

# City of Bowling Green, Missouri

## Basic Financial Statements Year Ended September 30, 2023

**KPM**  
CPAS & ADVISORS

## Table of Contents

<b>Independent Auditors' Report</b> .....	3
<b>Management's Discussion and Analysis</b> .....	7
<b>Basic Financial Statements</b>	
Statement of Net Position .....	14
Statement of Activities .....	16
Balance Sheet – Governmental Funds .....	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	21
Statement of Net Position – Proprietary Funds .....	22
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	23
Statement of Cash Flows – Proprietary Funds .....	24
Notes to the Financial Statements .....	25
<b>Required Supplementary Information</b>	
Schedule of Changes in the Net Pension Asset and Related Ratios .....	49
Schedule of Contributions .....	50
Notes to the Schedule of Contributions.....	51
Budgetary Comparison Schedule – General Fund.....	52
Budgetary Comparison Schedule – Cemetery Fund.....	54
Budgetary Comparison Schedule – Park Fund .....	55
Budgetary Comparison Schedule – Library Fund .....	56
Budgetary Comparison Schedule – Street CIP Fund.....	57
Notes to the Budgetary Comparison Schedules.....	58
<b>Other Reporting Requirements</b>	
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 <i>Government Auditing Standards</i> .....	60
Schedule of Findings and Responses .....	62



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, 2023, 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, 2023, 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 7, 2024, 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 7, 2024

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

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2023

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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, 2023. Please read it in conjunction with the City's financial statements.

### Financial Highlights

The net position of the City's governmental activities increased by \$930,163 for the year as a result of current year activities. The net position of the City's business activities increased by \$1,202,553 for the year.

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2023, by \$36.4 million (net position). Of this amount \$7,387,376 was unrestricted and may be used to meet future obligations of the City.

Total long-term liabilities of the City decreased by \$924,751 during the year.

Total revenues increased \$726,719 or 10% compared to prior year revenues while total expenses increased \$795,374 or 15%.

### 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, 2023

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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, 2023

### Government-Wide Financial Analysis

#### Net Position

The following table presents the condensed Statement of Net Position for the City as of September 30, 2023 and 2022:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total September 30, 2023</b>	<b>Total September 30, 2022</b>
<b>Assets</b>				
Current and other assets	\$ 7,363,243	\$ 3,283,083	\$ 10,646,326	\$ 9,787,089
Net pension asset	536,474	-	536,474	735,512
Capital assets	16,019,946	15,458,497	31,478,443	31,553,408
<b>Total Assets</b>	<b>23,919,663</b>	<b>18,741,580</b>	<b>42,661,243</b>	<b>42,076,009</b>
<b>Deferred Outflow of Resources</b>				
Deferred pension outflows	304,717	-	304,717	347,346
<b>Liabilities</b>				
Other liabilities	940,002	825,598	1,765,600	2,369,040
Long-term liabilities outstanding	1,271,876	3,534,154	4,806,030	5,730,781
<b>Total Liabilities</b>	<b>2,211,878</b>	<b>4,359,752</b>	<b>6,571,630</b>	<b>8,099,821</b>
<b>Deferred Inflow of Resources</b>				
Deferred pension inflows	1,665	-	1,665	63,585
<b>Net Position</b>				
Net investment in capital assets	14,363,933	11,390,152	25,754,085	24,922,889
Restricted				
Non-expendable	29,483	-	29,483	29,321
Expendable	2,518,905	702,816	3,221,721	2,856,361
Unrestricted	5,098,516	2,288,860	7,387,376	6,451,378
<b>Total Net Position</b>	<b>\$ 22,010,837</b>	<b>\$ 14,381,828</b>	<b>\$ 36,392,665</b>	<b>\$ 34,259,949</b>

Total net position of the City increased by \$2,132,716 for the year due to current year activity. Total liabilities for the City decreased \$1,528,191.

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2023

### Change in Net Position

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Year Ended September 30, 2023</b>	<b>Total Year Ended September 30, 2022</b>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 273,549	\$ 2,940,430	\$ 3,213,979	\$ 3,090,712
Operating grants and contributions	32,180	22,596	54,776	86,506
Capital grants and contributions	113,386	725,150	838,536	399,260
General Revenues				
Property taxes	430,456	-	430,456	405,850
Sales taxes	2,762,995	-	2,762,995	2,638,305
Motor vehicle taxes	220,856	-	220,856	247,502
Other taxes	352,841	-	352,841	349,599
Franchise fees	396,137	-	396,137	365,461
Interest	28,276	40,595	68,871	56,895
Other revenue	36,666	-	36,666	9,304
Transfers	(200,000)	200,000	-	-
<b>Total Revenues</b>	<b>4,447,342</b>	<b>3,928,771</b>	<b>8,376,113</b>	<b>7,649,394</b>
<b>Expenses</b>				
Administrative	521,055	-	521,055	511,778
Public safety	1,230,437	-	1,230,437	680,877
Fire	82,766	-	82,766	90,309
Community center	34,541	-	34,541	25,084
Airport	176,229	-	176,229	64,370
Street	926,864	-	926,864	843,651
Planning and zoning	76,835	-	76,835	78,955
Cemetery	43,960	-	43,960	35,141
Park	170,334	-	170,334	157,003
Pool	11,481	-	11,481	30,255
Library	104,398	-	104,398	92,972
Other	4,117	-	4,117	4,128
Debt service	55,625	-	55,625	53,595
Water	-	1,735,257	1,735,257	1,771,797
Sewer	-	990,961	990,961	929,571
<b>Total Expenses</b>	<b>3,438,642</b>	<b>2,726,218</b>	<b>6,164,860</b>	<b>5,369,486</b>
<b>Special Items</b>				
Insurance proceeds	66,628	-	66,628	-
Disposal of library operations	(145,165)	-	(145,165)	-
<b>Total Special Items</b>	<b>(78,537)</b>	<b>-</b>	<b>(78,537)</b>	<b>-</b>
<i>Increase in Net Position</i>	<b>\$ 930,163</b>	<b>\$ 1,202,553</b>	<b>\$ 2,132,716</b>	<b>\$ 2,279,908</b>

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2023

### Governmental Activities

Governmental activities increased the net position of the City by \$930,163. Tax revenues for the City were \$4,163,285 which represents 94% of the financing of these activities. Program revenues for the functions totaled \$419,115. 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	\$ 521,055	\$ 308,499
Public safety	1,230,437	1,206,378
Fire	82,766	82,766
Community center	34,541	34,541
Airport	176,229	48,047
Street	926,864	912,999
Planning and zoning	76,835	68,794
Cemetery	43,960	37,760
Park	170,334	168,584
Pool	11,481	11,481
Library	104,398	79,936
Other	4,117	4,117
Debt service	55,625	55,625
	<u>\$ 3,438,642</u>	<u>\$ 3,019,527</u>

### Business-Type Activities

Business-type activities increased the City's net position by \$1,202,553.

### Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of September 30, 2023, were \$6,831,326. The General Fund increased by \$618,021. The Cemetery Fund increased by \$16,220. The Park Fund increased by \$149,225. The Library Fund decreased by \$129,378. The Street CIP Fund increased by \$290,322.

### General Fund Budgetary Highlights

#### Revenues

The original revenue budget of \$4,742,162 was amended during the year to \$3,812,262. Actual revenues were \$3,536,004 which is a difference of \$276,258.

#### Expenditures

The original expenditure budget of \$5,271,634 was amended during the year to \$4,341,734. Actual expenditures were \$2,784,611, which is a difference of \$1,557,123.

# City of Bowling Green

## Management's Discussion and Analysis

September 30, 2023

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### Capital Asset and Debt Administration

#### Capital Assets

Net capital assets of the governmental activities were \$16,019,946 as of September 30, 2023, which is a decrease of \$216,419 from the prior year. Net capital assets for business-type activities were \$15,458,497 as of September 30, 2023. This is an increase of \$141,454.

#### Long-term Debt

Total long-term debt of the governmental activities as of September 30, 2023, was \$1,656,013, which is down from \$2,038,017, in the prior year, due to principal payments on debt in the amount of \$382,004.

Total long-term debt of the business-type activities as of September 30, 2023, was \$4,068,345, which is down from \$4,592,502 in the prior year, due to principal payments on debt in the amount of \$524,157.

### Economic Factors and Next Year's Budget

A multi-family housing development has been started, hopefully to be completed in the next few months. Two new single-family subdivisions have started construction and will bring much needed housing to Bowling Green, along with new tax dollars and water and sewer services.

Phase 2 of West Locust Street has been completed with waterline replacement, sewer upgrades and road improvements. Other side streets paved during this phase included Kincaid and one block of 11<sup>th</sup>, 12<sup>th</sup>, and 13<sup>th</sup> streets. ARPA funds were used to fund this project.

A water line replacement project funded by ARPA is scheduled to start this year.

A new hangar is being constructed and a new fuel system will be installed at the Airport. The old FBO that was damaged last winter is scheduled to be torn down.

The 2023-2024 fiscal year budget consists of six separate funds. The funds include the General Fund, Cemetery Fund, Park Fund, Street CIP Fund, Water Fund, and Sewer Fund. All six of the City's funds are balanced for the 2023-2024 fiscal year.

The Board approved several capital improvement items for 2023-2024:

#### General Fund

*Police:* Radio upgrade; one new vehicle with equipment installed, stop sticks, a repeater and will paint the outside of the Police garage

*Fire:* Turnout gear, portable radios, hose replacement, and will set aside funds for a new fire truck/building

*Airport:* New hangar as approved by FAA & MoDOT, following master plan, new fuel pump system

*Streets:* ½ ton truck, will pave City parking lots

*Community Center:* The inside of the Community Center will be repainted

# City of Bowling Green

Management's Discussion and Analysis

September 30, 2023

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## **Cemetery Fund**

Repave road, and install new signs

## **Park Fund**

New picnic tables, demolish current swimming pool, update parts on some equipment

## **Street CIP Fund**

Pave North Court, Major and William streets

## **Water Fund**

*Water Distribution:* ¾ ton truck, a new backhoe

## **Sewer Fund**

*Lagoon/WW Collection:* Wilco pump

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, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents - unrestricted	\$ 5,676,322	\$ 2,077,661	\$ 7,753,983
Investments - unrestricted	550,000	-	550,000
Ad valorem taxes receivable	722	-	722
Sales tax receivable	464,017	-	464,017
Utilities receivable, net	-	213,399	213,399
Other accounts receivable	66,647	-	66,647
Intergovernmental receivable	69,108	5,196	74,304
Accrued interest receivable	3,149	-	3,149
Inventory	-	174,147	174,147
Prepaid expenses	42,133	19,036	61,169
Noncurrent			
Restricted cash and cash equivalents	462,785	678,070	1,140,855
Restricted investments	28,360	115,574	143,934
Net pension asset	536,474	-	536,474
Capital Assets			
Non-depreciable	1,300,643	240,609	1,541,252
Depreciable, net	14,719,303	15,217,888	29,937,191
<b>Total Assets</b>	<b>23,919,663</b>	<b>18,741,580</b>	<b>42,661,243</b>
<b>Deferred Outflow of Resources</b>			
Deferred pension outflows	304,717	-	304,717

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Net Position

September 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	42,967	184,566	227,533
Accrued expenses	28,893	-	28,893
Deposits payable	4,900	90,828	95,728
Escrow payable	30,099	-	30,099
Unearned revenue	425,058	-	425,058
Accrued interest payable	14,213	16,013	30,226
Current maturities of long-term debt	393,872	534,191	928,063
	940,002	825,598	1,765,600
Noncurrent			
Revenue bonds payable	-	3,019,753	3,019,753
Certificates of participation payable	145,000	-	145,000
Financed purchase payable	1,117,141	514,401	1,631,542
Compensated absences	9,735	-	9,735
	1,271,876	3,534,154	4,806,030
<b>Total Liabilities</b>	2,211,878	4,359,752	6,571,630
<b>Deferred Inflow of Resources</b>			
Deferred pension inflows	1,665	-	1,665
<b>Net Position</b>			
Net investment in capital assets	14,363,933	11,390,152	25,754,085
Restricted			
Non-expendable	29,483	-	29,483
Expendable	2,518,905	702,816	3,221,721
Unrestricted	5,098,516	2,288,860	7,387,376
<b>Total Net Position</b>	\$ 22,010,837	\$ 14,381,828	\$ 36,392,665

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Activities

Year Ended September 30, 2023

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	\$ (521,055)	\$ 212,556	\$ -	\$ -	\$ (308,499)	\$ -	\$ (308,499)
Public safety	(1,230,437)	9,327	14,732	-	(1,206,378)	-	(1,206,378)
Fire	(82,766)	-	-	-	(82,766)	-	(82,766)
Community center	(34,541)	-	-	-	(34,541)	-	(34,541)
Airport	(176,229)	28,661	-	99,521	(48,047)	-	(48,047)
Street	(926,864)	-	-	13,865	(912,999)	-	(912,999)
Planning and zoning	(76,835)	8,041	-	-	(68,794)	-	(68,794)
Cemetery	(43,960)	6,200	-	-	(37,760)	-	(37,760)
Park	(170,334)	1,750	-	-	(168,584)	-	(168,584)
Pool	(11,481)	-	-	-	(11,481)	-	(11,481)
Library	(104,398)	7,014	17,448	-	(79,936)	-	(79,936)
Other	(4,117)	-	-	-	(4,117)	-	(4,117)
Debt service	(55,625)	-	-	-	(55,625)	-	(55,625)
<b>Total Governmental Activities</b>	<b>(3,438,642)</b>	<b>273,549</b>	<b>32,180</b>	<b>113,386</b>	<b>(3,019,527)</b>	<b>-</b>	<b>(3,019,527)</b>
Business-Type Activities							
Water	(1,735,257)	1,758,658	-	389,746	-	413,147	413,147
Sewer	(990,961)	1,181,772	22,596	335,404	-	548,811	548,811
<b>Total Business Type Activities</b>	<b>(2,726,218)</b>	<b>2,940,430</b>	<b>22,596</b>	<b>725,150</b>	<b>-</b>	<b>961,958</b>	<b>961,958</b>
<b>Total Government</b>	<b>\$ (6,164,860)</b>	<b>\$ 3,213,979</b>	<b>\$ 54,776</b>	<b>\$ 838,536</b>	<b>(3,019,527)</b>	<b>961,958</b>	<b>(2,057,569)</b>
General Revenues							
Ad Valorem taxes					430,456	-	430,456
Sales taxes					2,762,995	-	2,762,995
Motor vehicle taxes					220,856	-	220,856
Other taxes					352,841	-	352,841
Franchise fees					396,137	-	396,137
Interest					28,276	40,595	68,871
Other revenue					36,666	-	36,666
Transfers					(200,000)	200,000	-
Special Items							
Insurance proceeds					66,628	-	66,628
Disposal of library operations					(145,165)	-	(145,165)
<b>Total General Revenues, Transfers and Special Items</b>					<b>3,949,690</b>	<b>240,595</b>	<b>4,190,285</b>
<i>Changes in Net Position</i>					930,163	1,202,553	2,132,716
Net Position, Beginning of year					21,080,674	13,179,275	34,259,949
<b>Net Position, End of year</b>					<b>\$ 22,010,837</b>	<b>\$ 14,381,828</b>	<b>\$ 36,392,665</b>

See accompanying Notes to the Financial Statements.



# City of Bowling Green

## Balance Sheet – Governmental Funds

September 30, 2023

	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	\$ 3,499,940	\$ 168,633	\$ 681,454	\$ -	\$ 1,326,295	\$ 5,676,322
Investments - unrestricted	350,000	50,000	150,000	-	-	550,000
Ad valorem taxes receivable	558	164	-	-	-	722
Sales tax receivable	324,055	-	46,654	-	93,308	464,017
Other accounts receivable	66,647	-	-	-	-	66,647
Intergovernmental receivable	69,108	-	-	-	-	69,108
Accrued interest receivable	2,288	299	562	-	-	3,149
Prepaid expenses	39,739	-	2,394	-	-	42,133
Restricted cash and cash equivalents	461,512	1,273	-	-	-	462,785
Restricted investments	-	28,360	-	-	-	28,360
<b>Total Assets</b>	<b><u>\$ 4,813,847</u></b>	<b><u>\$ 248,729</u></b>	<b><u>\$ 881,064</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,419,603</u></b>	<b><u>\$ 7,363,243</u></b>
<b>Liabilities and Fund Balances</b>						
Liabilities						
Accounts payable	\$ 42,898	\$ -	\$ 69	\$ -	\$ -	\$ 42,967
Accrued expenses	28,893	-	-	-	-	28,893
Escrow payable	30,099	-	-	-	-	30,099
Deposits payable	4,500	-	400	-	-	4,900
Unearned revenue	425,058	-	-	-	-	425,058
<b>Total Liabilities</b>	<b><u>531,448</u></b>	<b><u>-</u></b>	<b><u>469</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>531,917</u></b>

See accompanying Notes to the Financial Statements.

## City of Bowling Green

### Balance Sheet – Governmental Funds

September 30, 2023

	Special Revenue Funds					Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Library Fund	Street CIP Fund	
Fund Balances						
Nonspendable						
Cemetery perpetual care	-	29,483	-	-	-	29,483
Prepaid items	39,739	-	2,394	-	-	42,133
Restricted for						
Flag reserves	1,855	-	-	-	-	1,855
Cemetery donations	-	150	-	-	-	150
Cemetery	-	219,096	-	-	-	219,096
Park	-	-	878,201	-	-	878,201
Library	-	-	-	-	-	-
Street	-	-	-	1,419,603	-	1,419,603
Assigned to						
Fire truck	200,000	-	-	-	-	200,000
Building demo	10,000	-	-	-	-	10,000
Insurance recovery	66,628	-	-	-	-	66,628
Unassigned	3,964,177	-	-	-	-	3,964,177
<b>Total Fund Balances</b>	<b>4,282,399</b>	<b>248,729</b>	<b>880,595</b>	<b>-</b>	<b>1,419,603</b>	<b>6,831,326</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,813,847</b>	<b>\$ 248,729</b>	<b>\$ 881,064</b>	<b>\$ -</b>	<b>\$ 1,419,603</b>	<b>\$ 7,363,243</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, 2023

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Fund balance - total governmental funds	\$ 6,831,326
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	22,787,243
Less accumulated depreciation	<u>(6,767,297)</u>
	16,019,946
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	536,474
Deferred outflows due to pensions	304,717
Deferred inflows due to pensions	<u>(1,665)</u>
	839,526
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(14,213)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(1,665,748)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 22,010,837</u></b>

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, 2023

	Special Revenue Funds					Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Library Fund	Street CIP Fund	
<b>Revenues</b>						
Taxes	\$ 3,096,852	\$ 51,750	\$ 302,619	\$ 106,952	\$ 605,112	\$ 4,163,285
Licenses and permits	22,549	-	-	-	-	22,549
Intergovernmental revenues	125,809	-	-	17,008	-	142,817
Charges for services	203,652	6,200	1,750	7,014	-	218,616
Fines and forfeitures	7,979	-	-	-	-	7,979
Miscellaneous	79,163	1,594	4,552	3,519	3,268	92,096
<b>Total Revenues</b>	3,536,004	59,544	308,921	134,493	608,380	4,647,342
<b>Expenditures</b>						
Current						
Administrative	494,609	-	-	-	-	494,609
Public safety	1,115,210	-	-	-	-	1,115,210
Fire	72,106	-	-	-	-	72,106
Community center	37,900	-	-	-	-	37,900
Airport	156,293	-	-	-	-	156,293
Street	718,750	-	-	-	23,977	742,727
Planning and zoning	69,677	-	-	-	-	69,677
Cemetery	-	43,324	-	-	-	43,324
Park	-	-	131,850	-	-	131,850
Pool	-	-	11,481	-	-	11,481
Library	-	-	-	104,398	-	104,398
Other	4,117	-	-	-	-	4,117
Debt Service						
Principal, interest and fees	115,949	-	16,365	14,308	294,081	440,703
<b>Total Expenditures</b>	2,784,611	43,324	159,696	118,706	318,058	3,424,395
<i>Excess of Revenues Over Expenditures</i>	751,393	16,220	149,225	15,787	290,322	1,222,947
<b>Other Financing Sources (Uses)</b>						
Insurance proceeds	66,628	-	-	-	-	66,628
Operating transfers (out)	(200,000)	-	-	-	-	(200,000)
<b>Total Other Financing Sources (Uses)</b>	(133,372)	-	-	-	-	(133,372)
<b>Special Item</b>						
Disposal of library operations	-	-	-	(145,165)	-	(145,165)
<b>Net Change in Fund Balances</b>	618,021	16,220	149,225	(129,378)	290,322	944,410
Fund Balance, October 1	3,664,378	232,509	731,370	129,378	1,129,281	5,886,916
<b>Fund Balance, September 30</b>	\$ 4,282,399	\$ 248,729	\$ 880,595	\$ -	\$ 1,419,603	\$ 6,831,326

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, 2023

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Net change in fund balances - total governmental funds	\$ 944,410
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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	374,214
Depreciation	<u>(590,633)</u>
	(216,419)

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:

Repayment of principal on debt	382,004
Accrued interest payable	<u>3,074</u>
	385,078

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	(179,747)
Change in compensated absences	<u>(3,159)</u>
	(182,906)
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 930,163</u></u>

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Net Position – Proprietary Funds

September 30, 2023

Assets	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Current Assets			
Cash and cash equivalents	\$ 1,424,537	\$ 653,124	\$ 2,077,661
Utilities receivable, net	157,586	55,813	213,399
Intergovernmental receivable	-	5,196	5,196
Inventory	115,907	58,240	174,147
Prepaid expenses	11,561	7,475	19,036
<b>Total Current Assets</b>	1,709,591	779,848	2,489,439
Restricted Assets			
Cash and cash equivalents	588,764	89,306	678,070
Investments	57,787	57,787	115,574
<b>Total Restricted Assets</b>	646,551	147,093	793,644
Property, Plant and Equipment			
Land	57,354	146,276	203,630
Construction in progress	36,979	-	36,979
Sewer system	-	14,388,174	14,388,174
Water system	10,069,836	-	10,069,836
Pumping and purification	1,841,680	-	1,841,680
Lake	1,424,111	-	1,424,111
	13,429,960	14,534,450	27,964,410
Less accumulated depreciation	(7,070,325)	(5,435,588)	(12,505,913)
<b>Total Property, Plant, and Equipment</b>	6,359,635	9,098,862	15,458,497
<b>Total Assets</b>	8,715,777	10,025,803	18,741,580
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	26,296	158,270	184,566
Deposits payable	90,828	-	90,828
Accrued interest payable	8,098	7,915	16,013
Current maturities of long-term debt	97,461	436,730	534,191
<b>Total Current Liabilities</b>	222,683	602,915	825,598
Long-Term Liabilities			
Revenue bonds payable	2,679,753	340,000	3,019,753
Financed purchase payable	47,831	466,570	514,401
<b>Total Long-Term Liabilities</b>	2,727,584	806,570	3,534,154
<b>Total Liabilities</b>	2,950,267	1,409,485	4,359,752
<b>Net Position</b>			
Net investment in capital assets	3,534,590	7,855,562	11,390,152
Restricted	555,723	147,093	702,816
Unrestricted	1,675,197	613,663	2,288,860
<b>Total Net Position</b>	\$ 5,765,510	\$ 8,616,318	\$ 14,381,828

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, 2023

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Operating Revenues</b>			
Charges for services	\$ 1,755,136	\$ 1,166,510	\$ 2,921,646
Miscellaneous	3,522	15,262	18,784
<b>Total Operating Revenues</b>	1,758,658	1,181,772	2,940,430
<b>Operating Expenses</b>			
Administration	77,000	89,000	166,000
Legal and professional	44,572	50,623	95,195
Service agreement	446,517	302,554	749,071
Purchased services	574	1,364	1,938
Utilities	73,146	103,356	176,502
Maintenance	24,750	44,383	69,133
Supplies	263,134	29,134	292,268
Water purchased	274,879	-	274,879
Insurance	30,944	19,084	50,028
Depreciation	397,580	280,436	678,016
Miscellaneous	-	2,348	2,348
<b>Total Operating Expenses</b>	1,633,096	922,282	2,555,378
<i>Operating Income</i>	125,562	259,490	385,052
<b>Nonoperating Revenues (Expenses)</b>			
Grant revenue	389,746	358,000	747,746
Interest income	4,383	36,212	40,595
Interest expense	(102,161)	(68,679)	(170,840)
<b>Total Nonoperating Revenues (Expenses)</b>	291,968	325,533	617,501
<i>Income Before Operating Transfers</i>	417,530	585,023	1,002,553
Operating Transfers In	-	200,000	200,000
<i>Net Income</i>	417,530	785,023	1,202,553
Net Position, October 1	5,347,980	7,831,295	13,179,275
<b>Net Position, September 30</b>	\$ 5,765,510	\$ 8,616,318	\$ 14,381,828

See accompanying Notes to the Financial Statements.

# City of Bowling Green

## Statement of Cash Flows – Proprietary Funds

Year Ended September 30, 2023

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 1,752,779	\$ 1,187,744	\$ 2,940,523
Cash paid to suppliers	(1,272,852)	(676,154)	(1,949,006)
<b>Net Cash Provided by Operating Activities</b>	<u>479,927</u>	<u>511,590</u>	<u>991,517</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Payments for engineering study	-	28,400	28,400
Operating transfer in	-	200,000	200,000
<b>Net Cash Provided by Cash Flows from Noncapital Financing Activities</b>	<u>-</u>	<u>228,400</u>	<u>228,400</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of fixed assets	(407,148)	(254,052)	(661,200)
Grant proceeds	404,386	362,295	766,681
Payment of debt principal	(94,341)	(429,816)	(524,157)
Payment of interest expense	(102,397)	(72,742)	(175,139)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(199,500)</u>	<u>(394,315)</u>	<u>(593,815)</u>
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	4,386	36,215	40,601
(Purchase) of investments	(237)	(237)	(474)
<b>Net Cash Provided by Investing Activities</b>	<u>4,149</u>	<u>35,978</u>	<u>40,127</u>
<i>Net Increase in Cash and Cash Equivalents</i>	284,576	381,653	666,229
Cash and Cash Equivalents, Beginning of year	<u>1,728,725</u>	<u>360,777</u>	<u>2,089,502</u>
<b>Cash and Cash Equivalents, End of year</b>	2,013,301	742,430	2,755,731
Less Restricted Cash and Cash Equivalents	<u>588,764</u>	<u>89,306</u>	<u>678,070</u>
<b>Unrestricted Cash and Cash Equivalents</b>	<u>\$ 1,424,537</u>	<u>\$ 653,124</u>	<u>\$ 2,077,661</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income	\$ 125,562	\$ 259,490	\$ 385,052
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	397,580	280,436	678,016
(Increase) decrease in			
Utilities receivable	(13,729)	5,972	(7,757)
Inventory	(7,766)	5,862	(1,904)
Prepaid expenses	802	471	1,273
Increase (decrease) in			
Accounts payable	(30,372)	(40,641)	(71,013)
Deposits payable	7,850	-	7,850
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 479,927</u>	<u>\$ 511,590</u>	<u>\$ 991,517</u>

See accompanying Notes to the Financial Statements.



# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

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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, 2023

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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. On September 30, 2023, the library separated from the City and operations were transferred to the Library Board of Trustees.

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

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

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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.

### **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.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

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### 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.

*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.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

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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.

## **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, 2023, all bank balances on deposit were insured or collateralized.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

### 3. Investments

Investments of the City as of September 30, 2023, consist of the following:

Investment Type	Maturity	Total
Certificates of Deposit	7/24/2024 - 3/22/2026	\$ 693,934

#### 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, 2023, 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	\$ 4,000	\$ -
Community center deposits	500	-
Flag reserves	1,855	1,855
Grant funds	425,058	-
Developer escrow funds	30,099	-
	\$ 461,512	\$ 1,855
<b>Cemetery Fund</b>		
Nonspendable		
Perpetual care	\$ 29,483	\$ 29,483
Restricted		
Cemetery tax	-	219,096
Cemetery donations	150	150
	\$ 29,633	\$ 248,729
<b>Park Fund</b>		
Park sales tax	\$ -	\$ 878,201
<b>Street CIP Fund</b>		
Transportation tax	\$ -	\$ 1,419,603

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

### 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	373,563	373,563
Customer deposits	90,828	-
	\$ 646,551	\$ 555,723
<b>Sewer Fund</b>		
2003B Revenue Bonds		
Principal and interest	\$ 89,306	\$ 89,306
Depreciation and replacement	57,787	57,787
	\$ 147,093	\$ 147,093

## 5. Accounts Receivable

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

	<b>Gross Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
<b>Utilities Receivable</b>			
Water Fund	\$ 157,747	\$ (161)	\$ 157,586
Sewer Fund	55,837	(24)	55,813
	\$ 213,584	\$ (185)	\$ 213,399

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

### 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, 2023, are due as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 140,000	\$ 10,260	\$ 150,260
2025	145,000	5,220	150,220
	<u>\$ 285,000</u>	<u>\$ 15,480</u>	<u>\$ 300,480</u>

#### 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.



# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

The total annual minimum lease payments required at September 30, 2023, are as follows:

<u>Year Ending September 30,</u>	<b>Direct Borrowing</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,520,902</u>	<u>\$ 116,742</u>	<u>\$ 1,637,644</u>
Governmental Activities	\$ 1,371,013		
Business-Type Activities			
Sewer Fund	149,889		
	<u>\$ 1,520,902</u>		

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

	<u>Balance</u> <u>September 30,</u> <u>2022</u>	<u>New</u> <u>Obligations</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30,</u> <u>2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Certificates of Participation Payable					
Series 2015	\$ 420,000	\$ -	\$ 135,000	\$ 285,000	\$ 140,000
Direct Borrowing					
2020 Financed Purchase Payable	1,618,017	-	247,004	1,371,013	253,872
Compensated Absences	6,576	3,159	-	9,735	-
	<u>\$ 2,044,593</u>	<u>\$ 3,159</u>	<u>\$ 382,004</u>	<u>\$ 1,665,748</u>	<u>\$ 393,872</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.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

### 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, 2023, are listed in the following tables:

#### *Series 2012A*

<b>Year Ending September 30,</b>	<b>Direct Placement</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
2029-2033	313,188	243,192	556,380
2034-2038	382,402	173,978	556,380
2039-2043	466,912	89,468	556,380
2044-2045	202,182	8,120	210,302
	<u>\$ 1,621,186</u>	<u>\$ 814,636</u>	<u>\$ 2,435,822</u>

#### *Series 2012B*

<b>Year Ending September 30,</b>	<b>Direct Placement</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
2029-2033	77,632	60,188	137,820
2034-2038	94,788	43,032	137,820
2039-2043	115,736	22,084	137,820
2044-2045	49,651	1,980	51,631
	<u>\$ 401,387</u>	<u>\$ 201,524</u>	<u>\$ 602,911</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

*Series 2012C*

<u>Year Ending September 30,</u>	<u>Direct Placement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2029-2033	152,376	63,324	215,700
2034-2038	171,569	44,131	215,700
2039-2043	193,180	22,520	215,700
2044-2046	89,530	2,386	91,916
	<u>\$ 741,985</u>	<u>\$ 212,731</u>	<u>\$ 954,716</u>

*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.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

The total annual minimum lease payments required at September 30, 2023, are as follows:

Year Ending September 30,	Direct Borrowing		
	Principal	Interest	Total
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	69,253	1,091	70,344
	<u>\$ 483,898</u>	<u>\$ 42,725</u>	<u>\$ 526,623</u>
Business-Type Activities			
Water Fund	\$ 60,487		
Sewer Fund	423,411		
	<u>\$ 483,898</u>		

### 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, 2023, are listed in the following table:

Year Ending September 30,	Direct Placement			
	Principal	Interest	Administrative Fee	Total
2024	\$ 330,000	\$ 31,660	\$ 4,784	\$ 366,444
2025	340,000	16,150	2,428	358,578
	<u>\$ 670,000</u>	<u>\$ 47,810</u>	<u>\$ 7,212</u>	<u>\$ 725,022</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

The following table is a summary of the changes in the Long-Term Debt – Business-Type Activities for the year ended September 30, 2023:

	<b>Balance September 30, 2022</b>	<b>New Obligations</b>	<b>Retirements</b>	<b>Balance September 30, 2023</b>	<b>Amounts Due Within One Year</b>
<b>Water Fund</b>					
Direct Placement/Direct Borrowings					
Revenue Bonds Payable					
Series 2012A	\$ 1,666,629	\$ -	\$ 45,443	\$ 1,621,186	\$ 47,287
Series 2012B	412,652	-	11,265	401,387	11,721
Series 2012C	767,179	-	25,194	741,985	25,797
	<u>2,846,460</u>	-	<u>81,902</u>	<u>2,764,558</u>	<u>84,805</u>
Financed Purchase Payable					
Water project	72,926	-	12,439	60,487	12,656
	<u>2,919,386</u>	-	<u>94,341</u>	<u>2,825,045</u>	<u>97,461</u>
<b>Sewer Fund</b>					
Direct Placement/Direct Borrowings					
Revenue Bonds Payable					
Series 2003B	995,000	-	325,000	670,000	330,000
Financed Purchase Payable					
UV System	510,481	-	87,070	423,411	88,588
Sewer project	167,635	-	17,746	149,889	18,142
	<u>678,116</u>	-	<u>104,816</u>	<u>573,300</u>	<u>106,730</u>
	<u>1,673,116</u>	-	<u>429,816</u>	<u>1,243,300</u>	<u>436,730</u>
	<u>\$ 4,592,502</u>	<u>\$ -</u>	<u>\$ 524,157</u>	<u>\$ 4,068,345</u>	<u>\$ 534,191</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

### 8. Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balance September 30, 2022	Additions	Deletions	Balance September 30, 2023
<b>Governmental Activities</b>				
Non-depreciable capital assets				
Land	\$ 1,157,159	\$ -	\$ -	\$ 1,157,159
Construction in progress	42,960	100,524	-	143,484
<b>Total Non-depreciable Capital Assets</b>	1,200,119	\$ 100,524	\$ -	1,300,643
Depreciable capital assets				
Building and improvements	2,664,392	\$ -	\$ -	2,664,392
Machinery and equipment	1,900,007	273,690	-	2,173,697
Infrastructure	16,648,511	-	-	16,648,511
<b>Total Depreciable Capital Assets</b>	21,212,910	\$ 273,690	\$ -	21,486,600
Less Accumulated Depreciation				
Buildings and improvements	935,923	\$ 57,084	\$ -	993,007
Machinery and equipment	1,472,865	131,982	-	1,604,847
Infrastructure	3,767,876	401,567	-	4,169,443
<b>Total Accumulated Depreciation</b>	6,176,664	\$ 590,633	\$ -	6,767,297
<b>Total Depreciable Capital Assets, net</b>	15,036,246			14,719,303
<b>Total Governmental Activities Capital Assets, net</b>	\$16,236,365			\$16,019,946

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

Administrative	\$ 4,722
Community center	2,370
Public safety	57,094
Fire	10,660
Park	38,484
Airport	120,460
Street	356,207
Cemetery	636
	\$ 590,633

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

	Balance September 30, 2022	Additions	Deletions	Balance September 30, 2023
<b>Business-Type Activities</b>				
Water Fund				
Non-depreciable Capital Assets				
Land	\$ 57,354	\$ -	\$ -	\$ 57,354
Construction-in-progress	131,042	389,746	483,809	36,979
<b>Total Non-depreciable Assets</b>	188,396	<u>\$ 389,746</u>	<u>\$ 483,809</u>	94,333
Depreciable Capital Assets				
Water system	11,146,800	\$ 501,211	\$ 1,578,175	10,069,836
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>\$ 501,211</u>	<u>\$ 1,578,175</u>	13,335,627
Less Accumulated Depreciation	8,250,920	<u>\$ 397,580</u>	<u>\$ 1,578,175</u>	7,070,325
<b>Depreciable Capital Assets, net</b>	6,161,671			6,265,302
Sewer Fund				
Non-depreciable Capital Assets				
Land	146,276	\$ -	\$ -	146,276
Construction in progress	206,582	23,855	230,437	-
<b>Total Non-depreciable Capital Assets</b>	352,858	<u>\$ 23,855</u>	<u>\$ 230,437</u>	146,276
Depreciable Capital Assets				
Sewer system	14,732,377	<u>\$ 618,904</u>	<u>\$ 963,107</u>	14,388,174
Less Accumulated Depreciation	6,118,259	<u>\$ 280,436</u>	<u>\$ 963,107</u>	5,435,588
<b>Depreciable Capital Assets, net</b>	8,614,118			8,952,586
<b>Total Capital Assets Business-Type Activities, net</b>	<u>\$ 15,317,043</u>			<u>\$ 15,458,497</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, 2023

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>2023 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, 2023, 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	20	10
Inactive employees entitled to but not yet receiving benefits	7	20
Active employees	5	12
	<u>32</u>	<u>42</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 7.70% for General and 10.60% for Police of annual covered payroll.

*Net Pension Asset.* The employer's net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2023.



# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

*Actuarial Assumptions.* The total pension liability in the February 28, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation for general 2.75% to 6.55% including wage inflation for police
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, 2023, 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, 2023

### 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	\$ 1,798,524	\$ 2,224,994	\$ (426,470)
Changes for the year			
Service cost	31,591	-	31,591
Interest	121,671	-	121,671
Difference between expected and actual experiences	(4,453)	-	(4,453)
Contributions - employer	-	15,311	(15,311)
Net investment income	-	79,853	(79,853)
Benefits paid, including refunds	(154,391)	(154,391)	-
Administrative expenses	-	(4,260)	4,260
Other (net transfer)	-	13,770	(13,770)
<i>Net Changes</i>	(5,582)	(49,717)	44,135
<b>Balance at end of year</b>	1,792,942	2,175,277	(382,335)
<b>Police Division</b>			
Balances at beginning of year	1,446,394	1,755,436	(309,042)
Changes for the year			
Service Cost	51,659	-	51,659
Interest	100,621	-	100,621
Difference between expected and actual experiences	93,380	-	93,380
Contributions - employer	-	50,938	(50,938)
Net investment income	-	60,306	(60,306)
Benefits paid, including refunds	(69,881)	(69,881)	-
Administrative expenses	-	(3,653)	3,653
Other (net transfer)	-	(16,834)	16,834
<i>Net Changes</i>	175,779	20,876	154,903
<b>Balance at end of year</b>	1,622,173	1,776,312	(154,139)
<b>Total Plan Balances at End of Year</b>	\$ 3,415,115	\$ 3,951,589	\$ (536,474)

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

*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	\$ 2,013,066	\$ 1,792,942	\$ 1,610,540
Fiduciary Net Position	2,175,277	2,175,277	2,175,277
<i>Net Pension (Asset)</i>	(162,211)	(382,335)	(564,737)
<b>Police Division</b>			
Total Pension Liability	1,913,351	1,622,173	1,393,820
Fiduciary Net Position	1,776,312	1,776,312	1,776,312
<i>Net Pension Liability (Asset)</i>	137,039	(154,139)	(382,492)
<b>Total Net Pension (Asset)</b>	<b>\$ (25,172)</b>	<b>\$ (536,474)</b>	<b>\$ (947,229)</b>

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

For the year ended September 30, 2023, the employer recognized pension expense of \$45,602 in the general division and \$202,643 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	\$ -	\$ (1,665)	\$ (1,665)
Net difference between projected and actual earnings on pension plan investments	28,951	-	28,951
Contributions subsequent to the measurement date*	3,498	-	3,498
	<u>32,449</u>	<u>(1,665)</u>	<u>30,784</u>
<b>Police Division</b>			
Differences between expected and actual experience	220,579	-	220,579
Net difference between projected and actual earnings on pension plan investments	39,980	-	39,980
Contributions subsequent to the measurement date*	11,709	-	11,709
	<u>272,268</u>	<u>-</u>	<u>272,268</u>
	<u>\$ 304,717</u>	<u>\$ (1,665)</u>	<u>\$ 303,052</u>

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

\*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, 2024.

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
2024	\$ (5,912)	\$ 143,408	\$ 137,496
2025	(26,588)	61,351	34,763
2026	45,500	43,558	89,058
2027	14,286	12,242	26,528
	\$ 27,286	\$ 260,559	\$ 287,845

### Payable to the Pension Plan

At September 30, 2023, 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:

	2022
<b>Assessed Valuation</b>	
Real estate	\$ 33,982,480
Personal property	11,302,550
	\$ 45,285,030
 <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, 2023

The legal debt margin at September 30, 2023, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	\$ 4,528,503	\$ 4,528,503	\$ 9,057,006
General Obligation Bonds payable	-	-	-
<b>Legal Debt Margin</b>	<b>\$ 4,528,503</b>	<b>\$ 4,528,503</b>	<b>\$ 9,057,006</b>

(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, 2023, 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, 2023, \$922,000 of the 2007 bond ordinance had not been issued.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

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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, 2023, these unearned revenues include unspent American Rescue Plan proceeds in the General Fund in the amount of \$425,058.

### 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, 2023, the amount outstanding was \$0. The final payment on the outstanding debt was made on December 1, 2022.

### 16. 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 \$4,711,259. Principal and interest paid for the current year and total customer net revenues were \$554,890 and \$1,063,068, respectively. In addition, interest subsidies paid \$28,346 of the total interest expense.

### 17. Interfund Transfers

Transfers between funds of the City for the year ended September 30, 2023, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 200,000
Sewer Fund	200,000	-
	<u>\$ 200,000</u>	<u>\$ 200,000</u>

The City approved a one-time transfer from the General Fund to the Sewer Fund for operations using unrestricted revenues in accordance with budgetary authorizations.

### 18. Disposal of Operations

Effective September 30, 2023, the Bowling Green Public Library officially separated from the City and the operations were transferred to the Library Board of Trustees. As a result of the transfer, the City recognized a loss in the amount of \$145,165 on the disposal of its library operations as a special item, which included the transfer of remaining cash on hand after all expenses were paid.

# City of Bowling Green

## Notes to the Financial Statements

September 30, 2023

### 19. Tax Abatements

As of September 30, 2023, the City provided tax abatements through the following program:

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 this program for the year ended September 30, 2023, is as follows:

<u>Tax Abatement Program</u>	<u>Type of Taxes Abated</u>	<u>Amount of Taxes Abated</u>	<u>Payment in Lieu of Tax Received</u>
Chapter 100	Real-estate taxes	\$ 292,777	\$ 165,742

### 20. Commitments

At September 30, 2023, 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 2024.
- Mid River Asphalt, Inc., for Locust Street Phase 2 Street improvements in the amount of \$445,824.
- Martin General Contractors, LLC to construct two-unit box hangars at the airport in the amount of \$1,121,484. This project will be funded with a MODOT grant.

### 21. Subsequent Events

In December 2023, the City approved an agreement with Martin General Contractors, LLC, for demolition of an existing airport hangar for \$74,500. The City also approved an agreement with Mick Mehler & Sons, Inc. for a waterline replacement project in the amount of \$757,916.

## Required Supplementary Information



# City of Bowling Green

## Schedule of Changes in the Net Pension Asset and Related Ratios Year Ended September 30, 2023

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

	Year Ended September 30, 2023	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	\$ 83,250	\$ 66,285	\$ 61,141	\$ 55,920	\$ 63,820	\$ 55,683	\$ 60,825	\$ 65,548	\$ 62,690
Interest on the total pension liability	222,292	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	88,927	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	(224,272)	(193,311)	(120,024)	(140,376)	(134,905)	(67,626)	(69,967)	(73,627)	(73,127)
<i>Net Change in Total Pension Liability</i>	170,197	692,077	94,071	75,502	(2,424)	269,262	(3,580)	241,345	108,764
Total Pension Liability, Beginning	3,244,918	2,552,841	2,458,770	2,383,268	2,385,692	2,116,430	2,120,010	1,878,665	1,769,901
<b>Total Pension Liability, Ending</b>	3,415,115	3,244,918	2,552,841	2,458,770	2,383,268	2,385,692	2,116,430	2,120,010	1,878,665
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	66,249	48,170	40,146	37,359	43,212	47,885	28,420	34,732	38,202
Pension plan net investment income	140,159	3,477	792,024	40,126	205,321	321,533	281,993	(4,958)	46,237
Benefit payments	(224,272)	(193,311)	(120,024)	(140,376)	(134,905)	(67,626)	(69,967)	(73,627)	(73,127)
Pension plan administrative expense	(7,913)	(5,965)	(5,237)	(6,720)	(5,793)	(4,182)	(3,792)	(3,616)	(4,008)
Other (net transfer)	(3,064)	446,342	(22,214)	9,549	(885)	7,297	(22,822)	25,469	31,350
<i>Net Change in Plan Fiduciary Net Position</i>	(28,841)	298,713	684,695	(60,062)	106,950	304,907	213,832	(22,000)	38,654
Plan Fiduciary Net Position, Beginning	3,980,430	3,681,717	2,997,022	3,057,084	2,950,134	2,645,227	2,431,395	2,453,395	2,414,741
<b>Plan Fiduciary Net Position, Ending</b>	3,951,589	3,980,430	3,681,717	2,997,022	3,057,084	2,950,134	2,645,227	2,431,395	2,453,395
<b>Net Pension (Asset)</b>	\$ (536,474)	\$ (735,512)	\$ (1,128,876)	\$ (538,252)	\$ (673,816)	\$ (564,442)	\$ (528,797)	\$ (311,385)	\$ (574,730)
Plan fiduciary net position as a percentage of the total pension liability	115.71%	122.67%	144.22%	121.89%	128.27%	123.66%	124.99%	114.69%	130.59%
Covered payroll	\$ 703,489	\$ 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	(76.26)%	(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, 2023

### 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
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%
2023	68,498	68,498	-	699,965	9.79%

See accompanying Notes to the Schedule of Contributions.

# City of Bowling Green

## Notes to the Schedule of Contributions

Year Ended September 30, 2023

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**Valuation Date:** February 28, 2023

**Notes:** The roll-forward of total pension liability from February 28, 2023, to June 30, 2023, 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 14 to 18 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 for general and 2.75% to 6.55% including wage inflation for police

*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, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes	\$ 277,800	\$ 277,800	\$ 294,458	\$ 16,658
City sales tax	995,000	995,000	1,250,027	255,027
Transportation sales tax	500,000	500,000	605,237	105,237
Railroad and utility tax	31,000	31,000	34,029	3,029
Surtax	6,000	6,000	5,222	(778)
Utility franchise tax	295,000	295,000	396,136	101,136
Motor vehicle tax	205,000	205,000	220,856	15,856
Payment in lieu of taxes	200,000	200,000	200,000	-
Lodging tax	60,000	60,000	76,101	16,101
Cigarette tax	17,000	17,000	14,786	(2,214)
	2,586,800	2,586,800	3,096,852	510,052
Licenses and Permits				
Occupational licenses	12,000	12,000	13,628	1,628
Building permits	9,550	9,550	8,341	(1,209)
Animal license and fees	400	400	580	180
	21,950	21,950	22,549	599
Intergovernmental Revenues				
Police grants	10,000	10,000	12,423	2,423
Airport grants	855,332	855,332	99,521	(755,811)
CDBG grant	73,000	73,000	-	(73,000)
Fire grants	6,000	6,000	-	(6,000)
Street grants	929,900	-	13,865	13,865
	1,874,232	944,332	125,809	(818,523)
Charges for Services				
Printing	300	300	411	111
Airport fuel	16,000	16,000	5,024	(10,976)
Trash billing	170,000	170,000	198,217	28,217
	186,300	186,300	203,652	17,352
Fines and Forfeitures				
City court fines	12,000	12,000	7,979	(4,021)
Miscellaneous				
Rents and royalties	40,180	40,180	27,542	(12,638)
Interest	10,000	10,000	17,074	7,074
Other	10,700	10,700	34,547	23,847
	60,880	60,880	79,163	18,283
<b>Total Revenues</b>	4,742,162	3,812,262	3,536,004	(276,258)

See accompanying Notes to the Budgetary Comparison Schedules.

# City of Bowling Green

## Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Expenditures</b>				
Current				
Administrative	1,562,958	633,058	494,609	138,449
Public safety	1,204,682	1,204,682	1,115,210	89,472
Fire	234,400	234,400	72,106	162,294
Community center	40,621	40,621	37,900	2,721
Airport	920,110	920,110	156,293	763,817
Street	1,107,912	1,107,912	718,750	389,162
Planning and zoning	80,076	80,076	69,677	10,399
Other	4,500	4,500	4,117	383
Debt Service				
Principal, interest and fees	116,375	116,375	115,949	426
<b>Total Expenditures</b>	5,271,634	4,341,734	2,784,611	1,557,123
 <i>Excess (Deficit) of Revenues Over Expenditures</i>	 (529,472)	 (529,472)	 751,393	 1,280,865
 <b>Other Financing Sources (Uses)</b>				
Insurance proceeds	-	-	66,628	66,628
Operating transfers (out)	(976,800)	(976,800)	(200,000)	776,800
<b>Total Other Financing Sources (Uses)</b>	(976,800)	(976,800)	(133,372)	843,428
 <i>Net Change in Fund Balance</i>	 (1,506,272)	 (1,506,272)	 618,021	 2,124,293
 Fund Balance, October 1	 3,664,378	 3,664,378	 3,664,378	 -
<b>Fund Balance, September 30</b>	<b>\$ 2,158,106</b>	<b>\$ 2,158,106</b>	<b>\$ 4,282,399</b>	<b>\$ 2,124,293</b>

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Bowling Green

### Budgetary Comparison Schedule – Cemetery Fund

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes and penalties	\$ 43,300	\$ 43,300	\$ 45,400	\$ 2,100
Railroad and utility tax	5,000	5,000	5,505	505
Surtax	700	700	845	145
	49,000	49,000	51,750	2,750
Charges for services				
Sale of lots	4,000	4,000	6,200	2,200
Miscellaneous				
Interest	1,000	1,000	1,594	594
	1,000	1,000	1,594	594
<b>Total Revenues</b>	54,000	54,000	59,544	5,544
<b>Expenditures</b>				
Current				
Cemetery	106,000	106,000	43,324	62,676
<b>Total Expenditures</b>	106,000	106,000	43,324	62,676
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(52,000)	(52,000)	16,220	68,220
Fund Balance, October 1	232,509	232,509	232,509	-
<b>Fund Balance, September 30</b>	\$ 180,509	\$ 180,509	\$ 248,729	\$ 68,220

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Bowling Green

### Budgetary Comparison Schedule – Park Fund

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Sales taxes	\$ 245,000	\$ 245,000	\$ 302,619	\$ 57,619
Charges for Services				
Park rental	500	500	1,000	500
Park programs	-	-	750	750
	500	500	1,750	1,250
Miscellaneous				
Interest	2,500	2,500	4,452	1,952
Other	-	-	100	100
	2,500	2,500	4,552	2,052
<b>Total Revenues</b>	248,000	248,000	308,921	60,921
<b>Expenditures</b>				
Current				
Park	141,943	141,943	131,850	10,093
Pool	89,557	89,557	11,481	78,076
Debt Service				
Principal, interest and fees	16,500	16,500	16,365	135
<b>Total Expenditures</b>	248,000	248,000	159,696	88,304
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	-	149,225	149,225
Fund Balance, October 1	731,370	731,370	731,370	-
<b>Fund Balance, September 30</b>	\$ 731,370	\$ 731,370	\$ 880,595	\$ 149,225

See accompanying Notes to the Budgetary Comparison Schedules.

# City of Bowling Green

## Budgetary Comparison Schedule – Library Fund

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes and penalties	\$ 87,250	\$ 87,250	\$ 90,598	\$ 3,348
Railroad and utility tax	10,000	10,000	10,509	509
Surtax	2,550	2,550	1,613	(937)
Other taxes	1,582	1,582	4,232	2,650
	101,382	101,382	106,952	5,570
Intergovernmental Revenues				
State grants	2,667	2,667	17,008	14,341
Charges for Services				
Fines, fees and memberships	4,400	4,400	7,014	2,614
Miscellaneous				
Donations	12,200	12,200	440	(11,760)
Interest	400	400	1,888	1,488
Other	1,500	1,500	1,191	(309)
	14,100	14,100	3,519	(10,581)
<b>Total Revenues</b>	122,549	122,549	134,493	11,944
<b>Expenditures</b>				
Current				
Library	118,249	118,249	104,398	13,851
Debt Service				
Principal, interest and fees	4,300	4,300	14,308	(10,008)
<b>Total Expenditures</b>	122,549	122,549	118,706	3,843
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	-	15,787	15,787
<b>Special Item</b>				
Disposal of library operations	-	-	(145,165)	(145,165)
<i>Net Change in Fund Balance</i>	-	-	(129,378)	(129,378)
Fund Balance, October 1	129,378	129,378	129,378	-
<b>Fund Balance, September 30</b>	\$ 129,378	\$ 129,378	\$ -	\$ (129,378)

See accompanying Notes to the Budgetary Comparison Schedules.



## City of Bowling Green

### Budgetary Comparison Schedule – Street CIP Fund

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Sales taxes	\$ 538,000	\$ 538,000	\$ 605,112	\$ 67,112
Miscellaneous				
Interest	2,000	2,000	3,268	1,268
<b>Total Revenues</b>	540,000	540,000	608,380	68,380
<b>Expenditures</b>				
Current				
Street	244,750	244,750	23,977	220,773
Debt Service				
Principal, interest and fees	295,250	295,250	294,081	1,169
<b>Total Expenditures</b>	540,000	540,000	318,058	221,942
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	-	290,322	290,322
Fund Balance, October 1	1,129,281	1,129,281	1,129,281	-
<b>Fund Balance, September 30</b>	\$ 1,129,281	\$ 1,129,281	\$ 1,419,603	\$ 290,322

See accompanying Notes to the Budgetary Comparison Schedules.

# City of Bowling Green

Notes to the Budgetary Comparison Schedules

Year Ended September 30, 2023

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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, 2023, 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 7, 2024.

**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 2023-001, 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 7, 2024

# City of Bowling Green

## Schedule of Findings and Responses

Year Ended September 30, 2023

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### Material Weakness

#### 2023-001 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.