

City of Bowling Green, Missouri

Basic Financial Statements Year Ended September 30, 2024

KPM
CPAS & ADVISORS

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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, each major fund, and the remaining fund information, of the City of Bowling Green, Missouri, as of and for the year ended September 30, 2024, 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, each major fund, and the remaining fund information of the City of Bowling Green, Missouri, as of September 30, 2024, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bowling Green, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2025, 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 12, 2025

Management's Discussion and Analysis

City of Bowling Green

Management's Discussion and Analysis

September 30, 2024

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, 2024. Please read it in conjunction with the City's financial statements.

Financial Highlights

The net position of the City's governmental activities increased by \$2,501,718 for the year as a result of current year activities. The net position of the City's business activities increased by \$1,229,309 for the year.

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2024, by \$40.1 million (net position). Of this amount \$7,916,969 was unrestricted and may be used to meet future obligations of the City.

Total long-term liabilities of the City decreased by \$996,632 during the year.

Total revenues increased \$1,769,037 or 21% compared to prior year revenues while total expenses increased \$249,263 or 4%.

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, 2024

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.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements since the resources of those funds are not available to support the City's operations.

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, 2024

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of September 30, 2024 and 2023:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total September 30, 2024</u>	<u>Total September 30, 2023</u>
Assets				
Current and other assets	\$ 8,050,367	\$ 3,490,527	\$ 11,540,894	\$ 10,646,326
Net pension asset	411,397	-	411,397	536,474
Capital assets	17,363,180	16,109,275	33,472,455	31,478,443
Total Assets	<u>25,824,944</u>	<u>19,599,802</u>	<u>45,424,746</u>	<u>42,661,243</u>
Deferred Outflow of Resources				
Deferred pension outflows	254,464	-	254,464	304,717
Liabilities				
Other liabilities	686,829	1,003,736	1,690,565	1,765,600
Long-term liabilities outstanding	824,469	2,984,929	3,809,398	4,806,030
Total Liabilities	<u>1,511,298</u>	<u>3,988,665</u>	<u>5,499,963</u>	<u>6,571,630</u>
Deferred Inflow of Resources				
Deferred lease inflows	55,555	-	55,555	1,665
Net Position				
Net investment in capital assets	16,101,040	12,575,132	28,676,172	25,754,085
Restricted				
Non-expendable	30,442	-	30,442	29,483
Expendable	2,759,804	740,305	3,500,109	3,221,721
Unrestricted	5,621,269	2,295,700	7,916,969	7,387,376
Total Net Position	<u>\$ 24,512,555</u>	<u>\$ 15,611,137</u>	<u>\$ 40,123,692</u>	<u>\$ 36,392,665</u>

Total net position of the City increased by \$3,731,027 for the year due to current year activity. Total liabilities for the City decreased \$1,071,667.

City of Bowling Green

Management's Discussion and Analysis

September 30, 2024

Change in Net Position

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Year Ended September 30, 2024</u>	<u>Total Year Ended September 30, 2023</u>
Revenues				
Program Revenues				
Charges for services	\$ 339,245	\$ 2,978,131	\$ 3,317,376	\$ 3,213,979
Operating grants and contributions	51,992	5,004	56,996	54,776
Capital grants and contributions	1,396,228	1,106,554	2,502,782	838,536
General Revenues				
Property taxes	347,662	-	347,662	430,456
Sales taxes	2,829,834	-	2,829,834	2,762,995
Motor vehicle taxes	222,343	-	222,343	220,856
Other taxes	290,786	-	290,786	352,841
Franchise fees	374,556	-	374,556	396,137
Interest	95,930	37,926	133,856	68,871
Other revenue	68,959	-	68,959	36,666
Total Revenues	<u>6,017,535</u>	<u>4,127,615</u>	<u>10,145,150</u>	<u>8,376,113</u>
Expenses				
Administrative	619,917	-	619,917	521,055
Public safety	1,312,798	-	1,312,798	1,230,437
Fire	128,004	-	128,004	82,766
Community center	14,254	-	14,254	34,541
Airport	249,455	-	249,455	176,229
Street	859,862	-	859,862	926,864
Planning and zoning	82,851	-	82,851	76,835
Cemetery	53,451	-	53,451	43,960
Park	146,610	-	146,610	170,334
Pool	9,283	-	9,283	11,481
Library	-	-	-	104,398
Other	4,491	-	4,491	4,117
Debt service	34,841	-	34,841	55,625
Water	-	1,954,693	1,954,693	1,735,257
Sewer	-	943,613	943,613	990,961
Total Expenses	<u>3,515,817</u>	<u>2,898,306</u>	<u>6,414,123</u>	<u>6,164,860</u>
Special Items				
Insurance proceeds	-	-	-	66,628
Disposal of library operations	-	-	-	(145,165)
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,537)</u>
<i>Increase in Net Position</i>	<u>\$ 2,501,718</u>	<u>\$ 1,229,309</u>	<u>\$ 3,731,027</u>	<u>\$ 2,132,716</u>

City of Bowling Green

Management's Discussion and Analysis

September 30, 2024

Governmental Activities

Governmental activities increased the net position of the City by \$2,501,718. Tax revenues for the City were \$4,065,181 which represents 68% of the financing of these activities. Program revenues for the functions totaled \$1,787,465. 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

	Total Cost of Services	Net Cost of Services
Administrative	\$ 619,917	\$ 397,494
Public safety	1,312,798	1,271,083
Fire	128,004	108,004
Community center	14,254	14,254
Airport	249,455	(925,273)
Street	859,862	578,752
Planning and zoning	82,851	40,766
Cemetery	53,451	49,122
Park	146,610	145,535
Pool	9,283	9,283
Other	4,491	4,491
Debt service	34,841	34,841
	<u>\$ 3,515,817</u>	<u>\$ 1,728,352</u>

Business-Type Activities

Business-type activities increased the City's net position by \$1,229,309.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of September 30, 2024, were \$7,769,295. The General Fund increased by \$696,010. The Cemetery Fund decreased by \$20,130. The Park Fund increased by \$181,122. The Street CIP Fund increased by \$80,967.

General Fund Budgetary Highlights

Revenues

The original revenue budget of \$4,130,687 was not amended during the year. Actual revenues were \$4,988,609 which is a difference of \$857,922.

Expenditures

The original expenditure budget of \$4,547,487 was not amended during the year. Actual expenditures were \$4,292,599, which is a difference of \$254,888.

City of Bowling Green

Management's Discussion and Analysis

September 30, 2024

Capital Asset and Debt Administration

Capital Assets

Net capital assets of the governmental activities were \$17,363,180 as of September 30, 2024, which is an increase of \$1,343,234 from the prior year. Net capital assets for business-type activities were \$16,109,275 as of September 30, 2024. This is an increase of \$650,778.

Long-term Debt

Total long-term debt of the governmental activities as of September 30, 2024, was \$1,274,735, which is down from \$1,665,748, in the prior year, due to principal payments on debt in the amount of \$393,873.

Total long-term debt of the business-type activities as of September 30, 2024, was \$3,534,143, which is down from \$4,068,345 in the prior year, due to principal payments on debt in the amount of \$534,202.

Economic Factors and Next Year's Budget

Housing has improved greatly over the last fiscal year. A brand new four-plex was finished and phase 1 of a new tri-plex development has been completed. The two new subdivisions are moving along very nicely, adding much-needed single-family homes.

A water line replacement project was completed this year. It was part of our five-year owner supervised program and was 100% completed within five years.

A new hangar was constructed and a new fuel system was installed at the Airport, allowing for additional rental space for planes. The old FBO was torn down, and a new terminal building is in the works, engineering for 2024/2025 and construction during 2025/2026 fiscal year.

The 2024-2025 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 2024-2025 fiscal year.

The Board approved several capital improvement items for 2024-2025:

General Fund

Police: Several new computers will be purchased; new cell phones purchased and issued to each full time officer; 12 body cams and 5 dash cams will be purchased; and one new vehicle will be purchased and equipped

Fire: Fire department is looking to purchase a seek thermal imaging camera and a battery powered ventilation fan

Grounds: Will be purchasing new truck and selling one on Gov Deals; and purchasing a new 15' cutter.

Airport: Fire extinguishers will be installed in the new hangar and security cameras will be installed. Design for new terminal building will begin

Streets: A new truck and crack sealer will be purchased

Community Center: New tables and chairs will be purchased

City of Bowling Green

Management's Discussion and Analysis

September 30, 2024

Cemetery Fund

Repave Memorial Gardens and Green Lawn Cemetery roads

Park Fund

A new splash pad and updates to the current shower house are planned for the old pool area. A new message board, additional lighting around the walking trail and camera upgrades are planned for the park.

Street CIP Fund

Plans are to pave 14th Street, 6th, 7th & Taylor; and Jefferson Drive

Water Fund

Water Distribution: A new outboard motor will be purchased (lake), waterline repairs on various streets

Sewer Fund

Lagoon/WW Collection: Upgrade Big A lift station and sewer work on Jefferson Drive. Also budgeted are a basin blower, grinder for influent and sludge return 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents - unrestricted	\$ 3,085,295	\$ 1,213,429	\$ 4,298,724
Investments - unrestricted	1,402,922	-	1,402,922
Ad valorem taxes receivable	1,874	-	1,874
Sales tax receivable	492,975	-	492,975
Utilities receivable, net	-	283,085	283,085
Other accounts receivable	60,053	-	60,053
Leases receivable - current	23,963	-	23,963
Intergovernmental receivable	218,679	962,606	1,181,285
Accrued interest receivable	3,764	-	3,764
Inventory	-	174,870	174,870
Prepaid expenses	45,870	20,349	66,219
Noncurrent			
Restricted cash and cash equivalents	2,447,390	714,832	3,162,222
Restricted investments	229,319	121,356	350,675
Leases receivable - noncurrent	38,263	-	38,263
Net pension asset	411,397	-	411,397
Capital Assets			
Non-depreciable	1,152,382	1,422,118	2,574,500
Depreciable, net	16,210,798	14,687,157	30,897,955
Total Assets	25,824,944	19,599,802	45,424,746
Deferred Outflow of Resources			
Deferred pension outflows	254,464	-	254,464

See accompanying Notes to the Financial Statements.

City of Bowling Green

Statement of Net Position

September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	188,098	346,747	534,845
Accrued expenses	449	-	449
Deposits payable	6,795	95,883	102,678
Escrow payable	30,175	-	30,175
Accrued interest payable	11,046	11,892	22,938
Current maturities of long-term debt	450,266	549,214	999,480
	686,829	1,003,736	1,690,565
Noncurrent			
Revenue bonds payable	-	2,591,911	2,591,911
Financed purchase payable	811,874	393,018	1,204,892
Compensated absences	12,595	-	12,595
	824,469	2,984,929	3,809,398
Total Liabilities	1,511,298	3,988,665	5,499,963
Deferred Inflow of Resources			
Deferred lease inflows	55,555	-	55,555
	55,555	-	55,555
Net Position			
Net investment in capital assets	16,101,040	12,575,132	28,676,172
Restricted			
Non-expendable	30,442	-	30,442
Expendable	2,759,804	740,305	3,500,109
Unrestricted	5,621,269	2,295,700	7,916,969
Total Net Position	\$ 24,512,555	\$ 15,611,137	\$ 40,123,692

See accompanying Notes to the Financial Statements.

City of Bowling Green

Statement of Activities

Year Ended September 30, 2024

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	\$ (619,917)	\$ 220,523	\$ -	\$ 1,900	\$ (397,494)	\$ -	\$ (397,494)
Public safety	(1,312,798)	9,748	31,967	-	(1,271,083)	-	(1,271,083)
Fire	(128,004)	-	20,000	-	(108,004)	-	(108,004)
Community center	(14,254)	-	-	-	(14,254)	-	(14,254)
Airport	(249,455)	61,510	-	1,113,218	925,273	-	925,273
Street	(859,862)	-	-	281,110	(578,752)	-	(578,752)
Planning and zoning	(82,851)	42,085	-	-	(40,766)	-	(40,766)
Cemetery	(53,451)	4,304	25	-	(49,122)	-	(49,122)
Park	(146,610)	1,075	-	-	(145,535)	-	(145,535)
Pool	(9,283)	-	-	-	(9,283)	-	(9,283)
Other	(4,491)	-	-	-	(4,491)	-	(4,491)
Debt service	(34,841)	-	-	-	(34,841)	-	(34,841)
Total Governmental Activities	(3,515,817)	339,245	51,992	1,396,228	(1,728,352)	-	(1,728,352)
Business-Type Activities							
Water	(1,954,693)	1,739,198	-	1,102,554	-	887,059	887,059
Sewer	(943,613)	1,238,933	5,004	4,000	-	304,324	304,324
Total Business Type Activities	(2,898,306)	2,978,131	5,004	1,106,554	-	1,191,383	1,191,383
Total Government	\$ (6,414,123)	\$ 3,317,376	\$ 56,996	\$ 2,502,782	(1,728,352)	1,191,383	(536,969)
General Revenues							
Ad Valorem taxes					347,662	-	347,662
Sales taxes					2,829,834	-	2,829,834
Motor vehicle taxes					222,343	-	222,343
Other taxes					290,786	-	290,786
Franchise fees					374,556	-	374,556
Interest					95,930	37,926	133,856
Other revenue					68,959	-	68,959
Total General Revenues					4,230,070	37,926	4,267,996
Changes in Net Position					2,501,718	1,229,309	3,731,027
Net Position, Beginning of year					22,010,837	14,381,828	36,392,665
Net Position, End of year					\$ 24,512,555	\$ 15,611,137	\$ 40,123,692

See accompanying Notes to the Financial Statements.

City of Bowling Green

Balance Sheet – Governmental Funds

September 30, 2024

	Special Revenue Funds				Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Street CIP Fund	
Assets					
Cash and cash equivalents - unrestricted	\$ 3,085,295	\$ -	\$ -	\$ -	\$ 3,085,295
Investments - unrestricted	1,402,922	-	-	-	1,402,922
Ad valorem taxes receivable	1,624	250	-	-	1,874
Sales tax receivable	343,529	-	49,816	99,630	492,975
Other accounts receivable	60,053	-	-	-	60,053
Leases receivable	62,226	-	-	-	62,226
Intergovernmental receivable	218,679	-	-	-	218,679
Accrued interest receivable	2,953	249	562	-	3,764
Prepaid expenses	43,375	-	2,495	-	45,870
Restricted cash and cash equivalents	38,325	148,781	859,344	1,400,940	2,447,390
Restricted investments	-	79,319	150,000	-	229,319
Total Assets	\$ 5,258,981	\$ 228,599	\$ 1,062,217	\$ 1,500,570	\$ 8,050,367
Liabilities					
Liabilities					
Accounts payable	\$ 188,098	\$ -	\$ -	\$ -	\$ 188,098
Accrued expenses	449	-	-	-	449
Escrow payable	30,175	-	-	-	30,175
Deposits payable	6,295	-	500	-	6,795
Total Liabilities	225,017	-	500	-	225,517
Deferred Inflow of Resources					
Deferred lease inflows	55,555	-	-	-	55,555

See accompanying Notes to the Financial Statements.

City of Bowling Green

Balance Sheet – Governmental Funds

September 30, 2024

	Special Revenue Funds				Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Street CIP Fund	
Fund Balances					
Nonspendable					
Cemetery perpetual care	-	30,442	-	-	30,442
Prepaid items	43,375	-	2,495	-	45,870
Restricted for					
Flag reserves	1,855	-	-	-	1,855
Cemetery donations	-	150	-	-	150
Cemetery	-	198,007	-	-	198,007
Park	-	-	1,059,222	-	1,059,222
Street	-	-	-	1,500,570	1,500,570
Assigned to					
Fire truck	300,000	-	-	-	300,000
Building demo	20,000	-	-	-	20,000
Unassigned	4,613,179	-	-	-	4,613,179
Total Fund Balances	4,978,409	228,599	1,061,717	1,500,570	7,769,295
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 5,258,981	\$ 228,599	\$ 1,062,217	\$ 1,500,570	\$ 8,050,367

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, 2024

Fund balance - total governmental funds	\$ 7,769,295
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	24,652,953
Less accumulated depreciation	<u>(7,289,773)</u>
	17,363,180
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	411,397
Deferred outflows due to pensions	<u>254,464</u>
	665,861
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(11,046)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(1,274,735)</u>
Net Position of Governmental Activities	<u><u>\$ 24,512,555</u></u>

See accompanying Notes to the Financial Statements.

City of Bowling Green

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

Year Ended September 30, 2024

	Special Revenue Funds				Total Governmental Funds
	General Fund	Cemetery Fund	Park Fund	Street CIP Fund	
Revenues					
Taxes	\$ 3,059,444	\$ 76,097	\$ 309,884	\$ 619,756	\$ 4,065,181
Licenses and permits	57,613	-	-	-	57,613
Intergovernmental revenues	1,445,905	-	-	-	1,445,905
Charges for services	267,820	4,304	1,075	-	273,199
Fines and forfeitures	8,432	-	-	-	8,432
Miscellaneous	149,395	4,010	9,824	3,976	167,205
Total Revenues	4,988,609	84,411	320,783	623,732	6,017,535
Expenditures					
Current					
Administrative	595,511	-	-	-	595,511
Public safety	1,101,857	-	-	-	1,101,857
Fire	118,144	-	-	-	118,144
Community center	13,311	-	-	-	13,311
Airport	128,035	-	-	-	128,035
Street	498,372	-	-	595	498,967
Planning and zoning	78,372	-	-	-	78,372
Cemetery	-	52,555	-	-	52,555
Park	-	-	113,871	-	113,871
Pool	-	-	9,283	-	9,283
Other	4,491	-	-	-	4,491
Capital outlay	1,633,229	51,986	-	248,073	1,933,288
Debt Service					
Principal, interest and fees	121,277	-	16,507	294,097	431,881
Total Expenditures	4,292,599	104,541	139,661	542,765	5,079,566
<i>Excess (Deficit) of Revenues Over Expenditures</i>	696,010	(20,130)	181,122	80,967	937,969
Fund Balance, October 1	4,282,399	248,729	880,595	1,419,603	6,831,326
Fund Balance, September 30	\$ 4,978,409	\$ 228,599	\$ 1,061,717	\$ 1,500,570	\$ 7,769,295

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, 2024

Net change in fund balances - total governmental funds \$ 937,969

Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital assets	1,933,288
Depreciation	(585,277)
Disposal of capital assets, net	(4,777)
	1,343,234

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	393,873
Accrued interest payable	3,167
	397,040

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	(173,665)
Change in compensated absences	(2,860)
	(176,525)

<i>Change in Net Position of Governmental Activities</i>	\$ 2,501,718
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See accompanying Notes to the Financial Statements.

City of Bowling Green

Statement of Net Position – Proprietary Funds

September 30, 2024

Assets	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Current Assets			
Cash and cash equivalents	\$ 611,766	\$ 601,663	\$ 1,213,429
Utilities receivable, net	178,170	104,915	283,085
Intergovernmental receivable	962,606	-	962,606
Inventory	124,229	50,641	174,870
Prepaid expenses	12,369	7,980	20,349
Total Current Assets	1,889,140	765,199	2,654,339
Restricted Assets			
Cash and cash equivalents	623,178	91,654	714,832
Investments	60,678	60,678	121,356
Total Restricted Assets	683,856	152,332	836,188
Property, Plant and Equipment			
Land	57,354	146,276	203,630
Construction in progress	1,218,488	-	1,218,488
Sewer system	-	14,431,267	14,431,267
Water system	10,192,233	-	10,192,233
Pumping and purification	1,841,680	-	1,841,680
Lake	1,424,111	-	1,424,111
	14,733,866	14,577,543	29,311,409
Less accumulated depreciation	(7,469,847)	(5,732,287)	(13,202,134)
Total Property, Plant, and Equipment	7,264,019	8,845,256	16,109,275
Total Assets	9,837,015	9,762,787	19,599,802
Liabilities			
Current Liabilities			
Accounts payable	346,747	-	346,747
Deposits payable	95,883	-	95,883
Accrued interest payable	7,854	4,038	11,892
Current maturities of long-term debt	100,685	448,529	549,214
Total Current Liabilities	551,169	452,567	1,003,736
Long-Term Liabilities			
Revenue bonds payable	2,591,911	-	2,591,911
Financed purchase payable	34,977	358,041	393,018
Total Long-Term Liabilities	2,626,888	358,041	2,984,929
Total Liabilities	3,178,057	810,608	3,988,665
Net Position			
Net investment in capital assets	4,536,446	8,038,686	12,575,132
Restricted	587,973	152,332	740,305
Unrestricted	1,534,539	761,161	2,295,700
Total Net Position	\$ 6,658,958	\$ 8,952,179	\$ 15,611,137

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, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating Revenues			
Charges for services	\$ 1,724,620	\$ 1,211,232	\$ 2,935,852
Miscellaneous	14,578	27,701	42,279
Total Operating Revenues	1,739,198	1,238,933	2,978,131
Operating Expenses			
Administration	77,000	89,000	166,000
Legal and professional	62,773	29,998	92,771
Service agreement	594,350	266,954	861,304
Purchased services	1,254	3,354	4,608
Utilities	80,598	112,630	193,228
Maintenance	62,637	40,467	103,104
Supplies	171,448	28,975	200,423
Water purchased	349,450	-	349,450
Insurance	32,247	20,882	53,129
Depreciation	418,955	296,699	715,654
Miscellaneous	5,157	6,948	12,105
Total Operating Expenses	1,855,869	895,907	2,751,776
<i>Operating Income (Loss)</i>	(116,671)	343,026	226,355
Nonoperating Revenues (Expenses)			
Interest income	6,389	31,537	37,926
Grant revenue	-	5,004	5,004
Interest expense	(98,824)	(47,706)	(146,530)
Total Nonoperating Revenues (Expenses)	(92,435)	(11,165)	(103,600)
<i>Income (Loss) Before Capital Contributions</i>	(209,106)	331,861	122,755
Capital Contributions - Federal Sources	1,102,554	4,000	1,106,554
<i>Changes in Net Position</i>	893,448	335,861	1,229,309
Net Position, October 1	5,765,510	8,616,318	14,381,828
Net Position, September 30	\$ 6,658,958	\$ 8,952,179	\$ 15,611,137

See accompanying Notes to the Financial Statements.

City of Bowling Green

Statement of Cash Flows – Proprietary Funds

Year Ended September 30, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 1,723,669	\$ 1,189,831	\$ 2,913,500
Cash paid to suppliers	(1,443,498)	(750,384)	(2,193,882)
Net Cash Provided by Operating Activities	280,171	439,447	719,618
Cash Flows from Noncapital Financing Activities			
Payments for engineering study	-	10,200	10,200
Net Cash Provided by Cash Flows from Noncapital Financing Activities	-	10,200	10,200
Cash Flows from Capital and Related Financing Activities			
Purchase of fixed assets	(1,005,434)	(43,093)	(1,048,527)
Grant proceeds	139,948	4,000	143,948
Payment of debt principal	(97,472)	(436,730)	(534,202)
Payment of interest expense	(99,068)	(51,583)	(150,651)
Net Cash (Used) by Capital and Related Financing Activities	(1,062,026)	(527,406)	(1,589,432)
Cash Flows from Investing Activities			
Interest received on investments	6,389	31,537	37,926
(Purchase) of investments	(2,891)	(2,891)	(5,782)
Net Cash Provided by Investing Activities	3,498	28,646	32,144
<i>Net (Decrease) in Cash and Cash Equivalents</i>	<i>(778,357)</i>	<i>(49,113)</i>	<i>(827,470)</i>
Cash and Cash Equivalents, Beginning of year	2,013,301	742,430	2,755,731
Cash and Cash Equivalents, End of year	1,234,944	693,317	1,928,261
Less Restricted Cash and Cash Equivalents	623,178	91,654	714,832
Unrestricted Cash and Cash Equivalents	\$ 611,766	\$ 601,663	\$ 1,213,429
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (116,671)	\$ 343,026	\$ 226,355
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	418,955	296,699	715,654
(Increase) decrease in			
Utilities receivable	(20,584)	(49,102)	(69,686)
Inventory	(8,322)	7,599	(723)
Prepaid expenses	(808)	(505)	(1,313)
Increase (decrease) in			
Accounts payable	2,546	(158,270)	(155,724)
Deposits payable	5,055	-	5,055
Net Cash Provided by Operating Activities	\$ 280,171	\$ 439,447	\$ 719,618

See accompanying Notes to the Financial Statements.

City of Bowling Green

Statement of Fiduciary Net Position

September 30, 2024

	Custodial Fund
Assets	
Cash and cash equivalents	\$ -
Total Assets	<u>-</u>
Liabilities	
Due to others	<u>-</u>
Net Position Restricted for	
Other government units	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements.

City of Bowling Green

Statement of Changes in Fiduciary Net Position

Year Ended September 30, 2024

	Custodial Fund
Additions	
Taxes	\$ 150,201
Charges for service	515
Grants	1,709
Interest	44
Miscellaneous	1,148
Total Additions	<u>153,617</u>
Deductions	
Library	153,617
Total Deductions	<u>153,617</u>
<i>Change in Net Position</i>	-
Net Position, Beginning of Year	-
Net Position, End of Year	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements.

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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.

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.

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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 Balances 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.

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.

The City reports the following fiduciary fund:

Custodial Fund: The custodial fund accounts for assets held by the City as an agent for other governments. Custodial fund activity includes collections and disbursements for the Bowling Green Library.

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.

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

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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.

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.

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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.

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.

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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 assets 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 Balance Sheet and 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 assets 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 amounts relating to lease inflows on the Balance Sheet and 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.

Leases

The City is a lessor on land leases. The City recognizes a lease receivable and deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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, 2024, all bank balances on deposit were insured or collateralized.

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

3. Investments

Investments of the City as of September 30, 2024, consist of the following:

Investment Type	Maturity	Total
Certificates of Deposit	10/03/2024 - 3/22/2026	\$ 1,753,597

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, 2024, 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

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:

	Restricted Cash and Investments	Restricted Net Position
Water Fund		
USDA Revenue Bonds		
Debt service reserve	\$ 182,160	\$ 182,160
Short lived asset reserve	405,813	405,813
Customer deposits	95,883	-
	\$ 683,856	\$ 587,973
Sewer Fund		
2003B Revenue Bonds		
Principal and interest	\$ 91,654	\$ 91,654
Depreciation and replacement	60,678	60,678
	\$ 152,332	\$ 152,332

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

Governmental Activities

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

	Restricted Cash and Investments	Restricted Fund Balance/ Net Position
General Fund		
Excavation permit bond	\$ 5,000	\$ -
Community center deposits	1,295	-
Flag reserves	1,855	1,855
Developer escrow funds	30,175	-
	\$ 38,325	\$ 1,855
Cemetery Fund		
Nonspendable		
Perpetual care	\$ 30,442	\$ 30,442
Restricted		
Cemetery tax	197,508	198,007
Cemetery donations	150	150
	\$ 228,100	\$ 228,599
Park Fund		
Park sales tax	\$ 1,009,344	\$ 1,059,222
Street CIP Fund		
Transportation tax	\$ 1,400,940	\$ 1,500,570

5. Accounts Receivable

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

	Gross Receivable	Allowance	Net Receivable
Utilities Receivable			
Water Fund	\$ 183,488	\$ (5,318)	\$ 178,170
Sewer Fund	109,491	(4,576)	104,915
	\$ 292,979	\$ (9,894)	\$ 283,085

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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, 2024, are due as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 145,000	\$ 5,220	\$ 150,220

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, 2024

The total annual minimum lease payments required at September 30, 2024, are as follows:

<u>Year Ending September 30,</u>	Direct Borrowing		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	162,781	1,791	164,572
	<u>\$ 1,248,887</u>	<u>\$ 86,275</u>	<u>\$ 1,335,162</u>
Governmental Activities	\$ 1,117,140		
Business-Type Activities			
Sewer Fund	131,747		
	<u>\$ 1,248,887</u>		

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

	<u>Balance September 30, 2023</u>	<u>New Obligations</u>	<u>Retirements</u>	<u>Balance September 30, 2024</u>	<u>Amounts Due Within One Year</u>
Certificates of Participation Payable					
Series 2015	\$ 285,000	\$ -	\$ 140,000	\$ 145,000	\$ 145,000
Direct Borrowing					
2020 Financed Purchase Payable	1,371,013	-	253,873	1,117,140	305,266
Compensated Absences	9,735	2,860	-	12,595	-
	<u>\$ 1,665,748</u>	<u>\$ 2,860</u>	<u>\$ 393,873</u>	<u>\$ 1,274,735</u>	<u>\$ 450,266</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, 2024

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, 2024, are listed in the following tables:

Series 2012A

Year Ending September 30,	Direct Placement		
	Principal	Interest	Total
2025	\$ 49,214	\$ 62,062	\$ 111,276
2026	51,219	60,057	111,276
2027	53,305	57,971	111,276
2028	55,477	55,799	111,276
2029	57,737	53,539	111,276
2030-2034	325,948	230,432	556,380
2035-2039	397,982	158,398	556,380
2040-2044	485,935	70,445	556,380
2045	97,074	1,952	99,026
	<u>\$ 1,573,891</u>	<u>\$ 750,655</u>	<u>\$ 2,324,546</u>

Series 2012B

Year Ending September 30,	Direct Placement		
	Principal	Interest	Total
2025	\$ 12,199	\$ 15,365	\$ 27,564
2026	12,696	14,868	27,564
2027	13,213	14,351	27,564
2028	13,751	13,813	27,564
2029	14,312	13,252	27,564
2030-2034	80,795	57,025	137,820
2035-2039	98,649	39,171	137,820
2040-2044	120,452	17,368	137,820
2045	23,597	470	24,067
	<u>\$ 389,664</u>	<u>\$ 185,683</u>	<u>\$ 575,347</u>

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

Series 2012C

<u>Year Ending September 30,</u>	<u>Direct Placement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 26,417	\$ 16,723	\$ 43,140
2026	27,051	16,089	43,140
2027	27,700	15,440	43,140
2028	28,365	14,775	43,140
2029	29,047	14,093	43,140
2030-2034	156,034	59,666	215,700
2035-2039	175,689	40,011	215,700
2040-2044	197,818	17,882	215,700
2045-2046	48,065	711	48,776
	<u>\$ 716,186</u>	<u>\$ 195,390</u>	<u>\$ 911,576</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, 2024

The total annual minimum lease payments required at September 30, 2024, are as follows:

Year Ending September 30,	Direct Borrowing		
	Principal	Interest	Total
2025	\$ 102,839	\$ 12,054	\$ 114,893
2026	104,458	8,814	113,272
2027	106,104	5,524	111,628
2028	69,254	1,091	70,345
	<u>\$ 382,655</u>	<u>\$ 27,483</u>	<u>\$ 410,138</u>
Business-Type Activities			
Water Fund	\$ 47,832		
Sewer Fund	334,823		
	<u>\$ 382,655</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, 2024, are listed in the following table:

Year Ending September 30,	Direct Placement			Total
	Principal	Interest	Administrative Fee	
2025	\$ 340,000	\$ 16,150	\$ 2,428	\$ 358,578

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

The following table is a summary of the changes in the Long-Term Debt – Business-Type Activities for the year ended September 30, 2024:

	Balance September 30, 2023	New Obligations	Retirements	Balance September 30, 2024	Amounts Due Within One Year
Water Fund					
Direct Placement/Direct Borrowings					
Revenue Bonds Payable					
Series 2012A	\$ 1,621,186	\$ -	\$ 47,295	\$ 1,573,891	\$ 49,214
Series 2012B	401,387	-	11,723	389,664	12,199
Series 2012C	741,985	-	25,799	716,186	26,417
	<u>2,764,558</u>	<u>-</u>	<u>84,817</u>	<u>2,679,741</u>	<u>87,830</u>
Financed Purchase Payable					
Water project	60,487	-	12,655	47,832	12,855
	<u>2,825,045</u>	<u>-</u>	<u>97,472</u>	<u>2,727,573</u>	<u>100,685</u>
Sewer Fund					
Direct Placement/Direct Borrowings					
Revenue Bonds Payable					
Series 2003B	670,000	-	330,000	340,000	340,000
Financed Purchase Payable					
UV System	423,411	-	88,588	334,823	89,984
Sewer project	149,889	-	18,142	131,747	18,545
	<u>573,300</u>	<u>-</u>	<u>106,730</u>	<u>466,570</u>	<u>108,529</u>
	<u>1,243,300</u>	<u>-</u>	<u>436,730</u>	<u>806,570</u>	<u>448,529</u>
	<u>\$ 4,068,345</u>	<u>\$ -</u>	<u>\$ 534,202</u>	<u>\$ 3,534,143</u>	<u>\$ 549,214</u>

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

8. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Balance September 30, 2023	Additions	Deletions	Balance September 30, 2024
Governmental Activities				
Non-depreciable capital assets				
Land	\$ 1,157,159	\$ -	\$ 4,777	\$ 1,152,382
Construction in progress	143,484	-	143,484	-
Total Non-depreciable Capital Assets	1,300,643	\$ -	\$ 148,261	1,152,382
Depreciable capital assets				
Building and improvements	2,664,392	\$ 1,278,901	\$ -	3,943,293
Machinery and equipment	2,173,697	211,927	62,801	2,322,823
Infrastructure	16,648,511	585,944	-	17,234,455
Total Depreciable Capital Assets	21,486,600	\$ 2,076,772	\$ 62,801	23,500,571
Less Accumulated Depreciation				
Buildings and improvements	993,007	\$ 55,513	\$ -	1,048,520
Machinery and equipment	1,604,847	125,410	62,801	1,667,456
Infrastructure	4,169,443	404,354	-	4,573,797
Total Accumulated Depreciation	6,767,297	\$ 585,277	\$ 62,801	7,289,773
Total Depreciable Capital Assets, net	14,719,303			16,210,798
Total Governmental Activities Capital Assets, net	\$16,019,946			\$17,363,180

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

Administrative	\$ 4,722
Community center	943
Public safety	53,801
Fire	9,860
Park	32,739
Airport	121,421
Street	360,895
Cemetery	896
	\$ 585,277

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

	Balance September 30, 2023	Additions	Deletions	Balance September 30, 2024
Business-Type Activities				
Water Fund				
Non-depreciable Capital Assets				
Land	\$ 57,354	\$ -	\$ -	\$ 57,354
Construction-in-progress	36,979	1,181,509	-	1,218,488
Total Non-depreciable Assets	94,333	<u>\$ 1,181,509</u>	<u>\$ -</u>	1,275,842
Depreciable Capital Assets				
Water system	10,069,836	\$ 141,830	\$ 19,433	10,192,233
Pumping and purification	1,841,680	-	-	1,841,680
Lake	1,424,111	-	-	1,424,111
Total Depreciable Capital Assets	13,335,627	<u>\$ 141,830</u>	<u>\$ 19,433</u>	13,458,024
Less Accumulated Depreciation	7,070,325	<u>\$ 418,955</u>	<u>\$ 19,433</u>	7,469,847
Depreciable Capital Assets, net	6,265,302			5,988,177
Sewer Fund				
Non-depreciable Capital Assets				
Land	146,276	\$ -	\$ -	146,276
Total Non-depreciable Capital Assets	146,276	<u>\$ -</u>	<u>\$ -</u>	146,276
Depreciable Capital Assets				
Sewer system	14,388,174	<u>\$ 43,093</u>	<u>\$ -</u>	14,431,267
Less Accumulated Depreciation	5,435,588	<u>\$ 296,699</u>	<u>\$ -</u>	5,732,287
Depreciable Capital Assets, net	8,952,586			8,698,980
Total Capital Assets Business-Type Activities, net	<u>\$ 15,458,497</u>			<u>\$ 16,109,275</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, 2024

financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at 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>2024 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, 2024, 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	8	19
Active employees	5	11
	<u>33</u>	<u>40</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 8.70% for General and 10.80% for Police of annual covered payroll.

Net Pension Asset. The employer's net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2024.

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

Actuarial Assumptions. The total pension liability in the February 29, 2024, 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 29, 2024, 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	5.00%	2.37%
Equity	39.00%	5.37%
Fixed Income	23.00%	1.47%
Real Assets	33.00%	3.45%
Strategic Assets	7.00%	3.46%
Cash/Leverage	-7.00%	-0.26%

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, 2024

Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
	(a)	(b)	(a) - (b)
General Division			
Balances at beginning of year	\$ 1,792,942	\$ 2,175,277	\$ (382,335)
Changes for the year			
Service cost	30,298	-	30,298
Interest	122,593	-	122,593
Difference between expected and actual experiences	56,528	-	56,528
Contributions - employer	-	18,103	(18,103)
Net investment income	-	109,420	(109,420)
Benefits paid, including refunds	(114,947)	(114,947)	-
Administrative expenses	-	(3,612)	3,612
Other (net transfer)	-	11,942	(11,942)
<i>Net Changes</i>	<u>94,472</u>	<u>20,906</u>	<u>73,566</u>
Balance at end of year	<u>1,887,414</u>	<u>2,196,183</u>	<u>(308,769)</u>
Police Division			
Balances at beginning of year	<u>1,622,173</u>	<u>1,776,312</u>	<u>(154,139)</u>
Changes for the year			
Service Cost	67,811	-	67,811
Interest	113,795	-	113,795
Difference between expected and actual experiences	25,852	-	25,852
Contributions - employer	-	56,096	(56,096)
Net investment income	-	94,573	(94,573)
Benefits paid, including refunds	(60,756)	(60,756)	-
Administrative expenses	-	(3,344)	3,344
Other (net transfer)	-	8,622	(8,622)
<i>Net Changes</i>	<u>146,702</u>	<u>95,191</u>	<u>51,511</u>
Balance at end of year	<u>1,768,875</u>	<u>1,871,503</u>	<u>(102,628)</u>
Total Plan Balances at End of Year	<u><u>\$ 3,656,289</u></u>	<u><u>\$ 4,067,686</u></u>	<u><u>\$ (411,397)</u></u>

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total Pension Liability	\$ 2,115,376	\$ 1,887,414	\$ 1,698,441
Fiduciary Net Position	2,196,183	2,196,183	2,196,183
<i>Net Pension (Asset)</i>	(80,807)	(308,769)	(497,742)
Police Division			
Total Pension Liability	2,082,617	1,768,875	1,521,129
Fiduciary Net Position	1,871,503	1,871,503	1,871,503
<i>Net Pension Liability (Asset)</i>	211,114	(102,628)	(350,374)
Total Net Pension Liability (Asset)	\$ 130,307	\$ (411,397)	\$ (848,116)

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

For the year ended September 30, 2024, the employer recognized pension expense of \$38,328 in the general division and \$209,067 in the police division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
General Division			
Differences between expected and actual experience	\$ 15,586	\$ -	\$ 15,586
Net difference between projected and actual earnings on pension plan investments	65,041	-	65,041
Contributions subsequent to the measurement date*	3,537	-	3,537
	84,164	-	84,164
Police Division			
Differences between expected and actual experience	98,821	-	98,821
Net difference between projected and actual earnings on pension plan investments	60,278	-	60,278
Contributions subsequent to the measurement date*	11,201	-	11,201
	170,300	-	170,300
	\$ 254,464	\$ -	\$ 254,464

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

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, 2025.

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
2025	\$ (3,041)	\$ 75,045	\$ 72,004
2026	53,461	57,252	110,713
2027	22,247	20,844	43,091
2028	7,960	5,958	13,918
	\$ 80,627	\$ 159,099	\$ 239,726

Payable to the Pension Plan

At September 30, 2024, 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:

	2023
Assessed Valuation	
Real estate	\$ 35,654,950
Personal property	10,833,450
	\$ 46,488,400
 Tax Rates Per \$100 of Assessed Valuation	
General Fund	\$.6382
Cemetery Fund	.0984
	\$.7366

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

The legal debt margin at September 30, 2024, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	\$ 4,648,840	\$ 4,648,840	\$ 9,297,680
General Obligation Bonds payable	-	-	-
Legal Debt Margin	<u>\$ 4,648,840</u>	<u>\$ 4,648,840</u>	<u>\$ 9,297,680</u>

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

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

11. Risk Management

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

12. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of September 30, 2024, 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. 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 \$4,167,619. Principal and interest paid for the current year and total customer net revenues were \$543,640 and \$942,009, respectively. In addition, interest subsidies paid \$18,973 of the total interest expense.

City of Bowling Green

Notes to the Financial Statements

September 30, 2024

14. Leases Receivable

The City, as a lessor, has entered into lease agreements for land rental, the terms of which expire in 2027. Lease and interest revenue recognized under the lease agreements during the year ended September 30, 2024, was \$18,518 and \$2,600, respectively.

Below is a schedule of future payments that are included in the measurement of the lease receivable:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,963	\$ 2,845	\$ 26,808
2026	25,189	1,619	26,808
2027	13,074	330	13,404
	<u>\$ 62,226</u>	<u>\$ 4,794</u>	<u>\$ 67,020</u>

15. Commitments

At September 30, 2024, 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 2025. For subsequent contract years, the base fee shall be increased by 2% for the year ending September 30, 2026 and increased by 3% for the year ending September 30, 2027.
- Mick Mehler & Sons, Inc. to work on the waterline replacement project in the amount of \$85,443.

Required Supplementary Information

City of Bowling Green

Schedule of Changes in the Net Pension Asset and Related Ratios Year Ended September 30, 2024

Missouri Local Government Employees Retirement System (LAGERS)										
	Year Ended September 30, 2024	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
Total Pension Liability										
Service cost	\$ 98,109	\$ 83,250	\$ 66,285	\$ 61,141	\$ 55,920	\$ 63,820	\$ 55,683	\$ 60,825	\$ 65,548	\$ 62,690
Interest on the total pension liability	236,388	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	82,380	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	(175,703)	(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>	241,174	170,197	692,077	94,071	75,502	(2,424)	269,262	(3,580)	241,345	108,764
Total Pension Liability, Beginning	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	1,769,901
Total Pension Liability, Ending	3,656,289	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
Plan Fiduciary Net Position										
Contributions - employer	74,199	66,249	48,170	40,146	37,359	43,212	47,885	28,420	34,732	38,202
Pension plan net investment income	203,993	140,159	3,477	792,024	40,126	205,321	321,533	281,993	(4,958)	46,237
Benefit payments	(175,703)	(224,272)	(193,311)	(120,024)	(140,376)	(134,905)	(67,626)	(69,967)	(73,627)	(73,127)
Pension plan administrative expense	(6,956)	(7,913)	(5,965)	(5,237)	(6,720)	(5,793)	(4,182)	(3,792)	(3,616)	(4,008)
Other (net transfer)	20,564	(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>	116,097	(28,841)	298,713	684,695	(60,062)	106,950	304,907	213,832	(22,000)	38,654
Plan Fiduciary Net Position, Beginning	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	2,414,741
Plan Fiduciary Net Position, Ending	4,067,686	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
Net Pension (Asset)	\$ (411,397)	\$ (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	111.25%	115.71%	122.67%	144.22%	121.89%	128.27%	123.66%	124.99%	114.69%	130.59%
Covered payroll	\$ 736,059	\$ 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	(55.89)%	(76.26)%	(125.48)%	(175.78)%	(96.06)%	(121.06)%	(86.71)%	(96.20)%	(47.15)%	(81.92)%

City of Bowling Green

Schedule of Contributions

Year Ended September 30, 2024

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
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%
2024	77,910	73,730	(4,180)	725,458	10.16%

See accompanying Notes to the Schedule of Contributions.

City of Bowling Green

Notes to the Schedule of Contributions

Year Ended September 30, 2024

Valuation Date: February 29, 2024

Notes: The roll-forward of total pension liability from February 29, 2024, to June 30, 2024, 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 13 to 17 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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes	\$ 289,500	\$ 289,500	\$ 301,642	\$ 12,142
City sales tax	1,161,000	1,161,000	1,280,425	119,425
Transportation sales tax	575,000	575,000	619,770	44,770
Financial institution tax	-	-	27	27
Railroad and utility tax	32,000	32,000	180,477	148,477
Surtax	5,500	5,500	5,427	(73)
Utility franchise tax	325,000	325,000	374,556	49,556
Motor vehicle tax	209,000	209,000	222,343	13,343
Lodging tax	75,000	75,000	61,878	(13,122)
Cigarette tax	14,000	14,000	12,899	(1,101)
	2,686,000	2,686,000	3,059,444	373,444
Licenses and Permits				
Occupational licenses	12,800	12,800	14,323	1,523
Building permits	9,350	9,350	42,735	33,385
Animal license and fees	400	400	555	155
	22,550	22,550	57,613	35,063
Intergovernmental Revenues				
Police grants	10,000	10,000	31,577	21,577
Airport grants	1,121,187	1,121,187	1,113,218	(7,969)
CDBG grant	-	-	-	-
Fire grants	26,000	26,000	20,000	(6,000)
ARPA grant	-	-	281,110	281,110
	1,157,187	1,157,187	1,445,905	288,718
Charges for Services				
Printing	300	300	195	(105)
Airport fuel	11,000	11,000	12,142	1,142
Trash billing	180,000	180,000	206,115	26,115
Rents and royalties	40,900	40,900	49,368	8,468
	232,200	232,200	267,820	35,620
Fines and Forfeitures				
City court fines	7,500	7,500	8,432	932
Miscellaneous				
Donations	-	-	1,900	1,900
Interest	11,000	11,000	79,050	68,050
Other	14,250	14,250	68,445	54,195
	25,250	25,250	149,395	124,145
Total Revenues	4,130,687	4,130,687	4,988,609	857,922

See accompanying Notes to the Budgetary Comparison Schedules.

City of Bowling Green

Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
Administrative	543,230	543,230	595,511	(52,281)
Public safety	1,247,640	1,247,640	1,173,730	73,910
Fire	267,650	267,650	132,144	135,506
Community center	38,571	38,571	13,311	25,260
Airport	1,218,360	1,218,360	1,296,392	(78,032)
Street	959,872	959,872	877,371	82,501
Planning and zoning	146,247	146,247	78,372	67,875
Other	4,500	4,500	4,491	9
Debt Service				
Principal, interest and fees	121,417	121,417	121,277	140
Total Expenditures	4,547,487	4,547,487	4,292,599	254,888
 <i>Excess (Deficit) of Revenues Over Expenditures</i>	 (416,800)	 (416,800)	 696,010	 1,112,810
 Fund Balance, October 1	 4,282,399	 4,282,399	 4,282,399	 -
Fund Balance, September 30	\$ 3,865,599	\$ 3,865,599	\$ 4,978,409	\$ 1,112,810

See accompanying Notes to the Budgetary Comparison Schedules.

City of Bowling Green

Budgetary Comparison Schedule – Cemetery Fund

Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes and penalties	\$ 44,344	\$ 44,344	\$ 46,020	\$ 1,676
Railroad and utility tax	5,000	5,000	29,195	24,195
Surtax	800	800	878	78
Other taxes	-	-	4	4
	50,144	50,144	76,097	25,953
Charges for services				
Sale of lots	5,350	5,350	4,304	(1,046)
Miscellaneous				
Interest	1,000	1,000	3,985	2,985
Donations	-	-	25	25
	1,000	1,000	4,010	3,010
Total Revenues	56,494	56,494	84,411	27,917
Expenditures				
Current				
Cemetery	112,494	112,494	104,541	7,953
Total Expenditures	112,494	112,494	104,541	7,953
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(56,000)	(56,000)	(20,130)	35,870
Fund Balance, October 1	248,729	248,729	248,729	-
Fund Balance, September 30	\$ 192,729	\$ 192,729	\$ 228,599	\$ 35,870

See accompanying Notes to the Budgetary Comparison Schedules.

City of Bowling Green

Budgetary Comparison Schedule – Park Fund

Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales taxes	\$ 245,000	\$ 245,000	\$ 309,884	\$ 64,884
Charges for Services				
Park rental	700	700	875	175
Park programs	-	-	200	200
	700	700	1,075	375
Miscellaneous				
Interest	2,500	2,500	8,920	6,420
Other	-	-	904	904
	2,500	2,500	9,824	7,324
Total Revenues	248,200	248,200	320,783	72,583
Expenditures				
Current				
Park	232,300	232,300	113,871	118,429
Pool	15,900	15,900	9,283	6,617
Debt Service				
Principal, interest and fees	-	-	16,507	(16,507)
Total Expenditures	248,200	248,200	139,661	108,539
<i>Excess (Deficit) of Revenues Over Expenditures</i>	-	-	181,122	181,122
Fund Balance, October 1	880,595	880,595	880,595	-
Fund Balance, September 30	\$ 880,595	\$ 880,595	\$ 1,061,717	\$ 181,122

See accompanying Notes to the Budgetary Comparison Schedules.

City of Bowling Green

Budgetary Comparison Schedule – Street CIP Fund

Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales taxes	\$ 560,000	\$ 560,000	\$ 619,756	\$ 59,756
Miscellaneous				
Interest	2,000	2,000	3,976	1,976
Total Revenues	562,000	562,000	623,732	61,732
Expenditures				
Current				
Street	387,190	387,190	248,668	138,522
Debt Service				
Principal, interest and fees	294,810	294,810	294,097	713
Total Expenditures	682,000	682,000	542,765	139,235
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(120,000)	(120,000)	80,967	200,967
Fund Balance, October 1	1,419,603	1,419,603	1,419,603	-
Fund Balance, September 30	\$ 1,299,603	\$ 1,299,603	\$ 1,500,570	\$ 200,967

See accompanying Notes to the Budgetary Comparison Schedules.

City of Bowling Green

Notes to the Budgetary Comparison Schedules

Year Ended September 30, 2024

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. The City records capitalized expenditures as capital outlay on the GAAP basic fund statements, however for budget purposes, they are included in the associated department's expenditures. These differences have no bearing on the fund balances since the overall total expenditures are the same.
7. 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, each major fund, and the remaining fund information of the City of Bowling Green, Missouri, as of and for the year ended September 30, 2024, 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 12, 2025.

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 Questioned Costs as item 2024-001, 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 Schedule of Findings and Questioned Costs. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 12, 2025



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Bowling Green, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Bowling Green, Missouri's major federal programs for the year ended September 30, 2024. The City of Bowling Green, Missouri's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Bowling Green, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Bowling Green, Missouri's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Bowling Green, Missouri's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 12, 2025

City of Bowling Green

Notes to the Schedule of Expenditures of Federal Awards

Year Ended September 30, 2024

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number/Other Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Justice				
Direct				
Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ 850
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-02992-MUMU	-	9,997
Total U.S. Department of Justice			-	10,847
U.S. Department of Transportation				
Missouri Department of Transportation				
COVID 19 - Airport Improvement Program	20.106	20-051A-A1	-	13,232
Airport Improvement Program		22-051A-1	-	1,099,986
			-	1,113,218
University of Central Missouri				
Alcohol Open Container Requirements	20.607	24-154-AL-049	-	1,007
University of Central Missouri				
Highway Safety Cluster				
National Priority Safety Programs	20.616	24-M2HVE-05-032	-	1,199
Missouri Department of Transportation				
Highway Safety Cluster				
National Priority Safety Programs	20.616	24-M3DA-04-001	-	10,709
Total Highway Safety Cluster			-	11,908
Total U.S. Department of Transportation			-	1,126,133
U.S. Department of the Treasury				
Direct				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	425,058
Missouri Department of Natural Resources				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	02C8B99A202F	-	962,606
Missouri Department of Public Safety				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP4542-FPG020	-	20,000
Total U.S. Department of the Treasury			-	1,407,664
Environmental Protection Agency				
Missouri Department of Natural Resources				
Clean Water State Revolving Fund	66.458	EPG-262-22	-	5,004
Total Environmental Protection Agency			-	5,004
Total Expenditures of Federal Awards			\$ -	\$ 2,549,648

See accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Bowling Green

Notes to the Schedule of Expenditures of Federal Awards

Year Ended September 30, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Bowling Green, Missouri, under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Bowling Green, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Bowling Green, Missouri.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The City of Bowling Green, Missouri, has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Subrecipients

The City of Bowling Green, Missouri, did not provide funds to subrecipients in the current year.

City of Bowling Green

Schedule of Findings and Questioned Costs

Year Ended September 30, 2024

Section I – Summary of Auditors’ Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors’ report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal programs:	
Assistance Listing Number(s)	Name of Federal Program or Cluster
20.106 21.027	Airport Improvement Program COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

City of Bowling Green

Schedule of Findings and Questioned Costs

Year Ended September 30, 2024

Section II – Financial Statement Findings

Material Weakness

2024-001 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.

This is a repeat finding of *2023-001*.

Section III – Federal Award Findings and Questioned Costs

None

City of Bowling Green

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2024

Financial Statement Finding

Material Weakness

2023-001 *Segregation of Duties*

Auditors' 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.

Status: Uncorrected



16 W. Church St.
Bowling Green, MO 63334
Phone: 573-324-5451
Fax: 573-324-2644
www.bowlinggreen-mo.gov

March 12, 2025

U.S. Department of Treasury

The City of Bowling Green, Missouri respectfully submits the following corrective action plan for the year ended September 30, 2024. Contact information for the individual responsible for the corrective action:

Mrs. Linda Luebrecht, City Administrator
City of Bowling Green
16 W. Church Street
Bowling Green, MO 63334
(573) 324-5451

Independent Public Accounting Firm: KPM CPAs, PC, 1445 E. Republic Road, Springfield, MO 65804

Audit Period: Year ended September 30, 2024

The findings from the September 30, 2024, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings – Financial Statement Audit

Material Weakness

2024-001 Segregation of Duties

Recommendation: We realize 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.

Action Taken: The limited number of available personnel prohibits segregation of incompatible duties and the City does not have the resources to hire additional accounting personnel.

Completion Date: Not applicable

Sincerely,

Mrs. Linda Luebrecht
City Administrator
City of Bowling Green