<u>3,057,084</u>	<u>2,950,134</u>	<u>2,645,227</u>	<u>2,431,395</u>	<u>2,453,395</u>	<u>2,414,741</u>
<b>Plan Fiduciary Net Position, Ending</b>	<u>3,980,430</u>	<u>3,681,717</u>	<u>2,997,022</u>	<u>3,057,084</u>	<u>2,950,134</u>	<u>2,645,227</u>	<u>2,431,395</u>	<u>2,453,395</u>
<b>Net Pension (Asset)</b>	<u>\$ (735,512)</u>	<u>\$ (1,128,876)</u>	<u>\$ (538,252)</u>	<u>\$ (673,816)</u>	<u>\$ (564,442)</u>	<u>\$ (528,797)</u>	<u>\$ (311,385)</u>	<u>\$ (574,730)</u>
Plan fiduciary net position as a percentage of the total pension liability	122.67%	144.22%	121.89%	128.27%	123.66%	124.99%	114.69%	130.59%
Covered payroll	\$ 586,140	\$ 642,208	\$ 560,305	\$ 556,596	\$ 650,926	\$ 549,692	\$ 660,469	\$ 701,548
Net pension asset as a percentage of covered payroll	(125.48)%	(175.78)%	(96.06)%	(121.06)%	(86.71)%	(96.20)%	(47.15)%	(81.92)%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

# City of Bowling Green

## Schedule of Contributions

Year Ended September 30, 2022

### Missouri Local Government Employees Retirement System (LAGERS)

Year Ending September 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2013	\$ 51,821	\$ 23,182	\$ 28,639	\$ 681,810	3.40%
2014	53,081	32,141	20,940	730,483	4.40%
2015	49,571	39,182	10,389	725,604	5.40%
2016	33,425	33,426	-	636,410	5.25%
2017	27,859	27,860	-	587,664	4.74%
2018	55,106	55,105	-	652,723	8.44%
2019	37,530	37,530	-	578,290	6.49%
2020	37,830	37,830	-	584,253	6.47%
2021	39,944	39,944	-	672,482	5.94%
2022	47,150	47,150	-	604,215	7.80%

See accompanying Notes to the Schedule of Contributions.

# City of Bowling Green

## Notes to the Schedule of Contributions

Year Ended September 30, 2022

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**Valuation Date:** February 28, 2022

**Notes:** The roll-forward of total pension liability from February 28, 2022, to June 30, 2022, reflects expected service cost and interest reduced by actual benefit payments.

### **Methods and Assumptions Used to Determine Contribution Rates**

**Actuarial Cost Method:** Entry Age Normal and Modified Terminal Funding

*Amortization Method:* A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period, or (ii) 15 years.

*Remaining Amortization Period:* Multiple bases from 15 to 19 years for the General and Police divisions

*Asset Valuation Method:* 5-Year smoothed market; 20% corridor

*Inflation:* 2.75% wage inflation; 2.25% price inflation

*Salary Increases:* 2.75% to 6.75% including wage inflation

*Investment Rate of Return:* 7.00%, net of investment expenses

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition

*Mortality:* The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

*Other Information:* None

# City of Bowling Green

## Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes	\$ 267,000	\$ 267,000	\$ 277,436	\$ 10,436
City sales tax	995,000	995,000	1,190,388	195,388
Transportation sales tax	500,000	500,000	579,173	79,173
Financial institution tax	200	200	-	(200)
Railroad and utility tax	31,000	31,000	32,406	1,406
Surtax	2,000	2,000	8,277	6,277
Utility franchise tax	294,000	294,000	365,461	71,461
Motor vehicle tax	205,000	205,000	247,502	42,502
Payment in lieu of taxes	200,000	200,000	200,000	-
Lodging tax	60,000	60,000	71,058	11,058
Cigarette tax	17,000	17,000	17,132	132
	2,571,200	2,571,200	2,988,833	417,633
Licenses and Permits				
Occupational licenses	11,000	11,000	13,205	2,205
Building permits	9,550	9,550	11,379	1,829
Animal license and fees	400	400	535	135
	20,950	20,950	25,119	4,169
Intergovernmental Revenues				
Police grants	10,000	10,000	8,391	(1,609)
Airport grants	863,881	863,881	68,107	(795,774)
CDBG grant	350,000	350,000	-	(350,000)
Fire grants	6,000	6,000	-	(6,000)
Street grants	929,900	929,900	-	(929,900)
	2,159,781	2,159,781	76,498	(2,083,283)
Charges for Services				
Printing	300	300	340	40
Airport fuel	16,000	16,000	19,298	3,298
Trash billing	168,000	168,000	183,996	15,996
	184,300	184,300	203,634	19,334
Fines and Forfeitures				
City court fines	16,000	16,000	11,003	(4,997)
Miscellaneous				
Rents and royalties	38,400	38,400	42,602	4,202
Interest	10,000	10,000	8,965	(1,035)
Other	10,800	10,800	21,496	10,696
	59,200	59,200	73,063	13,863
<b>Total Revenues</b>	5,011,431	5,011,431	3,378,150	(1,633,281)

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Bowling Green

### Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Expenditures</b>				
Current				
Administrative	1,807,115	1,807,115	484,289	1,322,826
Public safety	1,114,667	1,114,667	980,081	134,586
Fire	184,350	184,350	78,049	106,301
Community center	24,012	24,012	22,627	1,385
Airport	900,301	900,301	106,080	794,221
Street	809,983	809,983	663,032	146,951
Planning and zoning	74,953	74,953	71,599	3,354
Other	4,000	4,000	4,128	(128)
Debt Service				
Principal, interest and fees	92,050	92,050	114,495	(22,445)
<b>Total Expenditures</b>	<u>5,011,431</u>	<u>5,011,431</u>	<u>2,524,380</u>	<u>2,487,051</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	853,770	853,770
Fund Balance, October 1	<u>2,810,608</u>	<u>2,810,608</u>	<u>2,810,608</u>	-
<b>Fund Balance, September 30</b>	<u><u>\$ 2,810,608</u></u>	<u><u>\$ 2,810,608</u></u>	<u><u>\$ 3,664,378</u></u>	<u><u>\$ 853,770</u></u>

See accompanying Notes to the Budgetary Comparison Schedules.



## City of Bowling Green

### Budgetary Comparison Schedule – Cemetery Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes and penalties	\$ 41,100	\$ 41,100	\$ 42,775	\$ 1,675
Railroad and utility tax	5,000	5,000	5,242	242
Surtax	500	500	1,339	839
	46,600	46,600	49,356	2,756
Charges for services				
Sale of lots	4,000	4,000	6,110	2,110
Miscellaneous				
Interest	700	700	969	269
Other	36,181	36,181	-	(36,181)
	36,881	36,881	969	(35,912)
<b>Total Revenues</b>	87,481	87,481	56,435	(31,046)
<b>Expenditures</b>				
Current				
Cemetery	87,481	87,481	34,506	52,975
<b>Total Expenditures</b>	87,481	87,481	34,506	52,975
<i>Excess of Revenues Over Expenditures</i>	-	-	21,929	21,929
Fund Balance, October 1	210,580	210,580	210,580	-
<b>Fund Balance, September 30</b>	\$ 210,580	\$ 210,580	\$ 232,509	\$ 21,929

See accompanying Notes to the Budgetary Comparison Schedules.

# City of Bowling Green

## Budgetary Comparison Schedule – Park Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Sales taxes	\$ 230,000	\$ 230,000	\$ 289,586	\$ 59,586
Charges for Services				
Park rental	500	500	825	325
Park programs	-	-	1,860	1,860
Pool admissions	9,000	9,000	-	(9,000)
Concessions	3,100	3,100	-	(3,100)
	12,600	12,600	2,685	(9,915)
Miscellaneous				
Interest	2,500	2,500	2,586	86
Other	-	-	8,785	8,785
	2,500	2,500	11,371	8,871
<b>Total Revenues</b>	245,100	245,100	303,642	58,542
<b>Expenditures</b>				
Current				
Park	121,519	121,519	113,584	7,935
Pool	88,581	88,581	30,255	58,326
Debt Service				
Principal, interest and fees	35,000	35,000	16,160	18,840
<b>Total Expenditures</b>	245,100	245,100	159,999	85,101
<i>Excess of Revenues Over Expenditures</i>	-	-	143,643	143,643
Fund Balance, October 1	587,727	587,727	587,727	-
<b>Fund Balance, September 30</b>	\$ 587,727	\$ 587,727	\$ 731,370	\$ 143,643

See accompanying Notes to the Budgetary Comparison Schedules.

# City of Bowling Green

## Budgetary Comparison Schedule – Library Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes and penalties	\$ 82,730	\$ 82,730	\$ 85,639	\$ 2,909
Railroad and utility tax	10,210	10,210	10,008	(202)
Surtax	1,510	1,510	2,556	1,046
Other taxes	1,541	1,541	1,582	41
	95,991	95,991	99,785	3,794
Intergovernmental Revenues				
State grants	2,667	2,667	2,667	-
Charges for Services				
Fines, fees and memberships	4,800	4,800	4,993	193
Miscellaneous				
Donations	10,200	10,200	50,508	40,308
Interest	250	250	415	165
Other	300	300	2,002	1,702
	10,750	10,750	52,925	42,175
<b>Total Revenues</b>	114,208	114,208	160,370	46,162
<b>Expenditures</b>				
Current				
Library	105,208	105,208	89,047	16,161
Debt Service				
Principal, interest and fees	9,000	9,000	4,236	4,764
<b>Total Expenditures</b>	114,208	114,208	93,283	20,925
<i>Excess of Revenues Over Expenditures</i>	-	-	67,087	67,087
Fund Balance, October 1	62,291	62,291	62,291	-
<b>Fund Balance, September 30</b>	\$ 62,291	\$ 62,291	\$ 129,378	\$ 67,087

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Bowling Green

### Budgetary Comparison Schedule – Street CIP Fund

Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Sales taxes	\$ 475,000	\$ 475,000	\$ 579,158	\$ 104,158
Miscellaneous				
Interest	1,000	1,000	2,605	1,605
<b>Total Revenues</b>	476,000	476,000	581,763	105,763
<b>Expenditures</b>				
Current				
Street	927,375	940,417	940,417	-
Debt Service				
Principal, interest and fees	298,625	298,625	283,108	15,517
<b>Total Expenditures</b>	1,226,000	1,239,042	1,223,525	15,517
<i>(Deficit) of Revenues Over Expenditures</i>	(750,000)	(763,042)	(641,762)	121,280
<b>Other Financing Sources</b>				
Lease proceeds	750,000	846,023	846,023	-
<i>Excess of Revenues and Other Sources Over Expenditures</i>	-	82,981	204,261	121,280
Fund Balance, October 1	925,020	925,020	925,020	-
<b>Fund Balance, September 30</b>	\$ 925,020	\$ 1,008,001	\$ 1,129,281	\$ 121,280

See accompanying Notes to the Budgetary Comparison Schedules.

# City of Bowling Green

Notes to the Budgetary Comparison Schedules

Year Ended September 30, 2022

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## **Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the Board of Aldermen in late August or early September to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to October 1, ordinances are passed by the Board, which provide for legally adopted budgets for all funds of the City.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of Board of Aldermen.
5. Formal budgetary integration is employed as a management control device for all funds of the City.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by Board of Aldermen on approved budget adjustment forms.

## **Other Reporting Requirements**



**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and Board of Aldermen  
City of Bowling Green  
Bowling Green, Missouri

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 governmental activities, business-type activities, and each major fund of the City of Bowling Green, Missouri, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Bowling Green, Missouri's basic financial statements, and have issued our report thereon, dated March 8, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Bowling Green, Missouri'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bowling Green, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2022-001, that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Bowling Green, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Bowling Green, Missouri's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 City of Bowling Green, Missouri'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 City of Bowling Green, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
March 8, 2023



# City of Bowling Green

## Schedule of Findings and Responses

Year Ended September 30, 2022

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### Material Weakness

#### 2022-001 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.