

CITY OF BOWLING GREEN, KENTUCKY
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
For the Fiscal Year Ended June 30, 2022



**COMMUNITY LED
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City of Bowling Green
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022



Issued by the
Department of Finance
City of Bowling Green, Kentucky

City of Bowling Green, Kentucky

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FINANCE DEPARTMENT

ERIN BALLOU, CMA, CPFO
Assistant Chief Financial Officer

MEGHAN VANMETER
Procurement Manager



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SEAN WEEKS, CPFO
Assistant Chief Financial Officer

DAVID L. LYNE
Occupational License Manager

KATIE E. SCHALLER-WARD
Assistant City Manager/CFO

October 24, 2022

Honorable Mayor Todd Alcott
Members of the Board of Commissioners
Residents of Bowling Green

Dear Mayor, City Commissioners, and Residents of Bowling Green:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Bowling Green, "the City", for the fiscal year ended June 30, 2022. The ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and the reporting standards of the Governmental Accounting Standards Board (GASB). The ACFR includes all funds of the City and the component units.

Management of the City is responsible for the accuracy of the data presented as well as the completeness and fairness of the presentation of this information. To provide a reasonable basis for making these representations, the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived from their use and that such cost-benefit evaluation requires estimates and judgment by management.

To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and fairly presents the financial position and results of the operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

The independent accounting firm of MCM CPAs & Advisors LLP, Certified Public Accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022 are free of any material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the City; and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2022, are fairly presented in all material respects in conformity with GAAP. Their report is the first component in the Financial Section of this report.

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Additionally, MCM CPAs & Advisors LLP included an audit of federal grants in order to meet the requirements of federal grantor agencies as outlined by the U.S. Office of Management and Budget's Uniform Administrative Requirements (2 CFR 200.501), Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance. These standards require the auditor to report not only on the fairness of the representation of the financial statements, but also on the internal controls and compliance with legal requirements of the federal awards. The Single Audit Report is included with this report.

PROFILE OF THE CITY

Bowling Green, the "Park City" of Kentucky, was established in 1798, and is located in the south-central part of Kentucky. The City occupies a land area of approximately 42.1 square miles, has an estimated population of 73,529 according to the U.S. Census, and serves as the retail, educational, medical, commercial, and social hub for south-central Kentucky and northern Tennessee. The broader workforce, which measures employable workers that are 18 years and older, is measured at approximately 750,000 for the area encompassing a hundred mile radius from the City.

The City operates under the City Manager form of government, one of the alternative forms of municipal government established under Kentucky Statutes. Under this form of government, a Mayor, who is elected for a term of four years, and four City Commissioners, who serve two years each, are all voted into office in non-partisan elections. The Mayor and the City Commissioners comprise the Board of Commissioners, "the Board", in which all legislative and executive authority of the City is vested. As such, the Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and ratifying the hiring of most City staff. The Board appoints a City Manager, who serves as the Chief Administrative Officer of the City and enforces City ordinances and policy as well as carrying out day-to-day operations. The City's workforce as of June 30, 2022 was comprised of 500 authorized full-time positions and 470 of those positions were occupied, with 62.8% of the employees dedicated to public safety.

The City provides a full range of municipal services, including police and fire protection, engineering and inspection services, construction and maintenance of streets and other infrastructure, recreational activities and cultural events, and general administrative services. As required by GAAP, the financial statements of the City also include certain other agencies called component units. A component unit is generally a legally separate entity for which the City is financially accountable. The City is financially accountable for a legally separate organization if City officials appoint a voting majority of the board and it is either able to impose its will on that organization or there is potential for the organization to provide the City specific financial benefits, or impose specific financial burdens on the City.

In accordance with GASB Statement No. 61, "*The Financial Reporting Entity*", and based on the foregoing criteria, the City has presented the Bowling Green Police and Firefighters' Retirement Fund as a blended component unit within the City's basic financial statements because the component unit's governing body is substantially the same as the governing body of the City, and the component unit is dependent upon the City financially and operationally. Bowling Green Municipal Utilities is included as a discretely presented component unit because the City is financially accountable and is able to impose its will on the organization, or the component unit provides specific financial benefits and imposes specific financial burdens on the City. The Bowling Green/Warren County Regional Airport, Bowling Green Independent School District, Housing Authority of Bowling Green, and other various related organizations providing services within the City do not meet the financial accountability criteria discussed above and, therefore, are excluded from this report.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager submits a proposed budget to the Board in May or no later than June 1 of each year. Under State statute, this budget must be balanced for each fund and total available funds must equal or exceed total anticipated expenditures. The Board then conducts a public meeting on the proposed budget. Prior to July 1, the budget is legally enacted through passage of an ordinance. During the year, the Assistant City Manager/Chief Financial Officer is authorized to transfer budgeted amounts between departments within any fund. However, the Board must approve any revisions that alter the total expenditures of any fund. During this fiscal year, there were four such budget amendments. With respect to procurement, any expense that exceeds \$50,000 also requires approval by the Board.

FACTORS AFFECTING FINANCIAL CONDITION

The following is a brief discussion of factors affecting the financial condition of the City. Additional detailed information can be found in the Management's Discussion and Analysis (MD&A), in the Financial Section of this report.

Local Economy

The local economy is comprised of a well-balanced blend of service, manufacturing, retail and other industries that support the City's main revenue source, employee withholding fees. Bowling Green is the home of Western Kentucky University (WKU), the City's largest employer with approximately 3,274 employees and a prime catalyst for the local economy. The University's total enrollment for the Fall 2021 semester including undergraduate and graduate students was 16,750, a slight decrease from the previous year. WKU also houses one of the nation's top-rated high schools, the Gatton Academy for Mathematics and Sciences, which according to *Niche.com* ranks as the top high school for STEM in Kentucky and the second best public high school in Kentucky. Other major employers include the General Motors Corvette assembly plant and two regional hospitals. In addition, countless local businesses prosper in the community proving that the entrepreneurial spirit is alive and well in the region.

Aggressive cooperative strategies are in place between the local governments, the Chamber of Commerce, the Economic Development Authority, and the Inter-Modal Transportation Authority (ITA) that continue to attract businesses and jobs to the community. These strategies result in the City receiving consistent high scores in national rankings of preferred business locations and favorable environments for the creation and development of businesses due to rich economic, social, and cultural environments. Recently, *Site Selection Magazine* awarded the Bowling Green Area Chamber of Commerce the Mac Conway Award for Excellence in Economic Development for the second consecutive year and placed first in the South Central US for total number of projects per capita, earning Kentucky a 2021 Governor's Cup. Also in 2022, the Bowling Green Area Chamber of Commerce was recognized for having two of Kentucky's Top Ten largest job-creating projects including Tyson Foods, the State's third largest project, and Ball Corporation, the fourth-highest investment statewide. Both industries are located within Bowling Green's Kentucky Transpark. Additionally, the Southern Economic Development Council recognized Bowling Green and Warren County for Excellence in Community Economic Development with the Bowling Green Area Chamber of Commerce taking home the top honor in the largest community population category.

During 2021, there were 20 economic development projects announced and closed which created nearly 2,000 jobs and generated over \$860 million in capital investments. In the first six months of 2022, three economic development projects have closed bringing over \$2.0 billion in capital investment and generating 2,060 new jobs for the area. According to *Site Selection Magazine*, Bowling Green is ranked as one of the Top 6 Tier 2 Metros in the United States for the ninth consecutive year. *Global Trade Magazine* lists Bowling Green as the #2 City for manufacturing companies. Also, Bowling Green was recognized by *Livability* as a "Top 100 Best Places to Live" city, and according to *Southernliving.com* Bowling Green, Kentucky, ranks #12 in this year's "The South's Best Cities on the Rise".

Bowling Green's average unemployment rate during the past fiscal year has declined compared to Fiscal Year 2021 which was 4.9%, ending the year below the State and National averages. Bowling Green began Fiscal Year 2022 with an unemployment rate of 5.3%, versus 5.5% for the State and 5.9% nationally. By the end of the fiscal twelve months, the City's unemployment rate was 4.2%, versus 3.7% for the State and 3.6% for the Nation. Bowling Green's unemployment rate during Fiscal Year 2022 averaged 3.8%, versus 4.3% statewide and 4.2% across the United States.

Bowling Green was able to grow revenue collections during Fiscal Year 2022. The payroll tax base posted a gain of approximately \$142.3 million, which increased employee withholding fees and net profit collections by \$8.7 million, or +15.1%, over Fiscal Year 2021 and contributed to total withholding and net profit receipts of \$66.3 million. The City's second most important revenue source, property tax revenues, outperformed the FY2021 actual collections by \$564,000, or +3.3%, contributing to a total collection of over \$17,538,000. New business registrations issued during the fiscal year totaled 1,162.

The City has various abatement programs consisting of annexation incentives, payments-in-lieu-of-taxes (PILOT), and historical moratoriums related to property taxes, as well as the Job Development Incentive Program (JDIP) related to employee withholdings. An additional abatement program utilized by the City within the WKU Gateway to Downtown Bowling Green Tax Increment Financing (TIF) District may be comprised of property taxes, employee withholdings, and net profits. A long-term benefit and goal of the City's annexation related abatement programs is expansion of the tax base, with an emphasis on commercial and industrial areas. The same is true for programs within the JDIP and the TIF District, these programs focus on job creation and economic development. Each abatement program has been designed with cyclical components to attract businesses and ultimately contribute to population growth, which should accelerate infrastructure development and amenities furthering the appeal of the City.

Management believes the local economy remains strong as the City continues to see growth with new and expanding business announcements. The City is committed to aggressively competing for jobs and building a skilled workforce, attracting jobs to the area by offering incentives to new businesses locating in the area and encouraging the expansion of existing businesses to grow the job base. Additional efforts have been initiated to partner with other organizations to more effectively address workforce development and recruitment efforts. Western Kentucky University continues to be a stabilizing force for the local economy along with the health care and manufacturing sectors.

Long-term Financial Planning

The City's budget team, which is composed of the City Manager, Assistant City Manager/Chief Financial Officer, Human Resources Director, and two Assistant Chief Financial Officers, is primarily responsible for the long-term financial planning for the City. Long-term fiscal sustainability is a top focus of the budget team. The Assistant City Manager/CFO prepares the revenue forecast for the budget each year and budgeted expenditures are matched to revenue projections. Great emphasis is placed on current year operating revenues equaling or exceeding current year operating expenditures. Conservatism is used when preparing the annual revenue projection in order to avert budget shortfalls and to help encourage fiscal responsibility on the expenditure side. The use of fund balance is reserved for one-time capital expenditures. The City continues to make progress in reducing and eliminating debt and takes advantage of available debt refinancing opportunities.

Relevant Financial Policies

The City maintains an adopted Financial Policies and Procedures that addresses various areas of operations such as revenue collection, banking services, investments, debt management, budget management, and fund balance reserves. The Fund Balance policy is included in the Financial Policies and prescribes a 25% minimum reserve balance in the General Fund. Segregation of duties and internal controls are also a common theme to achieve sound financial operations in the sections covering accounting, accounts payable, revenue collections, payroll, cash management, investments, fixed assets, and procurement card guidelines.

Major Initiatives

The City continues to emphasize delivery of focused public services in a manner that provides maximum efficiency, effectiveness, and value to the residents of Bowling Green. The City's major initiatives during the year are discussed below.

The Public Works Department continues to be committed to improving the City's street, sidewalk, and stormwater infrastructure through on-going programs. The street overlay program was allocated a budget of \$1.5 million in FY2022 to resurface approximately 18.0 miles of roadway and make other intersection, curb and gutter improvements at selected locations. In FY2023, this budget was set at \$2.0 million with other road, intersection spot and roundabout improvements contributing another \$1.85 million. The sixteenth year of participation in the sidewalk improvement program was completed in 2022 and has resulted in over 17.48 miles of new sidewalk construction. The FY2023 budget continues with the greenways expansion program, and together these programs received \$900,000 for FY2023 projects. The stormwater program is in its twelfth year and over \$6.1 million in local tax revenues have been dedicated since to undertake large scale drainage improvements across the City, with the FY2023 budget contributing \$200,000.

The Public Works Department has also continued to oversee new projects to improve street, sidewalk, and stormwater infrastructure. Work was completed for Phase II of the streetscape improvements in downtown Bowling Green during FY2022 with the anticipation to continue to extend the project further along College and State Streets toward the WKU campus. Design and construction of the Shive Lane widening and roundabout project from Ken Bale Boulevard to a new roundabout at Middle Bridge Road and extending the roadway to Lovers Lane at Searcy Way, Phases II & III, continue to be underway. In FY2023, improvements to the College Street Pedestrian Bridge received \$1.6 million from the Transportation Alternatives Program grant with a local match of \$400,000.

The Parks and Recreation Department continued and completed several projects during Fiscal Year 2022. The popular Lovers Lane Soccer Complex parking lot was reconfigured to allow additional parking at a cost of \$65,000, three bridges were replaced at the Paul Walker Golf Course totaling \$33,000, and the Hobson Golf Course Driving Range received an expanded grass tee for \$67,000. Projects underway during FY2023 include the continued development for a new riverfront park area, on-going irrigation improvements at CrossWinds Golf Course, expansion of the netting at Hobson Driving Range, an interior remodel of the Parker Bennett Community Center, installation of an outdoor fitness court at Lovers Lane Soccer Complex, as well as parking lot improvements at Lampkin Park and the Bowling Green Community Center.

Several pieces of larger equipment were purchased during FY2022 for the Public Works, Police, and Fire departments, including: 26 new and replacement police vehicles, nine police dispatch workstations, ten self-contained breathing apparatus (SCBA), and two radio consoles were received and placed into service for a total cost of \$1,089,000. Additionally, and significantly, the Lovers Lane Fire Station was fully completed and capitalized at a final cost of \$4,033,000.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bowling Green for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The GFOA has also given an Award for Outstanding Achievement in Financial Reporting to the City of Bowling Green for its Popular Annual Financial Report for the fiscal year ended June 30, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

A Certificate of Achievement for Excellence in Financial Reporting and an Award for Outstanding Achievement in Popular Annual Financial Reporting are valid for a period of one year only. We believe our current reports continue to conform to the reporting requirements and we will be submitting both reports to the GFOA this year.

Acknowledgements

The preparation of this report could not have been accomplished without the dedicated services of the entire staff in the Department of Finance. We wish to express our sincere appreciation to all members of the department for their assistance, with special thanks to Erin Ballou, Assistant Chief Financial Officer; Sean Weeks, Assistant Chief Financial Officer; and to the staff of MCM CPAs & Advisors LLP.

Respectfully submitted,

A handwritten signature in black ink that reads "Katie Schaller-Ward". The signature is written in a cursive, flowing style.

Katie Schaller-Ward
Assistant City Manager/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bowling Green
Kentucky**

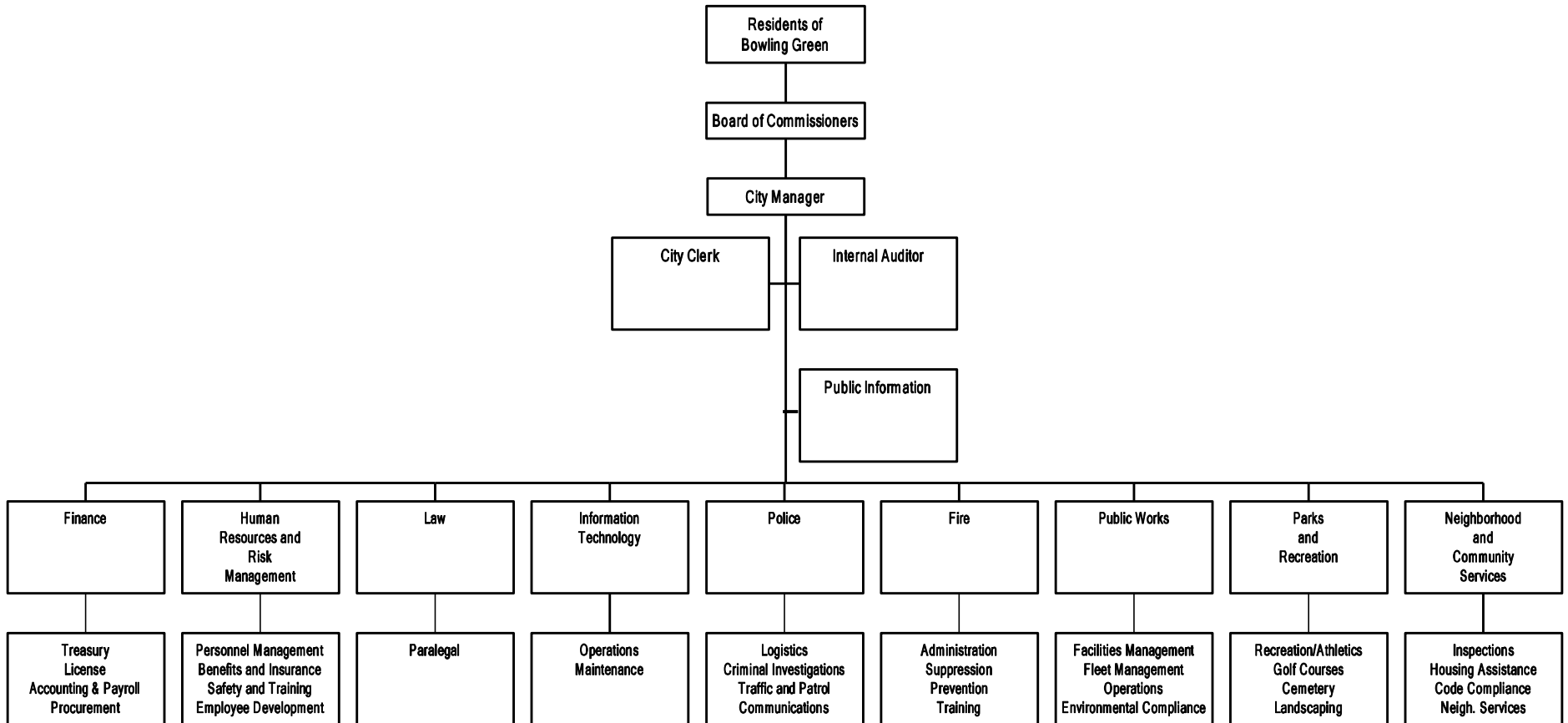
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF BOWLING GREEN



**City of Bowling Green, Kentucky
Directory – Principal Officials
As of June 30, 2022**

Mayor and Commissioners

Todd Alcott	Mayor
Carlos Bailey	Commissioner
Dana Beasley-Brown	Commissioner
Melinda Hill	Commissioner
Sue Parrigin	Commissioner / Mayor Pro Tem

JEFF MEISEL, CPA, ICMA-CM – CITY MANAGER

Administration:

Ashley Jackson	City Clerk
Deborah Jenkins	City Internal Auditor

Finance:

Katie Schaller-Ward	Assistant City Manager/CFO
Erin Ballou, CMA, CPFO	Assistant Chief Financial Officer
Sean Weeks, CPFO	Assistant Chief Financial Officer
Meghan Vanmeter	Procurement Manager

Human Resources and Risk Management:

Erin Hulsey	Director
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Law:

Hillary Hightower	City Attorney
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Information Technology:

Donnita Weeks	Director
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Public Safety:

Michael Delaney	Police Chief
Justin Brooks	Fire Chief

Public Works:

Greg Meredith	Director
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Parks and Recreation:

Brent Belcher	Director
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Neighborhood and Community Services:

Brent Childers	Director
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Independent Auditor's Report

Honorable Todd Alcott, Mayor
and Members of the Board of Commissioners
City of Bowling Green

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bowling Green as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, 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.

MCM CPAs & Advisors LLP

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Independent Auditor's Report (Continued)

Auditor's 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 auditor's report that includes our opinions. We did not audit the financial statements of the Policemen and Firefighters' Retirement Fund which reflects total assets of \$5,547,174 as of June 30, 2022, and total change in net position of \$1,312,945 for the year ended June 30, 2022. We also did not audit the financial statements of Bowling Green Municipal Utilities which represents all of the assets and the revenues as of and for the year ended June 30, 2022 of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Policemen and Firefighters' Retirement Fund and Bowling Green Municipal Utilities is based solely on the reports of the other auditors. 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 GAAS 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 GAAS 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.

Emphasis of Matter

During the fiscal year ended June 30, 2022, the City implemented Government Accounting Standards ("GASB") Statement No. 87 - *Leases*. The City recorded a lease receivable and lease liability upon implementation of the standard utilizing the facts and circumstances that existed at that date. Therefore, the City's financial position as of June 30, 2021 was not impacted by the implementation of the standard.

Independent Auditor's Report (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 23, budgetary comparison information on pages 84 through 85, pension and OPEB schedules on pages 87 through 93 and the Modified Approach for City Streets Infrastructure Capital Assets on pages 94 through 97 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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's basic financial statements. The combining and individual funds statements and schedules on pages 103 through 152 and the Schedule of Expenditures of Federal Awards on pages 186 and 187, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section on pages 1 through 9 and the statistical section on pages 154 through 179 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Independent Auditor's Report (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

MCM CPAs & Advisors LP

Lexington, Kentucky

October 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) offers readers of the financial statements an overview and analysis of the financial position and activities of the City of Bowling Green ("the City") for the fiscal year ended June 30, 2022. The information presented here should be read in conjunction with the Letter of Transmittal and the financial statements immediately following this analysis.

Financial Highlights

- The City's assets and deferred outflows exceeded liabilities and deferred inflows at the close of the fiscal year by \$250.5 million (net position). This amount included \$93.6 million of resources restricted to specific projects by laws, regulations or contractual agreements. A deficit total of \$48.3 million of resources was unrestricted principally due to the reporting of pension and OPEB liabilities as required by GASB Statements 68 and 75.
- The City's total net position increased \$40.0 million this year, net position of governmental activities increased \$40.0 million and net position of business-type activities decreased by less than \$0.1 million. The governmental activities increase is a result of the purchase of capital assets, the increase of the prepaid asset due to the recent debt issuance, and the reduction of outstanding debt through scheduled principal payments during Fiscal Year 2022.
- As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$151.7 million, an increase of \$18.1 million over the prior year. The increase is a result of added cash from a conservative approach to spending post COVID-19 and steady revenue growth from withholding fees. Of the total fund balances amount, \$12.7 million in the General Fund was unassigned and available for spending. The General Fund committed fund balance total of \$18.9 million represents the minimum balance set by the City's reserve balance policy, which equals the reserve balance as 25% of the adopted revenue budget.
- The City's governmental activities total assets increased by \$34.2 million primarily as a result of current year additions to capital assets for infrastructure and other improvement projects and increased cash due to unspent bond proceeds. Governmental activities deferred outflows of resources decreased by \$4.8 million due to reductions in outflows for pensions. Business-type activity assets did not change.
- The City's governmental activities total liabilities and deferred inflows of resources decreased \$10.6 million due to decreased liabilities for pensions and OPEB and scheduled reductions to general obligation debt.

Overview of the Financial Statements

This report was published under the standards for governmental financial reporting prescribed by the Governmental Accounting Standards Board in Statement No. 34 (GASB 34). This reporting format consists of financial statements that provide an overview of all services provided by or supported by the City (the government-wide statements) and provides more detailed information about major programs of the City (the fund statements).

The GASB 34 reporting model was designed to provide improved information to the reader. The statements present a financial picture of the City as a whole through the use of a consolidated statement of all funds, eliminating interfund transfers. In addition, the values of fixed assets of governmental-type operations are presented. Under prior reporting standards, the infrastructure assets for governmental-type funds were not reported or depreciated.

Government-Wide Financial Statements

Government-wide financial statements include the Statement of Net Position and the Statement of Activities. The statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. In accrual accounting, revenues earned and expenses incurred in the fiscal year are taken into account in the financial statements regardless of when cash is actually received or paid.

The Statement of Net Position presents information on all the City's assets and liabilities as of June 30, 2022. Net position is the difference between assets and liabilities. Over time, increases or decreases in net position are one indicator of whether financial health is improving or deteriorating. Information on other factors, such as changes in the revenue structure and the condition of the City's assets, is also needed to assess the overall financial situation of the City.

The Statement of Activities presents the City's annual revenues and expenses, as well as other transactions that increase or reduce net position. Program revenues are offset by program expenses in order to provide better information as to the net program costs that are financed by general government revenues.

The government-wide statements divide the various City functions into three kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including police, fire, public works, parks, golf, aquatics, community development and general administration. Occupational license fees, property taxes and service charges finance most activities.
- Business-type activities - Activities are primarily funded from the charges and fees to cover the cost of services. This solely includes the operations of the Sloan Convention Center.
- Component units - The City includes one separate legal entity as a component unit: Bowling Green Municipal Utilities. Although legally separate, component units are important because the City is held financially accountable.

Fund Financial Statements

Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Some funds are required to be established by local law or by bond covenants. However, many other funds are established to help control and manage money for a particular purpose. Two types of funds are presented in the fund financial statements: governmental funds and proprietary funds.

- Governmental funds - Most of the City's basic services are reported in governmental funds. The statements provide a short-term view of general government operations and show how services are financed as well as the balances left at year end that are available for future spending. Funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The relationship between the governmental activities (reported in the Statement of Net Position and Statement of Activities) and the governmental funds is described in a reconciliation, which is presented immediately following the fund financial statements. Under accounting guidelines, the City considers the General Fund, WKU Athletics Fund, Debt Service Fund, and ITA Bond Fund to be major governmental funds.
- Proprietary funds - When the City charges fees for services that are intended to cover the majority of the cost of providing the services, whether to outside customers or to other units of the City, the services are generally reported in proprietary funds. The subcategories of the funds include enterprise funds, which are business-type activities, and internal service funds that report services provided to internal units of government. The proprietary funds are reported in the same way that all activities are reported in the government-wide statements, but the fund statements provide more detail. The City considers the Convention Center Fund to be a major proprietary fund.

The City as Trustee

The City is trustee, or fiduciary, for the closed Police and Firefighters' Retirement Fund. The City is also responsible for other assets that, due to a trust arrangement, can be used only for trust beneficiaries. All the City's fiduciary activities are reported separately after the Proprietary Fund Statements. The activities are excluded from the other government-wide and fund statements since the City cannot use these assets to finance operations.

Government-wide Financial Analysis

Net Position

The following table summarizes the City's financial position as of June 30, 2022. The City reported total primary government assets greater than liabilities by \$250.5 million, an increase of \$40.0 million over last year. The increase in net position is primarily a result of increased collections of wage withholding and net profit revenues alongside an increase in capital assets and the prepaid rent asset. Business-type activities decreased slightly as a result of operating cost increases. A \$29.4 million increase in assets and deferred outflows of resources from the current year is related to the purchase of capital assets and change in prepaid rent asset, which are also drivers of an increase in net position. Of the \$250.5 million in net position, \$205.1 million, or 81.9%, was the net investment in capital assets and unrestricted net position equaled a deficit balance of \$48.3 million, or -19.3%. The net position of governmental activity funds totaled \$234.0 million, which was comprised of the net investment in capital assets totaling \$198.4 million, or 84.8%, and a deficit balance of \$58.0 million, or -24.8%, as unrestricted. The unrestricted net position of governmental funds included fund balances of the General Fund and various special revenue funds.

Summary of Net Position June 30, 2022 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 209.4	\$ 187.2	\$ 9.7	\$ 9.4	\$ 219.0	\$ 196.6
Capital and right to use assets	243.8	231.8	6.8	7.1	250.6	238.9
Total assets	<u>453.2</u>	<u>419.0</u>	<u>16.5</u>	<u>16.5</u>	<u>469.6</u>	<u>435.5</u>
Deferred outflows of resources	30.5	35.3	-	-	30.5	35.3
Long-term liabilities	215.1	248.7	-	-	215.1	248.7
Other liabilities	12.8	6.0	-	-	12.8	6.0
Total liabilities	<u>227.9</u>	<u>254.7</u>	<u>-</u>	<u>-</u>	<u>227.9</u>	<u>254.7</u>
Deferred inflows of resources	21.7	5.5	-	-	21.7	5.5
Net position:						
Net investment in capital assets	198.4	214.4	6.7	7.1	205.1	221.5
Restricted for:						
Debt service	33.9	40.5	-	-	33.9	40.5
Capital projects	41.7	34.6	-	-	41.7	34.6
Community development	16.8	10.7	-	-	16.8	10.7
Perpetual care	1.2	1.4	-	-	1.2	1.4
Unrestricted	(58.0)	(107.5)	9.7	9.4	(48.3)	(98.1)
Total net position	<u>\$ 234.0</u>	<u>\$ 194.0</u>	<u>\$ 16.4</u>	<u>\$ 16.4</u>	<u>\$ 250.5</u>	<u>\$ 210.5</u>

**Numbers may not total due to rounding*

The net position of the City's business-type activities totaled \$16.4 million. Of the net position total, \$6.7 million (41%) was net investment in capital assets and \$9.7 million (59%) was unrestricted.

Analysis of City Operations

The following table summarizes City operations for the fiscal year ended June 30, 2022. Governmental activities increased the City of Bowling Green's net position by \$40.0 million, accounting for over 99% of the total increase. The increase in net position is a result of increased capital asset and infrastructure acquisitions and increased revenue collections of property taxes and wage withholding fees. Business-type activities decreased the City's net position by less than \$0.1 million. The decrease in Business-type net position is due to an increase in operating expenses as a result the new Beautifl-65 program.

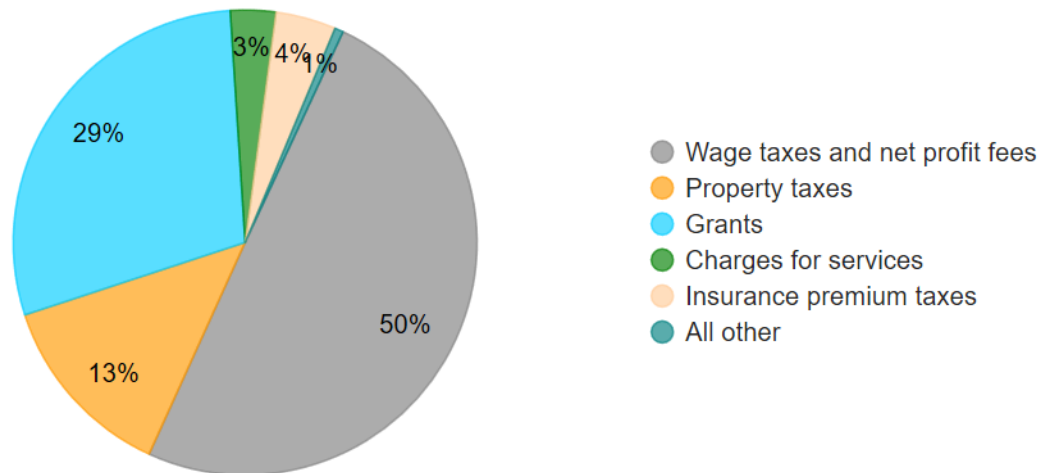
Statement of Activities June 30, 2022 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 4.2	\$ 3.4	\$ 0.1	\$ 0.1	\$ 4.3	\$ 3.5
Operating grants and contributions	19.9	16.2	-	-	19.9	16.2
Capital grants and contributions	18.7	16.3	-	-	18.7	16.3
General revenues						
Property taxes	17.5	17.0	-	-	17.5	17.0
Insurance premium taxes	5.6	4.9	-	-	5.6	4.9
Transient room taxes	-	-	0.7	0.4	0.7	0.4
Wage taxes and net profit fees	66.3	57.6	-	-	66.3	57.6
Other general revenues	0.8	2.9	(0.4)	0.1	0.4	3.0
Total revenues	133.0	118.3	0.4	0.6	133.4	118.9
Program Expenses						
General government	18.0	33.7	-	-	18.0	33.7
Public safety	32.0	29.2	-	-	32.0	29.2
Public works	13.8	14.9	-	-	13.8	14.9
Parks and recreation	8.8	7.8	-	-	8.8	7.8
Neighborhood and community services	8.3	9.5	-	-	8.3	9.5
Agency services	2.5	3.0	-	-	2.5	3.0
Interest expense	9.4	13.6	-	-	9.4	13.6
Convention Center	-	-	0.6	0.5	0.6	0.5
Total program expenses	92.8	111.7	0.6	0.5	93.4	112.2
Increase/decrease in net position before transfers	40.1	6.4	(0.2)	0.1	40.0	6.7
Transfers	(0.1)	(0.1)	0.1	0.1	-	-
Change in net position	40.0	6.5	(0.1)	0.2	40.0	6.7
Net position, beginning of year	194.0	187.3	16.5	16.2	210.5	203.5
Change in accounting principle GASB 84	-	0.3	-	-	-	0.3
Net position, end of year	\$ 234.0	\$ 194.0	\$ 16.4	\$ 16.4	\$ 250.5	\$ 210.5

*Numbers may not total due to rounding

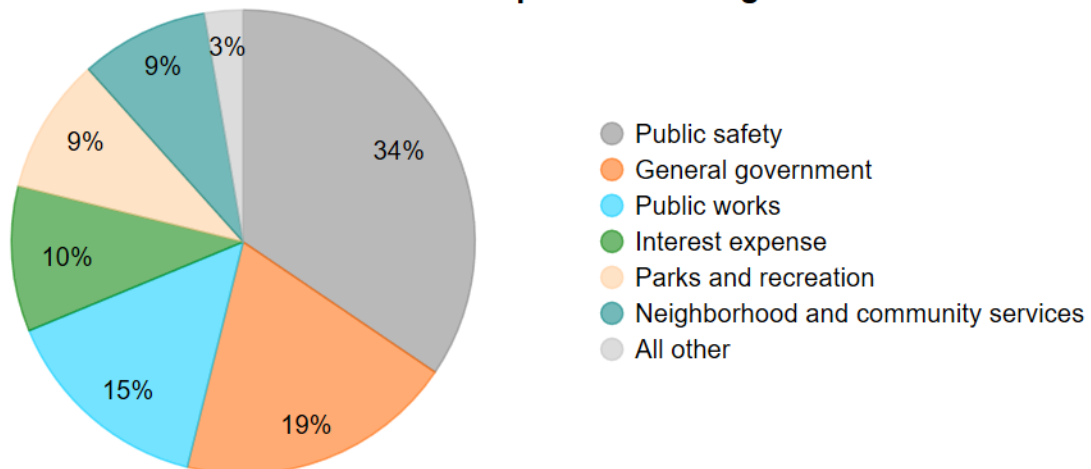
Revenues for the City's governmental activities totaled \$133.0 million at June 30, 2022, compared to \$118.3 million in the prior year. The increase is due to additional operating and capital grants to help offset the effect of COVID-19, the December 2021 tornadoes, and positive wage growth post COVID-19. The increase in property taxes is due to new home and multi-family construction and property value assessment increases. The City's largest source of revenue, wage taxes and net profit fees, totaled \$66.3 million, or 49.8%, of governmental revenue during FY2022. The second largest category of revenues, operating and capital grants, accounted for \$38.6 million, or 29.0%, of total revenue. Other revenue sources included property taxes (\$17.5 million), charges for services (\$4.2 million) and insurance premium taxes (\$5.6 million).

Governmental Funds Revenue Sources



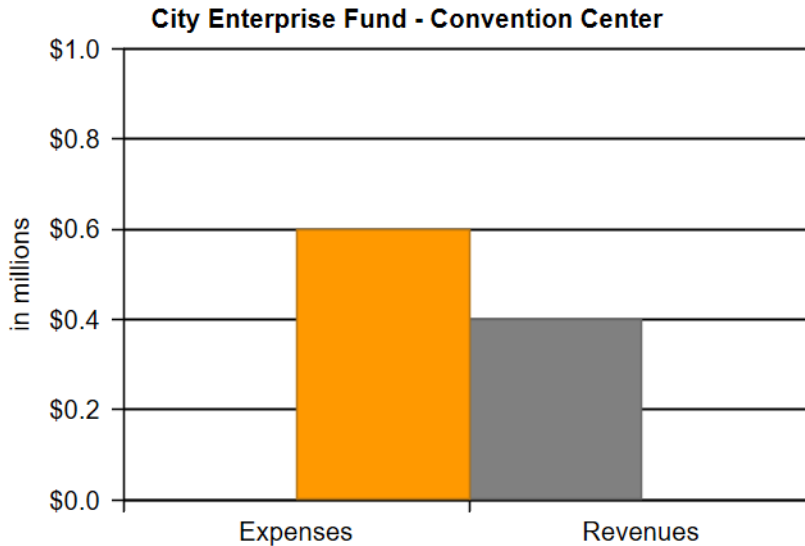
Current year expenses of the City's governmental activities totaled \$92.8 million, compared to \$111.7 million in the prior year. The primary cause for the decrease in expenses was due to prior year grant program costs such as for Community Development Block Grant (CDBG) and Transit programs, one-time prior year costs for the City's response to the COVID-19 pandemic and the \$2.2 million allocated through the BG CARES small business grant program, and expenses for the expansion of the ITA's Kentucky Transpark that began in FY2021. The City's largest category of expenses in the current year was Public Safety, with a total of \$32.0 million, or about 34.5%, of total expenses. The City's second largest expense category, General Government, ended the fiscal year with expenses totaling \$18.0 million, or 19.4%, of total expenses during FY2022. Other expense categories include Public Works (\$13.8 million), Parks and Recreation (\$8.8 million), Neighborhood and Community Services (\$8.3 million), and interest expense (\$9.4 million).

Governmental Funds Expenditure Categories



Business-type Activities

Revenues for business-type activities totaled \$0.4 million during Fiscal Year 2022, compared to \$0.6 million last year. Of the \$0.4 million of revenues, \$0.1 million, or 25.0%, was collected as charges for services fees. Decreases in Convention Center revenue are a result of fair market value adjustments to investments. Expenses for business-type activities totaled \$0.6 million during FY2022, which is an increase of \$0.1 million reported last year due to the first full year of the Beautifl-65 program.



Funds of the City of Bowling Green

The City's governmental funds for the year ended June 30, 2022, reflected a combined ending total fund balance of \$151.7 million, an increase of \$18.1 million over the prior year. The increase in fund balance was a result of wage growth post COVID-19 and unanticipated grant awards related to the American Rescue Plan Act (ARPA). The City also received approximately \$4.3 million in FEMA reimbursement grant funding to cover costs incurred during FY2022 associated with the December 2021 tornados. Of the \$151.7 million total fund balance, \$12.7 million was unassigned in the General Fund and available for spending at the City's discretion. The remaining balance was comprised of non-spendable, assigned, committed, and restricted amounts; indicating that the funds were not available for spending, or that spending was otherwise restricted by State statute or by City ordinance, or have been dedicated to pay outstanding contracts or purchase orders, or to fund future debt service payments, or intended to be used for specific purposes.

The total fund balance in the General Fund at June 30, 2022, was \$39.2 million, which represents an increase of \$10.1 million from the prior year. The increase in fund balance was mainly a due to strong revenue collections. Of the \$39.2 million total fund balance, unassigned fund balance was \$12.7 million and reflected 13.7% of General Fund revenues, representing residual net resources that have not been restricted, committed or assigned to specific purposes. Committed fund balance was \$18.9 million and was the General Fund's minimum reserve balance equal to 25% of budgeted revenues. Assigned fund balance totaled \$6.8 million, or 7.4%, of General Fund revenues; non-spendable fund balance was \$263,342; and restricted fund balance was \$449,999. The fund balances for these categories represented prepaid items, inventories, spending restricted to specific purposes, and funds reserved to pay contracts and purchase orders outstanding as of June 30, 2022.

The Debt Service Fund is used to account for the accumulation of resources and payments made for principal and interest on long-term general obligation debt in the governmental funds. The City transferred funding from the General Fund, Fire Improvement Fund, and Job Development Incentive Fund to fully cover annual governmental debt service expenditures posted in the Debt Service Fund.

The WKU Athletics Fund is used to account for the revenues and expenditures associated with the City's \$29,580,000 Special Revenue Refunding Bonds, Series 2010 and Series 2011. The original bond issuance was utilized to improve and increase public use of athletic and parking facilities belonging to Western Kentucky University. The University reimburses the City for the total annual debt service of the bonds each year through student athletic fees and luxury suite rentals.

The final major governmental fund, the Inter-Modal Transportation Authority, Inc. (ITA) Bond Fund, was used to account for the revenues and expenditures related to the ITA bond issues that funded the acquisition, construction, and expansion of the Kentucky Transpark. Total fund balance of the ITA Bond Fund was \$30.0 million as of June 30, 2022. Of the \$30.0 million total fund balance, \$1.8 million was assigned fund balance and \$28.2 million was restricted fund balance. The restricted fund balance represents the remaining unspent bond proceeds dedicated to the 2021 expansion of the Kentucky Transpark.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net position in the proprietary fund, which consists solely of the Convention Center, equaled \$16.4 million as of June 30, 2022, compared to \$16.5 million last year. The small loss in the Convention Center Fund net position was due to the increase in current year expenses due to the first year of the Beautifl-65 program. Of the total net position, \$6.7 million represented the net investment in capital assets and \$9.7 million was unrestricted.

General Fund Budgetary Highlights

Over the course of the Fiscal Year, the Board of Commissioners approved revisions of the General Fund's budget four times in order to make adjustments for additional revenues collected for grants and donations not known when the budget was initially adopted. In all, the revenue budget increased by \$5,896,600 or +7.8%. The changes are briefly summarized below.

Original revenue estimates were changed by the following:

Grants	\$ 5,776,500
Contributions & donations	76,600
Transfers in	43,500

The comparison of actual revenue to the final amended revenue budget yielded significant budgetary variances for employee withholdings (\$5.8 million), permits (\$0.7 million), and net profits (\$4.7 million). Employee withholding returns continued to show a strong resurgence in FY2022 with a gain of 11.2% over prior year actual collections due to continued population and economic base growth resulting from several new projects in the region, such as those at the Kentucky Tranpark. Net profit collections for the year outpaced FY2021 by \$2.6 million, or 26.1%, due to leaner, stronger business profits post COVID-19 and continued additions from new businesses and expansions. This is a new high water mark for the City in regard to net profit collections during FY2022. Lastly, permits for building, plan review, and electrical exceeded prior year collection by \$352,000 or 117.3% due to numerous residential and commercial property construction projects.

The total expenditure budget was increased by \$8,468,000 or 13.3%, during the Fiscal Year. The decrease was primarily due to the acceptance and appropriation of federal grant funds. Other major changes are:

General Government	\$ (228,000)
Fire	632,000
Police	171,000
Parks and Recreation	(217,000)
Neighborhood & Community Services	633,000
Agency Services	3,244,000
Public Works	4,233,000

The comparison of actual expenditures to the final amended expenditure budget resulted in significant budgetary variances in the following activities: Public Works (\$1,081,000), Parks and Recreation (\$563,500), General Government (\$223,000), Public Safety (\$944,000) and Neighborhood & Community Services (\$966,000). The positive variances are a result of unspent budgeted projects and disciplined under-spending.

Capital and Right to Use Assets

The City's investment in capital and right to use assets totaled \$250.6 million as of June 30, 2022, which was an increase of \$11.6 million over the prior year. This investment includes land, buildings, infrastructure, improvements, vehicles, equipment, and intangible assets. For governmental activities, investments totaled \$243.9 million. Comparably, FY2021 had a capital asset investment total of \$231.9 million.

This year's major capital additions are shown below:

Stormwater infrastructure improvements/additions	\$ 6,354,000
Lovers Lane fire station construction	4,032,690
Downtown streetscape improvements	1,819,097
Computer Aided Dispatch (CAD) software	1,486,983
Sidewalk infrastructure improvements/additions	1,288,000
Street infrastructure improvements/additions	1,171,000
Public Safety apparatus and vehicle replacements	800,795
Salt bin/miscellaneous building reconstruction	336,612
Public Works vehicle and heavy equipment replacement	239,329

The following table summarizes the changes in net capital and right to use assets:

(Net of Depreciation/Amortization, stated in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 17.8	\$ 17.7	\$ 2.3	\$ 2.3	\$ 20.1	\$ 20.0
Infrastructure	145.2	136.7	-	-	145.2	136.7
Building	32.2	29.1	4.1	4.5	36.3	33.6
Improvements other than buildings	29.1	28.4	-	-	29.1	28.4
Vehicles, equipment and furniture	11.9	12.0	0.2	0.3	12.1	12.3
Construction in progress	5.2	6.9	0.1	-	5.3	6.9
Intangibles	2.4	1.0	-	-	2.4	1.0
Property held under financed purchase	0.1	0.1	-	-	0.1	0.1
Total *	\$ 243.9	\$ 231.9	\$ 6.7	\$ 7.1	\$ 250.6	\$ 239.0

**Numbers may not total due to rounding*

The City has elected to apply the Modified Approach to accounting for street and sidewalk infrastructure systems as set forth in GASB 34. With this approach, the City uses an overall condition index (OCI) to assess the surface condition of individual pavement segments. The City's policy is to consider streets and sidewalks in need when the OCI rating falls below minimum functional classification values. The City's most recent assessment in 2022 found that 71% of streets and 87% of sidewalks met or exceeded this goal. The estimated amount needed to maintain City streets and sidewalks at the specified levels for FY2023 was \$2,000,000 and \$100,000 respectively, which was included in the FY2023 budget. Additional information on the City's capital assets activity can be found in note 3C.

Debt Administration

Bowling Green was the first city in the State to begin issuing general obligation (GO) bonds in Fiscal Year 1999 as a result of changes in State law that had previously precluded this type of financing. Since GO bonds are backed by the full faith and credit of the City, the bonds carry a higher credit rating than other forms of debt and have lower interest rates. Consequently, the majority of any future issuance of bonded debt by the City will be GO debt.

Prior to the issuance of GO bonds, mortgage revenue bonds were issued through various public corporations in order to finance public projects. For mortgage revenue bonds, the City entered into automatically annually renewable lease agreements with the corporations whereby lease payments from the City, combined with revenues generated by the operation of the facilities, were sufficient to meet debt service obligations. The underlying security for the bonds was the annually renewable lease agreements and the underlying mortgages on the property. Revenue bonds, where only the revenues from the operation of the facilities are pledged as security for the bonds, are now issued primarily to finance improvements to the sanitary water and sewer system. For additional detail on the City's debt transactions, please refer to note 3E of this report.

At the end of the Fiscal Year, the City had \$93.1 million in bonds and notes outstanding, net of discounts and premiums.

The following table is a summary of the changes in the City's outstanding long-term obligations, which are further explained in Note 3F.

Outstanding Debt at Year End

June 30, 2022

(in millions)

	Governmental Activities	
	2022	2021
General obligation & revenue bonds	\$ 85.6	\$ 94.0
Notes & financed purchase agreements	5.6	4.0
Compensated absences	2.1	2.1
Landfill post-closure costs	1.3	1.4
Bond premiums, discounts, refunding loss	1.9	2.1
Total	\$ 96.5	\$ 103.6

**Numbers may not total due to rounding*

The City maintains bond ratings of "Aa1" from Moody's and "AA" from Standard & Poor's. Despite the provisions for the issuance of GO debt already discussed, legal limits remain on the total amount of GO indebtedness that may be incurred. The Kentucky Constitution provides that the total principal amount of city net indebtedness, which excludes self-supporting obligations, revenue bonds, special assessment debt, and non-tax supported debt (net debt applicable to limit), cannot exceed 10% of the value of taxable property in the city (\$750,351,542). Therefore, the current debt margin of the City is \$657.3 million (See Statistical Schedule 18).

Next Year's Budget

During the budget planning for FY2023, revenue growth projections were brought back to pre-pandemic levels. Using a combination of analysis techniques for net profits and the influences on employee withholdings, a conservative forecasting model was developed identifying a 10.9% increase in revenues across all funds compared to the FY2022 adopted budget. The FY2023 adopted General Fund budget is balanced without utilization of fund balance nor an increase in taxes.

The FY2023 adopted expenditure budget for all funds increased by 33.5% from the FY2022 original budget and includes a 7.0% cost of living adjustment (COLA), step increase for employees, and a 12% increase in CERS Hazardous employer paid contribution rates. The Capital Improvement Project (CIP) budget is \$47.8 million, which includes debt service, and is a 123.4% increase compared to the \$21.4 million FY2022 CIP budget. The FY2023 budget continued funding the committed fund balance at 25% of the adopted General Fund revenue budget or \$21.5 million. The committed fund balance acts as the City's 'rainy day' account and can be accessed by a majority vote of the Board of Commissioners.

Improvements in community livability, traffic and roads, parks facilities, and technology enhancements are some of the highlights of the FY2023 capital budget. Improving traffic flow is a top priority and is addressed in the budget with over \$1.8 million allocated for various intersection improvements and construction of roundabouts, including the widening of Ashley Circle, extension of Greenhill Street, and completion of the Westen Avenue roundabouts construction. The City also continues investing in the BG Reinvestment/Local Strategy Area by leveraging 80% of the annual CDBG allocation and \$200,000 of local tax revenues to implement improvements in the fourth target area, which encompasses Census Tract 102.1 (Bypass west to Kentucky and Eighth Avenue north to Riverview).

The City continues to fund street overlay (\$2.0 million), stormwater mitigation (\$200,000), downtown improvements (\$1.3 million), sidewalk improvements (\$500,000), and the greenways expansion program (\$400,000) in the FY2023 budget. Additionally, the City continues to invest in parks and recreation capital improvements and purchases (\$1.5 million) as part of the Parks Master Plan implementation.

New initiatives in the FY2023 budget include the remaining funding and anticipated financing to enhance public and employee safety for the design of a new fire station at the Kentucky Transpark as well as the reconstruction of the Northside Fire Station and an expanded public safety training facility, and the development of a first responder peer support team. The FY2023 budget furthers the City's efforts to meet the demands of a growing community.

Request for Information

This financial report was designed to provide a general overview of the City of Bowling Green's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Katie Schaller-Ward, Assistant City Manager/Chief Financial Officer, PO Box 430, Bowling Green, Kentucky, 42102-0430 or can be e-mailed to accounting@bgky.org.

**City of Bowling Green, Kentucky
Statement of Net Position
June 30, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Pooled cash and cash equivalents	\$ 68,348,793	\$ -	\$ 68,348,793	\$ -
Non-pooled cash and cash equivalents	32,297,279	3,641,887	35,939,166	35,434,151
Investments	55,236,116	6,002,168	61,238,284	-
Receivables (net):				
Accounts	165,570	29,881	195,451	13,372,546
Leases	61,833	-	61,833	1,561,097
Other	100,786	-	100,786	1,299,327
Accrued interest	344	22	366	-
Due from other governmental units	5,729,592	-	5,729,592	5,356,699
Due from Western Kentucky University	10,315,000	-	10,315,000	-
Prepaid items	788,139	-	788,139	322,133
Prepaid rent	35,923,105	-	35,923,105	-
Inventories	311,574	-	311,574	1,870,660
Other assets	-	-	-	6,847,792
Restricted assets:				
Restricted cash - TVA	-	-	-	1,157,146
Investments	-	-	-	24,046,301
Net Pension Asset	86,364	-	86,364	-
Capital assets, net of accumulated depreciation:				
Non-depreciable	155,351,818	2,368,464	157,720,282	56,024,390
Depreciable	88,486,199	4,395,628	92,881,827	198,901,512
Total assets	<u>453,202,512</u>	<u>16,438,050</u>	<u>469,640,562</u>	<u>346,193,754</u>
DEFERRED OUTFLOWS OF RESOURCES				
Outflows for pensions	14,550,769	-	14,550,769	4,226,389
Outflows for OPEB	13,021,652	-	13,021,652	5,299,372
Deferred amounts from refunding debt	2,911,851	-	2,911,851	347,217
Total deferred outflows of resources	<u>30,484,272</u>	<u>-</u>	<u>30,484,272</u>	<u>9,872,978</u>
LIABILITIES				
Vouchers and accounts payable	1,837,726	-	1,837,726	10,608,113
Accrued payroll	1,670,095	374	1,670,469	-
Accrued interest payable	448,243	-	448,243	1,019,322
Insurance claims payable	472,604	-	472,604	-
Other current liabilities	-	-	-	2,332,584
Deposits	234,688	-	234,688	7,024,624
Non-current liabilities				
Due within one year				
Compensated absences	1,119,568	-	1,119,568	898,341
Leases payable	11,434	-	11,434	-
Bonds payable	6,285,000	-	6,285,000	6,212,262
Notes and financed purchase obligations	683,660	-	683,660	89,192
Landfill closure and post closure costs	44,863	-	44,863	-
Due in more than one year				
Compensated absences	981,701	-	981,701	409,508
Leases payable	68,434	-	68,434	-
Bonds payable, net	81,195,320	-	81,195,320	114,502,363
Notes and financed purchase obligations	4,898,800	-	4,898,800	-
Landfill closure and post closure costs	1,298,858	-	1,298,858	-
Advances from customers and TVA	-	-	-	90,856
Net pension liability	97,251,312	-	97,251,312	33,420,334
Net OPEB liability	29,437,971	-	29,437,971	10,032,730
Total liabilities	<u>227,940,277</u>	<u>374</u>	<u>227,940,651</u>	<u>186,640,229</u>
DEFERRED INFLOWS OF RESOURCES				
Inflows for pensions	11,445,466	-	11,445,466	4,820,860
Inflows for OPEB	10,203,915	-	10,203,915	4,643,259
Inflows for leases	60,695	-	60,695	1,561,097
Total deferred inflows of resources	<u>21,710,076</u>	<u>-</u>	<u>21,710,076</u>	<u>11,025,216</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Net Position
June 30, 2022

Continued from previous page

NET POSITION

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Net investment in capital assets	198,393,575	6,764,092	205,157,667	149,880,175
Restricted for				
Debt service	33,862,988	-	33,862,988	12,024,597
Capital projects	41,695,537	-	41,695,537	-
Community development	16,829,513	-	16,829,513	-
Perpetual care - nonexpendable	1,088,366	-	1,088,366	-
Perpetual care - expendable	160,861	-	160,861	-
Unrestricted	(57,994,409)	9,673,584	(48,320,825)	(3,503,485)
Total net position	<u>\$ 234,036,431</u>	<u>\$ 16,437,676</u>	<u>\$ 250,474,107</u>	<u>\$ 158,401,287</u>

See accompanying notes.

**City of Bowling Green, Kentucky
Statement of Activities
For the Year Ended June 30, 2022**

Function/Programs	Expenses	Program Revenues			Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 18,021,958	\$ 1,497,164	\$ 10,453,690	\$ 16,160,760	\$ 10,089,656	\$ -	\$ 10,089,656	\$ -
Public safety	32,017,168	216,234	2,712,257	357,935	(28,730,742)	-	(28,730,742)	-
Public works	13,825,870	107,518	1,576,544	2,025,389	(10,116,419)	-	(10,116,419)	-
Parks and recreation	8,786,484	2,359,258	-	107,563	(6,319,663)	-	(6,319,663)	-
Neighborhood and community services	8,337,116	-	5,203,661	-	(3,133,455)	-	(3,133,455)	-
Agency services	2,457,531	-	-	-	(2,457,531)	-	(2,457,531)	-
Interest expense	9,360,819	-	-	-	(9,360,819)	-	(9,360,819)	-
Total governmental activities	<u>92,806,946</u>	<u>4,180,174</u>	<u>19,946,152</u>	<u>18,651,647</u>	<u>(50,028,973)</u>	<u>-</u>	<u>(50,028,973)</u>	<u>-</u>
Business-type activities:								
Convention Center	572,825	133,623	-	-	-	(439,202)	(439,202)	-
Total business-type activities	<u>572,825</u>	<u>133,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(439,202)</u>	<u>(439,202)</u>	<u>-</u>
Total primary government	<u>\$ 93,379,771</u>	<u>\$ 4,313,797</u>	<u>\$ 19,946,152</u>	<u>\$ 18,651,647</u>	<u>\$ (50,028,973)</u>	<u>\$ (439,202)</u>	<u>\$ (50,468,175)</u>	<u>\$ -</u>
COMPONENT UNIT								
Bowling Green Municipal Utilities	116,994,056	128,301,676	470,851	2,325,298	-	-	-	14,103,769
Total component unit	<u>\$ 116,994,056</u>	<u>\$ 128,301,676</u>	<u>\$ 470,851</u>	<u>\$ 2,325,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,103,769</u>
GENERAL REVENUES:								
Property taxes					17,538,685	-	17,538,685	-
Insurance premium taxes					5,579,436	-	5,579,436	-
Transient room taxes					-	706,193	706,193	-
Wages and net profits					66,281,309	-	66,281,309	-
Investment gains (losses)					(2,349,157)	(394,059)	(2,743,216)	255,742
Gain on disposal of capital assets					-	-	-	24,990
Merchandising revenues					-	-	-	162,140
Miscellaneous					3,107,169	-	3,107,169	-
Total general revenues					<u>90,157,442</u>	<u>312,134</u>	<u>90,469,576</u>	<u>442,872</u>
Transfers					<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
					<u>90,057,442</u>	<u>412,134</u>	<u>90,469,576</u>	<u>442,872</u>
Change in net position					40,028,469	(27,068)	40,001,401	14,546,641
Net position, beginning of year					<u>194,007,962</u>	<u>16,464,744</u>	<u>210,472,706</u>	<u>143,854,646</u>
Net position, end of year					<u>\$ 234,036,431</u>	<u>\$ 16,437,676</u>	<u>\$ 250,474,107</u>	<u>\$ 158,401,287</u>

See accompanying notes.

**City of Bowling Green, Kentucky
Balance Sheet - Governmental Funds
June 30, 2022**

	General Fund	WKU Athletics	Debt Service	ITA Bond	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and cash equivalents	\$ 19,093,776	\$ -	\$ -	\$ 1,625,410	\$ 42,734,144	\$ 63,453,330
Non-pooled cash and cash equivalents	1,891,357	-	-	-	2,277,408	4,168,765
Restricted cash, investments, and accrued interest	-	-	-	28,128,514	-	28,128,514
Investments	15,671,194	-	-	192,829	36,828,926	52,692,949
Receivables (net of allowances for uncollectibles):						
Accounts receivable	109,585	-	-	-	55,985	165,570
Western Kentucky University	-	10,315,000	-	-	-	10,315,000
Interest receivable	2	-	-	-	319	321
Lease receivable	61,833	-	-	-	-	61,833
Due from other governmental units	4,478,861	-	-	9,399	1,241,332	5,729,592
Prepaid items	212,015	-	-	-	280,743	492,758
Inventories	51,327	-	-	-	-	51,327
Advances to other funds	-	-	-	-	370,000	370,000
Total assets	\$ 41,569,950	\$ 10,315,000	\$ -	\$ 29,956,152	\$ 83,788,857	\$ 165,629,959
LIABILITIES AND FUND BALANCES						
Liabilities						
Vouchers and accounts payable	550,973	-	-	-	810,406	1,361,379
Accrued payroll	1,560,331	-	-	-	23,301	1,583,632
Due to other funds	-	-	-	-	370,000	370,000
Unearned revenue	-	10,315,000	-	-	-	10,315,000
Security deposits	234,688	-	-	-	-	234,688
Total liabilities	2,345,992	10,315,000	-	-	1,203,707	13,864,699
DEFERRED INFLOWS OF RESOURCES						
Inflows for leases	60,695	-	-	-	-	60,695
Fund balances						
Non-spendable:						
Prepaid Items	212,015	-	-	-	-	212,015
Inventories	51,327	-	-	-	-	51,327
Restricted for:						
Cemetery perpetual	-	-	-	-	1,088,366	1,088,366
Community development	-	-	-	-	15,714,694	15,714,694
Streets and sidewalks	-	-	-	-	138,595	138,595
Public safety grants	449,999	-	-	-	2,834,132	3,284,131
Lampkin park	-	-	-	-	40,285	40,285
Debt Service	-	-	-	28,128,514	-	28,128,514
Committed to:						
Economic stabilization	18,908,250	-	-	-	-	18,908,250
Economic development	-	-	-	-	7,059,538	7,059,538
Police and fire improvements	-	-	-	-	3,105,394	3,105,394
Landfill	-	-	-	-	1,184,622	1,184,622
Assigned to:						
Debt Service	-	-	-	1,827,638	3,906,837	5,734,475
General government services	195,168	-	-	-	5,954,573	6,149,741
Police and fire services	483,457	-	-	-	6,586,088	7,069,545
Public works services	600,300	-	-	-	17,686,644	18,286,944
Neighborhood and community services	965,359	-	-	-	2,613,791	3,579,150
Parks and recreation	373,994	-	-	-	14,510,730	14,884,724
Other purposes	4,224,760	-	-	-	160,861	4,385,621
Unassigned	12,698,634	-	-	-	-	12,698,634
Total fund balances	39,163,263	-	-	29,956,152	82,585,150	151,704,565
Total liabilities and fund balances	\$ 41,569,950	\$ 10,315,000	\$ -	\$ 29,956,152	\$ 83,788,857	\$ 165,629,959

See accompanying notes.

City of Bowling Green, Kentucky
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2022

Fund balances - total governmental funds		\$ 151,704,565
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	314,866,050	
Less accumulated depreciation	<u>(71,961,845)</u>	242,904,205
Right to use lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental right to use lease assets	150,677	
Less accumulated amortization	<u>(77,327)</u>	73,350
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		7,786,115
Other long term assets, including the City's receivables from a former employee and WKU, are not available to pay for current period expenditures and, therefore, are deferred in the funds.		10,415,786
Prepaid rent, which represents amounts due from the Inter-Modal Transportation Authority (ITA), is a noncurrent asset which is not available to pay current period expenditures.		35,923,105
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	(97,164,948)	
Net OPEB liability	(29,437,971)	
Net deferred inflows and outflows associated with pension	3,105,303	
Net deferred inflows and outflows associated with OPEB	2,817,737	
General obligation bonds	(85,565,000)	
Premiums, deferred charges and discounts on bond obligations	996,531	
Notes and financed purchase agreements	(5,582,460)	
Leases payable	(79,868)	
Accrued interest payable	(448,243)	
Accrued compensated absences	(2,068,055)	
Landfill postclosure care	<u>(1,343,721)</u>	<u>(214,770,695)</u>
Net position of governmental activities		<u>\$ 234,036,431</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

	General Fund	WKU Athletics	Debt Service	ITA Bond	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 16,740,210	\$ -	\$ -	\$ 43,445	\$ 755,029	\$ 17,538,684
Insurance premium taxes	2,654,057	-	-	-	2,925,379	5,579,436
Wages and net profits	62,832,600	-	-	-	3,448,708	66,281,308
License and permits	1,861,084	-	-	-	-	1,861,084
Intergovernmental	6,150,875	3,005,666	-	-	19,486,509	28,643,050
Investment income (loss)	(841,221)	-	-	23,367	(1,375,871)	(2,193,725)
Charges for services	749,067	-	-	-	187,258	936,325
Parks and recreation	2,316,775	-	-	-	-	2,316,775
Rent income	-	-	-	1,376,446	744	1,377,190
Miscellaneous	286,604	-	-	711,047	191,287	1,188,938
Judgements and settlements	-	-	-	-	27,993	27,993
Contributions and donations	50,575	-	-	-	349,799	400,374
Total revenues	92,800,626	3,005,666	-	2,154,305	25,996,835	123,957,432
EXPENDITURES						
Current:						
General government	7,257,670	-	-	6,651,843	311,058	14,220,571
Public safety	33,298,724	-	-	-	4,762,403	38,061,127
Public works	10,868,635	-	-	-	4,284,175	15,152,810
Parks and recreation	8,063,242	-	-	-	877,810	8,941,052
Neighborhood and community services	2,391,460	-	-	-	6,361,835	8,753,295
Agency services	2,335,826	-	-	-	-	2,335,826
Capital outlay	-	-	-	-	7,655,588	7,655,588
Debt service:						
Principal	12,220	2,525,000	2,469,327	3,075,000	800,000	8,881,547
Interest	2,180	480,666	538,750	920,617	654,888	2,597,101
Total expenditures	64,229,957	3,005,666	3,008,077	10,647,460	25,707,757	106,598,917
Excess (deficiency) of revenues over (under) expenditures	28,570,669	-	(3,008,077)	(8,493,155)	289,078	17,358,515
Other financing sources (uses):						
Transfers in	678,548	-	3,008,077	1,927,313	17,485,456	23,099,394
Transfers out	(19,416,513)	-	-	-	(5,322,881)	(24,739,394)
Issuance of debt	-	-	-	-	2,091,238	2,091,238
Lease liabilities issued	150,677	-	-	-	-	150,677
Proceeds from sale of capital assets	76,288	-	-	-	24,250	100,538
Total other financing sources (uses)	(18,511,000)	-	3,008,077	1,927,313	14,278,063	702,453
Net change in fund balances	10,059,669	-	-	(6,565,842)	14,567,141	18,060,968
Fund balances, beginning	29,103,594	-	-	36,521,994	68,018,009	133,643,597
Fund balances, ending	\$ 39,163,263	\$ -	\$ -	\$ 29,956,152	\$ 82,585,150	\$ 151,704,565

See accompanying notes.

City of Bowling Green, Kentucky
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ 18,060,968

Amounts reported for governmental activities in the statement of activities are different due to:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Governmental funds also report only the proceeds from sales of fixed assets while the net gain or loss is reported in the statement of activities. In addition, infrastructure assets donated to the City are not recorded on the governmental funds but are donated capital on the statement of activities:

Capital asset additions	17,161,387	
Governmental depreciation expense	(5,495,803)	
Net sales and disposals of capital assets	<u>(102,101)</u>	11,563,483
Right to use lease asset additions	150,677	
Right to use lease asset amortization expense	<u>(77,327)</u>	73,350

Certain long-term receivables are not available for the payment of current expenditures and therefore are not reported in the governmental funds. Payments on these receivables are recorded as revenue in the governmental funds and reduction of the receivable in the statement of net position. (2,550,219)

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term and related items. 6,424,826

Principal and interest payments made in relation to refunded ITA debt are current expenditures in the governmental funds. These items are recorded as prepaids in the statement of activities as they represent a long-term agreement. 9,006,896

Accrued interest expense on long-term debt is reported in the statement of activities, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. 314,905

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Compensated absences payable	45,875
Landfill postclosure care	88,482

The net pension expense is an actuarial calculation and does not require the use of current financial resources and it is excluded as an expenditure in governmental funds. Additionally, since the current year contributions to the pension plan will be included in the subsequent year's pension expense calculation, those contributions should not be considered in the government-wide statements. (3,575,380)

The internal service funds used by management to charge the costs of insurance and fleet maintenance to individual funds are not reported in the entity-wide statement of activities. Governmental fund expenditures and related internal fund revenues are eliminated. 575,283

Net change in net position - governmental activities \$ 40,028,469

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Net Position - Proprietary Funds
June 30, 2022

	Business-Type Activities Enterprise Fund	Governmental Activities
	Convention Center	Internal Service Funds
ASSETS		
Current assets		
Pooled cash and cash equivalents	\$ -	\$ 4,895,467
Non-pooled cash and cash equivalents	3,641,887	-
Investments	6,002,168	2,543,176
Accounts receivable	29,881	-
Interest receivable	22	20
Prepaid items	-	295,381
Inventories	-	260,247
Total current assets	<u>9,673,958</u>	<u>7,994,291</u>
Capital assets		
Land	2,290,764	-
Construction in progress	77,700	-
Buildings	11,286,224	797,539
Machinery and equipment	1,164,594	584,061
Improvements other than buildings	74,550	89,776
	<u>14,893,832</u>	<u>1,471,376</u>
Less: accumulated depreciation	<u>(8,129,740)</u>	<u>(610,921)</u>
Capital assets, net	<u>6,764,092</u>	<u>860,455</u>
Total noncurrent assets	<u>6,764,092</u>	<u>860,455</u>
Total assets	<u>\$ 16,438,050</u>	<u>\$ 8,854,746</u>
LIABILITIES		
Current liabilities		
Vouchers and accounts payable	-	476,350
Accrued payroll	374	86,463
Insurance claims payable	-	472,604
Current portion of compensated absences	-	17,696
Total current liabilities	<u>374</u>	<u>1,053,113</u>
Noncurrent liabilities		
Noncurrent portion of compensated absences	-	15,518
Total noncurrent liabilities	<u>-</u>	<u>15,518</u>
Total liabilities	<u>374</u>	<u>1,068,631</u>
NET POSITION		
Net invested in capital assets	6,764,092	860,455
Unrestricted	9,673,584	6,925,660
Total net position	<u>\$ 16,437,676</u>	<u>\$ 7,786,115</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Convention Center	
OPERATING REVENUES		
Transient room taxes	\$ 706,193	\$ -
Charges for services	133,623	1,954,370
Insurance premium taxes	-	8,324,526
Judgements and settlements	-	600,644
Contributions and donations	-	3,000
Miscellaneous	-	1,137
Total operating revenues	<u>839,816</u>	<u>10,883,677</u>
OPERATING EXPENSES		
Personnel services	10,925	881,063
Contractual services	138,601	896,747
Supplies	-	1,240,465
Utilities	-	33,184
Repairs and maintenance	23,407	158,728
Insurance premiums and claims	19,994	8,403,750
Depreciation	379,898	62,304
Miscellaneous	-	16,717
Total operating expenses	<u>572,825</u>	<u>11,692,958</u>
Operating income (loss)	266,991	(809,281)
NONOPERATING REVENUES (EXPENSES)		
Losses on investments	(394,059)	(155,436)
Total nonoperating expense	<u>(394,059)</u>	<u>(155,436)</u>
Loss before transfers	(127,068)	(964,717)
Transfers in	100,000	1,740,000
Transfers out	-	(200,000)
Total transfers	<u>100,000</u>	<u>1,540,000</u>
Net income (loss)	(27,068)	575,283
Net position, beginning of year	<u>16,464,744</u>	<u>7,210,832</u>
Net position, end of year	<u>\$ 16,437,676</u>	<u>\$ 7,786,115</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Convention Center	Internal Service Funds
CASH FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 118,894	\$ 10,883,739
Other cash receipts	706,193	-
Payments to employees	(10,871)	(824,043)
Cash payments to suppliers	(187,001)	(1,909,625)
Claims paid	-	(8,465,319)
Net cash provided by (used in) operating activities	<u>627,215</u>	<u>(315,248)</u>
CASH FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	100,000	1,740,000
Transfers out	-	(200,000)
Net cash provided by noncapital financing activities	<u>100,000</u>	<u>1,540,000</u>
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(93,149)	(431,219)
Net cash used in capital and related financing activities	<u>(93,149)</u>	<u>(431,219)</u>
CASH FROM INVESTING ACTIVITIES		
Interest losses	(393,280)	(155,331)
Purchase of investments	406,279	167,897
Net cash provided by investing activities	<u>12,999</u>	<u>12,566</u>
Net increase (decrease) in cash and cash equivalents	647,065	806,099
Cash and cash equivalents at beginning of period	<u>2,994,822</u>	<u>4,089,368</u>
Cash and cash equivalents at end of period	<u>\$ 3,641,887</u>	<u>\$ 4,895,467</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 266,991	\$ (809,281)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	379,898	62,304
Changes in assets and liabilities:		
Inventories	-	13,099
Accounts receivable	(14,729)	60
Accounts payable	(4,999)	354,494
Prepaid items	-	68,624
Compensated absences	-	(2,526)
Accrued payroll	54	59,546
Insurance claims payable	-	(61,568)
Net cash provided (used) by operating activities:	<u>\$ 627,215</u>	<u>\$ (315,248)</u>

See accompanying notes.

**City of Bowling Green, Kentucky
Statement of Fiduciary Net Position
June 30, 2022**

	Pension Trust- Police & Firefighters' Retirement	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Pooled cash and cash equivalents	\$ -	\$ 154,695
Non-pooled cash and cash equivalents	152,845	-
Accrued interest receivable	16,737	-
Investments		
Corporate securities	1,712,899	-
Mutual funds	3,261,022	-
United States government securities	1,023	-
Kentucky local municipal bonds	402,648	-
Total investments	<u>5,377,592</u>	<u>-</u>
Total assets	<u>\$ 5,547,174</u>	<u>\$ 154,695</u>
LIABILITIES		
Due to other governmental units	-	153,762
Due to other taxing units - School Board	-	933
Total liabilities	<u>-</u>	<u>154,695</u>
NET POSITION		
Restricted for pensions	5,547,174	-
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>-</u>
Total net position	<u>\$ 5,547,174</u>	<u>\$ -</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Pension Trust- Police & Firefighters' Retirement	Custodial Funds
	<u> </u>	<u> </u>
ADDITIONS		
Investment loss	\$ (627,816)	\$ -
Property tax collections for other governments	-	15,743,490
Tourism tax collections for other organizations	-	2,118,579
TIF tax collections for other governments	-	56,750
Miscellaneous	-	7,469
	<u> </u>	<u> </u>
Total additions	<u>(627,816)</u>	<u>17,926,288</u>
DEDUCTIONS		
Benefit payments	685,129	-
Payments of property tax to other governments	-	15,743,490
Payments on behalf of other governments	-	64,219
Payments of tourism tax to other organizations	-	2,118,579
	<u> </u>	<u> </u>
Total deductions	<u>685,129</u>	<u>17,926,288</u>
Change in net position	(1,312,945)	-
Net position, beginning of year	<u>6,860,119</u>	<u>-</u>
Net position, end of year, restricted for pensions	<u>\$ 5,547,174</u>	<u>\$ -</u>

See accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

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**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bowling Green (the City) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for government accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

A. Reporting Entity

The accompanying financial statements present the City and its component units (traditionally separate reporting entities), for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

1. Blended Component Units

The agencies and organizations listed below are, in substance, the same as the City, despite being legally separate from the City. Therefore, they are reported as part of the primary government. They have a governing body that is substantially the same as the governing body of the City; provide services entirely, or almost entirely, to the City; or otherwise exclusively, or almost exclusively, benefit the City even though they do not provide services directly to the City. The agencies and organizations listed below are also financially dependent upon the City and the City does have operational responsibility.

Fiduciary Fund Type

City of Bowling Green Police and Firefighters' Retirement Fund. Retired or disabled City public safety employees participate in the Police and Firefighters' Retirement Fund. The Fund functions for the benefit of these employees and surviving spouses and is administered by a Board of Trustees consisting of the Mayor, City Chief Financial Officer and retiree representatives of the police and fire departments, or active member if no retiree is able to serve.

The City contributes amounts to fund current service costs and interest on unfunded past service costs based upon actuarial valuations. Plan benefit levels are determined by Kentucky Revised Statutes.

Proprietary Fund Type

The Convention Center Fund. The Convention Center fund is used to account for the daily operations of a municipal convention center and trade show facility. The Convention Center is reported as an enterprise fund and does not issue its own separate financial statements.

2. Discretely Presented Component Units

The agency described below is included in the City's reporting entity because the City appoints the governing body and the agency is fiscally dependent on the City. The agency is reported as discretely presented component unit because the primary government is financially accountable and is able to impose its will on the organization or the component unit provides specific financial benefits or imposes specific financial burdens on the primary government. The component unit issues its own separate financial statements.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

2. Discretely Presented Component Units

Proprietary Fund Type

Bowling Green Municipal Utilities (BGMU). Board member appointments are made by the City's Board of Commissioners. The Electric Division is a distributor of electrical power under the authority of the Federal Energy Regulatory Commission and the Tennessee Valley Authority and provides service to customers primarily in the City. The Electric Division has erected various street lighting systems for the City for which monthly rental amounts are paid to the utility by the City based on a percentage of total unamortized investment.

The Water-Sewer Division operates the water treatment and the waste-water treatment facilities serving customers primarily in the City. The rates for user charges and bond issuance authorization are approved by the Board of Commissioners.

The General Services Division operates the fiber optic network in the City.

B. Related Organization

City officials are also responsible for appointing the members to boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments.

C. Joint Venture

The Inter-Modal Transportation Authority, Inc. (ITA) is a non-profit corporation organized for the purpose of acquiring and financing public projects and public facilities as an agent for the City and the County of Warren, Kentucky, jointly. In the year ended June 30, 2008, the City approved the issuance of General Obligation bonds (Series 2007 B&C) in the amount of \$27,415,000 to refinance the ITA's mortgage-backed bonds that were outstanding. The City entered into a ground lease with the Authority, providing for the City's acquisition of a leasehold estate in the project. The City, Warren County, and the Authority entered into a Contract, Lease & Option agreement in which the Authority and County shall lease back the project from the City in consideration of rental payments to be utilized by the City in support of the payment of principal and interest on the general obligation bonds. The City and Warren County have each pledged to evenly share any shortfalls towards payment of debt service on the outstanding bonds. In 2013, there was a significant land sale to the State for right-of-way use on the I-65 connector road. It generated approximately \$2.3 million that was used for a partial early redemption call on the 2007C bonds through 2018. Subsequently, during FY2016 the outstanding debt of the 2007B and 2007C bonds were partially refunded by General Obligation Refunding Bonds, Series 2016A&B in the total amount of \$15,300,000. In FY2021, the City issued an additional \$43,835,000 in General Obligation Bonds, Series 2021A & 2021B, for an expansion to the existing Kentucky Transpark. The City will be responsible for 100% of the principal and interest payments for the first five years and afterward will share the cost evenly with Warren County.

During FY2022, the City and County made scheduled debt service contributions in the amount of \$3,995,437 on the Series 2016A&B and Series 2021A&B bonds. The separately audited financial statements of the ITA can be obtained from the City Clerk's office.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basic Financial Statements

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The reporting model focus is either on the City as a whole or on major individual funds. The government-wide financial statements report information on all of the non-fiduciary activities of the City and its component units. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Governmental activities normally are supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support. In the Government-wide Statement of Net Position, both the governmental and business-type activities are presented on a consolidated basis by column.

The Government-wide Statement of Activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses (including depreciation) are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function and include charges for services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants are capital-specific. Occupational license fees applied to gross wages and net profits, other license fees and permits, taxes, interest income and other revenues not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Non-major funds (by category) are summarized into a single column.

Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. With this measurement focus, all assets and all liabilities, including long-term assets, as well as long-term debt and obligations, are included in the Statement of Net Position. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the City, available means expected to be received within sixty days of year end. Major revenue sources not susceptible to accrual include charges for services, penalties and fines, and miscellaneous revenues. Such revenues are recorded as revenues when received because they are generally not measurable or available until actually received. Intergovernmental revenues received for specific purposes or projects are recognized when the applicable eligibility requirements are met. Revenues received before the eligibility requirements are met are reported as unearned revenue. Expenditures are recorded when the liability is incurred except: (1) principal and interest on long-term debt is recorded when due, and (2) compensated absences are accounted for as expenditures in the period used.

Since the Governmental fund statements are presented on a different measurement focus and basis of accounting than the Government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the Government-wide presentation.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basic Financial Statements

Basis of Accounting and Financial Statement Presentation

Internal service funds provide services primarily to other funds of the City and are presented in summary form as part of the proprietary fund statements. Since the principal users of the internal services are the City's governmental activities, the internal service funds' financial statements are consolidated into the Governmental column in the Government-wide statements. Governmental funds reimburse the Employee Health Care Fund, Workers' Compensation Fund, Fleet Maintenance Fund, and Property and Casualty Fund for employer insurance and fleet maintenance expenses; these revenues and expenses are eliminated upon consolidation. Direct expenses of the internal service funds are not eliminated.

The City's fiduciary funds are presented in the fund financial statements by type (pension and custodial). Since these assets are being held for the benefit of a third party (private parties, pension participants, etc.) and cannot be used for activities or obligations of the City, these funds are not incorporated into the Government-wide statements.

E. Basis of Presentation

The financial statements of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds are reported by generic classification within the financial statements.

In accordance with GASB Statement No. 34, major funds are determined by the percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined. Any other governmental or enterprise funds that the City believes are particularly important to financial statement users may also be reported as major. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The focus of governmental fund measurement (in the fund financial statements) is on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. The balance sheets generally contain only current assets and liabilities. The reported fund balance (net current assets) is a measure of "available spendable resources". The City reports the following major governmental funds:

The **General Fund** is the primary operating unit of the City and accounts for the revenues and expenditures not specifically provided for in other funds. Most of the essential governmental services such as police and fire protection, community services, parks and recreation, and general administration are reported in this fund.

The **WKU Athletics Debt Service Fund** is used to account for revenues received from Western Kentucky University (WKU) consisting of student athletic fees and suite rentals collected by WKU and remitted to the City pursuant to the Memorandum of Agreement between the City, WKU and the Hilltopper Athletic Foundation. The student athletic fees and suite rentals are to be paid to the City each year in sufficient amounts to pay debt services on the City's \$27,775,000 General Obligation and Special Revenue Bonds, Series 2010 and \$1,805,000 General Obligation and Special Revenues Bonds, Series 2011.

The **ITA Bond Debt Service Fund** is used to account for revenues received from payments made by the ITA and Warren County and expenditures related to the 2016A and 2016B bond issues that were used for refinancing the Kentucky Transpark debt and the 2021A and 2021B bond issues used to expand the Kentucky Transpark in 2021.

The **Debt Service Fund** is used to account for the accumulation of resources and payments made for principal and interest on long-term general obligation debt in the governmental funds.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Basis of Presentation

The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. All assets and all liabilities associated with the operation of these funds are included on the balance sheet. The City reports the following major proprietary fund:

The **Convention Center Fund** is used to account for the operations of the City's Sloan Convention Center.

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a user charge basis. Internal Service Funds include the Fleet Maintenance Fund, Employee Health Care Fund, Workers Compensation Fund, and Property and Casualty Fund.

Fiduciary Funds are used to account for assets held on behalf of outside parties. Trust funds account for assets held by the City under the terms of a formal trust agreement. Fiduciary funds are as follows:

The City of Bowling Green Police and Firefighters' Retirement Fund, a pension trust fund, is used to account for the accumulation of resources to be used for retirement annuity payments for retired or disabled public safety employees.

Custodial funds generally are used to account for assets that the City holds on behalf of others as their agent and are custodial in nature. The funds could report financial position.

Tourist and Convention Fund is used to account for the collection of 4% transient room tax and payment to the Bowling Green Area Convention and Visitors Bureau and the Convention Center fund.

Tax Distribution Fund is used to account for property tax collections and disbursements to the General Fund and Bowling Green Independent School System for property taxes billed and collected by the City on its behalf.

Evidence Storage Fund is used to account for cash collected as police evidence.

Bowling Green/Warren County Adjusted TIF Increment Fund is used to account for TIF revenues based on an agreement with Warren County. The associated investment account is jointly shared with Warren County with available cash pledged to the County to cover debt shortfalls on the County's 2016 Industrial Revenue Bonds.

F. Assets, Liabilities and Fund Equity

Deposits and Investments - The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Some of the cash resources of the individual funds are combined to form a pool of cash for cash management purposes. Interest income earned as a result of pooling is distributed to the appropriate funds based on the ending monthly balance of pooled cash in each fund. Funds that incur a negative balance in pooled cash during the year are not charged interest. No reclassification has been made at year end for negative balances of pooled cash.

Investments for the government, as well as its component units, are reported at fair value.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

Receivables - Receivables are amounts due representing revenues earned or accrued in the current period.

Property taxes attach as an enforceable lien on property as of January 1 each year. Property values are assessed on January 1 of each year, taxes are levied annually by ordinance, and are payable on December 31. The City bills and collects its own property taxes and also collects for the Bowling Green Independent School District. Collections of the City school taxes and remittance to the District are accounted for in the Tax Distribution Fund. City property tax revenues are recognized when levied to the extent that they are both measurable and available.

A receivable is reported for uncollected property taxes. Since these taxes are all at least six months delinquent at June 30 an allowance for uncollectible accounts has been established for the entire amount.

Lease Receivable - The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Interfund Receivables - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2022, balances of interfund amounts receivable or payable have been recorded as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

Inventories - Inventories are valued at cost, which approximate market, using the first-in/first-out (FIFO) method. The costs of inventory items are recognized as expenditures or expenses when used.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-wide and fund financial statements. Prepaid rent consists of payments made by the City in relation to a leasehold estate in the Inter-Modal Transportation Authority (ITA) project, net of current year amortization of rent expense.

Restricted Assets - Certain proceeds of bonds, as well as certain resources set aside for their payment, are classified as restricted assets on the balance sheet since their use is limited by applicable bond indentures. Construction fund accounts are used to report proceeds of general obligation and revenue bonds and notes that are restricted for use in construction and capital acquisitions. Depreciation and Maintenance accounts are the resources set aside to provide reasonable reserves for renewals, replacements, improvements, extensions, extraordinary major repairs and contingencies related to bond obligation projects. Sinking Fund accounts are the resources accumulated for debt service payments.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. Land, building, and improvements expenditures for items having a useful life greater than two years and having a cost greater than \$25,000 are capitalized. Machinery and equipment expenditures for items having a useful life greater than two years and having a cost greater than \$5,000 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value and recorded as donations at the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Buildings and improvements	40 years	30 - 50 years
Improvements other than buildings	10 - 40 years	10 - 35 years
Infrastructure - drainage	30 - 100 years	N/A
Machinery and equipment	3 - 7 years	3 - 10 years
Vehicles	5 - 7 years	5 - 7 years
Intangible assets	10 - 40 years	N/A

The City's infrastructure consists of the street and storm sewers systems. The street system consists of streets, rights-of-way, sidewalks, and curbs. The storm sewers system consists of gutters and storm sewers. The City elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting of its street system. Using this approach, the City capitalizes the costs of its street system but does not report depreciation expense for those assets. Instead, the City reports all street system maintenance as expenditures in the period incurred unless those expenditures improve on those streets original condition or add to its capacity. These additions or improvements are not expensed but added to the historical cost of the assets. The City uses an asset management system to provide an up-to-date inventory of its streets, perform condition assessments on the street pavement at least once every three years, and estimate an annual amount needed to maintain the streets at a specified condition level. The asset management system is discussed in more detail in Required Supplemental Information, immediately following these notes.

Right to Use Assets - The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus any ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has three items that meet this criterion: pension deferrals, OPEB deferrals, and deferred amounts from refunding debt.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has three items that meet the criterion for this category: pension deferrals, OPEB deferrals, and leases.

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation leave is earned based on working days for each month of credited service. For most classified employees, earning rates increase at 10, 15 and 20 years of credited service. Accumulated vacation time shall not exceed the amount of time which an employee may earn in two years.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

Sick leave for most classified employees is earned on the basis of one working day or eight hours per month of service. Sick leave for Fire Department personnel working 24 hours on/48 hours off is earned on the basis of 12 hours per month of service. Earned sick leave may be accumulated up to a maximum of 180 days; thereafter, employees are compensated monthly for days accumulated in excess of 180 days in an amount equal to one-half of the base rate straight-time value. For retiring employees who are participating members of CERS, the City will purchase service credit for up to six months (120 days) of unused sick leave at the time of retirement. Employees who retire with more than 120 accrued sick days may receive cash payment for the number of days over 120 in the amount of \$40/day.

All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Retirement - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the City's participation in the County Employees' Retirement System (CERS) of the Kentucky Public Pension Authority (KPPA) have been determined on the same basis as reported by the KPPA. Benefits including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms of the CERS plan. The liability was measured at June 30, 2021.

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CERS' Insurance Fund and additions to/deductions from the Insurance Fund's fiduciary net position have been determined on the same basis as reported by the Insurance Fund. The Insurance Fund recognizes benefit payments when due and payable in accordance with benefit terms. The liability was measured at June 30, 2021.

Long-Term Obligations - In the government-wide, proprietary and fiduciary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund, or fiduciary fund Statement of Net Position. The discounts and premiums related to bonds and notes issued are deferred and amortized over the life of the bond or note using the straight-line method. Bonds and notes payable are reported net of the applicable bond premium or discount. Issuance costs are reported as expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Extraordinary losses, the difference between the re-acquisition price and the net carrying value of the old debt on refunded debt are amortized as a component of interest expense over the life of the old or new bonds, whichever is shorter, using the straight-line method. The deferred amount is presented as a deferred inflow of resources.

Long-term liabilities include the following:

- Principal outstanding on general obligation bonds, notes and financed purchase obligations.
- Landfill closure and postclosure care liability is the established total current cost to place a final cover on the City's landfill sites and to perform certain maintenance and monitoring functions after closure.
- Lease liability is recorded for two agreements to lease certain improvements to land and buildings is based on the present value of the lease payments expected to be paid during the lease term.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

Fund Equity - The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the City itself, by Ordinance approved by the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the City takes action to remove or change the constraint. Stabilization funds in the General Fund are assessed each fiscal year and approved by the Board of Commissioners through an Ordinance and can only be appropriated through the same action; if stabilization funds are utilized, a plan to replenish the balance to the established funding level must be approved by Ordinance.
- Assigned fund balance - amounts the City intends to use for a specific purpose (such as encumbrances); intent can be expressed by the City or the City Manager, Assistant City Manager and/or Chief Financial Officer, or body to which the City delegates authority as established by the City's Fund Balance Policy included in the City's Financial Policies approved by the Board of Commissioners.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

When both restricted and unrestricted funds are available for expenditure, restricted funds are spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds are spent first, assigned funds second, and unassigned funds last.

G. Revenues, Expenditures and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, non-capital financing or investing activities.

Interfund transactions that would be treated as revenues or expenditures/expenses if they involved organizations external to the City are similarly treated when involving funds of the City. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the reimbursed fund. Transfers from funds receiving revenues to funds through which the resources are to be expended and operating subsidies are classified as interfund transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the Government-wide presentation.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance with Finance Related Legal and Contractual Provisions

The City has no material violations of finance related legal and contractual provisions.

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

The City's bank balances at June 30, 2022, are entirely insured or collateralized with securities held by the City's agent in the City's name. In accordance with Kentucky Revised Statutes (KRS) 66.480 and the government's investment policy, the government is allowed to invest in obligations of the U.S. Treasury and U.S. agencies and instruments, repurchase agreements, bankers' acceptances, commercial paper, obligations of the Commonwealth of Kentucky and its agencies and instrumentalities, shares of mutual funds, or interest bearing deposits of insured national or state banks. In addition, the Fiduciary Funds are allowed to invest in equity securities, corporate bonds, and international stocks listed as American Depository Receipts (ADR). Investments of the City as of June 30, 2022, are summarized and categorized in the table below.

Primary Government (except Fiduciary Funds)		
Investment Type	Fair Value	Weighted Average Maturity in Years
Certificate of deposit	\$ 1,657,263	0.671
Cash equivalents	11,662,236	N/A
Tax free mutual funds	17,014,449	N/A
U.S. agencies CMO	19,046	0.071
Taxable mutual funds	810,328	N/A
U.S. equity	8,054,325	N/A
Taxable bond funds	121,827	N/A
U.S. agencies bonds	17,440,631	0.430
Foreign real estate fund	4,427	n/a
U.S. real estate	9,111	n/a
Municipal bonds	4,444,641	0.443
	<u>\$ 61,238,284</u>	

Interest Rate Risk - The City has adopted an investment policy that recommends controlling interest rate risk through maturity diversification. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - The City has no policy related to credit risk.

Concentration of Credit Risk - To limit concentration of credit risk, the City has adopted an investment policy to limit investments held at one financial institution to no more than 25% of total investments, excluding money market mutual funds, unless they are fully insured or fully collateralized, or they are authorized investment pools.

Recurring Fair Value Measurement - The City categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

The City has the following recurring fair value measurements as of June 30, 2022:

- Certificates of deposit, cash equivalents, U.S. Agencies Collateralized Mortgage Obligation (CMO), and U.S. Agencies Bonds total \$30,779,176 and are valued using quoted market prices (Level 1 inputs).
- Municipal bonds, tax free mutual funds, taxable mutual funds, U.S. and foreign equity, and U.S. and foreign real estate funds total \$30,459,108 using quoted prices for similar assets in active markets (Level 2 inputs).

Component Units

Bowling Green Municipal Utilities

The Bowling Green Municipal Utilities may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities, Kentucky bonds and certificates of indebtedness, highly-rated securities issued by a state or local government in the United States, and certain other investments more fully described in the Kentucky Revised Statutes. Investments of each division of the Utility as of June 30, 2022 are summarized and categorized in the tables below.

Bowling Green Municipal Utilities Water-Sewer Division

Investment Type	Fair Value	Maturities in Years	
		Less than 1	1-5
Fixed income funds	\$ 1,178,158	\$ 582,684	\$ 595,474
U.S. treasury obligations	776,144	168,088	608,056
Negotiable certificates of deposit	396,128	396,128	-
Money market account	28,766,167	28,766,167	-
Foreign fixed income funds	88,773	-	88,773
	<u>\$ 31,205,370</u>	<u>\$ 29,913,067</u>	<u>\$ 1,292,303</u>

The carrying value of deposits and investments shown above are included in the Combining Statement of Net Position - Component Units - Bowling Green Municipal Utilities for the Water-Sewer Division as follows:

Carrying value	
Deposits	\$ 7,447,582
Investments	<u>31,205,370</u>
	<u>\$38,652,952</u>

Included in the following captions:

Cash and cash equivalents	\$ 15,905,497
Noncurrent cash and investments	1,079,330
Other short-term investments	<u>21,668,125</u>
	<u>\$38,652,952</u>

Bowling Green Municipal Utilities Electric Division

Investment Type	Fair Value	Maturities in Years
		Less than 1
Money market account	<u>\$ 1,198,846</u>	<u>\$ 1,198,846</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

The carrying value of deposits and investments are included in the Combining Statement of Net Position - Component Units - Bowling Green Municipal Utilities for the Electric Division as follows:

Carrying value	
Deposits	\$ 18,481,601
Investments	1,198,846
	<u>\$ 19,680,447</u>

Included in the following captions:

Cash and cash equivalents	\$ 18,381,601
Investments and restricted funds	1,298,846
	<u>\$ 19,680,447</u>

Interest Rate Risk - Investment rate risk is the risk that changes in market interest rates and will adversely affect the value of an investment. The Bowling Green Municipal Utilities does not have a formal investment policy that limits its interest rate risk.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2022, the Utility's Water/Sewer Division investments in U.S. agencies obligations not directly guaranteed by the U.S. government were rated by Standard & Poor's as A and by Moody's Investors Services as A2. The Utility's Electric Division investments in U.S. agencies obligations not directly guaranteed by the U.S. government were rated by Standard & Poor's and by Moody's Investors Services as AAA.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Utility will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2022, Bowling Green Municipal Utilities was not exposed to custodial credit risk.

Concentration of Credit Risk - The Utility places no limit on the amount that may be invested in any one issuer.

Recurring Fair Value Measurements - The Utility categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Water/Sewer Division had the following assets measured at fair value on a recurring basis as of June 30, 2022.

Investments by Fair Value Level	June 30, 2022	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. treasury obligations	\$ 776,144	\$ -	\$ 776,144
Fixed income funds	1,178,158	1,178,158	-
Negotiable certificates of deposit	396,128	-	396,128
Foreign fixed income funds	88,773	88,773	-
Money market accounts	28,766,167	28,766,167	-
Total investment by fair value	<u>\$ 31,205,370</u>	<u>\$ 30,033,098</u>	<u>\$ 1,172,272</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

Police and Firefighters' Retirement Fund

Plan investments are presented at fair value, which is the amount that financial instruments could be exchanged in a current transaction between willing parties. Short-term investments are carried at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Other investments not having an established market are recorded at estimated fair value. All fair values are determined by external consultants. The City of Bowling Green Police and Firefighters' Retirement Fund investments are measured and reported at fair value and are classified according to the following hierarchy:

Level 1 - Investments reflect prices quoted in active markets.

Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Investments by Fair Value Level	June 30, 2022	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Corporate securities	\$ 1,712,899	\$ 255,623	\$ 1,457,276
Mutual funds	3,261,022	3,261,022	-
Kentucky local municipal bonds	402,648	-	402,648
United States government securities	1,023	1,023	-
Total investments by fair value	<u>\$ 5,377,592</u>	<u>\$ 3,517,668</u>	<u>\$ 1,859,924</u>

Approximately 30% of the net assets held in trust for pension benefits are invested in corporate securities and 58% are invested in mutual funds. The fund has the following investments whose market value exceeds 5% of the plan's fiduciary net position: American Fundamental Investors Class A FD#10 (14.05%), American Growth Fund of America Class A FD#05 (12.63%), The Investment Company of America Class A FD#4 (14.73%), and American Funds Washington Mutual Investors Class A (17.56%).

The Retirement Fund adopted an Investment Policy Statement on August 19, 2020, and is in compliance with the Kentucky Revised Statutes. The policy includes statement of purpose, investment goals and objectives, investment guidelines for the fund, performance index, designated officers and City officials authorized to direct the investment and oversight of fund assets, and additional guidelines. Any changes to the investment plan would need to be approved by the Board of Trustees and be in compliance with Kentucky Revised Statutes.

The Retirement Fund's investments are all categorized as either insured or registered. The securities are held by the Retirement Fund, or by its agent, in the name of City of Bowling Green Police and Firefighters' Retirement Fund and are shown on the following page.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1-5	6-10	More than 10
U.S. government	\$ 1,023	\$ 1,023	\$ -	\$ -	\$ -
Corporate securities	1,712,899	309,174	1,132,371	177,466	93,888
Kentucky municipal bonds	402,648	64,987	206,600	44,434	86,627
Mutual funds	3,261,022	3,261,022	-	-	-
Total	\$ 5,377,592	\$ 3,636,206	\$ 1,338,971	\$ 221,900	\$ 180,515

Rate of Return - For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expense was -9.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the financial institution, the fund will not be able to recover the value of its cash equivalents. At June 30, 2022, the Fund's carrying amounts for cash investments were uninsured, but held in the Fund by the corresponding financial advisor's trust department.

B. Unrestricted Assets

Unrestricted Assets - represent unrestricted liquid assets. While Government management may have categorized and segmented portions for various purposes, the Board of Commissioners has the unrestricted authority to revisit or alter these management decisions.

C. Capital and Right to Use Assets

Capital and right to use asset activity for the year ended June 30, 2022, follows on the next page. The right to use leased assets are for an improvement to land and a building and are discussed in the Leases section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

C. Capital and Right to Use Assets

	Restated Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,669,793	\$ 152,050	\$ -	\$ 17,821,843
Infrastructure	129,986,473	2,343,688	(13,769)	132,316,392
Construction in progress	6,858,999	7,005,039	(8,650,455)	5,213,583
Total capital assets, not being depreciated	<u>154,515,265</u>	<u>9,500,777</u>	<u>(8,664,224)</u>	<u>155,351,818</u>
Capital assets, being depreciated:				
Stormwater infrastructure	9,449,878	6,354,232	-	15,804,110
Buildings	51,909,523	4,422,174	(90,267)	56,241,430
Improvements other than buildings	51,083,874	2,146,286	(8,226)	53,221,934
Intangibles	2,227,568	1,621,549	(73,786)	3,775,331
Vehicles, equipment and furniture	30,835,894	2,215,180	(1,414,897)	31,636,177
Property held under capital lease	306,633	-	-	306,633
Total capital assets, being depreciated/amortized	<u>145,813,370</u>	<u>16,759,421</u>	<u>(1,587,176)</u>	<u>160,985,615</u>
Right to use assets, being amortized:				
Intangible right to use, buildings	58,909	-	-	58,909
Intangible right to use, improvements other than buildings	91,768	-	-	91,768
Total right to use assets, being amortized	<u>150,677</u>	<u>-</u>	<u>-</u>	<u>150,677</u>
Less accumulated depreciation/amortization:				
Stormwater infrastructure	(2,760,036)	(225,060)	-	(2,985,096)
Buildings	(22,770,884)	(1,280,525)	33,907	(24,017,502)
Intangible right to use, buildings	(6,545)	(6,545)	-	(13,090)
Improvements other than buildings	(22,666,351)	(1,507,985)	3,639	(24,170,697)
Intangible right to use, improvements other than buildings	(59,649)	(4,588)	-	(64,237)
Intangibles	(1,238,654)	(285,550)	43,657	(1,480,547)
Vehicles, equipment and furniture	(18,835,103)	(2,252,999)	1,397,651	(19,690,451)
Property held under capital lease	(222,487)	(5,986)	-	(228,473)
Total accumulated depreciation/amortization	<u>(68,559,709)</u>	<u>(5,569,238)</u>	<u>1,478,854</u>	<u>(72,650,093)</u>
Total capital assets, being depreciated/amortized, net	<u>77,404,338</u>	<u>11,190,183</u>	<u>(108,322)</u>	<u>88,486,199</u>
Governmental activities, capital assets, net	<u>\$ 231,919,603</u>	<u>\$ 20,690,960</u>	<u>\$ (8,772,546)</u>	<u>\$ 243,838,017</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

C. Capital and Right to Use Assets

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,290,764	\$ -	\$ -	\$ 2,290,764
Construction in progress	-	77,700	-	77,700
Total capital assets, not being depreciated	<u>2,290,764</u>	<u>77,700</u>	<u>-</u>	<u>2,368,464</u>
Capital assets, being depreciated:				
Buildings	11,286,224	-	-	11,286,224
Improvements other than buildings	74,550	-	-	74,550
Vehicles, equipment and furniture	1,168,792	15,449	(19,647)	1,164,594
Total capital assets, being depreciated	<u>12,529,566</u>	<u>15,449</u>	<u>(19,647)</u>	<u>12,525,368</u>
Less accumulated depreciation:				
Buildings	(6,831,060)	(322,847)	-	(7,153,907)
Improvements	(33,725)	(10,650)	-	(44,375)
Vehicles, equipment and furniture	(904,704)	(46,401)	19,647	(931,458)
Total accumulated depreciation	<u>(7,769,489)</u>	<u>(379,898)</u>	<u>19,647</u>	<u>(8,129,740)</u>
Total capital assets, being depreciated, net	<u>4,760,077</u>	<u>(364,449)</u>	<u>-</u>	<u>4,395,628</u>
Business-type activities, capital assets, net	<u>\$ 7,050,841</u>	<u>\$ (286,749)</u>	<u>\$ -</u>	<u>\$ 6,764,092</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 616,210
Public safety	1,891,499
Public works	993,459
Parks and recreation	1,595,183
Neighborhood and community services	<u>472,887</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 5,569,238</u>
Business-type activities	
Convention Center	<u>\$ 379,898</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

C. Capital and Right to Use Assets

	Restated Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Bowling Green Municipal Utilities				
Capital assets, not being depreciated:				
Land	\$ 2,012,653	\$ -	\$ -	\$ 2,012,653
Construction in progress	48,572,176	18,436,992	(12,997,431)	54,011,737
Total capital assets, not being depreciated	<u>50,584,829</u>	<u>18,436,992</u>	<u>(12,997,431)</u>	<u>56,024,390</u>
Capital assets, being depreciated:				
Transmission plant	2,781,147	24,091	(7,023)	2,798,215
Distribution plant	98,053,870	3,088,912	(1,948,045)	99,194,737
Structures and improvements, nodes	452,239	31,483	-	483,722
General plant	15,327,811	572,651	(55,890)	15,844,572
Water plant	106,507,204	1,220,029	-	107,727,233
Sewer plant	117,464,938	12,888,888	-	130,353,826
Equipment	9,356,342	406,751	(84,148)	9,678,945
Overhead conductors and devices	6,544,007	301,482	(4,013)	6,841,476
Trucks and autos	3,609,544	523,971	(326,940)	3,806,575
Office equipment	1,815,400	70,574	-	1,885,974
Office additions	65,716	-	-	65,716
Total capital assets, being depreciated	<u>361,978,218</u>	<u>19,128,832</u>	<u>(2,426,059)</u>	<u>378,680,991</u>
Less accumulated depreciation	<u>(170,870,465)</u>	<u>(11,790,655)</u>	<u>2,881,641</u>	<u>(179,779,479)</u>
Total capital assets, being depreciated, net	<u>191,107,753</u>	<u>7,338,177</u>	<u>455,582</u>	<u>198,901,512</u>
Bowling Green Municipal Utilities, capital assets, net	<u>\$ 241,692,582</u>	<u>\$ 25,775,169</u>	<u>\$ (12,541,849)</u>	<u>\$ 254,925,902</u>

D. Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statutes or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The following schedule briefly summarizes the City's transfer activity:

	Transfers Out			
	General	Nonmajor		Total
	General	Governmental	Internal Service	Total
General Fund	\$ -	\$ 678,548	\$ -	\$ 678,548
ITA Bond	730,235	1,197,078	-	1,927,313
Debt Service	1,966,250	1,041,827	-	3,008,077
Convention Center	-	100,000	-	100,000
Internal Service Funds	1,540,000	-	200,000	1,740,000
Nonmajor Governmental Funds	15,180,028	2,305,428	-	17,485,456
Totals	<u>\$ 19,416,513</u>	<u>\$ 5,322,881</u>	<u>\$ 200,000</u>	<u>\$ 24,939,394</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

E. Leases

Lease Receivable - In August 2020, the City entered into a lease with Bluegrass Ingredients. Under the lease, Bluegrass Ingredients pays the City for the use of fifteen parking spaces at a cost of \$35 each or a total of \$525 per month for thirty-six months, which is expected to be renewed for four terms. The lease revenue is measured at the present value of the future rent payments expected to be received during the lease term at a discount rate of 1.95%.

In Fiscal Year 2022, the City recognized \$5,518 of lease revenue and \$1,399 of interest revenue under the lease.

Future minimum lease payments and net present value of these minimum lease payments included in the measurement of the lease receivable as of June 30, 2022, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2023	\$ 5,094	\$ 1,206	\$ 6,300
2024	5,194	1,106	6,300
2025	5,295	1,005	6,300
2026	5,399	902	6,301
2027	5,504	797	6,301
2028-2032	29,174	2,331	31,505
2033-2036	6,173	120	6,293
	<u>\$ 61,833</u>	<u>\$ 7,467</u>	<u>\$ 69,300</u>

Deferred Inflows of Resources - The deferred inflow on lease activity for fiscal year 2022 is as follows:

	Beginning Balance	Deferred Revenue Recognized	Ending Balance
Deferred Inflows on Leases	<u>\$ 66,213</u>	<u>\$ 5,518</u>	<u>\$ 60,695</u>

Lease Liability - The City, as a lessee, has entered into two agreements to lease certain improvements to land and buildings and recognizes a lease liability and right to use asset for said leases. The lease liabilities are based on the present value of the lease payments expected to be paid during the lease term. The right to use assets are valued at the lease liability less accumulated amortization expense recognized throughout the life of the leases.

The first agreement was originally executed in 1988 to lease a portion of the CrossWinds Golf Course property from the Bowling Green - Warren County Regional Airport (Airport). The lease had a twenty year term and was renewed in July 2008 for an additional twenty year term set to expire in June 2028. The lease liability is based upon an annual lease payment of \$6,100, which is adjusted every five years based on the Consumer Price Index (CPI) Report for the prior five year period. At the inception of the current lease term in 2008, the CPI rate was 2.88% and is the discount rate used to measure the lease liability. As a result of the lease, the City has recorded a right to use asset with a net book value of \$27,531 as of June 30, 2022. The right to use asset activity is reflected in the Capital Asset section of this note.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

E. Leases

The second agreement was executed in July 2020 to lease a storage building. The lease has a three year term and is expected to continue for at least two additional terms. The lease liability is based upon an annual lease payment of \$7,200 with no variable payment components. The lease liability is measured at a discount rate of 1.95%. As a result of the lease, the City has recorded a right to use asset with a net book value of \$45,819 as of June 30, 2022. The right to use asset activity is reflected in the Capital Asset section of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2023	\$ 11,434	\$ 1,866	\$ 13,300
2024	11,705	1,595	13,300
2025	11,982	1,318	13,300
2026	12,267	1,033	13,300
2027	12,558	742	13,300
2028-2032	19,922	582	20,504
	<u>\$ 79,868</u>	<u>\$ 7,136</u>	<u>\$ 87,004</u>

F. Long-term Debt

Revenue bonds and other directly related long-term liabilities, which are intended to be paid from proprietary funds, are included in the accounts of such funds. All other long-term indebtedness is accounted for in the Governmental column of the Government-wide Statement of Net Position. The table on the following page reports all City long-term debt as of June 30, 2022.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Primary Government:

	Purpose of Issue	Original Issue	Interest Rate	Final Maturity	Amount Outstanding
Governmental Activities					
General obligation and revenue bonds					
General Obligation Bond, Series 2010 & 2011	Refinance GO Series 2002B & 2002C	\$29,580,000	0.5%-3.75%	June 1, 2026	\$ 10,315,000
General Obligation Bond, Series 2012A	Refinance GO Series 2004A	6,320,000	2.0%-3.0%	June 1, 2024	1,805,000
General Obligation Bond, Series 2012B	Refinance GO Series 2004B	1,400,000	1.0%-3.3%	June 1, 2024	295,000
General Obligation Bond, Series 2015A	Refinance portion of GO Series 2007A	9,245,000	2.25%-3.0%	December 1, 2032	8,215,000
General Obligation Bond, Series 2016A	Refinance portion of GO Series 2007B	12,040,000	2.05%	September 1, 2023	1,280,000
General Obligation Bond, Series 2016B	Refinance GO Series 2007C	3,260,000	3.09%	September 1, 2023	160,000
General Obligation Bond, Series 2016C	Refinance portion of Series 2008A & 2008B	24,545,000	3.0%-4.0%	June 1, 2038	20,005,000
General Obligation Bond, Series 2021A	Kentucky Transpark expansion, construction of infrastructure	38,060,000	1.5%-5.0%	September 1, 2046	38,060,000
General Obligation Bond, Series 2021B	Kentucky Transpark expansion, property acquisition	5,775,000	1.375%-2.0%	September 1, 2029	5,430,000
					<u>85,565,000</u>
Premiums, deferred charges and discounts on bond obligations					<u>1,915,320</u>
Total general obligation bonds					<u>\$ 87,480,320</u>
	Purpose of Issue	Original Issue	Interest Rate	Final Maturity	Amount Outstanding
Notes and financed purchases from direct borrowings and placements					
JP Morgan Chase	2019 Fire Trucks	\$ 1,531,518	1.95%	December 4, 2029	\$ 1,248,361
JP Morgan Chase	2022 Fire Trucks	2,091,238	1.96%	February 28, 2032	2,091,238
FirstBank	2018 Fire Trucks	3,531,163	2.99%	March 29, 2028	<u>2,242,861</u>
Total notes and financed purchases from direct borrowings and placements					<u>5,582,460</u>
Other Long-Term Liabilities					
Compensated absences					2,101,269
Landfill					<u>1,343,721</u>
					<u>3,444,990</u>
Total long-term governmental liabilities					<u>\$ 96,507,770</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the primary government for the year ended June 30, 2022, was as follows:

	Restated Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due in One Year
Governmental Activities:					
General obligation and revenue bonds	\$ 93,955,000	\$ -	\$ (8,390,000)	\$ 85,565,000	\$ 6,285,000
Notes and financed purchases from direct borrowings and placements	3,970,596	2,091,238	(479,374)	5,582,460	683,660
Adjustments for deferred amounts:					
Discount on bonds payable	(63,607)	5,300	-	(58,307)	-
Premium on bonds payable	2,171,797	-	(198,170)	1,973,627	-
Total bonds, notes, leases payable	<u>100,033,786</u>	<u>2,096,538</u>	<u>(9,067,544)</u>	<u>93,062,780</u>	<u>6,968,660</u>
Lease liabilities	91,037	-	(11,169)	79,868	11,434
Compensated absences	2,149,670	1,274,313	(1,322,714)	2,101,269	1,119,568
Landfill postclosure care	1,432,203	-	(88,482)	1,343,721	44,863
Total governmental activities	<u>\$ 103,706,696</u>	<u>\$ 3,370,851</u>	<u>\$ (10,489,909)</u>	<u>\$ 96,587,638</u>	<u>\$ 8,144,525</u>

Internal Service funds predominately serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. At year end, \$33,214 of internal service fund compensated absences is included in the above amounts. Landfill postclosure liabilities are liquidated by the Landfill Closure special revenue fund and governmental compensated absences are liquidated by the General Fund.

The City's outstanding note from direct borrowings and placements totaling \$5,582,460 contains a default provision where the financing agreement would be terminated and all related indebtedness would be due and payable. Collateral for this note includes: one 2018 Pierce Rescue Engine with equipment and machinery, one 2018 Pierce 95' Mid-Mount Aerial Platform Engine with machinery and equipment, and four 2018 Pierce Engines with equipment and machinery.

Component Unit

Long-term liability activity for the component unit for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due in One Year
Component Unit:					
General obligation and revenue bonds					
Water-Sewer Division					
Revenue bonds payable	\$ 115,947,762	\$ 5,390,744	\$ (11,447,579)	\$ 109,890,927	\$ 5,682,262
Electric Division					
Revenue bonds payable	8,430,000	-	(515,000)	7,915,000	530,000
General Services Division					
Notes payable	1,038,730	-	(949,538)	89,192	89,192
Less: unamortized bond discount	(26,123)	2,147	-	(23,976)	-
Plus: unamortized bond premium	2,026,866	917,650	(11,842)	2,932,674	-
	<u>\$ 127,417,235</u>	<u>\$ 6,310,541</u>	<u>\$ (12,923,959)</u>	<u>\$ 120,803,817</u>	<u>\$ 6,301,454</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Changes in Long-term Liabilities

Debt service requirements (principal and interest) to maturity for the Primary Government's bonds and notes are as follows:

Fiscal Year	Governmental Activities			
	General Obligation and Revenue Bonds		Notes and Financed Purchase Agreements	
	Interest	Principal	Interest	Principal
2023	\$ 2,327,054	\$ 6,285,000	\$ 133,439	\$ 683,660
2024	2,117,938	6,510,000	116,490	700,610
2025	1,914,250	4,905,000	98,781	718,318
2026	1,736,613	5,105,000	80,767	736,332
2027	1,546,601	3,105,000	62,279	754,820
2028-2032	6,332,895	16,250,000	96,941	1,988,720
2033-2037	3,963,765	16,695,000	-	-
2038-2042	2,055,117	12,900,000	-	-
2043-2047	739,690	13,810,000	-	-
	<u>\$ 22,733,923</u>	<u>\$ 85,565,000</u>	<u>\$ 588,697</u>	<u>\$ 5,582,460</u>

Principal requirements for component unit debt is as follows:

Fiscal Year	Bowling Green Municipal Utilities		Total
	Water-Sewer Division	Bowling Green Municipal Utilities Electric Division	
2023	\$ 5,682,262	\$ 530,000	\$ 6,212,262
2024	5,800,008	540,000	6,340,008
2025	5,917,015	555,000	6,472,015
2026	5,954,914	575,000	6,529,914
2027	6,108,728	595,000	6,703,728
2028-2032	32,036,734	3,290,000	35,326,734
2033-2037	21,938,292	1,830,000	23,768,292
2038-2042	13,412,072	-	13,412,072
2043-2047	8,994,829	-	8,994,829
2048-2050	4,046,073	-	4,046,073
	<u>\$ 109,890,927</u>	<u>\$ 7,915,000</u>	<u>\$ 117,805,927</u>

General Description of the City's General Obligation and Revenue Bonds

General Obligation and Revenue Bonds - The City routinely issues general obligation and revenue bonds to provide funds for the acquisition and construction of capital assets. The general obligation bonds are secured by an irrevocable pledge of the full faith, credit and taxing power of the City. The City has issued the following general obligation and revenue bonds:

1. \$29,580,000 General Obligation and Special Revenue Refunding Bonds, Series 2010 and Series 2011, issued for the purpose of refinancing the Series 2002B and Series 2002C General Obligation and Special Revenue Bonds for Western Kentucky University.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

General Description of the City's General Obligation and Revenue Bonds

2. \$6,320,000 General Obligation Bonds, Series 2012A, issued for the purpose of refinancing Series 2004A General Obligation Bonds.
3. \$1,400,000 General Obligation Bonds, Series 2012B, issued for the purpose of refinancing Series 2004B General obligation Bonds.
4. \$9,245,000 General Obligation Bonds, Series 2015A, issued for the purpose of refinancing a portion of Series 2007A General Obligation Bonds
5. \$15,300,000 General Obligation Bonds, Series 2016A&B, issued for the purpose of refinancing a portion of Series 2007B&C General Obligation Bonds. The refunding was undertaken in FY2016 and resulted a net present value savings or benefit of \$1,216,517 or approximately 8.2%. The aggregate difference between the refunding debt and the refunded debt was \$470,000; with \$14,830,000 as the refunded principal.
6. \$24,545,000 General Obligation Bonds, Series 2016C, issued to refinance a portion of Series 2008A & 2008B General Obligation Bonds. The refunding was completed in FY2016 and resulted in a net present value savings or benefit of \$3,072,159 or about 12.72%. The aggregate difference between the refunding debt and the refunded debt was \$395,000; with \$24,150,000 as the refunded principal.
7. \$38,060,000 General Obligation Bonds, Series 2021A, issued to fund infrastructure costs to complete an expansion at the Kentucky Transpark.
8. \$5,775,000 General Obligation Bonds, Series 2021B, issued to fund property acquisition for the expansion of the Kentucky Transpark.

Memorandum of Agreement/WKU Project Financing

In June 2002 the City issued \$30,115,000 General Obligation and Special Revenue Bonds, Series 2002B and \$1,800,000 General Obligation and Special Revenue Bonds, Series 2002C to finance the renovation, improvement and equipping of certain WKU athletic and parking facilities, including the renovation and improvement of E. A. Diddle Arena. The Series 2002C Bonds were issued to finance costs allocated to certain private use facilities (luxury suites) in E. A. Diddle Arena, as renovated, not financed by the Series 2002B Bonds.

Pursuant to a Memorandum of Agreement dated April 15, 2002 and amended by Supplement No. 1 dated June 1, 2002, between the City, WKU and the Hilltopper Athletic Foundation (HAF), WKU and HAF, respectively, pledge to impose and charge student athletic fees and suite rentals during the term of the respective series of bonds sufficient, when transferred to the City, for the payment of principal and interest on the bonds. WKU pledges the student athletic fees to the City for the payment of principal and interest on the Series 2002B Bonds and, on a subordinated basis, the Series 2002C Bonds, and HAF and WKU pledge the suite rentals (defined as annual luxury suite rentals minus HAF contributions of \$7,500 per suite) to the City for the payment of principal and interest on the Series 2002C Bonds. Payments from collected student athletic fees and suite rentals are to be made to the City on or before March 1 and September 1 of each year in amounts sufficient to pay debt service on the Series 2002B Bonds and Series 2002C Bonds, respectively, to the extent funds are not otherwise provided in the form of capitalized interest and interest earnings in the Series 2002B bond fund and the Series 2002C bond fund. No suite rentals shall be available or used for payment of debt service on the Series 2002B Bonds.

In Fiscal Year 2011, the City issued General Obligation and Special Revenue Refunding Bonds Series 2010 & 2011 for \$29,580,000 for the purpose of refinancing \$27,595,000 of the Series 2002B and Series 2002C Bonds.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Memorandum of Agreement/WKU Project Financing

The following is a schedule, by year, of future amounts to be provided by WKU pursuant to the Memorandum of Agreement for the retirement of general long-term debt of the City, applicable to the issuance of the \$30,115,000 General Obligation and Special Revenue Bonds, Series 2002B, \$1,800,000 General Obligation and Special Revenue Bonds, Series 2002C, and \$29,580,000 General Obligation and Special Revenue Refunding Bonds, Series 2010 and Series 2011 for the WKU Project:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,415,000	\$ 392,330	\$ 2,807,330
2024	2,520,000	302,975	2,822,975
2025	2,625,000	208,475	2,833,475
2026	2,755,000	106,756	2,861,756
	<u>\$ 10,315,000</u>	<u>\$ 1,010,536</u>	<u>\$ 11,325,536</u>

As of June 30, 2022, the City has recorded a receivable from WKU in the amount of \$10,315,000 in the WKU Athletics Special Revenue Fund applicable to future revenues to be received from WKU related to the above agreement.

Fund Depository and Administration Agreement/WKU Project Financing

On June 1, 2002, the City entered into a Fund Depository and Administration Agreement with the Finance and Administration Cabinet of the Commonwealth of Kentucky (FAC) applicable to the WKU project. The WKU project is and will be the property of the Commonwealth of Kentucky for the benefit of WKU and all contracts for the construction, acquisition and installation of the project are awarded, administered and carried out by the FAC through its Department for Facilities Management and its Office of Financial Management as a State-administered capital construction project.

On June 28, 2002 (bond closing date), the City, pursuant to Fund Depository and Administration Agreement, transferred to the State Treasurer the net proceeds of the Series 2002B Bonds (\$28,235,432) and 2002C Bonds (\$1,670,716) for deposit to FAC-administered capital construction accounts. The transfers to the State of Series 2002B and 2002C Bonds net proceeds totaling \$29,906,148 were accounted for as expenditures in the WKU Athletic Special Revenue Fund in Fiscal Year 2002.

In fiscal years subsequent to the transfer of bond net proceeds to the State, the City will not account for construction expenditures of the project and will not include State-administered construction accounts as assets of the City. The WKU project will be property of the Commonwealth of Kentucky for the benefit of WKU.

TIF District

In August 2007, the City approved the establishment of a downtown development area Tax Incremental Financing (TIF) District, which was later amended and expanded in October 2008. With the establishment of the District, the City pledged 80% of new incremental growth in property tax, withholding fees, and net profit fee revenues produced within the boundaries of the District to the Warren County Downtown Economic Development Authority (the Authority), a Chapter 58 agency designated to administer and oversee the project. These incremental revenues are dedicated for debt service payments on various projects within the TIF District. The State also pledged 80% of incremental revenues within the District under the condition that the project reach \$200 million in eligible projects, which was later amended to \$150 million by the State General Assembly in June 2009.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

TIF District

During 2009, the City issued \$25 million in general obligation bonds to fund the construction of a ballpark for a Single A baseball team in Bowling Green located inside the TIF District. The bond proceeds included funding for infrastructure and capitalized interest and were placed into a construction fund account. The construction of the ballpark, including the bidding of the project and all construction oversight, was performed by the Authority. Draws totaling \$23 million for construction were requested through the City from the bond construction account and distributed to the contractor monthly. The other \$2 million was set aside for capitalized interest and cost of issuance.

Title to the ballpark, along with all assets, liabilities, and equity of the Single Purpose Entity (SPE) was transferred to the Authority on June 30, 2017. This transfer occurred after the dissolution of the aforementioned SPE, which was initially created to provide and hold new market tax credits in return for additional borrowings to fund other TIF construction. With the achievement of reaching the \$150 million capital investment threshold, the State began distributing 80% of State withholdings, individual, corporate, sales and property taxes generated from within the TIF boundaries to the Authority for further distribution to various block developments for debt service.

Prior Year Defeasance of Debt

In a prior year, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2022, \$40,490,000 of bonds outstanding is considered defeased.

Landfill Closure and Postclosure Care Cost

Landfill closure and post-closure costs are accounted for in the Landfill Closure Special Revenue Fund. As of June 30, 2022, the cash, investments and funds receivables from other governments available totaled \$1,187,380.

In Fiscal Year 2005, the Environmental and Environment Cabinet (EEC) announced a program under which the Commonwealth might assume responsibility for many aspects of landfill closure currently funded by local jurisdictions. However, under the provisions of the enabling legislation (HB 174 Kentucky Pride Fund, KRS 224.43-505) it appears that jurisdictions may well retain the bulk of costs to maintain landfill sites (e.g. sampling, pumping, transportation and disposal of leachate, erosion control, mowing, etc). Under current assumptions and projections the Landfill Closure Special Revenue Fund is sufficiently capitalized through 2039, beyond which the City will need an alternate source of funds to maintain landfill sites.

The estimate of present value of remaining closure and post-closure care liabilities for all three landfill sites as of June 30, 2022, is \$1,343,721. The actual cost may differ due to inflation, changes in technology or applicable laws and regulations, the extent of any damage to landfill caps caused by weather and erosion, the magnitude of site improvements or corrections required by state inspectors to achieve closure, or other unforeseeable circumstances (e.g. acts of nature).

Glen Lily Road Landfill

The City's Glen Lily Road landfill was closed in 1981. On March 30, 1990, the City and Commonwealth of Kentucky Natural Resources and Environmental Protection Cabinet (the Cabinet) entered into an agreed order stipulating remedial measures to be taken by the City. To finance the Glen Lily Road landfill closure and post-closure costs, the City issued \$2,950,000 Bowling Green Municipal Project Corporation Lease Revenue Bonds, Series 1991, dated April 1, 1991. To date, landfill closure cap construction is complete and the City performs annual monitoring, testing and reporting. In 2010, the City entered into a Memorandum of Agreement with the Kentucky Division of Waste Management (KYDWM) and HB174 funds were used for 6.1 acres of improvements at the landfill to decrease the production of leachate. Further, the groundwater monitoring program was deemed compliant and complete.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Landfill Closure and Postclosure Care Cost

The City has submitted a closure application for Glen Lily which has not been approved to date, owing to the EEC backlog of active landfill oversight responsibilities. The City continues to monitor and care for the landfill, submit required reports, and assume the City will incur landfill maintenance costs at least through 2051. A two year post-closure care period will follow the date upon which the City receives acceptance of any closure application, if the application is processed in accordance with precedent. A thirty year closure period will commence once the two year post-closure period has been approved. Glen Lily is further categorized as a superfund site.

Butler County Landfill

The City submitted a closure plan for its Butler County landfill in May 1991. The site ceased receiving solid waste in June 1992. The closure plan was approved by the State in 1996. The facility met closure standards for a residential landfill rather than a contained landfill. Drawing upon funds from the Landfill Closure Special Revenue Fund, established from proceeds of the 1991 bond issue, the City added a leachate collection system and a passive methane gas venting system. Construction of the landfill cap was completed in Fiscal Year 1995 and the City received a permit for closure construction in 1996. A quality assurance/quality control report was submitted on November 15, 1996. The original closure permit expired in July 1997, and a new permit extending to 2002 was issued. The City submitted quarterly and annual inspections and reports to the cabinet. In 2004, consultants Kamp, Dresser and McKee were engaged to assist in development of a plan to effect final closure of the landfill. In 2005, the City completed the third year of a three-year closure care period. However, the State has not granted final closure to date. From 2012-2016, the KYDWM used HB174 funds to design and construct a leachate consolidation system as well as improve the cap to decrease leachate production rates. Beginning in 2017, the City worked with the HB174 program to design and implement a Phase II of landfill improvements to further decrease leachate production as well as provide for permanent low cost leachate disposal options. In 2019 Phase II of the landfill improvements were separated into smaller components for construction again. The City secured \$450,000 in reimbursable costs for construction of only the force main sewer component of Phase II, the work was completed in June 2020 at an actual cost of around \$250,000. The City continues to monitor and care for the landfill, submit required reports, and dispose of the leachate generated. It is assumed that the City will incur landfill maintenance costs at least through 2051.

Old Louisville Road

Landfill closure cap construction is complete and the City performs annual monitoring, testing and reporting. The City is considering a project for some compatible recreational use of the landfill area.

Responding to Cabinet directives, in September 2000, the City awarded a project to install a leachate collection system at the Old Louisville Road landfill. The project cost was \$521,955 and was completed in December 2001. The City anticipated a decision from the Cabinet on the closure application in July 2002. However, the Cabinet has not acted on the application. In 2010, the Cabinet, through HB174, deemed the groundwater monitoring program at the landfill compliant and complete and removed the groundwater monitoring wells at the site. In order to move the closure process forward, the City must restrict the deed for the property that remains with the Kentucky Transportation Cabinet. In 2016, the City delivered a new survey to the Kentucky Transportation Cabinet and a decision to restrict the deed appropriately and transfer the property to the City was fulfilled in 2019. The City continues to monitor and care for the landfill, submit required reports, and assume that maintenance costs will be incurred at least through 2052. A two year post-closure and thirty year closure period will follow the date upon which the State should grant closure if the application is processed in accordance with precedent.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Landfill Closure and Postclosure Care Cost

Hobson Grove

Hobson Grove is an inactive landfill operated as a municipal solid waste disposal beginning in 1960 and operated through 1974, serving residential and commercial solid waste haulers from Warren County incorporated and unincorporated areas. The site covers approximately 150 acres and is primarily bound by the Barren River to the north, Jennings Creek to the west, the Hobson Golf Course to the south, and Church Avenue to the east. The western portion of the property is owned by the City. The east/southeastern portion of the property, owned by Bowling Green Municipal Utilities (BMGU), has been redeveloped with a wastewater treatment facility on top of the historical disposal area. The landfill was an area fill type with only two feet of final cover applied.

When the landfill responsibilities were given over to the staff that is now the Environmental Compliance Division there were no paper records associated with the site and the oral records indicated that the site was a pre-regulatory town dump and was not associated with any permits. A Stage 1 Study was conducted in 2018 by Neel Schaffer Engineering for the KYDWM. That report determined that the site was permitted and is a closed pre-RCRA subtitle D site. The requirements for closure mirror those of the Butler County site. Currently the KYDWM has indicated to City staff to take no action regarding the site until further notice from their agency. It is unknown at this time what the City's ongoing liabilities for this site are, if any.

G. Net Position

The Government-wide and business type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

The Net Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the unspent proceeds and any associated unamortized cost.

Note 4. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During Fiscal Year 1995, the City established the Employee Health Care Fund (EHCF) (an internal service fund) to account for and finance employee medical costs relating to the City's employee self-insured medical benefit plan. The EHCF provides coverage for up to \$250,000 for each claim. The City purchases commercial insurance for claims in excess of coverage provided.

In July 1996, the City established the Workers' Compensation Fund (WCF) (an internal service fund) to account for and finance its participation in the Kentucky League of Cities Workers' Compensation Trust (The "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for Kentucky cities, municipal boards, agencies and authorities. The City pays an annual premium to the Trust for its workers' compensation, general liability and auto insurance coverages. The Trust Participation Agreement provides that the Trust will be self-sustaining through member premiums. The Trust reinsures through commercial companies at various limits, depending on the type of coverage. The WCF provides coverage of up to \$10,000 for each worker's compensation occurrence.

Beginning Fiscal Year 2012, the City established the Property & Casualty (P&C) Fund to account for and finance participation in the Kentucky League of Cities Insurance Services (KLCIS) General Insurance Trust. The P&C Fund provides payment for premiums for all insurance coverage types except workers' compensation. The fund also makes payment on any claim that falls within a City selected per occurrence deductible. KLCIS provides coverage for losses exceeding the chosen deductible level and reinsures through commercial companies at various higher limits. In FY2014, the City selected a \$50,000 deductible for General Liability, a \$1,000 deductible for Buildings and Contents Coverage, and a \$0 deductible for Law Enforcement Liability, Public Officials Liability, and Auto Liability. Additionally, the City has chosen to self-insure a portion of its fleet for collision coverage.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 4. RISK MANAGEMENT

All funds of the City participate in the program and make payments to the EHCF and WCF based on historical cost information of the amounts needed to pay prior and current year claims. WCF claim liabilities are determined based on conservative claim estimates and EHCF liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. The P&C Fund primarily receives funding from the General Fund annually, but has been subsidized from the WCF in the past.

Changes in the balances of claims liabilities during Fiscal Years 2022 and 2021 follows:

	Health Care	Workers' Compensation	Property and Casualty
Liability at June 30, 2020	\$ 536,852	\$ 22,796	\$ 48,316
Claims and changes in estimates FY2021	5,570,544	79,054	160,849
Claims paid FY2021	<u>(5,651,637)</u>	<u>(82,906)</u>	<u>(149,695)</u>
Liability at June 30, 2021	455,759	18,944	59,470
Claims and changes in estimates FY2022	6,090,500	112,297	507,621
Claims paid FY2022	<u>(6,121,345)</u>	<u>(104,203)</u>	<u>(546,439)</u>
Liability at June 30, 2022	<u>\$ 424,914</u>	<u>\$ 27,038</u>	<u>\$ 20,652</u>

Note 5. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City of Bowling Green is party to numerous legal proceedings, many of which normally occur in government operations and will not involve any potential liability to the City.

B. Bowling Green Municipal Utilities

Bowling Green Municipal Utilities has erected various street lighting systems for the City, which represents a total unamortized investment by the Utility at June 30, 2022, of \$5,075,498. For rental and maintenance of these systems, the City has agreed to pay Bowling Green Municipal Utilities eleven percent per annum on the total street light investments. The City must pay \$558,305 per year on a recurring basis. One-twelfth of the annual charge is billed to the City monthly along with the charge for electric service. Similar arrangements have been in effect in prior years.

C. Construction Commitments

The City has active construction projects as of June 30, 2022. At year end, the City had the following commitments on construction contracts:

Project	Remaining Commitment
Shive lane road construction project	\$ 4,943,320
Intersection improvement project	767,877
Smallhouse road multi-use path project	695,888
Sidewalk construction project	548,391
River Street multi-use path project	142,156
Fire station construction project	123,442
Downtown transit center rehabilitation project	112,500
Parks construction projects	101,345
Street resurfacing construction project	67,774
Storm drainage construction project	35,689

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 5. COMMITMENTS AND CONTINGENCIES

D. Contingencies

The City participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the City complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

On August 1, 2012, the City entered into a sublease agreement to provide a backstop revenue pledge for a mixed-use development. The pledge was designed to cover debt service shortfalls on \$20,500,000 in variable rate taxable industrial building revenue bonds (IRBs) (Series 2012) issued by Warren County for the benefit of a local sub-developer. The project supported by the pledged revenue is located in downtown Bowling Green and consists of over 100,000 square feet of mixed-use development that connects to a parking structure, on College and 8th Streets, adjacent to the Bowling Green Ballpark. In August of 2013, the Board of Commissioners approved an amendment to the City's parking sublease to cover an additional borrowing of \$5,000,000 in variable rate debt in order to complete construction of the development.

The City agreed to sublease parking facilities in the structure connected to the above-referenced project from the sub-developer, who in-turn subleases the parking garage from Warren County. In May 2012, an Agreement on Sharing of Revenues was executed between the City, County, and the Warren County Downtown Economic Development Authority that outlined the revenue streams from the TIF district pledged to cover the IRB debt. The City's parking sublease agreement is the final line of revenue pledged, following: (1) lease revenues from the building, (2) 80% of State TIF revenues from Blocks 4A, 5, 8, and 10 in the TIF District, (3) 80% of TIF revenues generated by the key tenant of the building, and (4) any debt service reserve funds available from the permanent financing issue scheduled each December. Due to the performance related aspect of the sublease, this agreement does not qualify as a reportable lease under GASB 87.

In March 2015, the City agreed to assign all State TIF revenues to the County and to adjust City base revenues in specific blocks within the TIF District. In exchange for the adjusted base revenues, the County will provide an annual, renewable lease to fund City debt service shortfalls. The City also agreed to convert the annual, renewable parking sublease to a General Obligation (G.O.) sublease as part of the permanent bond issue that closed in January 2016. The City considers the previous risk of funding debt shortfalls eliminated with the reassignment of the City's share of State TIF revenues to the County, and the County's pledge to reimburse the City for any shortfalls on debt service of the IRB financing. At the end of the bond term (30 years), the County will receive title to the ballpark.

E. Liens and Encumbrances

While the City does have satisfactory title to all owned assets, there may be some liens and encumbrances on such assets for matters other than related to bond issues. Only a complete accurate title search of all properties would disclose such liens and encumbrances.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 5. COMMITMENTS AND CONTINGENCIES

F. Conduit Debt

The City has issued Industrial Revenue Bonds to provide financial assistance to private sector and nonprofit entities for the acquisition and construction of industrial and commercial facilities deemed to be in public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector or nonprofit entity served by the bond issue. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The City has also issued special assessment bonds to finance various residential improvement projects. The bonds are repaid from amounts levied against the property owners benefited by the improvements. Neither the faith and credit nor the general taxing power of the City has been pledged to the payment of the bonds and the City has no obligation for the payment of the bonds in the case of default. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2022, there were three series of industrial revenue bonds and six series of special assessment bonds outstanding with an aggregate principal balance of \$40,000,000 and \$748,000, respectively.

Note 6. THE SINGLE AUDIT ACT

The U.S. Office of Management and Budget's Uniform Administrative Requirements (2 CFR 200.501), Cost Principles, and Audit Requirements for Federal Awards, which replaced Circular No. A133 for *Audits of States, Local Governments and Non-Profit Organizations*, requires non-federal entities that expend \$750,000 or more a year in federal awards to have an audit performed in accordance with the provisions of the guidance. The Single Audit report is issued in the Annual Comprehensive Financial Report after the Statistical Section beginning on page 180.

Note 7. DEFINED BENEFIT PENSION PLANS

A. The Police and Firefighters' Retirement Fund (PFRF)

Plan description. The PFRF is a single-employer defined benefit pension plan administered by a Board of Trustees consisting of the Mayor, Assistant City Manager/CFO, and two retirees or active member if no retirees are available to serve from the Police and Fire Departments. PFRF was established to provide retirement and disability benefits for retiring, disabled, or deceased personnel and their surviving spouse. Benefits are determined by Kentucky Revised Statutes Sections 95.851 to 95.884. On August 1, 1988, the plan was closed to new entrants and current active duty police and firemen of the City were given the choice of remaining in this plan or transferring into the County Employees Retirement System (CERS). The PFRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the City Clerk's Office, Bowling Green, Kentucky.

Plan membership. As of June 30, 2022, the plan consisted of the following:

Active employees	0
Retirees and disabled participants	8
Widow participants	18
Terminated vested employees	0

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

A. The Police and Firefighters' Retirement Fund (PFRF)

Benefits provided. The fund was established to provide retirement and disability benefits for retiring, disabled, or deceased personnel and their surviving spouses. Benefits are determined by Kentucky Revised Statutes Sections 95.851 to 95.884. Members were eligible to retire after age fifty, provided that at least twenty years of service had been completed, and compulsory retirement was required at age fifty-seven. There are no longer any active employees. Retirement income is figured at two and one-half percent of the highest average salary for any three consecutive years of service times the years of service, up to and including thirty years. The maximum benefit is seventy-five percent of the participant's average salary. Rights in a retirement annuity are vested upon completion of twenty years of service. Upon termination prior to vesting, a member was eligible to receive a refund of accumulated contributions without interest.

At the time of active employee participation, two types of disability coverage were provided. If a member became disabled due to occupation-related causes, he/she commenced receipt of an annuity equal to seventy percent of the final rate of pay. A member rendered disabled through other than occupation-related causes became entitled to an annuity based on his/her average salary and years of service, subject to a maximum payment of fifty percent of his/her average salary.

Widows/widowers of members retired under occupational disability are entitled to income equal to fifty percent of the member's last rate of pay regardless of the length of service, and an additional twenty-five percent for each minor child, with a combined maximum of seventy-five percent of the member's final salary. If no widow/widower survives or if she/he remarries the following percentages of a member's final average salary will be paid: one minor child- fifty percent; two minor children- sixty-five percent; and three or more minor children- seventy-five percent. A minor child is a child under the age of eighteen or twenty-three if a full-time student.

Widows/widowers of retired members not under occupational disability are entitled to payments of one and one-half percent of the member's average salary times the member's years of service, with a maximum of fifty percent and subject to the following provisions: the widow/widower and the member had been married for at least one year prior to retirement; payments are deferred until the widow/widower reaches the age of forty-five unless she/he becomes disabled or has minor children in her/his care; the payments cease if the widow/widower remarries; and the payments are increased by fifty percent for the first minor child and twenty-five percent for each additional child, with a maximum of seventy-five percent of the member's average salary.

There are eight participants receiving disability annuities and eighteen participants receiving widows' annuities.

Contributions. The Retirement Fund's funding policy provided for employee contributions of eight percent of their annual salary. A member reserve was established for member contributions and earnings allocations. As there are no longer any active members, members made no contribution for the year ended June 30, 2022.

The City of Bowling Green (City) only contributes amounts required to fund current service costs and interest on unfunded past service costs as determined by actuarial valuations in compliance with Kentucky Revised Statutes. The City is not required to make an annual contribution. For Fiscal Year 2022, the City made no contribution and the Board of Trustees approved a cost-of-living adjustment (COLA) of 5.0%. The City's General Fund covers the administrative costs of the Plan, approximately \$15,000 during Fiscal Year 2022. There are no assets legally reserved for purposes other than the payment of Plan member benefits.

In future years, cost of living increases will be considered based upon the Plan's Funding Policy, which was adopted on September 7, 2016. The Policy states that when the funded ratio is maintained at 95% or above, as measured by the 0% cost of living actuarial calculation, the Board of Trustees will consider a cost of living adjustment.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

A. The Police and Firefighters' Retirement Fund (PFRF)

Net Pension Liability

The City's net pension liability (asset) was measured as of July 1, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date. The components of net pension liability (asset) at June 30, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at 7/1/2021	\$ 5,252,207	\$ 6,838,974	\$ (1,586,767)
Charges for the Year			
Interest	292,866	-	292,866
Benefit changes	203,614	-	203,614
Liability losses (gains)	123,692	-	123,692
Changes of assumptions	256,823	-	256,823
Contributions - Employee	-	-	-
Contributions - Members	-	-	-
Net Investment Income	-	(623,408)	623,408
Benefits paid	(685,129)	(685,129)	-
Net Change	191,866	(1,308,537)	1,500,403
Balances at 6/30/2022	\$ 5,444,073	\$ 5,530,437	\$ (86,364)

Actuarial assumptions. The total pension liability as of July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Asset valuation method	Market value adjusted for accruals
Inflation	None
COLAs	Average of the cost-of-living adjustments made over the prior five years, rounded to the nearest 1.0%. For July 1, 2022 valuation, this result is 2.0% per annum.
Investment rate of return	6.0% per annum
Mortality	Non-Disabled Lives: IRS generational mortality tables (Post Commencement Rates only) with mortality improvements after year 2006 under Project Scale MP-2020 (male and female scales). Disabled Lives: Rates published in IRS Revenue Ruling 96-7 (Disablement prior to 1/1/1995).

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

A. The Police and Firefighters' Retirement Fund (PFRF)

Net Pension Liability

The long-term expected rate of return on plan assets was determined using a method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Inflation (CPI)	2.70%
US equity	3.69%
Non-US equity	5.65%
Fixed income	0.68%
Cash	-0.92%

Discount rate. The discount rate used to measure the total pension liability was 6.0 percent.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the City calculated using the discount rate of 6.0 percent, as well as the net pension liability (asset) if calculated using a discount rate that is 1-percentage-point lower (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current rate:

	<u>Current Discount Rate</u>		
	<u>1% Decrease (5.0%)</u>	<u>(6.0%)</u>	<u>1% Increase (7.0%)</u>
<i>City of Bowling Green's net pension liability (asset)</i>	\$ 260,431	\$ (86,364)	\$ (396,046)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2022, the City recognized pension expense of \$461,701.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 229,248	\$ -
Change of assumptions	-	-
Experience losses (gains)	-	-
Total	<u>\$ 229,248</u>	<u>\$ -</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

A. The Police and Firefighters' Retirement Fund (PFRF)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

Year Ended June 30th:	
2023	\$ 8,633
2024	5,037
2025	13,342
2026	202,236
	<u>\$ 229,248</u>

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

B. The County Employees Retirement System (CERS)

General Information about the Pension Plan

Plan description. Employees of the City of Bowling Green are provided a defined benefit pension plan through the County Employees Retirement System (CERS), a cost-sharing multiple-employer defined pension plan administered by the Kentucky Public Pensions Authority (KPPA). The CERS pension plan has two categories: Non-Hazardous for general employees and Hazardous for sworn police and fire employees. The KPPA is the successor to Kentucky Retirement Systems and was created by state statute under Kentucky Revised Statute Section 61.645 as amended by House Bill 484 and House Bill 9 of the 2020 and 2021 regular sessions, respectively, of the Kentucky General Assembly. These amendments transferred governance of the CERS to a separate nine member board of trustees. The CERS Board of Trustees is responsible for the proper operation and administration of the CERS. The KPPA issues a publicly available financial report that can be obtained by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at (502)564-4646.

Benefits provided. Kentucky Revised Statute Section 61.645 establishes the benefit terms and can be amended only by the Kentucky General Assembly. The chief legislative body may adopt the benefit terms permitted by statute, there are currently three benefit Tiers. Tier 1 members are those participating in the plan before 9/1/2008, Tier 2 are those that began participation 9/1/2008 through 12/31/2013, and Tier 3 are those members that began participation on or after 1/1/2014.

Benefits provided – Non-Hazardous. Tier 1 Non-Hazardous members are eligible to retire with an unreduced benefit at age 65 with four years of service credit or after 27 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation, which must contain at least 48 months. Reduced benefits for early retirement are available at age 55 and vested or 25 years of service credit. Members vest with five years of service credit. Service related disability benefits are provided after five years of service. Tier 2 Non-Hazardous members are eligible to retire based on the rule of 87: the member must be at least age 57 and age plus earned service must equal 87 years at retirement or at age 65 with five years of service credit. Benefits are determined by a formula using the member's highest five consecutive year average compensation, which must be 60 months. Reduced benefits for early retirement are available at age 60 with 10 years of service. Tier 3 Non-Hazardous members are also eligible to retire based on the rule of 87. Benefits are determined by a life annuity calculated in accordance with actuarial assumptions and methods adopted by the KPPA Board based on a members' accumulated account balance. Tier 3 members are not eligible for reduced retirement benefits.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

General Information about the Pension Plan

Benefits provided – Hazardous. Tier 1 Hazardous members are eligible to retire with an unreduced benefit at age 55 with five years of service credit or after 20 years of service credit regardless of age. Benefits are determined by a formula using the member's highest three consecutive year average compensation, which must have at least 24 months. Reduced benefits for early retirement are available at age 50 with 15 years of service credit. Tier 2 Hazardous members are eligible to retire at any age with 25 years of service or at age 60 with 5 years of service credit. Benefits are determined by a formula using the member's highest three consecutive year average compensation, which must be 36 months. Reduced benefits for early retirement are available at age 50 with 15 years of service. Tier 3 Hazardous members are also eligible to retire at any age with 25 years of service or at age 60 with 5 years of service. Tier 3 members are not eligible for reduced retirement benefits.

Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. Effective July 1, 2009, and on July 1 of each year thereafter, the COLA is limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. If the recipient has been receiving a benefit for less than 12 months prior to the effective date of the COLA, the increase shall be reduced on a pro-rata basis for each month the recipient has not been receiving benefits in the 12 months preceding the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce cost-of-living adjustments if, in its judgment, the welfare of the Commonwealth so demands. No COLA has been granted since July 1, 2011.

Contributions. Contributions for employees are established in the statutes governing the KPPA and may only be changed by the Kentucky General Assembly. Non-Hazardous employees contribute 5% and Hazardous employees contribute 8% of salary if they were plan members prior to September 1, 2008. Non-Hazardous and Hazardous employees that entered the plan after September 1, 2008, are required to contribute 6% and 9%, respectively, of their annual creditable compensation. The additional 1% is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022 total employer contributions for the City were \$10,995,880 based on a rate of 26.95% for Non-Hazardous and 44.33% for Hazardous members through covered payroll. The contribution rate of 26.95% for Non-Hazardous is comprised of amounts for pension and insurance benefits, 21.17% or \$2,631,320 was dedicated to pensions and 5.78% or \$718,424 was allocated to insurance. The total contribution rate of 44.33% for Hazardous consists of 33.86% or \$5,840,247 toward pension benefits and 10.47% or \$1,805,889 for insurance benefits. The total City contribution in FY2022 for the pension benefits portion was \$8,471,567.

By law, employer contributions are required to be paid. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability

For financial reporting, the actuarial valuation of as June 30, 2021, was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2021 were based on an actuarial valuation date as of June 30, 2020. The total pension liability was rolled-forward from the valuation date (June 30, 2020) to the plan's fiscal year ending June 30, 2021, using generally accepted actuarial principles.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

Net Pension Liability

Actuarial assumptions. There have been no actuarial assumption or method changes since June 30, 2020.

The assumptions are:

Inflation	2.30 percent
Salary increases	3.30 percent to 10.30 percent for CERS non-hazardous; 3.55 percent to 19.05 percent for CERS hazardous
Payroll Growth Rate	2.0 percent
Investment rate of return	6.25 percent

During the 2018 legislative session, House Bill 185 was recommended, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children.

Senate Bill 249 passed during the 2020 legislative session changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurred in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table on the following page.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

Net Pension Liability

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Growth	68.50%	
U.S equity	21.75%	5.70%
Non-U.S. equity	21.75%	6.35%
Private equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity	11.50%	
Core Bonds	10.00%	0.00%
Cash	1.50%	-0.60%
Diversifying Strategies	20.00%	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	N/A
Real Return	10.00%	4.55%
Expected Real Return	100.00%	5.00%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		7.30%

Discount rate. The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous and CERS Hazardous assumes the local employers would contribute with required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 8 (passed in 2021). The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal real rates of return for each major asset class are summarized in the KPPA financial report.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the City calculated using the discount rate of 6.25 percent, as well as the net pension liability (asset) if calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

<i>City of Bowling Green's net pension liability</i>	Current Discount		
	1% Decrease (5.25%)	Rate (6.25%)	1% Increase (7.25%)
Hazardous	\$ 88,002,027	\$ 69,040,758	\$ 53,587,400
Nonhazardous	36,181,369	28,210,554	21,614,885
Total	\$ 124,183,396	\$ 97,251,312	\$ 75,202,285

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2022, the City recognized pension expense of \$11,062,261.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following table:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (11,171,664)
Net difference between expected and actual experience	2,227,858	(273,802)
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,381,113	-
Change of assumptions	1,240,923	-
Contributions subsequent to the measurement date of June 30, 2021	<u>8,471,567</u>	<u>-</u>
Total	<u>\$ 14,321,461</u>	<u>\$ (11,445,466)</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2021”, will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows on the next page.

Year Ended June 30th:	
2022	\$ 519,508
2023	(985,834)
2024	(1,766,689)
2025	<u>(3,362,557)</u>
	<u>\$ (5,595,572)</u>

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description. Employees of the City are provided hospital and medical insurance through the Kentucky Public Pensions Authority’s County Employees’ Retirement Insurance Fund (Insurance Fund), a cost-sharing multiple-employer defined benefit OPEB plan. The KPPA was created by State statute under Kentucky Revised Statute Section 61.645. The CERS Board of Trustees is responsible for the proper operation and administration of the CERS. The KPPA issues a publicly available financial report that can be obtained by writing to Kentucky Public Pension Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at (502) 564-4646.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Benefits provided. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous members killed in the line of duty. As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after, July 1, 2003 earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions. Contribution requirements of the participating employers are established and may be amended by the CERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2022, was 7.96% of covered payroll. Contributions to the Insurance Fund from the City were \$2,870,919, including implicit subsidy of \$346,606, for the year ended June 30, 2022. Employees that entered the plan prior to September 1, 2008, are not required to contribute to the Insurance Fund. Employees that entered the plan after September 1, 2008, are required to contribute 1% of their annual creditable compensation which is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E).

The City's proportion of the collective net OPEB liability and OPEB expense was determined using the employers' actual contributions for Fiscal Year 2021. This method is expected to be reflective of the employers' long-term contribution effort. At June 30, 2021, the City's proportion was 0.4424% of the Non-hazardous plan and 2.593% of the Hazardous plan.

Net OPEB Liability

For financial reporting, the actuarial valuation of as June 30, 2021, was performed by Gabriel Roeder Smith (GRS). The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2021 were based on an actuarial valuation date as of June 30, 2020. The total OPEB liability was rolled-forward from the valuation date (June 30, 2020) to the plan's fiscal year ending June 30, 2021, using generally accepted actuarial principles.

Actuarial assumptions. The total pension liability as of June 30, 2021, was determined using the updated assumptions on the following page.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Net OPEB Liability

The assumptions are:

Inflation	2.30 percent
Payroll growth rate	2.00 percent
Salary increases	3.30 percent to 10.30 percent, varies by service for CERS non-hazardous; 3.55 percent to 19.05 percent, varies by service for CERS hazardous
Investment rate of return	6.25 percent
Healthcare cost trend rates (Pre-65)	Initial trend starting at 6.30 percent at January 1, 2023, and gradually decreasing to ultimate trend rate of 4.05 percent over a period of 13 years.
Healthcare cost trend rates (Post-65)	Initial trend starting at 6.30 percent in 2023, and gradually decreasing to an ultimate trend rate of 4.05 percent over a period of 13 years.

Senate Bill 169 passed during the 2021 legislative session and changed the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021, is determined using these updated benefit provisions. There were no other material plan provision changes.

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class summarized in the table on the following page.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Net OPEB Liability

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth	68.50%	
U.S equity	21.75%	5.70%
Non-U.S. equity	21.75%	6.35%
Private equity	10.00%	9.70%
Specialty credit/high yield	15.00%	2.80%
Liquidity	11.50%	
Core bonds	10.00%	0.00%
Cash	1.50%	-0.60%
Diversifying Strategies	20.00%	
Real estate	10.00%	5.40%
Opportunistic	0.00%	N/A
Real return	10.00%	4.55%
Expected Real Retrun	100.00%	5.00%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		7.30%

Discount rate. The discount rate used to measure the total OPEB liability was 5.20% for Non-hazardous and 5.05% for Hazardous employees. The discount rate is based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 1.92%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance future benefit payments of current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan.

However, the cost associated with the implicit employer subsidy was not included in the calculation of the retirement plan's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the retirement plan's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Changes in the Net OPEB Liability

Sensitivity of the City's proportionate share of the collective net OPEB liability to changes in the discount rate. The following presents the City's proportionate share of the collective net OPEB liability as well as what the City's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
<i>City of Bowling Green's net OPEB liability</i>			
<i>Non-hazardous</i>	\$ 11,627,545	\$ 8,468,761	\$ 5,876,455
	1% Decrease (4.05%)	Discount Rate (5.05%)	1% Increase (6.05%)
<i>City of Bowling Green's net OPEB liability</i>			
<i>Hazardous</i>	30,401,375	20,969,210	13,391,010
Total net OPEB Liability	<u>\$ 42,028,920</u>	<u>\$ 29,437,971</u>	<u>\$ 19,267,465</u>

Sensitivity of the City's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates. The following presents the City's proportionate share of the collective net OPEB liability, as well as what the City's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
<i>City of Bowling Green's net OPEB liability</i>			
Non-hazardous	\$ 6,096,501	\$ 8,468,761	\$ 11,332,115
Hazardous	13,740,169	20,969,210	29,823,062
Total	<u>\$ 19,836,670</u>	<u>\$ 29,437,971</u>	<u>\$ 41,155,177</u>

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued KPPA financial report.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$3,468,277. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between expected and actual experience	\$ 1,986,970	\$ (4,784,435)
Changes of assumptions	7,503,828	(15,711)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,271,700)
Changes in proportion and difference between employer contributions and proportionate share of contributions	659,935	(132,069)
Contributions subsequent to the measurement date of June 30, 2020	2,870,919	-
Total	<u>\$ 13,021,652</u>	<u>\$ (10,203,915)</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are recognized in OPEB expenses as follows:

Year ended June 30th:	
2022	\$ (73,243)
2023	251,415
2024	147,171
2025	(828,455)
2026	449,930
	<u>\$ (53,182)</u>

Note 9. DEFINED CONTRIBUTION PLANS

On December 5, 1995, the City's Board of Commissioners adopted Municipal Order No. 1995-268 extending participation in ICMA Retirement Corporation's Section 457 deferred compensation plan to all eligible City employees as a voluntary retirement supplement. On May 7, 2019, the Board of Commissioners adopted Municipal Order No. 2019-66 that executed a Joinder Agreement setting out terms of participation in the ICMA and limiting use to only current account holders. The ICMA plan provides for retirement, disability and death benefits based upon the total value of each participant's contributions plus accrued investment returns. The ICMA plan offers a 457 option, 457 Roth option, and a 401(k) option.

Investments are managed by MissionSquare Retirement (formerly ICMA-RC), plan administrator, with various investment options. The choice of the investment option(s) is made by the participants. Participating employees can contribute to the Plan based on either a percentage of compensation or a fixed dollar amount per pay period. The limits for the 457 plan are up to \$20,500 per year for regular contributions and \$6,500 for catch-up contributions. The limits for the Roth plan are up to \$6,000 per year for regular contributions and \$1,000 for catch-up contributions. During the fiscal year ended June 30, 2022, employee contributions for both plans totaled \$215,034.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 9. DEFINED CONTRIBUTION PLANS

On December 5, 1995, the City's Board of Commissioners also adopted Municipal Order No. 95-269 authorizing participation in the Kentucky Public Employees 401(k) Deferred Compensation Plan. During the year ended June 30, 2009, the City also began offering a Roth 401(k) option. On May 7, 2019, by Municipal Order 2019-66, the City began offering 457 and Roth IRA options. The Plans are administered by the Kentucky Public Employees Deferred Compensation Authority and are offered to all eligible City employees as a voluntary retirement supplement. The Kentucky Deferred Compensation plan offers the following options: 401(k), 401(k) Roth IRA, Roth IRA, and a 457.

Participating employees can defer a maximum of \$20,500 for regular contributions and \$6,500 for catch-up contributions for the 401(k) plan. The Roth plan has a maximum of \$6,500 for regular contributions and \$1,000 dollars for the catchup contributions. Benefits are available upon termination of employment, retirement, death or for hardship withdrawal. Employee contributions for all Kentucky Deferred Compensation 401(k) and 457 plans totaled \$592,319 for the fiscal year ended June 30, 2022.

Note 10. TAX ABATEMENTS

As of June 30, 2022, the City provides tax abatement through five programs: Job Development Incentive Program, Property Tax Annexation Program, TIF Occupational Tax Program, Historical Moratorium Property Tax Program, and Payments-in-Lieu-of-Taxes (PILOT) Program.

Job Development Incentive Program (JDIP) provides a credit of 1% of employee withholding fees from gross wages generated from new and/or expanded businesses for a period of 10 years. The credit is offered to businesses engaged in one or more of the following activities: manufacturing, agribusiness, regional and national headquarters (regardless of the underlying business activity), or nonretail service or technology activities. To qualify for the incentive, a business must create at least 10 new, full-time jobs for Kentucky residents, incur eligible costs of at least \$100,000, pay minimum wages defined by county, and provide minimum employee benefits. The abatement is equal to 1% of employee withholding fees and is reported on a monthly basis. Abated taxes of participating companies can be recaptured for a number of reasons, including: failure to report or pay employee tax withholdings; failure to satisfy projected schedule of withholdings; failure to pay any tax, license fee, penalty or other charge or obligation to the City; failure to comply with any terms or conditions per Chapter 18 of City Code of Ordinances and/or incentive program agreement; material misrepresentation of any statement or fact on incentive application; abandoning or closing of business for a period of thirty (30) days; or default declared by the State Economic Development Cabinet on Kentucky Business Incentive (KBI) agreement.

Property Tax Annexation Program provides a rebate of City property taxes paid on annexed property for a period not to exceed five years to aid in covering development costs. The rebate period shall begin no later than 10 years from the date of annexation. To be eligible for the property tax abatement program, the proposed property to be annexed must be: adjacent or contiguous to the City limits and is urban in character and suitable for development for urban purposes without unreasonable delay; adjacent to City limits, particularly in areas likely to result in job creation; and in nine specific target areas to the current City limits or close to such area(s). Abated taxes may be recaptured if a participating company: fails to comply with City ordinances, rules, or regulations, or any terms of the Economic Development Annexation Incentive Agreement; or abandons or closes any businesses constructed on the property being annexed for a period of thirty (30) consecutive days.

TIF Occupational Tax Program abates 80% of the incremental occupational revenues generated by the approved entity. The Warren County Downtown Economic Development Authority, Inc. oversees this program and determines eligibility and approves abatements. The abatements consist of the paid occupational revenues being returned to the appropriate agency after calculations are finalized. The calculation is determined by comparing current year revenues to a set base amount, 80% of the incremental revenue is then distributed to the appropriate occupational taxpayer. This program does not contain a provision to recapture abated taxes.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 10. TAX ABATEMENTS

Historical Moratorium Property Tax Program provides abatement of City property taxes for a period of five years. To be eligible, the following conditions must be met by the property: located in historic district, residential or commercial building at least 50 years old within City limits, project must be completed within two years, and moratorium must be filed 30 days prior to project start. The abatement amount is calculated as the difference of frozen City assessment values at project start to the current assessment of the property. Abatements are completed prior to the initiation of rehabilitation work on the property. After rehab is complete, City/County Planning Commission staff conduct an inspection and issue the Moratorium Certificate to the City of Bowling Green. The assessment is then frozen for five years. This program does not contain a provision to recapture abated taxes.

Payments-in-Lieu-of-Taxes (PILOT) Program abates City property taxes for an agreed upon period of time. Eligible participants must be located within the geographic boundaries of the City, County, and school district(s) and the investment by the participant must generate new employment in the area. The abatement is in the form of a suspension of payment (or portion thereof) for a specified period of time, which is tied to Industrial Revenue Bond (IRB) issuance not to exceed the IRB payment period. The abated amount is equal to the annually assessed fair cash value of the project as determined by the Warren County Property Valuation Administrator (PVA). The land is held by Warren County as part of the IRB issuance and is thereby removed from the City tax roll, but still assessed for partial payments. Abated taxes may be recaptured on a sliding scale if agreed upon job creation and capital investment thresholds are not met at a certain percentage.

A ten year summary of tax abatements is presented below:

Fiscal Year	JDIP withholdings	Annexed property taxes	TIF occupationals	Moratoriums	Payments-in- lieu-of-taxes (PILOT)	Amount of Taxes Abated
2013	\$ 1,236,267	\$ -	\$ -	\$ 820	\$ 69,010	\$ 1,306,097
2014	1,325,519	-	13,466	820	69,010	1,408,815
2015	1,620,628	-	14,375	6,982	92,391	1,734,376
2016	1,591,215	-	45,038	7,775	105,627	1,749,655
2017	1,685,886	-	156,496	7,775	171,032	2,021,189
2018	2,196,373	216	148,483	10,917	175,455	2,531,444
2019	2,372,874	215	180,956	13,377	201,511	2,768,933
2020	1,478,600	625	241,660	3,399	222,759	1,947,043
2021	1,391,245	27,986	248,358	2,011	275,085	1,944,685
2022	1,605,770	71,528	328,582	-	596,824	2,602,704
Total	\$ 16,504,377	\$ 100,570	\$ 1,377,414	\$ 53,876	\$ 1,978,704	\$ 20,014,941

Note 11. SUBSEQUENT EVENTS

On August 5, 2022, the City's outstanding debt totaling \$10,315,000 for General Obligation Bonds, Series 2010, was fully refunded by Western Kentucky University (WKU). WKU approved "FB-4 Approval of refinancing of existing Athletic Debt to upgrade facilities" on June 10, 2022. This action refunded the City's outstanding General Obligation Bonds, Series 2010, related to Diddle Arena and terminated the agreement with the City of Bowling Green.

On September 15, 2022, the City financed the purchase of an Engine Apparatus for the Fire Department in the amount of \$925,105 and at an interest rate of 3.09%. The financed purchase term is ten years and will mature in September of 2032.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022**

Note 12. IMPLEMENTATION OF GASB 87

in June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The provisions of this Statement were effective for fiscal years beginning after December 15, 2018, but were postponed by eighteen months as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The City implemented GASB Statement No. 87, *Leases*, for the period ending June 30, 2022. The beginning fund balance adjustment was calculated to decrease equity by \$5,937 to implement one lease with the City as lessor and two leases with the the City as lessee. Due to the immaterial nature of the adjustment, the City incorporated the prior year entries within the FY2022 financial statements as current year activity.

Note 13. RECENT PRONOUNCEMENTS

In May of 2020, the GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, or an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The City is reviewing this Statement and plans to implement during Fiscal Year 2023. The City is currently evaluating the impact that will result from adopting this Standard and is therefore unable to disclose the effects that this Standard may have on the City's financial position and the results of its operations when the Statement is adopted.

In June of 2022, GASB Statement No. 101, *Compensated Absences*, was issued. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The Statement will replace the existing Statement No. 16, *Accounting for Compensated Absences*, and will align recognition and measurement guidance for all types of compensated absences under a unified model, resulting in greater consistency and improved comparability. The City is reviewing this Statement and will implement in an upcoming reporting period. The City is currently evaluating the impact that will result from adopting this Standard and is therefore unable to disclose the effects that this Standard may have on the City's financial position and the results of its operations when the Statement is adopted.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management's Discussion and Analysis)

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Real estate	\$ 11,750,000	\$ 11,750,000	\$ 11,722,083	\$ (27,917)
Personal property	2,211,000	2,211,000	1,857,422	(353,578)
Insurance premium	2,350,000	2,350,000	2,654,057	304,057
Motor vehicle and boat	1,103,000	1,103,000	1,477,349	374,349
Payment in lieu of taxes	165,000	165,000	162,914	(2,086)
Franchise	1,120,000	1,120,000	1,441,991	321,991
Other taxes	16,150	16,150	16,151	1
Penalties and Interest	80,000	80,000	62,300	(17,700)
Total taxes	<u>18,795,150</u>	<u>18,795,150</u>	<u>19,394,267</u>	<u>599,117</u>
Licenses and permits				
Occupational:				
Employees' withholding	43,256,250	43,256,250	49,055,746	5,799,496
Net profits	8,006,000	8,006,000	12,712,420	4,706,420
Other fees	300,000	300,000	1,064,434	764,434
Special licenses	250,000	250,000	253,925	3,925
Permits	955,000	955,000	1,607,159	652,159
Total licenses and permits	<u>52,767,250</u>	<u>52,767,250</u>	<u>64,693,684</u>	<u>11,926,434</u>
Intergovernmental				
Federal grants	-	4,569,244	4,942,060	372,816
State grants	-	1,057,213	1,057,737	524
Local grants	1,500	151,500	150,000	(1,500)
Total intergovernmental	<u>1,500</u>	<u>5,777,957</u>	<u>6,149,797</u>	<u>371,840</u>
Charges for services				
School tax collection fees	295,000	295,000	311,474	16,474
Other general government fees	5,000	5,000	4,539	(461)
Public safety fees	95,000	95,000	93,424	(1,576)
Cemetery lot sales	100,000	100,000	103,611	3,611
Cemetery fees	159,500	159,500	176,160	16,660
Other	44,500	44,500	70,288	25,788
Total charges for services	<u>699,000</u>	<u>699,000</u>	<u>759,496</u>	<u>60,496</u>
Parks and recreation	<u>1,980,355</u>	<u>1,980,355</u>	<u>2,307,424</u>	<u>327,069</u>
Miscellaneous				
Investment income (loss)	199,743	199,743	(841,221)	(1,040,964)
Parking violations fees	5,000	5,000	2,100	(2,900)
Contributions and donations	37,850	114,410	108,605	(5,805)
Judgements and settlements	23,675	23,675	21,318	(2,357)
Other	191,000	191,000	205,156	14,156
Total miscellaneous	<u>457,268</u>	<u>533,828</u>	<u>(504,042)</u>	<u>(1,037,870)</u>
Total revenues	<u>\$ 74,700,523</u>	<u>\$ 80,553,540</u>	<u>\$ 92,800,626</u>	<u>\$ 12,247,086</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
General government				
Legislative	\$ 210,915	\$ 232,070	\$ 224,580	\$ 7,490
Executive	1,117,435	1,136,136	1,075,170	60,966
Finance	1,764,461	1,778,234	1,757,732	20,502
Human resources	1,285,125	1,296,327	1,205,085	91,242
Law	396,329	313,729	311,449	2,280
Information technology	2,477,921	2,346,291	2,313,853	32,438
Administrative services	456,665	377,602	369,872	7,730
Total general government	<u>7,708,851</u>	<u>7,480,389</u>	<u>7,257,741</u>	<u>222,648</u>
Public safety				
Police	18,187,950	18,359,104	17,449,268	909,836
Fire	15,252,170	15,883,724	15,849,456	34,268
Total public safety	<u>33,440,120</u>	<u>34,242,828</u>	<u>33,298,724</u>	<u>944,104</u>
Public works				
Public works administration	1,713,259	2,307,367	1,830,940	476,427
Highway and streets	3,278,633	6,980,343	6,478,276	502,067
Building and plant	2,262,549	2,200,298	2,150,596	49,702
Environmental Compliance	476,692	476,007	423,222	52,785
Total public works	<u>7,731,133</u>	<u>11,964,015</u>	<u>10,883,034</u>	<u>1,080,981</u>
Parks and recreation				
Parks	2,684,358	2,622,162	2,622,560	(398)
Recreation	1,145,532	1,165,972	1,069,518	96,454
Athletics	638,511	576,849	580,339	(3,490)
Community centers	1,097,292	1,047,911	1,018,020	29,891
Golf Courses	1,782,827	1,852,910	1,516,763	336,147
Other parks	1,494,841	1,360,984	1,256,042	104,942
Total parks and recreation	<u>8,843,361</u>	<u>8,626,788</u>	<u>8,063,242</u>	<u>563,546</u>
Neighborhood & Community Services	2,724,162	3,357,106	2,391,390	965,716
Agency services				
Agency services	1,166,353	4,818,369	1,174,392	3,643,977
Intergovernmental	2,200,000	1,792,434	1,161,434	631,000
Total agency services	<u>3,366,353</u>	<u>6,610,803</u>	<u>2,335,826</u>	<u>4,274,977</u>
Total expenditures	<u>63,813,980</u>	<u>72,281,929</u>	<u>64,229,957</u>	<u>8,051,972</u>
Excess of revenues over expenditures	<u>10,886,543</u>	<u>8,271,611</u>	<u>28,570,669</u>	<u>20,299,058</u>
Other financing sources (uses)				
Transfers in	792,477	836,025	678,548	(157,477)
Transfers out	(11,819,020)	(19,417,764)	(19,416,513)	1,251
Proceeds from sale of capital assets	140,000	140,000	76,288	(63,712)
Lease liabilities issued	-	-	150,677	150,677
Total other financing sources (uses)	<u>(10,886,543)</u>	<u>(18,441,739)</u>	<u>(18,511,000)</u>	<u>(69,261)</u>
Net change in budgetary fund balances	<u>-</u>	<u>(10,170,128)</u>	<u>10,059,669</u>	<u>20,229,797</u>
Fund balances, beginning of year	<u>29,103,594</u>	<u>29,103,594</u>	<u>29,103,594</u>	<u>-</u>
Fund balances, end of year	<u>\$ 29,103,594</u>	<u>\$ 18,933,466</u>	<u>\$ 39,163,263</u>	<u>\$ 20,229,797</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Notes to Required Supplementary Information on Budgetary Accounting and Control
Year Ended June 30, 2022

Budget Policy - Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. The City adopts an annual appropriation budget for four Debt Service Funds covering all government debt service activities. A budget is not prepared for the City's permanent fund.

Legal Compliance – All departments submit requests for the appropriations to the Budget Team. The Budget Team meets with each department head and reviews the new budget year requests. The budget is prepared by fund, function, and activity and includes information of the prior year, current year, and requested appropriations for the next fiscal year.

It is the City Manager's responsibility to prepare a budget proposal and message, which must be submitted to the Board of Commissioners at least 30 days prior to July 1st. The budget message explains revenue changes and expenditure goals, any significant changes in program goals and appropriations, and any important budget features or major changes in financial policy. Following its submission to the Board, the City Manager presents the recommended budget at a public meeting. The budget is legally enacted through passage of an ordinance by June 30th.

The Assistant City Manager/CFO is authorized to transfer budget amounts between departments within any fund. The Assistant Chief Financial Officer is authorized to prepare periodic budget amendments throughout the fiscal year that are passed by an ordinance of the Board of Commissioners. The budget amendments provide supplementary appropriations as necessary to ensure expenditures do not exceed budget appropriations at the activity level.

Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are included within the appropriate fund balances in the governmental funds and are not reported separately on the financial statements. Encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances are not recorded in the financial statements for proprietary, internal service, and fiduciary fund types.

The following funds had purchase orders outstanding at June 30, 2022, as follows:

General fund	\$ 1,034,371
Convention center	85,492
Nonmajor governmental	11,902,704
Internal service	195,066
	<u>\$ 13,217,633</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Schedule of Changes in the City's Net Pension Liability
Police and Firefighters' Retirement Fund
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014*	2013
TOTAL PENSION LIABILITY										
Interest on TPL	\$ 292,866	\$ 315,148	\$ 352,806	\$ 391,233	\$ 395,370	\$ 440,360	\$ 490,156	\$ 499,000	\$ 582,820	\$ 603,247
Change of benefit terms	203,614	52,002	-	-	-	-	(82,559)	(42,390)	-	-
Differences between expected & actual experience in measurement of the TPL	123,692	(21,228)	(261,919)	(226,371)	60,187	(359,520)	170,136	241,872	(1,495,216)	(49,224)
Changes of assumptions about future economic or demographic factors or other inputs	256,823	(29,273)	(11,659)	(59,933)	263,562	-	(536,108)	46,957	-	-
Benefit payments	<u>(685,129)</u>	<u>(691,450)</u>	<u>(725,077)</u>	<u>(769,371)</u>	<u>(810,168)</u>	<u>(854,877)</u>	<u>(891,272)</u>	<u>(894,710)</u>	<u>(894,455)</u>	<u>(951,864)</u>
Net change in total pension liability	191,866	(374,801)	(645,849)	(664,442)	(91,049)	(774,037)	(849,647)	(149,271)	(1,806,851)	(397,841)
Total pension liability - beginning	<u>\$ 5,252,207</u>	<u>\$ 5,627,008</u>	<u>\$ 6,272,857</u>	<u>\$ 6,937,299</u>	<u>\$ 7,028,348</u>	<u>\$ 7,802,385</u>	<u>\$ 8,652,032</u>	<u>\$ 8,801,303</u>	<u>\$ 10,608,154</u>	<u>\$ 11,005,995</u>
Total pension liability - ending (a)	<u>\$ 5,444,073</u>	<u>\$ 5,252,207</u>	<u>\$ 5,627,008</u>	<u>\$ 6,272,857</u>	<u>\$ 6,937,299</u>	<u>\$ 7,028,348</u>	<u>\$ 7,802,385</u>	<u>\$ 8,652,032</u>	<u>\$ 8,801,303</u>	<u>\$ 10,608,154</u>
PLAN FIDUCIARY NET PENSION										
Contributions from City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,500	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Plan net investment income	(623,408)	1,296,377	410,937	373,726	583,269	633,921	359,902	284,522	918,180	630,239
Benefit payments	(685,129)	(691,450)	(725,077)	(769,371)	(810,168)	(854,877)	(891,272)	(894,710)	(894,455)	(951,864)
Plan administrative expense	-	1,340	-	-	-	-	-	-	-	(19,711)
Net change in plan fiduciary net position	(1,308,537)	603,587	(314,140)	(395,645)	(226,899)	(38,456)	(131,370)	(210,188)	423,725	58,664
Plan fiduciary net position - beginning	<u>\$ 6,838,974</u>	<u>\$ 6,235,387</u>	<u>\$ 6,549,527</u>	<u>\$ 6,945,172</u>	<u>\$ 7,172,071</u>	<u>\$ 7,210,527</u>	<u>\$ 7,341,897</u>	<u>\$ 7,552,085</u>	<u>\$ 7,128,360</u>	<u>\$ 7,069,696</u>
Plan fiduciary net position - ending (b)	<u>\$ 5,530,437</u>	<u>\$ 6,838,974</u>	<u>\$ 6,235,387</u>	<u>\$ 6,549,527</u>	<u>\$ 6,945,172</u>	<u>\$ 7,172,071</u>	<u>\$ 7,210,527</u>	<u>\$ 7,341,897</u>	<u>\$ 7,552,085</u>	<u>\$ 7,128,360</u>
City net pension (asset) liability (a)-(b)	\$ (86,364)	\$ (1,586,767)	\$ (608,379)	\$ (276,670)	\$ (7,873)	\$ (143,723)	\$ 591,858	\$ 1,310,135	\$ 1,249,218	\$ 3,479,794
Plan fiduciary net position as a percentage of the total pension liability	101.59 %	130.21 %	110.81 %	104.41 %	100.11 %	102.04 %	92.41 %	84.86 %	85.81 %	67.20 %
Covered payroll	-	-	-	-	-	-	-	-	-	-
NPL as % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The total pension liability presented in the previous report dated 6/30/2014 assumed 0% COLA in 2014. For 2014, the P&F Board approved a COLA of 1.5% after this report was released. The FY2014 numbers have been restated to reflect the 1.5% COLA.

See accompanying independent auditor's report

**City of Bowling Green, Kentucky
Schedule of City Contributions
Police and Firefighters' Retirement Fund
Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,415	\$ 311,021	\$ 330,058
Contributions in relation to the actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,500	\$ 400,000	\$ 400,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (102,085)	\$ (88,979)	\$ (69,942)
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule intended to present a 10-year trend per GASB 67.
Additional years will be reported as incurred.

Notes to Schedule

Valuation date:	July 1, 2022
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Asset valuation method	Fair market value adjusted for accruals
Salary scale	Not applicable
Disability, withdrawal, & retirement rates	Not applicable
Rate of investment return	6.0% per annum
Cost of living adjustment	Average cost of living adjustments made over the last five years, rounded to the nearest 1.00%. In 2022, this is equal to 2.00%.
Eligible dependents	It is assumed that there are no eligible dependent children or parents.
Mortality	Non-disabled lives: IRS Generational Mortality tables (Post Commencement Rates only) with projected mortality improvements after year 2006 under Projection Scale MP-2020 (male & female scales). Disabled Lives: Rates published in IRS Revenue Ruling 96-7 (Disablement prior to 1/1/1995).

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Schedule of Investment Returns
 Police and Firefighters' Retirement Fund
 Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return	(9.57)%	21.88 %	6.60 %	5.67 %	8.57 %	9.15 %	5.02 %	3.85 %	12.70 %	12.65 %

Starting with 2015, the investment returns reflect a fiscal year reporting basis.

City of Bowling Green, Kentucky
Schedule of Proportionate Share of the Net Pension Liability
County Employees Retirement System for the Commonwealth of Kentucky
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Total net pension liability for county employees retirement systems	\$ 9,037,944,000	\$10,684,945,000	\$ 9,795,753,000	\$ 8,508,761,726	\$ 8,090,585,976	\$ 6,639,559,678	\$ 5,834,631,445	\$4,446,199,755
City's proportion of the net pension liability (asset)	1.0760 %	1.0374 %	1.0138 %	0.9974 %	1.0106 %	0.9421 %	0.9646 %	0.9719 %
City's proportionate share of the net pension liability (asset)	\$ 97,251,312	\$ 110,845,575	\$ 99,305,777	\$ 84,867,783	\$ 81,761,120	\$ 62,552,116	\$ 56,301,098	\$ 43,211,000
City's covered payroll	\$ 26,850,219	\$ 26,180,855	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227	\$ 22,635,432	\$ 22,529,147	\$ 22,141,166
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	362.20 %	423.38 %	394.85 %	352.33 %	335.36 %	276.35 %	249.90 %	195.16 %
Total pension plan's fiduciary net position	\$11,480,060,000	\$ 9,407,031,000	\$ 9,573,629,000	\$ 9,367,300,000	\$ 8,905,233,231	\$ 8,151,568,466	\$ 8,519,001,523	\$8,615,148,614
Total pension plan's pension liability	\$20,518,004,000	\$20,091,976,000	\$19,368,969,000	\$17,876,062,000	\$16,995,819,207	\$14,791,128,144	\$14,353,632,968	\$3,061,349,369
Total pension plan's fiduciary net position as a percentage of the total pension liability	55.95 %	46.82 %	49.43 %	52.40 %	52.40 %	55.11 %	59.35 %	65.96 %

Note: This schedule is intended to present a 10-year trend per GASB 68.

Additional years will be reported as incurred.

Note: The County Employees Retirement System measurement date is 12 months prior to the City's Financial Statements; the 2022 measurement date is 6/30/2021.

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Schedule of City Pension Contributions
County Employees Retirement System of the Commonwealth of Kentucky
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined pension contribution	\$ 8,471,567	\$ 6,850,497	\$ 6,673,673	\$ 5,321,680	\$ 4,555,520	\$ 4,497,839	\$ 3,837,246	\$ 3,905,623	\$ 4,021,011
Contributions in relation to the actuarially determined pension contribution	<u>8,471,567</u>	<u>6,850,497</u>	<u>6,673,673</u>	<u>5,321,680</u>	<u>4,555,520</u>	<u>4,497,839</u>	<u>3,837,246</u>	<u>3,905,623</u>	<u>4,021,011</u>
Pension contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 29,676,795	\$ 26,850,219	\$ 26,180,855	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227	\$ 22,635,432	\$ 22,529,147	\$ 22,141,166
Pension Contributions as a percentage of covered payroll	28.55 %	25.51 %	25.49 %	21.16 %	18.91 %	18.45 %	16.95 %	17.34 %	18.16 %

Notes:

Valuation Date	Actuarially determined contribution rates for 2022 were calculated based on the June 30, 2020, actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining amortization period	30 years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30 to 19.05%, varies by service.
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

Note: This schedule is intended to present a 10-year trend per GASB 68. Additional years will be reported as incurred.

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Schedule of Proportionate Share of the Net OPEB Liability
County Employees Retirement System of the Commonwealth of Kentucky
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total net OPEB liability for county employees retirement systems	\$ 2,723,009,000	\$ 3,338,801,000	\$ 2,421,815,000	\$ 2,488,439,571	\$ 2,837,013,635
City's proportion of the net OPEB liability	1.081083 %	1.025541 %	1.062665 %	1.002143 %	1.042340 %
City's proportionate share of the net OPEB liability	\$ 29,437,971	\$ 34,240,768	\$ 25,735,785	\$ 24,937,728	\$ 29,571,323
City's covered payroll	\$ 26,850,219	\$ 26,180,855	\$ 25,150,361	\$ 24,087,904	\$ 24,380,227
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	109.64 %	130.79 %	102.33 %	103.53 %	121.29 %
Total pension plan's fiduciary net position	\$ 4,874,625,000	\$ 3,902,730,000	\$ 3,910,225,000	\$ 3,695,108,000	\$ 3,401,537,049
Total pension plan's OPEB liability	\$ 7,597,634,000	\$ 7,241,531,000	\$ 6,332,040,000	\$ 6,183,547,000	\$ 6,238,550,680
Total pension plan's fiduciary net position as a percentage of the total OPEB liability	64.16 %	53.89 %	61.75 %	59.76 %	54.52 %

Note: This schedule is intended to present a 10-year trend per GASB 75.

Additional years will be reported as incurred.

Note: The County Employer's Retirement System measurement date is 12 months prior to the City's Financial Statements; the 2022 measurement date is 6/30/2021.

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
Schedule of City OPEB Contributions
County Employees Retirement System of the Commonwealth of Kentucky
Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017
Actuarially determined OPEB contribution	\$ 2,524,313	\$ 2,278,766	\$ 2,041,342	\$ 2,119,645	\$ 1,805,316	\$ 1,664,002
Contributions in relation to the actuarially determined OPEB contribution	2,524,313	2,278,766	2,041,342	2,119,645	1,805,316	1,664,002
OPEB contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 29,676,795	\$ 26,850,219	\$ 26,180,855	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227
OPEB contributions as a percentage of covered payroll	8.51 %	8.49 %	7.80 %	8.43 %	7.49 %	6.83 %

Notes:

Valuation Date	Actuarially determined contribution rates for 2021 were calculated based on the June 30, 2019, actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed at June 30, 2019; gains/losses incurring after June 30, 2019 will be amortized over separate closed 20-year amortization bases.
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30% to 19.05%, varies by service.
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Healthcare Rate Trends	
Pre-65	Initial trend starting at 6.25% at January 1, 2021, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2020 premiums were known at the the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial Trend starting at 5.50% at January 1, 2021, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The 2020 premiums were known at the the time of the valuation and were incorporated into the liability measurement.
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

Note: This schedule is intended to present a 10-year trend per GASB 75. Additional Years will be reported as incurred.

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Modified Approach for City Streets Infrastructure Capital Assets
 Year Ended June 30, 2022**

Modified Approach for City Streets Infrastructure Capital Assets

As allowed by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense.

In order to utilize the modified approach, the City is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the City.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Roads

The City began using its computerized pavement management system in 1997. Surface distress and ride comfort assessments are conducted on all segments. Street assessments are conducted annually, and all segments are assessed within a three-year cycle. The most recent assessment was conducted in April of 2022.

Upon completion of the assessment, an overall condition index (OCI) is calculated to assess individual pavement segments. Streets are rated on a 0 to 100 scale. An OCI of 100 would correspond to a pavement with proper engineering design and construction at the beginning of its life cycle.

The following pavement quality conditions have been defined:

Condition	OCI Rating
Excellent	88.0 - 100.00
Good	76.0 - 87.99
Fair	64.0 - 75.99
Poor	50.0 - 63.99
Bad	0.0 - 49.99

Established Condition Level

The City's policy is to consider streets in need when the OCI rating falls below minimum values. These values are as follows:

Functional Classification	Minimum OCI
Local	67.0
Collector	69.0
Arterial	72.0
Alley	25.0

Segments considered to be in need are quantitatively prioritized for rehabilitation based on OCI, traffic, functional class, and other factors.

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Modified Approach for City Streets Infrastructure Capital Assets (Continued)
Year Ended June 30, 2022

Assessed Conditions

The following table reports the percentage of streets meeting the minimum acceptable conditions or above:

<u>Year</u>	<u>Percentage</u>
2022	71%
2021	74%
2020	74%
2019	72%
2018	79%
2017	87%*
2016	97%
2015	97%
2014	98%
2013	98%

*Note: In 2017 the City migrated its pavement management system from the Cartegraph Navigator platform to Cartegraph Operations Management Systems (OMS). This move is important to note because the new OMS system uses a different calculation than the prior system did, which results in lower OCI scores. The City has chosen not to adjust the quality conditions or minimum standards as defined above since the new OCI calculation in combination with the existing defined standards provides a more conservative benchmark for assessment of the overall condition of the pavement network. Additionally, in 2018 the City revised the street functional classification in use to more closely align with the Kentucky Transportation Cabinet system. This also resulted in a negative net impact to the overall network OCI scores.

Budgeted and Estimated Costs to Maintain

The following table presents the City's estimate of spending necessary to preserve and maintain the Street Infrastructure at, or above, the "Established Condition Levels" cited above, and the actual amount spent in past fiscal years:

<u>Fiscal Year</u>	<u>Estimated Spending</u>	<u>Actual Spending</u>
2022-2023	\$ 2,000,000	\$ -
2021-2022	\$ 1,500,000	\$ 1,627,643
2020-2021	\$ 1,500,000	\$ 1,460,603
2019-2020	\$ 2,000,000	\$ 2,308,049
2018-2019	\$ 2,000,000	\$ 1,969,625
2017-2018	\$ 2,350,000	\$ 2,390,174
2016-2017	\$ 2,000,000	\$ 2,696,980
2015-2016	\$ 1,300,000	\$ 886,796
2014-2015	\$ 1,000,000	\$ 1,826,000
2013-2014	\$ 900,000	\$ 709,000
2012-2013	\$ 850,000	\$ 572,000

The budgeting process utilized by the City results in spending in one fiscal year from amounts that were budgeted in a previous year(s). Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year. The table demonstrates that over the past five years, the City spending has been in line with the budgeted amounts and the other tables contained within this narrative demonstrate that the City has met its desired condition levels.

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Modified Approach for City Streets Infrastructure Capital Assets (Continued)
Year Ended June 30, 2022

Sidewalks

The City utilizes a computerized sidewalk management system. Condition assessments are visually performed on all sidewalks segments, ratings are based on the presence of cracking, heaving, holes, settling, and spalling. These assessments were currently conducted on the entire sidewalk network on a four-year cycle. The most recent assessment was completed in September of 2020.

In 2020, the City revised its sidewalk inspection and condition assessment approach due to the concrete sidewalk's inherent longevity and ability to retain structural integrity in the presence of aesthetic defects. The condition calculation was revised to focus the assessment on the presence of potential trip hazards rather than aesthetic defects. The purpose of this approach is to emphasize the detection and elimination of potential pedestrian hazards based upon the annual inspection of a representative sample of city maintained sidewalks.

Upon completion of the assessment, an overall condition index (OCI) is calculated to assess individual pavement segments. Segments are rated on a 0 to 100 scale. An OCI of 100 would correspond to a sidewalk with proper engineering design and construction at the beginning of its life cycle.

The following overall condition index for sidewalks has been defined as follows:

<u>Condition</u>	<u>OCI Rating</u>
Excellent	88.0 - 100.00
Good	76.0 - 87.99
Fair	64.0 - 75.99
Poor	50.0 - 63.99
Bad	0.0 - 49.99

Established Condition Level

The City's policy is to achieve a rating of 76.0 for all sidewalks, which is a good rating. This rating allows minor cracking and raveling of the sidewalk along with minor roughness that could be noticeable to pedestrians.

Assessed conditions

The sidewalk management system indicates that 87% of city-maintained sidewalks had an OCI value greater than or equal to the minimum rating of 76.0 as of June 30, 2022.

Budgeted and Estimated Costs to Maintain

The following table presents the City's estimate of spending necessary to preserve and maintain the Sidewalk Infrastructure at, or above, the "Established Condition Levels" cited above, and the actual amount spent in past fiscal years:

<u>Fiscal Year</u>	<u>Estimated Spending</u>	<u>Actual Spending</u>
2022-2023	\$ 100,000	\$ -
2021-2022	\$ 100,000	\$ 21,460
2020-2021	\$ 100,000	\$ 118,779
2019-2020	\$ 100,000	\$ 310,903
2018-2019	\$ 100,000	\$ 28,200
2017-2018	\$ 100,000	\$ 20,130
2016-2017	\$ 100,000	\$ 94,463
2015-2016	\$ 100,000	\$ 249,176
2014-2015	\$ 100,000	\$ 215,000
2013-2014	\$ 100,000	\$ 10,000

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Modified Approach for City Streets Infrastructure Capital Assets (Continued)
Year Ended June 30, 2022

The budgeting process utilized by the City results in spending in one fiscal year from amounts that were budgeted in a previous year(s). Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year.

See accompanying independent auditor's report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Fund

This fund is used to account for revenues and expenditures of the federal community development programs.

Fire Improvement Fund

This fund is used to account for maintenance and capital outlays of the Fire Department. Funding is provided by fire insurance premium license fees.

Municipal Aid Funds

These funds are used to account for revenues and expenditures of Kentucky public safety, public works and economic development grants, liquid fuel tax, mineral and coal severance tax receipts, and law enforcement special pay programs.

Job Development Incentive Fund

This fund is used to account for job development incentive payments to business prospects within City boundaries to provide incentives for the creation of new jobs. Employee withholdings generated by new jobs are deposited to the fund and reused for future job development incentives and projects.

Parks Development Fund

This fund is used to collect property tax receipts and occupational fees from the Hartland Planned Community Development area. All funding is disbursed to other funds for Parks and Recreation Department expenses.

Landfill Closure Fund

This fund is used to account for revenues and expenditures applicable to government landfill closure and postclosure care.

Local Law Enforcement Block Grant Fund

This fund is used to account for a Serious Habitual Offender/Criminal Apprehension Program (SHOCAP) Grant, that targets habitual juvenile offenders with the assistance of the courts, social services, and the local schools. This fund also receives federal funding, such as the federal CARES Act, for public safety costs.

Radio System Fund

This fund is used to account for the joint operations of an 800 MHZ radio system by the City of Bowling Green, Warren County Government, the Medical Center at Bowling Green, and Western Kentucky University, among others.

Police Improvement Fund

This fund is used to account for revenue received from citations, which will be collected and appropriated for capital expenditures for the Police Department.

Lampkin Park Trust Fund

This fund is used to account for the receipt of one-seventh of the net income from C.W. Lampkin Charitable Trust. The money shall be used for the maintenance, improvement, and development of Lampkin Park in Bowling Green, Kentucky, as long as the park bears the name Lampkin Park.

Homeland Security Fund

This fund is used to account for expenditures funded indirectly through the U.S. Department of Homeland Security.

Special Taxing District Fund

This fund is used to account for revenue received from the City's annual Tax Increment Financing District (TIF) distribution that represents 20% of the calculated incremental revenues and revenue received as the City's portion from ITA wage taxes.

American Resuce Plan Act Fund

This fund is used to account for federal grant revenue and expenditures funded through the American Rescue Plan Act of 2021.

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Greenways Development Fund

This fund was created to account for the construction of greenway trails throughout the City. Funding is provided through grants and General Fund support.

Equipment Replacement Fund

This fund is used to account for the general government capital outlays for vehicles and equipment. Financing for this fund is primarily provided by the General Fund.

Road Construction Fund

This fund is used to account for the purchase of land and construction costs of city road projects. Funding for projects has been made available through the General Fund.

Fire Capital Improvements Fund

This fund is used to account for expenditures and revenues associated with the planning, design, and construction or procurement of Fire Department capital projects and equipment. These projects are funded by the General Fund, Fire Improvement Fund, and through capital financing as necessary.

Riverfront Park Development Fund

This fund is used to account for the development of the existing Riverfront Park with funding provided by the General Fund.

Sidewalk Improvement Fund

This fund is used to account for costs associated with the improvement of existing and construction of new sidewalks and multi-use greenway paths. Funding has been provided by the General Fund.

Stormwater Infrastructure Improvement Fund

This fund tracks expenditures related to the improvement of existing storm drainage infrastructure. Funding has been provided from the General Fund.

Municipal Facilities Fund

This fund is used to monitor costs associated with the renovation of City buildings. Funding for this project has been made available from General Fund subsidies.

Technology Capital Improvement Fund

This fund is used to account for expenditures associated with the City's information technology program. Funding is mainly provided by transfers from other funds.

Smallhouse Road Construction Fund

This fund tracks revenues and expenditures associated with improvements to Smallhouse Road. Funding has been primarily supplied through the General Fund.

Parks Capital Improvement Fund

This fund accounts for expenditures and revenues associated with the planning, design, and construction or procurement of capital parks projects, such as a new park or shelter. These projects are funded by Parks Development Fund and transfers from the Convention Center Corporation.

800 Trunking Radio Systems Improvement Fund

This fund is used to account for the improvement of the existing Radio System. Funding has been provided from the General Fund and other local governments.

Downtown Development Fund

This fund is used to account for the costs associated with the improvement of the Downtown area. Funding is made available through subsidies from the General Fund.

Southwest Parkway Capital Projects Fund

This fund is used to account for construction of projects for the Southwest Parkway corridor. Funding has been provided from the General Fund and other governments.

Police Capital Improvements Fund

This fund is used to account for Police Department capital projects and equipment costs. These projects are funded by the General Fund and Special Revenue Funds.

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

TIF District

This fund is used to account for debt service payments for the General Obligation Bond originally issued to provide funding for the construction of Bowling Green's Single A baseball park.

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to allow only the earnings and not the principal, to be used for the prescribed purposes.

Cemetery Perpetual Trust Fund

This fund is used to account for monies provided by private donors and from the sale of cemetery lots. The principal amount is to be maintained intact and invested. Investment earnings are used for cemetery maintenance.

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund - TIF District	Nonmajor Permanent Fund- Cemetery Perpetual	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and cash equivalents	\$ 13,150,569	\$ 28,237,988	\$ 1,232,935	\$ 112,652	\$ 42,734,144
Non-pooled cash and cash equivalents	2,277,408	-	-	-	2,277,408
Investments	19,939,378	13,342,475	2,410,498	1,136,575	36,828,926
Receivables (net of allowances for uncollectibles):					
Accounts receivable	50,798	5,187	-	-	55,985
Interest receivable	237	82	-	-	319
Due from other governmental units	505,642	472,286	263,404	-	1,241,332
Prepaid items	280,743	-	-	-	280,743
Advances to other funds	-	370,000	-	-	370,000
Total assets	<u>\$ 36,204,775</u>	<u>\$ 42,428,018</u>	<u>\$ 3,906,837</u>	<u>\$ 1,249,227</u>	<u>\$ 83,788,857</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers and accounts payable	\$ 447,929	\$ 362,477	\$ -	\$ -	\$ 810,406
Accrued payroll	23,301	-	-	-	23,301
Other current liabilities	-	370,000	-	-	370,000
Total liabilities	<u>471,230</u>	<u>732,477</u>	<u>-</u>	<u>-</u>	<u>1,203,707</u>
Fund balances					
Restricted	18,675,082	52,624	-	1,088,366	19,816,072
Committed	11,349,554	-	-	-	11,349,554
Assigned	5,708,909	41,642,917	3,906,837	160,861	51,419,524
Total fund balances	<u>35,733,545</u>	<u>41,695,541</u>	<u>3,906,837</u>	<u>1,249,227</u>	<u>82,585,150</u>
Total liabilities and fund balances	<u>\$ 36,204,775</u>	<u>\$ 42,428,018</u>	<u>\$ 3,906,837</u>	<u>\$ 1,249,227</u>	<u>\$ 83,788,857</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2022

	Community Development	Fire Improvement	Municipal Aid	Job Development Incentive	Parks Development	Landfill Closure	Local Law Enforcement Block Grant
ASSETS							
Pooled cash and cash equivalents	\$ -	\$ 1,608,953	\$ 3,620,814	\$ 2,445,796	\$ 5,187	\$ 292,318	\$ -
Non-pooled cash and cash equivalents	2,034,066	243,342	-	-	-	-	-
Investments	533,137	755,406	1,609,852	3,743,149	-	895,015	-
Receivables (net of allowances for uncollectibles):							
Accounts receivable	25,690	-	-	-	-	-	-
Interest receivable	28	62	1	99	-	47	-
Due from other governmental units	233,111	615	202,876	-	-	-	2,760
Prepaid items	280,743	-	-	-	-	-	-
Total assets	<u>\$ 3,106,775</u>	<u>\$ 2,608,378</u>	<u>\$ 5,433,543</u>	<u>\$ 6,189,044</u>	<u>\$ 5,187</u>	<u>\$ 1,187,380</u>	<u>\$ 2,760</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	\$ 216,604	\$ 17,252	\$ 150,964	\$ -	\$ 5,187	\$ 2,758	\$ 2,760
Accrued payroll	15,257	-	8,044	-	-	-	-
Total liabilities	<u>231,861</u>	<u>17,252</u>	<u>159,008</u>	<u>-</u>	<u>5,187</u>	<u>2,758</u>	<u>2,760</u>
Fund balances							
Restricted	1,185,429	13,914	3,412,863	-	-	-	-
Committed	689,485	2,577,212	152,763	6,189,044	-	1,184,622	-
Assigned	1,000,000	-	1,708,909	-	-	-	-
Total fund balances	<u>2,874,914</u>	<u>2,591,126</u>	<u>5,274,535</u>	<u>6,189,044</u>	<u>-</u>	<u>1,184,622</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,106,775</u>	<u>\$ 2,608,378</u>	<u>\$ 5,433,543</u>	<u>\$ 6,189,044</u>	<u>\$ 5,187</u>	<u>\$ 1,187,380</u>	<u>\$ 2,760</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
June 30, 2022

	Radio System	Police Improvement	Lampkin Park Trust	Homeland Security	American Rescue Plan Act	Special Taxing Districts	Total Nonmajor Special Revenue Funds
ASSETS							
Pooled cash and cash equivalents	\$ 55,140	\$ 3,264,765	\$ 40,285	\$ -	\$ 1,656,610	\$ 160,701	\$ 13,150,569
Non-pooled cash and cash equivalents	-	-	-	-	-	-	2,277,408
Investments	-	96,434	-	-	12,306,385	-	19,939,378
Receivables (net of allowances for uncollectibles):							
Accounts receivable	4,800	-	-	-	-	20,308	50,798
Interest receivable	-	-	-	-	-	-	237
Due from other governmental units	-	14,220	-	52,060	-	-	505,642
Prepaid items	-	-	-	-	-	-	280,743
Total assets	<u>\$ 59,940</u>	<u>\$ 3,375,419</u>	<u>\$ 40,285</u>	<u>\$ 52,060</u>	<u>\$ 13,962,995</u>	<u>\$ 181,009</u>	<u>\$ 36,204,775</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	\$ 344	\$ -	\$ -	\$ 52,060	\$ -	\$ -	\$ 447,929
Accrued payroll	-	-	-	-	-	-	23,301
Total liabilities	<u>344</u>	<u>-</u>	<u>-</u>	<u>52,060</u>	<u>-</u>	<u>-</u>	<u>471,230</u>
Fund balances							
Restricted	59,596	-	40,285	-	13,962,995	-	18,675,082
Committed	-	375,419	-	-	-	181,009	11,349,554
Assigned	-	3,000,000	-	-	-	-	5,708,909
Total fund balances	<u>59,596</u>	<u>3,375,419</u>	<u>40,285</u>	<u>-</u>	<u>13,962,995</u>	<u>181,009</u>	<u>35,733,545</u>
Total liabilities and fund balances	<u>\$ 59,940</u>	<u>\$ 3,375,419</u>	<u>\$ 40,285</u>	<u>\$ 52,060</u>	<u>\$ 13,962,995</u>	<u>\$ 181,009</u>	<u>\$ 36,204,775</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2022

	Greenways Development	Equipment Replacement	Road Construction	Fire Capital Improvements	Riverfront Park Development	Sidewalk Improvement	Stormwater Infrastructure Improvement	Municipal Facilities
ASSETS								
Pooled cash and cash equivalents	\$ 2,862	\$ 2,622,385	\$ 5,146,985	\$ 419,207	\$ 2,570,275	\$ 1,562,341	\$ 899,535	\$ 1,457,233
Investments	-	481,399	3,308,115	-	3,985,816	96,280	192,559	-
Receivables, net of allowance for uncollectible:								
Accounts receivable	-	-	-	-	-	-	-	-
Interest receivable	-	-	18	-	64	-	-	-
Due from other governmental units	472,286	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Total assets	<u>\$ 475,148</u>	<u>\$ 3,103,784</u>	<u>\$ 8,455,118</u>	<u>\$ 419,207</u>	<u>\$ 6,556,155</u>	<u>\$ 1,658,621</u>	<u>\$ 1,092,094</u>	<u>\$ 1,457,233</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Vouchers and accounts payable	\$ 2,172	\$ 108,901	\$ 165,230	\$ -	\$ 28,880	\$ -	\$ -	\$ -
Due to other funds	370,000	-	-	-	-	-	-	-
Total liabilities	<u>372,172</u>	<u>108,901</u>	<u>165,230</u>	<u>-</u>	<u>28,880</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Restricted	52,624	-	-	-	-	-	-	-
Assigned	50,352	2,994,883	8,289,888	419,207	6,527,275	1,658,621	1,092,094	1,457,233
Total fund balances	<u>102,976</u>	<u>2,994,883</u>	<u>8,289,888</u>	<u>419,207</u>	<u>6,527,275</u>	<u>1,658,621</u>	<u>1,092,094</u>	<u>1,457,233</u>
Total liabilities and fund balances	<u>\$ 475,148</u>	<u>\$ 3,103,784</u>	<u>\$ 8,455,118</u>	<u>\$ 419,207</u>	<u>\$ 6,556,155</u>	<u>\$ 1,658,621</u>	<u>\$ 1,092,094</u>	<u>\$ 1,457,233</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Capital Projects Funds (Continued)
June 30, 2022

	Technology Capital Improvement	Smallhouse Road Construction	Parks Capital Improvements	800 Trunking Radio Systems Improvements	Downtown Development	Southwest Parkway	Police Capital Improvements	Total Nonmajor Capital Projects Funds
ASSETS								
Pooled cash and cash equivalents	\$ 3,957,739	\$ 2,097,645	\$ 3,624,789	\$ 1,239,241	\$ 2,563,442	\$ -	\$ 74,309	\$ 28,237,988
Investments	192,559	96,280	4,845,047	144,420	-	-	-	13,342,475
Receivables, net of allowance for uncollectible:								
Accounts receivable	-	-	5,187	-	-	-	-	5,187
Interest receivable	-	-	-	-	-	-	-	82
Due from other governmental units	-	-	-	-	-	-	-	472,286
Advances to other funds	-	-	370,000	-	-	-	-	370,000
Total assets	<u>\$ 4,150,298</u>	<u>\$ 2,193,925</u>	<u>\$ 8,845,023</u>	<u>\$ 1,383,661</u>	<u>\$ 2,563,442</u>	<u>\$ -</u>	<u>\$ 74,309</u>	<u>\$ 42,428,018</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Vouchers and accounts payable	\$ -	\$ -	\$ 57,294	\$ -	\$ -	\$ -	\$ -	\$ 362,477
Due to other funds	-	-	-	-	-	-	-	370,000
Total liabilities	<u>-</u>	<u>-</u>	<u>57,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>732,477</u>
Fund balances								
Restricted	-	-	-	-	-	-	-	52,624
Assigned	<u>4,150,298</u>	<u>2,193,925</u>	<u>8,787,729</u>	<u>1,383,661</u>	<u>2,563,442</u>	<u>-</u>	<u>74,309</u>	<u>41,642,917</u>
Total fund balances	<u>4,150,298</u>	<u>2,193,925</u>	<u>8,787,729</u>	<u>1,383,661</u>	<u>2,563,442</u>	<u>-</u>	<u>74,309</u>	<u>41,695,541</u>
Total liabilities and fund balances	<u>\$ 4,150,298</u>	<u>\$ 2,193,925</u>	<u>\$ 8,845,023</u>	<u>\$ 1,383,661</u>	<u>\$ 2,563,442</u>	<u>\$ -</u>	<u>\$ 74,309</u>	<u>\$ 42,428,018</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund - TIF District	Nonmajor Permanent Fund- Cemetery Perpetual	Total Nonmajor Governmental Funds
REVENUES					
Property taxes	\$ 755,029	\$ -	\$ -	\$ -	\$ 755,029
Insurance premium taxes	2,925,379	-	-	-	2,925,379
Wages and net profits	3,448,708	-	-	-	3,448,708
Judgements and settlements	27,993	-	-	-	27,993
Intergovernmental	18,567,419	919,090	-	-	19,486,509
Investment income (loss)	(874,781)	(282,633)	(67,395)	(151,062)	(1,375,871)
Charges for services	187,258	-	-	-	187,258
Rent income	744	-	-	-	744
Contributions and donations	349,799	-	-	-	349,799
Miscellaneous	160,549	-	-	30,738	191,287
Total revenues	<u>25,548,097</u>	<u>636,457</u>	<u>(67,395)</u>	<u>(120,324)</u>	<u>25,996,835</u>
EXPENDITURES					
Current:					
General government	191,171	119,887	-	-	311,058
Public safety	4,272,477	489,926	-	-	4,762,403
Public works	4,001,487	282,688	-	-	4,284,175
Parks and recreation	311,415	566,395	-	-	877,810
Neighborhood and community services	5,379,941	981,894	-	-	6,361,835
Capital outlay	381,470	7,274,118	-	-	7,655,588
Debt service:					
Principal	-	-	800,000	-	800,000
Interest	-	-	654,888	-	654,888
Total expenditures	<u>14,537,961</u>	<u>9,714,908</u>	<u>1,454,888</u>	<u>-</u>	<u>25,707,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,010,136</u>	<u>(9,078,451)</u>	<u>(1,522,283)</u>	<u>(120,324)</u>	<u>289,078</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	24,250	-	-	-	24,250
Transfers in	1,814,655	14,215,913	1,454,888	-	17,485,456
Transfers out	(5,214,596)	(108,285)	-	-	(5,322,881)
Issuance of debt	-	2,091,238	-	-	2,091,238
Total other financing sources (uses)	<u>(3,375,691)</u>	<u>16,198,866</u>	<u>1,454,888</u>	<u>-</u>	<u>14,278,063</u>
Net change in fund balances	7,634,445	7,120,415	(67,395)	(120,324)	14,567,141
Fund balances, beginning	<u>28,099,100</u>	<u>34,575,126</u>	<u>3,974,232</u>	<u>1,369,551</u>	<u>68,018,009</u>
Fund balances, ending	<u>\$ 35,733,545</u>	<u>\$ 41,695,541</u>	<u>\$ 3,906,837</u>	<u>\$ 1,249,227</u>	<u>\$ 82,585,150</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended June 30, 2022

	Community Development	Fire Improvement	Municipal Aid	Job Development Incentive	Parks Development	Landfill Closure	Local Law Enforcement Block Grant
REVENUES							
Property taxes	\$ -	\$ -	\$ 200,000	\$ 96,061	\$ 458,968	\$ -	\$ -
Insurance premium taxes	-	2,925,379	-	-	-	-	-
Wages and net profits	-	-	-	1,364,904	1,716,723	-	-
Judgements and settlements	-	27,993	-	-	-	-	-
Intergovernmental	5,053,661	-	5,130,960	-	-	-	38,313
Investment income (loss)	1,181	(38,545)	(77,663)	(197,683)	-	(65,765)	-
Charges for services	-	-	115,983	-	-	-	-
Rent income	-	-	-	-	-	744	-
Contributions and donations	-	-	-	-	-	-	-
Miscellaneous	108,610	1,339	50,600	-	-	-	-
Total revenues	5,163,452	2,916,166	5,419,880	1,263,282	2,175,691	(65,021)	38,313
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	382,640	1,953,589	-	-	-	38,313
Public works	-	-	3,720,796	-	-	33,239	-
Parks and recreation	-	-	-	-	-	-	-
Neighborhood and community services	5,144,504	-	-	121,706	-	-	-
Capital outlay	8,387	84,498	282,211	-	-	6,374	-
Total expenditures	5,152,891	467,138	5,956,596	121,706	-	39,613	38,313
Excess (deficiency) of revenues over (under) expenditures	10,561	2,449,028	(536,716)	1,141,576	2,175,691	(104,634)	-
Other financing sources (uses):							
Transfers in	510,000	-	1,091,540	-	-	-	-
Transfers out	(25,000)	(1,541,827)	-	(1,197,078)	(2,175,691)	-	-
Proceeds from sale of capital assets	-	19,000	-	-	-	-	-
Total other financing sources (uses)	485,000	(1,522,827)	1,091,540	(1,197,078)	(2,175,691)	-	-
Net change in fund balances	495,561	926,201	554,824	(55,502)	-	(104,634)	-
Fund balances, beginning	2,379,353	1,664,925	4,719,711	6,244,546	-	1,289,256	-
Fund balances, ending	\$ 2,874,914	\$ 2,591,126	\$ 5,274,535	\$ 6,189,044	\$ -	\$ 1,184,622	\$ -

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds (Continued)
Year Ended June 30, 2022

	Radio System	Police Improvement	Lampkin Park Trust	Homeland Security	American Rescue Plan Act	Special Taxing Districts	Total Nonmajor Special Revenue Funds
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	755,029
Insurance premium taxes	-	-	-	-	-	-	2,925,379
Wages and net profits	-	-	-	-	-	367,081	3,448,708
Judgements and settlements	-	-	-	-	-	-	27,993
Intergovernmental	-	-	-	52,060	8,292,425	-	18,567,419
Investment income (loss)	-	(2,689)	-	-	(493,617)	-	(874,781)
Charges for services	-	71,275	-	-	-	-	187,258
Rent income	-	-	-	-	-	-	744
Contributions and donations	342,611	-	7,188	-	-	-	349,799
Miscellaneous	-	-	-	-	-	-	160,549
Total revenues	342,611	68,586	7,188	52,060	7,798,808	367,081	25,548,097
EXPENDITURES							
Current:							
General government	-	-	-	-	191,171	-	191,171
Public safety	560,468	20,938	-	52,060	1,264,469	-	4,272,477
Public works	-	-	-	-	247,452	-	4,001,487
Parks and recreation	-	-	-	-	311,415	-	311,415
Neighborhood and community services	-	-	-	-	113,731	-	5,379,941
Capital outlay	-	-	-	-	-	-	381,470
Total expenditures	560,468	20,938	-	52,060	2,128,238	-	14,537,961
Excess (deficiency) of revenues over (under) expenditures	(217,857)	47,648	7,188	-	5,670,570	367,081	11,010,136
Other financing sources (uses):							
Transfers in	213,115	-	-	-	-	-	1,814,655
Transfers out	-	-	-	-	-	(275,000)	(5,214,596)
Proceeds from sale of capital assets	-	-	5,250	-	-	-	24,250
Total other financing sources (uses)	213,115	-	5,250	-	-	(275,000)	(3,375,691)
Net change in fund balances	(4,742)	47,648	12,438	-	5,670,570	92,081	7,634,445
Fund balances, beginning	64,338	3,327,771	27,847	-	8,292,425	88,928	28,099,100
Fund balances, ending	\$ 59,596	\$ 3,375,419	\$ 40,285	\$ -	\$ 13,962,995	\$ 181,009	\$ 35,733,545

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2022

	Greenways Development	Equipment Replacement	Road Construction	Fire Capital Improvements	Riverfront Park Development	Sidewalk Improvement	Stormwater Infrastructure Improvement	Municipal Facilities
REVENUES								
Intergovernmental	\$ 904,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	-	(13,479)	(90,113)	-	(14,121)	(2,695)	(5,392)	-
Total revenues	<u>904,090</u>	<u>(13,479)</u>	<u>(90,113)</u>	<u>-</u>	<u>(14,121)</u>	<u>(2,695)</u>	<u>(5,392)</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	112,055	-	210,836	-	-	-	-
Public works	-	-	133,700	-	-	-	2,000	143,988
Parks and recreation	-	-	-	-	180,303	-	-	-
Neighborhood and community services	930,981	50,913	-	-	-	-	-	-
Capital outlay	-	1,243,305	497,419	2,465,103	1,302	313,109	410,600	-
Total expenditures	<u>930,981</u>	<u>1,406,273</u>	<u>631,119</u>	<u>2,675,939</u>	<u>181,605</u>	<u>313,109</u>	<u>412,600</u>	<u>143,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,891)</u>	<u>(1,419,752)</u>	<u>(721,232)</u>	<u>(2,675,939)</u>	<u>(195,726)</u>	<u>(315,804)</u>	<u>(417,992)</u>	<u>(143,988)</u>
Other financing sources (uses):								
Transfers in	-	1,925,000	2,264,737	300,000	1,000,000	900,000	500,000	500,000
Transfers out	-	-	-	-	-	(50,000)	-	-
Issuance of debt	-	-	-	2,091,238	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,925,000</u>	<u>2,264,737</u>	<u>2,391,238</u>	<u>1,000,000</u>	<u>850,000</u>	<u>500,000</u>	<u>500,000</u>
Net change in fund balances	(26,891)	505,248	1,543,505	(284,701)	804,274	534,196	82,008	356,012
Fund balances, beginning	<u>129,867</u>	<u>2,489,635</u>	<u>6,746,383</u>	<u>703,908</u>	<u>5,723,001</u>	<u>1,124,425</u>	<u>1,010,086</u>	<u>1,101,221</u>
Fund balances, ending	<u>\$ 102,976</u>	<u>\$ 2,994,883</u>	<u>\$ 8,289,888</u>	<u>\$ 419,207</u>	<u>\$ 6,527,275</u>	<u>\$ 1,658,621</u>	<u>\$ 1,092,094</u>	<u>\$ 1,457,233</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds (Continued)
Year Ended June 30, 2022

	Technology Capital Improvement	Smallhouse Road Construction	Parks Capital Improvements	800 Trunking Radio Systems Improvements	Downtown Development	Southwest Parkway	Police Capital Improvements	Total Nonmajor Capital Projects Funds
REVENUES								
Intergovernmental	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 919,090
Investment income (loss)	(5,392)	(2,696)	(144,701)	(4,044)	-	-	-	(282,633)
Total revenues	<u>9,608</u>	<u>(2,696)</u>	<u>(144,701)</u>	<u>(4,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>636,457</u>
EXPENDITURES								
Current:								
General government	119,887	-	-	-	-	-	-	119,887
Public safety	-	-	-	-	-	-	167,035	489,926
Public works	-	-	-	-	3,000	-	-	282,688
Parks and recreation	-	-	386,092	-	-	-	-	566,395
Neighborhood and community services	-	-	-	-	-	-	-	981,894
Capital outlay	181,847	135,330	470,900	-	1,555,203	-	-	7,274,118
Total expenditures	<u>301,734</u>	<u>135,330</u>	<u>856,992</u>	<u>-</u>	<u>1,558,203</u>	<u>-</u>	<u>167,035</u>	<u>9,714,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(292,126)</u>	<u>(138,026)</u>	<u>(1,001,693)</u>	<u>(4,044)</u>	<u>(1,558,203)</u>	<u>-</u>	<u>(167,035)</u>	<u>(9,078,451)</u>
Other financing sources (uses):								
Transfers in	2,500,000	1,550,000	1,640,691	135,485	1,000,000	-	-	14,215,913
Transfers out	-	-	-	-	(43,548)	(14,737)	-	(108,285)
Issuance of debt	-	-	-	-	-	-	-	2,091,238
Total other financing sources (uses)	<u>2,500,000</u>	<u>1,550,000</u>	<u>1,640,691</u>	<u>135,485</u>	<u>956,452</u>	<u>(14,737)</u>	<u>-</u>	<u>16,198,866</u>
Net change in fund balances	<u>2,207,874</u>	<u>1,411,974</u>	<u>638,998</u>	<u>131,441</u>	<u>(601,751)</u>	<u>(14,737)</u>	<u>(167,035)</u>	<u>7,120,415</u>
Fund balances, beginning	<u>1,942,424</u>	<u>781,951</u>	<u>8,148,731</u>	<u>1,252,220</u>	<u>3,165,193</u>	<u>14,737</u>	<u>241,344</u>	<u>34,575,126</u>
Fund balances, ending	<u>\$ 4,150,298</u>	<u>\$ 2,193,925</u>	<u>\$ 8,787,729</u>	<u>\$ 1,383,661</u>	<u>\$ 2,563,442</u>	<u>\$ -</u>	<u>\$ 74,309</u>	<u>\$ 41,695,541</u>

See accompanying independent auditor's report

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Debt Service Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
Current:				
Debt service				
Principal	\$ 2,470,000	\$ 2,470,000	\$ 2,469,327	\$ 673
Interest	542,500	542,500	538,750	3,750
Total expenditures	<u>3,012,500</u>	<u>3,012,500</u>	<u>3,008,077</u>	<u>4,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,012,500)</u>	<u>(3,012,500)</u>	<u>(3,008,077)</u>	<u>4,423</u>
Other financing sources (uses)				
Transfers in	<u>3,012,500</u>	<u>3,012,500</u>	<u>3,008,077</u>	<u>(4,423)</u>
Total other financing sources (uses)	<u>3,012,500</u>	<u>3,012,500</u>	<u>3,008,077</u>	<u>(4,423)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 WKU Athletics Debt Service Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 3,006,000	\$ 3,006,000	\$ 3,005,666	\$ (334)
Total revenues	<u>3,006,000</u>	<u>3,006,000</u>	<u>3,005,666</u>	<u>(334)</u>
EXPENDITURES				
Current:				
Debt service				
Principal	2,525,000	2,525,000	2,525,000	-
Interest	481,000	481,000	480,666	334
Total expenditures	<u>3,006,000</u>	<u>3,006,000</u>	<u>3,005,666</u>	<u>334</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 ITA Bond Debt Service Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Property taxes	\$ 18,000	\$ 18,000	\$ 43,445	\$ 25,445
Investment income (loss)	-	-	23,367	23,367
Rent income	-	1,376,446	1,376,446	-
Miscellaneous	730,000	730,000	711,047	(18,953)
Total revenues	<u>748,000</u>	<u>2,124,446</u>	<u>2,154,305</u>	<u>29,859</u>
EXPENDITURES				
Current:				
General government	-	34,749,188	6,651,843	28,097,345
Debt service				
Principal	1,715,000	3,091,446	3,075,000	16,446
Interest	945,000	945,000	920,617	24,383
Total expenditures	<u>2,660,000</u>	<u>38,785,634</u>	<u>10,647,460</u>	<u>28,138,174</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,912,000)</u>	<u>(36,661,188)</u>	<u>(8,493,155)</u>	<u>28,168,033</u>
Other financing sources (uses)				
Transfers in	1,930,000	1,930,000	1,927,313	(2,687)
Total other financing sources (uses)	<u>1,930,000</u>	<u>1,930,000</u>	<u>1,927,313</u>	<u>(2,687)</u>
Net change in fund balances	18,000	(34,731,188)	(6,565,842)	28,165,346
Fund balances, beginning	<u>36,521,994</u>	<u>36,521,994</u>	<u>36,521,994</u>	<u>-</u>
Fund balances, ending	<u>\$ 36,539,994</u>	<u>\$ 1,790,806</u>	<u>\$ 29,956,152</u>	<u>\$ 28,165,346</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 TIF District Debt Service Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income (loss)	\$ 3,000	\$ 3,000	\$ (67,395)	\$ (70,395)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>(67,395)</u>	<u>(70,395)</u>
EXPENDITURES				
Current:				
Debt service				
Principal	800,000	800,000	800,000	-
Interest	655,000	655,000	654,888	112
Total expenditures	<u>1,455,000</u>	<u>1,455,000</u>	<u>1,454,888</u>	<u>112</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,452,000)</u>	<u>(1,452,000)</u>	<u>(1,522,283)</u>	<u>(70,283)</u>
Other financing sources (uses)				
Transfers in	1,455,000	1,455,000	1,454,888	(112)
Total other financing sources (uses)	<u>1,455,000</u>	<u>1,455,000</u>	<u>1,454,888</u>	<u>(112)</u>
Net change in fund balances	3,000	3,000	(67,395)	(70,395)
Fund balances, beginning	<u>3,974,232</u>	<u>3,974,232</u>	<u>3,974,232</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,977,232</u>	<u>\$ 3,977,232</u>	<u>\$ 3,906,837</u>	<u>\$ (70,395)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Community Development Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 5,034,687	\$ 7,004,946	\$ 5,053,661	\$ (1,951,285)
Investment income (loss)	1,250	1,250	1,181	(69)
Miscellaneous	78,000	78,000	108,610	30,610
Total revenues	<u>5,113,937</u>	<u>7,084,196</u>	<u>5,163,452</u>	<u>(1,920,744)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	5,106,113	7,941,525	5,144,504	2,797,021
Capital outlay	-	8,387	8,387	-
Total expenditures	<u>5,106,113</u>	<u>7,949,912</u>	<u>5,152,891</u>	<u>2,797,021</u>
Excess (deficiency) of revenues over (under) expenses	<u>7,824</u>	<u>(865,716)</u>	<u>10,561</u>	<u>876,277</u>
Other financing sources (uses)				
Transfers in	-	510,000	510,000	-
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>485,000</u>	<u>485,000</u>	<u>-</u>
Net change in fund balances	(17,176)	(380,716)	495,561	876,277
Fund balances, beginning	<u>2,379,353</u>	<u>2,379,353</u>	<u>2,379,353</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,362,177</u>	<u>\$ 1,998,637</u>	<u>\$ 2,874,914</u>	<u>\$ 876,277</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Fire Improvement Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Insurance premium taxes	\$ 2,340,000	\$ 2,340,000	\$ 2,925,379	\$ 585,379
Judgements and settlements	18,750	25,175	27,993	2,818
Investment income (loss)	9,000	9,000	(38,545)	(47,545)
Miscellaneous	-	-	1,339	1,339
Total revenues	<u>2,367,750</u>	<u>2,374,175</u>	<u>2,916,166</u>	<u>541,991</u>
EXPENDITURES				
Current:				
Public safety	518,195	519,699	382,640	137,059
Capital outlay	86,600	85,181	84,498	683
Total expenditures	<u>604,795</u>	<u>604,880</u>	<u>467,138</u>	<u>137,742</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,762,955</u>	<u>1,769,295</u>	<u>2,449,028</u>	<u>679,733</u>
Other financing sources (uses)				
Transfers out	(1,544,500)	(1,544,500)	(1,541,827)	2,673
Proceeds from sale of capital assets	-	-	19,000	19,000
Total other financing sources (uses)	<u>(1,544,500)</u>	<u>(1,544,500)</u>	<u>(1,522,827)</u>	<u>21,673</u>
Net change in fund balances	218,455	224,795	926,201	701,406
Fund balances, beginning	<u>1,664,925</u>	<u>1,664,925</u>	<u>1,664,925</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,883,380</u>	<u>\$ 1,889,720</u>	<u>\$ 2,591,126</u>	<u>\$ 701,406</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Municipal Aid Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Intergovernmental	3,288,480	10,204,488	5,130,960	(5,073,528)
Investment income (loss)	30,850	30,850	(77,663)	(108,513)
Charges for services	80,000	84,555	115,983	31,428
Miscellaneous	65,400	65,400	50,600	(14,800)
Total revenues	<u>3,664,730</u>	<u>10,585,293</u>	<u>5,419,880</u>	<u>(5,165,413)</u>
EXPENDITURES				
Current:				
Public safety	2,133,619	2,192,249	1,953,589	238,660
Public works	2,333,400	7,823,013	3,720,796	4,102,217
Capital outlay	280,000	725,127	282,211	442,916
Total expenditures	<u>4,747,019</u>	<u>10,740,389</u>	<u>5,956,596</u>	<u>4,783,793</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,082,289)</u>	<u>(155,096)</u>	<u>(536,716)</u>	<u>(381,620)</u>
Other financing sources (uses)				
Transfers in	1,092,420	1,092,420	1,091,540	(880)
Total other financing sources (uses)	<u>1,092,420</u>	<u>1,092,420</u>	<u>1,091,540</u>	<u>(880)</u>
Net change in fund balances	10,131	937,324	554,824	(382,500)
Fund balances, beginning	<u>4,719,711</u>	<u>4,719,711</u>	<u>4,719,711</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,729,842</u>	<u>\$ 5,657,035</u>	<u>\$ 5,274,535</u>	<u>\$ (382,500)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Job Development Incentive Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 97,000	\$ 97,000	\$ 96,061	\$ (939)
Wages and net profits	1,118,750	1,118,750	1,364,904	246,154
Investment income (loss)	47,750	47,750	(197,683)	(245,433)
Total revenues	<u>1,263,500</u>	<u>1,263,500</u>	<u>1,263,282</u>	<u>(218)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	63,500	122,206	121,706	500
Total expenditures	<u>63,500</u>	<u>122,206</u>	<u>121,706</u>	<u>500</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,200,000</u>	<u>1,141,294</u>	<u>1,141,576</u>	<u>282</u>
Other financing sources (uses)				
Transfers out	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,197,078)</u>	<u>2,922</u>
Total other financing sources (uses)	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,197,078)</u>	<u>2,922</u>
Net change in fund balances	-	(58,706)	(55,502)	3,204
Fund balances, beginning	<u>6,244,546</u>	<u>6,244,546</u>	<u>6,244,546</u>	<u>-</u>
Fund balances, ending	<u>\$ 6,244,546</u>	<u>\$ 6,185,840</u>	<u>\$ 6,189,044</u>	<u>\$ 3,204</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Parks Development Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Property taxes	\$ 502,000	\$ 502,000	\$ 458,968	\$ (43,032)
Wages and net profits	1,346,750	1,801,750	1,716,723	(85,027)
Total revenues	<u>1,848,750</u>	<u>2,303,750</u>	<u>2,175,691</u>	<u>(128,059)</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,848,750</u>	<u>2,303,750</u>	<u>2,175,691</u>	<u>(128,059)</u>
Other financing sources (uses)				
Transfers out	<u>(1,848,750)</u>	<u>(2,303,750)</u>	<u>(2,175,691)</u>	<u>128,059</u>
Total other financing sources (uses)	<u>(1,848,750)</u>	<u>(2,303,750)</u>	<u>(2,175,691)</u>	<u>128,059</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Landfill Closure Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income (loss)	\$ 22,300	\$ 22,300	\$ (65,765)	\$ (88,065)
Rent income	-	-	744	744
Total revenues	<u>22,300</u>	<u>22,300</u>	<u>(65,021)</u>	<u>(87,321)</u>
EXPENDITURES				
Current:				
Public works	82,135	82,047	33,239	48,808
Capital outlay	-	160,944	6,374	154,570
Total expenditures	<u>82,135</u>	<u>242,991</u>	<u>39,613</u>	<u>203,378</u>
Excess (deficiency) of revenues over (under) expenses	<u>(59,835)</u>	<u>(220,691)</u>	<u>(104,634)</u>	<u>116,057</u>
Net change in fund balances	(59,835)	(220,691)	(104,634)	116,057
Fund balances, beginning	<u>1,289,256</u>	<u>1,289,256</u>	<u>1,289,256</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,229,421</u>	<u>\$ 1,068,565</u>	<u>\$ 1,184,622</u>	<u>\$ 116,057</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Local Law Enforcement Block Grant Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 124,758	\$ 38,313	\$ (86,445)
Total revenues	<u>-</u>	<u>124,758</u>	<u>38,313</u>	<u>(86,445)</u>
EXPENDITURES				
Current:				
Public safety	-	62,767	38,313	24,454
Total expenditures	<u>-</u>	<u>62,767</u>	<u>38,313</u>	<u>24,454</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>61,991</u>	<u>-</u>	<u>(61,991)</u>
Net change in fund balances	-	61,991	-	(61,991)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 61,991</u>	<u>\$ -</u>	<u>\$ (61,991)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Radio System Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Contributions and donations	\$ 312,115	\$ 312,115	\$ 342,611	\$ 30,496
Total revenues	<u>312,115</u>	<u>312,115</u>	<u>342,611</u>	<u>30,496</u>
EXPENDITURES				
Current:				
Public safety	525,230	567,880	560,468	7,412
Total expenditures	<u>525,230</u>	<u>567,880</u>	<u>560,468</u>	<u>7,412</u>
Excess (deficiency) of revenues over (under) expenses	<u>(213,115)</u>	<u>(255,765)</u>	<u>(217,857)</u>	<u>37,908</u>
Other financing sources (uses)				
Transfers in	213,115	213,115	213,115	-
Total other financing sources (uses)	<u>213,115</u>	<u>213,115</u>	<u>213,115</u>	<u>-</u>
Net change in fund balances	-	(42,650)	(4,742)	37,908
Fund balances, beginning	64,338	64,338	64,338	-
Fund balances, ending	<u>\$ 64,338</u>	<u>\$ 21,688</u>	<u>\$ 59,596</u>	<u>\$ 37,908</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Police Improvement Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income (loss)	\$ -	\$ -	\$ (2,689)	\$ (2,689)
Charges for services	49,000	49,000	71,275	22,275
Total revenues	<u>49,000</u>	<u>49,000</u>	<u>68,586</u>	<u>19,586</u>
EXPENDITURES				
Current:				
Public safety	21,300	21,300	20,938	362
Capital outlay	-	35,000	-	35,000
Total expenditures	<u>21,300</u>	<u>56,300</u>	<u>20,938</u>	<u>35,362</u>
Excess (deficiency) of revenues over (under) expenses	<u>27,700</u>	<u>(7,300)</u>	<u>47,648</u>	<u>54,948</u>
Net change in fund balances	27,700	(7,300)	47,648	54,948
Fund balances, beginning	<u>3,327,771</u>	<u>3,327,771</u>	<u>3,327,771</u>	-
Fund balances, ending	<u>\$ 3,355,471</u>	<u>\$ 3,320,471</u>	<u>\$ 3,375,419</u>	<u>\$ 54,948</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Homeland Security Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 79,550	\$ 52,060	\$ (27,490)
Total revenues	<u>-</u>	<u>79,550</u>	<u>52,060</u>	<u>(27,490)</u>
EXPENDITURES				
Current:				
Public safety	-	52,060	52,060	-
Total expenditures	<u>-</u>	<u>52,060</u>	<u>52,060</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>27,490</u>	<u>-</u>	<u>(27,490)</u>
Net change in budgetary fund balances	-	27,490	-	(27,490)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 27,490</u>	<u>\$ -</u>	<u>\$ (27,490)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 American Rescue Plan Act Fund Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 8,292,425	\$ 8,292,425	\$ -
Investment income (loss)	-	-	(493,617)	(493,617)
Total revenues	-	8,292,425	7,798,808	(493,617)
EXPENDITURES				
Current:				
General government	-	2,200,000	191,171	2,008,829
Public safety	-	-	1,264,469	(1,264,469)
Public works	-	-	247,452	(247,452)
Parks and recreation	-	-	311,415	(311,415)
Neighborhood and community services	-	-	113,731	(113,731)
Total expenditures	-	2,200,000	2,128,238	71,762
Excess (deficiency) of revenues over (under) expenses	-	6,092,425	5,670,570	(421,855)
Net change in budgetary fund balances	-	6,092,425	5,670,570	(421,855)
Fund balances, beginning of year	8,292,425	8,292,425	8,292,425	-
Fund balances, end of year	\$ 8,292,425	\$ 14,384,850	\$ 13,962,995	\$ (421,855)

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Special Taxing Districts Special Revenue Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Wages and net profits	\$ 329,000	\$ 329,000	\$ 367,081	\$ 38,081
Total revenues	<u>329,000</u>	<u>329,000</u>	<u>367,081</u>	<u>38,081</u>
Excess (deficiency) of revenues over (under) expenses	<u>329,000</u>	<u>329,000</u>	<u>367,081</u>	<u>38,081</u>
Other financing sources (Uses)				
Transfers out	<u>(275,000)</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(275,000)</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Net change in budgetary fund balances	54,000	54,000	92,081	38,081
Fund balances, beginning of year	<u>88,928</u>	<u>88,928</u>	<u>88,928</u>	<u>-</u>
Fund balances, end of year	<u>\$ 142,928</u>	<u>\$ 142,928</u>	<u>\$ 181,009</u>	<u>\$ 38,081</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Lampkin Park Trust Special Revenue Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Contributions and donations	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 7,188</u>	<u>\$ 1,188</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>7,188</u>	<u>1,188</u>
Excess (deficiency) of revenues over (under) expenses	<u>6,000</u>	<u>6,000</u>	<u>7,188</u>	<u>1,188</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>5,250</u>	<u>5,250</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,250</u>	<u>5,250</u>
Net change in fund balances	<u>6,000</u>	<u>6,000</u>	<u>12,438</u>	<u>6,438</u>
Fund balances, beginning	<u>27,847</u>	<u>27,847</u>	<u>27,847</u>	<u>-</u>
Fund balances, ending	<u>\$ 33,847</u>	<u>\$ 33,847</u>	<u>\$ 40,285</u>	<u>\$ 6,438</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Greenways Development Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 1,565,088	\$ 904,090	\$ (660,998)
Total revenues	<u>-</u>	<u>1,565,088</u>	<u>904,090</u>	<u>(660,998)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	-	930,981	930,981	-
Capital outlay	-	264,394	-	264,394
Total expenditures	<u>-</u>	<u>1,195,375</u>	<u>930,981</u>	<u>264,394</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>369,713</u>	<u>(26,891)</u>	<u>(396,604)</u>
Net change in fund balances	-	369,713	(26,891)	(396,604)
Fund balances, beginning	<u>129,867</u>	<u>129,867</u>	<u>129,867</u>	<u>-</u>
Fund balances, ending	<u>\$ 129,867</u>	<u>\$ 499,580</u>	<u>\$ 102,976</u>	<u>\$ (396,604)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Equipment Replacement Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income (loss)	\$ 1,000	\$ 1,000	\$ (13,479)	\$ (14,479)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>(13,479)</u>	<u>(14,479)</u>
EXPENDITURES				
Current:				
Public safety	83,485	112,055	112,055	-
Parks and recreation	-	27,129	-	27,129
Neighborhood and community services	25,000	50,913	50,913	-
Capital outlay	<u>1,138,570</u>	<u>1,243,305</u>	<u>1,243,305</u>	<u>-</u>
Total expenditures	<u>1,247,055</u>	<u>1,433,402</u>	<u>1,406,273</u>	<u>27,129</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,246,055)</u>	<u>(1,432,402)</u>	<u>(1,419,752)</u>	<u>12,650</u>
Other financing sources (uses)				
Transfers in	<u>925,000</u>	<u>1,925,000</u>	<u>1,925,000</u>	<u>-</u>
Total other financing sources (uses)	<u>925,000</u>	<u>1,925,000</u>	<u>1,925,000</u>	<u>-</u>
Net change in fund balances	(321,055)	492,598	505,248	12,650
Fund balances, beginning	<u>2,489,635</u>	<u>2,489,635</u>	<u>2,489,635</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,168,580</u>	<u>\$ 2,982,233</u>	<u>\$ 2,994,883</u>	<u>\$ 12,650</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Road Construction Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income (loss)	\$ -	\$ -	\$ (90,113)	\$ (90,113)
Total revenues	<u>-</u>	<u>-</u>	<u>(90,113)</u>	<u>(90,113)</u>
EXPENDITURES				
Current:				
Public works	825,000	823,700	133,700	690,000
Capital outlay	-	523,671	497,419	26,252
Total expenditures	<u>825,000</u>	<u>1,347,371</u>	<u>631,119</u>	<u>716,252</u>
Excess (deficiency) of revenues over (under) expenses	<u>(825,000)</u>	<u>(1,347,371)</u>	<u>(721,232)</u>	<u>626,139</u>
Other financing sources (uses)				
Transfers in	<u>750,000</u>	<u>2,264,737</u>	<u>2,264,737</u>	<u>-</u>
Total other financing sources (uses)	<u>750,000</u>	<u>2,264,737</u>	<u>2,264,737</u>	<u>-</u>
Net change in fund balances	(75,000)	917,366	1,543,505	626,139
Fund balances, beginning	<u>6,746,383</u>	<u>6,746,383</u>	<u>6,746,383</u>	<u>-</u>
Fund balances, ending	<u>\$ 6,671,383</u>	<u>\$ 7,663,749</u>	<u>\$ 8,289,888</u>	<u>\$ 626,139</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Riverfront Park Development Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income (loss)	\$ -	\$ -	\$ (14,121)	\$ (14,121)
Total revenues	<u>-</u>	<u>-</u>	<u>(14,121)</u>	<u>(14,121)</u>
EXPENDITURES				
Current:				
Parks and recreation	1,000,000	2,591,982	180,303	2,411,679
Capital outlay	-	1,302	1,302	-
Total expenditures	<u>1,000,000</u>	<u>2,593,284</u>	<u>181,605</u>	<u>2,411,679</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,000,000)</u>	<u>(2,593,284)</u>	<u>(195,726)</u>	<u>2,397,558</u>
Other financing sources (uses)				
Transfers in	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balances	-	(1,593,284)	804,274	2,397,558
Fund balances, beginning	<u>5,723,001</u>	<u>5,723,001</u>	<u>5,723,001</u>	<u>-</u>
Fund balances, ending	<u>\$ 5,723,001</u>	<u>\$ 4,129,717</u>	<u>\$ 6,527,275</u>	<u>\$ 2,397,558</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Sidewalk Improvement Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income (loss)	\$ -	\$ -	\$ (2,695)	\$ (2,695)
Total revenues	<u>-</u>	<u>-</u>	<u>(2,695)</u>	<u>(2,695)</u>
EXPENDITURES				
Current:				
Capital outlay	900,000	1,675,347	313,109	1,362,238
Total expenditures	<u>900,000</u>	<u>1,675,347</u>	<u>313,109</u>	<u>1,362,238</u>
Excess (deficiency) of revenues over (under) expenses	<u>(900,000)</u>	<u>(1,675,347)</u>	<u>(315,804)</u>	<u>1,359,543</u>
Other financing sources (uses)				
Transfers in	900,000	900,000	900,000	-
Transfers out	-	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>900,000</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Net change in fund balances	-	(825,347)	534,196	1,359,543
Fund balances, beginning	<u>1,124,425</u>	<u>1,124,425</u>	<u>1,124,425</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,124,425</u>	<u>\$ 299,078</u>	<u>\$ 1,658,621</u>	<u>\$ 1,359,543</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Stormwater Infrastructure Improvement Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income (loss)	\$ -	\$ -	\$ (5,392)	\$ (5,392)
Total revenues	<u>-</u>	<u>-</u>	<u>(5,392)</u>	<u>(5,392)</u>
EXPENDITURES				
Current:				
Public works	-	18,166	2,000	16,166
Capital outlay	500,000	1,203,852	410,600	793,252
Total expenditures	<u>500,000</u>	<u>1,222,018</u>	<u>412,600</u>	<u>809,418</u>
Excess (deficiency) of revenues over (under) expenses	<u>(500,000)</u>	<u>(1,222,018)</u>	<u>(417,992)</u>	<u>804,026</u>
Other financing sources (uses)				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	-	(722,018)	82,008	804,026
Fund balances, beginning	1,010,086	1,010,086	1,010,086	-
Fund balances, ending	<u>\$ 1,010,086</u>	<u>\$ 288,068</u>	<u>\$ 1,092,094</u>	<u>\$ 804,026</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Municipal Facilities Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
EXPENDITURES				
Current:				
Public works	\$ 165,000	\$ 180,021	\$ 143,988	\$ 36,033
Total expenditures	<u>165,000</u>	<u>180,021</u>	<u>143,988</u>	<u>36,033</u>
Excess (deficiency) of revenues over (under) expenses	<u>(165,000)</u>	<u>(180,021)</u>	<u>(143,988)</u>	<u>36,033</u>
Other financing sources (uses)				
Transfers in	-	500,000	500,000	-
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	(165,000)	319,979	356,012	36,033
Fund balances, beginning	<u>1,101,221</u>	<u>1,101,221</u>	<u>1,101,221</u>	<u>-</u>
Fund balances, ending	<u>\$ 936,221</u>	<u>\$ 1,421,200</u>	<u>\$ 1,457,233</u>	<u>\$ 36,033</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Downtown Development Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
EXPENDITURES				
Current:				
Public works	\$ -	\$ 3,000	\$ 3,000	\$ -
Capital outlay	1,000,000	3,116,487	1,555,203	1,561,284
Total expenditures	<u>1,000,000</u>	<u>3,119,487</u>	<u>1,558,203</u>	<u>1,561,284</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,000,000)</u>	<u>(3,119,487)</u>	<u>(1,558,203)</u>	<u>1,561,284</u>
Other financing sources (Uses)				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	-	(43,548)	(43,548)	-
Total other financing sources (uses)	<u>1,000,000</u>	<u>956,452</u>	<u>956,452</u>	<u>-</u>
Net change in fund balances	-	(2,163,035)	(601,751)	1,561,284
Fund balances, beginning	<u>3,165,193</u>	<u>3,165,193</u>	<u>3,165,193</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,165,193</u>	<u>\$ 1,002,158</u>	<u>\$ 2,563,442</u>	<u>\$ 1,561,284</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
800 Trunking Radio Systems Improvements Capital Projects Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Investment income (loss)	\$ -	\$ -	\$ (4,044)	\$ (4,044)
Total revenues	<u>-</u>	<u>-</u>	<u>(4,044)</u>	<u>(4,044)</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>-</u>	<u>(4,044)</u>	<u>(4,044)</u>
Other financing sources (uses)				
Transfers in	<u>135,485</u>	<u>135,485</u>	<u>135,485</u>	<u>-</u>
Total other financing sources (uses)	<u>135,485</u>	<u>135,485</u>	<u>135,485</u>	<u>-</u>
Net change in fund balances	135,485	135,485	131,441	(4,044)
Fund balances, beginning	<u>1,252,220</u>	<u>1,252,220</u>	<u>1,252,220</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,387,705</u>	<u>\$ 1,387,705</u>	<u>\$ 1,383,661</u>	<u>\$ (4,044)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Technology Capital Improvement Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 15,000	\$ 15,000	\$ -
Investment income (loss)	-	-	(5,392)	(5,392)
Total revenues	-	15,000	9,608	(5,392)
EXPENDITURES				
Current:				
General government	160,000	145,381	119,887	25,494
Capital outlay	635,000	569,458	181,847	387,611
Total expenditures	795,000	714,839	301,734	413,105
Excess (deficiency) of revenues over (under) expenses	(795,000)	(699,839)	(292,126)	407,713
Other financing sources (uses)				
Transfers in	500,000	2,500,000	2,500,000	-
Total other financing sources (uses)	500,000	2,500,000	2,500,000	-
Net change in fund balances	(295,000)	1,800,161	2,207,874	407,713
Fund balances, beginning	1,942,424	1,942,424	1,942,424	-
Fund balances, ending	\$ 1,647,424	\$ 3,742,585	\$ 4,150,298	\$ 407,713

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Smallhouse Road Construction Capital Projects Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Investment income (loss)	\$ -	\$ -	\$ (2,696)	\$ (2,696)
Total revenues	<u>-</u>	<u>-</u>	<u>(2,696)</u>	<u>(2,696)</u>
EXPENDITURES				
Capital outlay	-	136,063	135,330	733
Total expenditures	<u>-</u>	<u>136,063</u>	<u>135,330</u>	<u>733</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>(136,063)</u>	<u>(138,026)</u>	<u>(1,963)</u>
Other financing sources (uses)				
Transfers in	-	1,550,000	1,550,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,550,000</u>	<u>1,550,000</u>	<u>-</u>
Net change in fund balances	-	1,413,937	1,411,974	(1,963)
Fund balances, beginning	<u>781,951</u>	<u>781,951</u>	<u>781,951</u>	<u>-</u>
Fund balances, ending	<u>\$ 781,951</u>	<u>\$ 2,195,888</u>	<u>\$ 2,193,925</u>	<u>\$ (1,963)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Parks Capital Improvements Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income (loss)	\$ 1,250	\$ 1,250	\$ (144,701)	\$ (145,951)
Contributions and donations	-	30,000	-	(30,000)
Total revenues	<u>1,250</u>	<u>31,250</u>	<u>(144,701)</u>	<u>(175,951)</u>
EXPENDITURES				
Current:				
Parks and recreation	350,000	1,089,251	386,092	703,159
Capital outlay	520,000	1,386,576	470,900	915,676
Total expenditures	<u>870,000</u>	<u>2,475,827</u>	<u>856,992</u>	<u>1,618,835</u>
Excess (deficiency) of revenues over (under) expenses	<u>(868,750)</u>	<u>(2,444,577)</u>	<u>(1,001,693)</u>	<u>1,442,884</u>
Other financing sources (uses)				
Transfers in	<u>1,156,273</u>	<u>1,611,273</u>	<u>1,640,691</u>	<u>29,418</u>
Total other financing sources (uses)	<u>1,156,273</u>	<u>1,611,273</u>	<u>1,640,691</u>	<u>29,418</u>
Net change in fund balances	287,523	(833,304)	638,998	1,472,302
Fund balances, beginning	<u>8,148,731</u>	<u>8,148,731</u>	<u>8,148,731</u>	<u>-</u>
Fund balances, ending	<u>\$ 8,436,254</u>	<u>\$ 7,315,427</u>	<u>\$ 8,787,729</u>	<u>\$ 1,472,302</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Fire Capital Improvements Capital Projects Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 1,000,000	\$ -	\$ (1,000,000)
Investment income (loss)	1,250	1,250	-	(1,250)
Total revenues	<u>1,250</u>	<u>1,001,250</u>	<u>-</u>	<u>(1,001,250)</u>
EXPENDITURES				
Current:				
Public safety	300,000	1,230,703	210,836	1,019,867
Capital outlay	-	2,888,078	2,465,103	422,975
Total expenditures	<u>300,000</u>	<u>4,118,781</u>	<u>2,675,939</u>	<u>1,442,842</u>
Excess (deficiency) of revenues over (under) expenses	<u>(298,750)</u>	<u>(3,117,531)</u>	<u>(2,675,939)</u>	<u>441,592</u>
Other financing sources (Uses)				
Transfers in	300,000	300,000	300,000	-
Issuance of debt	-	2,400,000	2,091,238	(308,762)
Total other financing sources (uses)	<u>300,000</u>	<u>2,700,000</u>	<u>2,391,238</u>	<u>(308,762)</u>
Net change in fund balances	1,250	(417,531)	(284,701)	132,830
Fund balances, beginning of year	<u>703,908</u>	<u>703,908</u>	<u>703,908</u>	<u>-</u>
Fund balances, end of year	<u>\$ 705,158</u>	<u>\$ 286,377</u>	<u>\$ 419,207</u>	<u>\$ 132,830</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Southwest Parkway Capital Projects Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources (Uses)				
Transfers out	\$ -	\$ (14,737)	\$ (14,737)	\$ -
Total other financing sources (uses)	-	(14,737)	(14,737)	-
Net change in budgetary fund balances	-	(14,737)	(14,737)	-
Fund balances, beginning of year	14,737	14,737	14,737	-
Fund balances, end of year	\$ 14,737	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Police Capital Improvements Fund
 Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 209,361	\$ 167,035	\$ 42,326
Capital outlay	-	31,983	-	31,983
Total expenditures	-	241,344	167,035	74,309
Excess (deficiency) of revenues over (under) expenses	-	(241,344)	(167,035)	74,309
Net change in budgetary fund balances	-	(241,344)	(167,035)	74,309
Fund balances, beginning of year	241,344	241,344	241,344	-
Fund balances, end of year	<u>\$ 241,344</u>	<u>\$ -</u>	<u>\$ 74,309</u>	<u>\$ 74,309</u>

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other governmental units, on a cost reimbursement basis.

Fleet Maintenance Fund

This fund is used to account for the operating costs of centralized maintenance of automotive equipment used by other City departments. Department billings are on cost reimbursement basis.

Employee Health Care Fund

This fund is used to account for the accumulation of resources for the purpose of funding medical costs of City employees and dependents.

Workers Compensation Fund

This fund is used to account for the accumulation of resources for the purpose of funding workers compensation costs of City employees.

Property and Casualty Fund

This fund is used to account for the accumulation of resources for the purpose of funding property and casualty costs of the City.

City of Bowling Green, Kentucky
Combining Statement of Net Position - Internal Service Funds
June 30, 2022

	Fleet Maintenance	Employee Health Care	Workers Compensation	Property and Casualty	Total Internal Service Funds
ASSETS					
Current assets					
Pooled cash and cash equivalents	\$ 437,106	\$ 2,867,074	\$ 506,066	\$ 1,085,221	\$ 4,895,467
Investments	192,855	1,314,465	1,035,856	-	2,543,176
Interest receivable	-	20	-	-	20
Prepaid items	-	295,381	-	-	295,381
Inventories	260,247	-	-	-	260,247
Total current assets	<u>890,208</u>	<u>4,476,940</u>	<u>1,541,922</u>	<u>1,085,221</u>	<u>7,994,291</u>
Noncurrent assets					
Capital assets					
Buildings	236,392	198,701	-	362,446	797,539
Improvements other than buildings	89,776	-	-	-	89,776
Machinery and equipment	242,927	-	213,117	128,017	584,061
	569,095	198,701	213,117	490,463	1,471,376
Less: accumulated depreciation	<u>(363,917)</u>	<u>(32,289)</u>	<u>(161,258)</u>	<u>(53,457)</u>	<u>(610,921)</u>
Total capital assets, net of accumulated depreciation	<u>205,178</u>	<u>166,412</u>	<u>51,859</u>	<u>437,006</u>	<u>860,455</u>
Total noncurrent assets	<u>205,178</u>	<u>166,412</u>	<u>51,859</u>	<u>437,006</u>	<u>860,455</u>
Total assets	<u>\$ 1,095,386</u>	<u>\$ 4,643,352</u>	<u>\$ 1,593,781</u>	<u>\$ 1,522,227</u>	<u>\$ 8,854,746</u>
LIABILITIES					
Current liabilities					
Vouchers and accounts payable	\$ 57,863	\$ 17,462	\$ 23,681	\$ 377,344	\$ 476,350
Accrued payroll	27,199	55,868	2,283	1,113	86,463
Insurance claims payable	-	424,914	27,038	20,652	472,604
Current portion of compensated absences	17,696	-	-	-	17,696
Total current liabilities	<u>102,758</u>	<u>498,244</u>	<u>53,002</u>	<u>399,109</u>	<u>1,053,113</u>
Noncurrent liabilities					
Noncurrent portion of compensated absences	15,518	-	-	-	15,518
Total liabilities	<u>118,276</u>	<u>498,244</u>	<u>53,002</u>	<u>399,109</u>	<u>1,068,631</u>
NET POSITION					
Net invested in capital assets	205,178	166,412	51,859	437,006	860,455
Unrestricted	771,932	3,978,696	1,488,920	686,112	6,925,660
Total net position	<u>\$ 977,110</u>	<u>\$ 4,145,108</u>	<u>\$ 1,540,779</u>	<u>\$ 1,123,118</u>	<u>\$ 7,786,115</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds
Year Ended June 30, 2022

	Fleet Maintenance	Employee Health Care	Workers Compensation	Property and Casualty	Total
OPERATING REVENUES					
Charges for services	\$ 1,954,370	\$ -	\$ -	\$ -	\$ 1,954,370
Insurance premiums	-	7,558,730	765,796	-	8,324,526
Judgements and settlements	-	-	-	600,644	600,644
Contributions and donations	-	-	3,000	-	3,000
Miscellaneous	1,137	-	-	-	1,137
Total operating revenues	<u>1,955,507</u>	<u>7,558,730</u>	<u>768,796</u>	<u>600,644</u>	<u>10,883,677</u>
OPERATING EXPENSES					
Personnel services	783,176	-	65,000	32,887	881,063
Contractual services	103,589	628,260	86,970	77,928	896,747
Supplies	1,070,718	100,972	36,907	31,868	1,240,465
Utilities	33,184	-	-	-	33,184
Repairs and maintenance	158,728	-	-	-	158,728
Insurance premiums and claims	-	6,987,021	346,506	1,070,223	8,403,750
Depreciation	11,727	4,968	26,610	18,999	62,304
Miscellaneous	12,410	-	3,922	385	16,717
Total operating expenses	<u>2,173,532</u>	<u>7,721,221</u>	<u>565,915</u>	<u>1,232,290</u>	<u>11,692,958</u>
Operating income (loss)	<u>(218,025)</u>	<u>(162,491)</u>	<u>202,881</u>	<u>(631,646)</u>	<u>(809,281)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment losses	(5,391)	(109,841)	(40,204)	-	(155,436)
Total nonoperating revenues (expenses)	<u>(5,391)</u>	<u>(109,841)</u>	<u>(40,204)</u>	<u>-</u>	<u>(155,436)</u>
Income (loss) before transfers	(223,416)	(272,332)	162,677	(631,646)	(964,717)
Transfers in	-	330,000	-	1,410,000	1,740,000
Transfers out	-	-	(200,000)	-	(200,000)
Total transfers	<u>-</u>	<u>330,000</u>	<u>(200,000)</u>	<u>1,410,000</u>	<u>1,540,000</u>
Change in net position	(223,416)	57,668	(37,323)	778,354	575,283
Net position, beginning	1,200,526	4,087,440	1,578,102	344,764	7,210,832
Net position, ending	<u>\$ 977,110</u>	<u>\$ 4,145,108</u>	<u>\$ 1,540,779</u>	<u>\$ 1,123,118</u>	<u>\$ 7,786,115</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2022

	Fleet Maintenance	Workers Compensation	Employee Health Care	Property and Casualty	Total
CASH FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 1,955,507	\$ 768,797	\$ 7,558,791	\$ 600,644	\$10,883,739
Payments to employees	(782,528)	(64,651)	55,868	(32,732)	(824,043)
Cash payments to suppliers	(1,340,487)	(119,825)	(684,442)	235,129	(1,909,625)
Claims paid	-	(338,412)	(7,017,866)	(1,109,041)	(8,465,319)
Net cash (used in) provided by operating activities	<u>(167,508)</u>	<u>245,909</u>	<u>(87,649)</u>	<u>(306,000)</u>	<u>(315,248)</u>
CASH FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	330,000	1,410,000	1,740,000
Transfers to other funds	-	(200,000)	-	-	(200,000)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(200,000)</u>	<u>330,000</u>	<u>1,410,000</u>	<u>1,540,000</u>
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	<u>(86,406)</u>	<u>-</u>	<u>-</u>	<u>(344,813)</u>	<u>(431,219)</u>
Net cash (used in) capital and related financing activities	<u>(86,406)</u>	<u>-</u>	<u>-</u>	<u>(344,813)</u>	<u>(431,219)</u>
CASH FROM INVESTING ACTIVITIES					
Interest losses	(5,390)	(40,204)	(109,737)	-	(155,331)
Purchase of investments	6,392	46,256	115,249	-	167,897
Net cash provided by investing activities	<u>1,002</u>	<u>6,052</u>	<u>5,512</u>	<u>-</u>	<u>12,566</u>
Net cash increase (decreases) in cash and cash equivalents	(252,912)	51,961	247,863	759,187	806,099
Cash and cash equivalents at beginning of period	690,018	454,105	2,619,211	326,034	4,089,368
Cash and cash equivalents at end of period	<u>\$ 437,106</u>	<u>\$ 506,066</u>	<u>\$ 2,867,074</u>	<u>\$ 1,085,221</u>	<u>\$ 4,895,467</u>
Reconciliation of operating income to net cash used in operating activities					
Operating income (loss)	\$ (218,025)	\$ 202,881	\$ (162,491)	\$ (631,646)	\$ (809,281)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	11,727	26,610	4,968	18,999	62,304
Changes in assets and liabilities:					
Inventories	13,099	-	-	-	13,099
Accounts receivable	-	-	60	-	60
Prepaid items	-	-	68,624	-	68,624
Accounts payable	25,043	7,975	(23,834)	345,310	354,494
Compensated absences	(2,526)	-	-	-	(2,526)
Accrued payroll	3,174	349	55,868	155	59,546
Insurance claims payable	-	8,094	(30,844)	(38,818)	(61,568)
Net cash provided by (used in) operating activities	<u>\$ (167,508)</u>	<u>\$ 245,909</u>	<u>\$ (87,649)</u>	<u>\$ (306,000)</u>	<u>\$ (315,248)</u>

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City on behalf of others as their agent and are custodial in nature.

Tourist & Convention Fund

This fund is used to account for the collection of a 4% hotel, motel transient room tax and payment to the Bowling Green Area Convention and Visitors Bureau and Convention Center.

Tax Distribution Fund

This fund is used to account for property tax collections and disbursement to the General Fund and the Bowling Green Independent School System for property taxes billed and collected by the City on its behalf.

Evidence Storage Fund

This fund is used to account for cash collected as police evidence.

Bowling Green/Warren County Adjusted TIF Incremental Fund

This fund is used to account for TIF revenues based on an agreement with Warren County. The associated investment account is jointly shared with Warren County with available cash pledged to the County to cover debt shortfalls on the 2016 Industrial Revenue Bonds.

City of Bowling Green, Kentucky
Combining Statement of Changes in Assets and Liabilities - Custodial Funds
Year Ended June 30, 2022

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
TOURIST & CONVENTION FUND				
Assets				
Pooled cash and cash equivalents	\$ -	\$ 2,910,236	\$ 2,910,236	\$ -
Liabilities				
Due to Tourist Commission	\$ -	\$ 2,118,579	\$ 2,118,579	\$ -
Due to Convention Center	-	791,657	791,657	-
Total liabilities	\$ -	\$ 2,910,236	\$ 2,910,236	\$ -
TAX DISTRIBUTION FUND				
Assets				
Pooled cash and cash equivalents	\$ -	\$ 15,743,490	\$ 15,742,557	\$ 933
Liabilities				
Due to other taxing units - School Board	\$ -	\$ 15,558,904	\$ 15,557,971	\$ 933
Other liabilities	-	184,586	184,586	-
Total liabilities	\$ -	\$ 15,743,490	\$ 15,742,557	\$ 933
BG/WC ADJUSTED TIF INCREMENT FUND				
Assets				
Pooled cash and cash equivalents	\$ 1,365	\$ 56,782	\$ 58,147	\$ -
Investments	2,565	-	2,565	-
Total assets	\$ 3,930	\$ 56,782	\$ 60,712	\$ -
Liabilities				
Due to other governments	\$ 3,930	\$ 56,782	\$ 60,712	\$ -
EVIDENCE STORAGE FUND				
Assets				
Pooled cash and cash equivalents	\$ 129,917	\$ 40,756	\$ 16,911	\$ 153,762
Liabilities				
Due to other governmental units	\$ 129,917	\$ 40,756	\$ 16,911	\$ 153,762
TOTALS - ALL CUSTODIAL FUNDS				
Assets				
Pooled cash and cash equivalents	\$ 131,282	\$ 18,751,264	\$ 18,727,851	\$ 154,695
Investments	2,565	-	2,565	-
Total assets	\$ 133,847	\$ 18,751,264	\$ 18,730,416	\$ 154,695
Liabilities				
Due to Tourist Commission	-	2,118,579	2,118,579	-
Due to Convention Center	-	791,657	791,657	-
Due to other taxing units - School Board	-	15,558,904	15,557,971	933
Due to other governmental units	133,847	97,538	77,623	153,762
Other liabilities	-	184,586	184,586	-
Total liabilities	\$ 133,847	\$ 18,751,264	\$ 18,730,416	\$ 154,695

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Net Position - Component Unit - Bowling Green Municipal Utilities
June 30, 2022

	Bowling Green Municipal Utilities			Total
	Electric Division	Water-Sewer Division	General Services Division	
ASSETS				
Non-pooled cash and cash equivalents	\$ 18,381,601	\$ 15,905,497	\$ 1,147,053	\$ 35,434,151
Receivables (net of allowances for uncollectibles):				
Accounts	11,167,694	2,172,793	32,059	13,372,546
Leases	105,396	967,684	488,017	1,561,097
Other receivables	561,494	97,056	-	658,550
Inventories	1,188,810	415,072	266,778	1,870,660
Due from other governments	4,885,848	-	470,851	5,356,699
Prepaid items	203,212	104,623	14,298	322,133
Prepayment to TVA	1,157,146	-	-	1,157,146
Investments and restricted funds	1,298,846	22,747,455	-	24,046,301
Other assets	84,381	6,540,075	223,336	6,847,792
Due from component units	162,955	443,730	34,092	640,777
Capital assets, net of accumulated depreciation				
Non-depreciable	556,907	54,795,105	672,378	56,024,390
Depreciable	60,167,954	134,180,574	4,552,984	198,901,512
Total assets	<u>99,922,244</u>	<u>238,369,664</u>	<u>7,901,846</u>	<u>346,193,754</u>
DEFERRED OUTFLOWS				
Outflows for pensions	1,702,701	2,271,459	252,229	4,226,389
Outflows for OPEB	2,347,202	2,544,312	407,858	5,299,372
Deferred amounts from refunding debt	73,584	273,633	-	347,217
Total deferred outflows	<u>4,123,487</u>	<u>5,089,404</u>	<u>660,087</u>	<u>9,872,978</u>
LIABILITIES				
Vouchers and accounts payable	8,790,272	1,744,519	73,322	10,608,113
Compensated absences payable	473,470	424,871	-	898,341
Accrued interest payable	911,253	108,069	-	1,019,322
Due to component units	380,685	162,955	-	543,640
Customer deposits	7,024,024	600	-	7,024,624
Other current liabilities	1,106,411	491,512	191,021	1,788,944
Net pension liability	15,267,181	15,977,555	2,175,598	33,420,334
Compensated absences payable, noncurrent	236,102	173,406	-	409,508
Net OPEB liability	4,460,227	4,868,065	704,438	10,032,730
Customer advances, noncurrent	90,856	-	-	90,856
Noncurrent liabilities				
Due within one year	530,000	5,682,262	89,192	6,301,454
Due in more than one year	7,525,683	106,976,680	-	114,502,363
Total liabilities	<u>46,796,164</u>	<u>136,610,494</u>	<u>3,233,571</u>	<u>186,640,229</u>
DEFERRED INFLOWS OF RESOURCES				
Inflows for pension	2,185,268	2,159,738	475,854	4,820,860
Inflows for OPEB	2,106,030	2,162,695	374,534	4,643,259
Inflows for leases	105,396	967,684	488,017	1,561,097
Total deferred inflows of resources	<u>4,396,694</u>	<u>5,290,117</u>	<u>1,338,405</u>	<u>11,025,216</u>
NET POSITION				
Net investment in capital assets	52,742,762	92,001,243	5,136,170	149,880,175
Restricted	1,298,846	10,725,751	-	12,024,597
Unrestricted	(1,188,735)	(1,168,537)	(1,146,213)	(3,503,485)
Total net position	<u>\$ 52,852,873</u>	<u>\$ 101,558,457</u>	<u>\$ 3,989,957</u>	<u>\$ 158,401,287</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Statement of Activities - Component Unit - Bowling Green Municipal Utilities
June 30, 2022

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for services	Operating Contributions	Capital Contributions	Electric System	Water and Sewer System	General Services	Totals
Electric Division	\$ 86,293,993	\$ 90,375,134	\$ -	\$ -	\$ 4,081,141	\$ -	\$ -	\$ 4,081,141
Water-Sewer Division	26,590,207	32,769,441	-	2,325,298	-	8,504,532	-	8,504,532
General Services Division	4,109,856	5,157,101	470,851	-	-	-	1,518,096	1,518,096
Total component units	\$ 116,994,056	\$ 128,301,676	\$ 470,851	\$ 2,325,298	\$ 4,081,141	\$ 8,504,532	\$ 1,518,096	\$ 14,103,769

GENERAL REVENUES

Investment income	41,279	214,463	-	255,742
Merchandising revenues	123,742	-	38,398	162,140
Gain on sale of assets	-	24,990	-	24,990
Total general revenues	165,021	239,453	38,398	442,872
Change in net position	4,246,162	8,743,985	1,556,494	14,546,641
Net position, beginning of year	48,606,711	92,814,472	2,433,463	143,854,646
Net position, end of year	\$ 52,852,873	\$ 101,558,457	\$ 3,989,957	\$ 158,401,287

See accompanying independent auditor's report

STATISTICAL SECTION

The Statistical Section of the City of Bowling Green's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends: Schedules 1 - 4

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity: Schedules 5 - 10

These schedules contain information to help the reader assess the government's most significant local revenue sources.

Debt Capacity: Schedules 11 - 19

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and ability to issue additional debt in the future.

Demographic and Economic Information: Schedules 20 - 21

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information: Schedules 22 - 24

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Schedule 1
City of Bowling Green, Kentucky
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 198,393,575	\$ 214,414,497	\$ 210,484,781	\$ 194,988,348	\$ 190,037,852	\$ 176,973,806	\$ 164,964,407	\$ 156,304,559 ^(a)	\$ 155,028,352	\$ 137,092,802
Restricted	93,637,265	87,104,283	21,822,445	33,016,893	27,832,630	29,267,444	27,174,588	19,415,538	13,291,912	9,755,642
Unrestricted	<u>(57,994,409)</u>	<u>(107,510,818)</u>	<u>(44,714,549)^(d)</u>	<u>(48,596,491)</u>	<u>(46,835,736)</u>	<u>(43,014,659)^(c)</u>	<u>(31,716,893)</u>	<u>(28,174,114)^(b)</u>	<u>(29,848,657)^(b)</u>	<u>22,355,235</u>
Total governmental activities net position	<u>\$ 234,036,431</u>	<u>\$ 194,007,962</u>	<u>\$ 187,592,677</u>	<u>\$ 179,408,750</u>	<u>\$ 171,034,746</u>	<u>\$ 163,226,591</u>	<u>\$ 160,422,102</u>	<u>\$ 147,545,983</u>	<u>\$ 138,471,607</u>	<u>\$ 169,203,679</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 6,764,092	\$ 7,050,841	\$ 6,807,096	\$ 6,885,053	\$ 6,422,149	\$ 5,103,874	\$ 4,524,334	\$ 4,061,947 ^(a)	\$ 1,797,454	\$ 6,831,728
Unrestricted	<u>9,673,584</u>	<u>9,413,903</u>	<u>9,437,150</u>	<u>8,893,007</u>	<u>8,172,717</u>	<u>8,202,715</u>	<u>7,840,586</u>	<u>6,715,057</u>	<u>8,057,826</u>	<u>6,966,658</u>
Total business-type activities net position	<u>\$ 16,437,676</u>	<u>\$ 16,464,744</u>	<u>\$ 16,244,246</u>	<u>\$ 15,778,060</u>	<u>\$ 14,594,866</u>	<u>\$ 13,306,589</u>	<u>\$ 12,364,920</u>	<u>\$ 10,777,004</u>	<u>\$ 9,855,280</u>	<u>\$ 13,798,386</u>
Primary government										
Net investment in capital assets	\$ 205,157,667	\$ 221,465,338	\$ 217,291,877	\$ 201,873,401	\$ 196,460,001	\$ 182,077,680	\$ 169,488,741	\$ 160,366,506	\$ 156,825,806	\$ 143,924,530
Restricted	93,637,265	87,104,283	21,822,445	33,016,893	27,832,630	29,267,444	27,174,588	19,415,538	13,291,912	9,755,642
Unrestricted	<u>(48,320,825)</u>	<u>(98,096,915)</u>	<u>(35,277,399)^(d)</u>	<u>(39,703,484)</u>	<u>(38,663,019)</u>	<u>(34,811,944)^(c)</u>	<u>(23,876,307)</u>	<u>(21,459,057)</u>	<u>(21,790,831)</u>	<u>29,321,893</u>
Total governmental activities program revenues	<u>\$ 250,474,107</u>	<u>\$ 210,472,706</u>	<u>\$ 203,836,923</u>	<u>\$ 195,186,810</u>	<u>\$ 185,629,612</u>	<u>\$ 176,533,180</u>	<u>\$ 172,787,022</u>	<u>\$ 158,322,987</u>	<u>\$ 148,326,887</u>	<u>\$ 183,002,065</u>

Notes:

- (a) Golf and Aquatics enterprise funds were reclassified as governmental activities-effective July 1, 2014.
- (b) The City implemented GASB 68 effective for period ending June 30, 2015, which resulted in a restatement of FY2014 ending balances.
- (c) The City implemented GASB 75 effective for period ending June 30, 2018, which resulted in a restatement of the FY2017 ending balances.
- (d) The City implemented GASB 84 effective for period ending June 30, 2021, which resulted in a restatement of the FY2020 ending balances.

See accompanying independent auditor's report.

Schedule 2
City of Bowling Green, Kentucky
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental activities:										
General government	\$ 18,021,958	\$ 33,661,006	\$ 33,240,486	\$ 28,296,834	\$ 29,613,361	\$ 36,558,180 (c)	\$ 19,038,235	\$ 16,081,900	\$ 14,940,954	\$ 16,265,264
Public safety	32,017,168	29,241,929	27,383,455	26,264,868	24,490,523	24,581,788	23,723,294	25,081,145	24,384,208	23,180,539
Public works	13,825,870	14,913,296	14,839,341	12,669,001	12,284,494	10,619,939	9,547,794	15,513,082	8,781,909	6,207,967
Parks and recreation	8,786,484	7,803,142	4,889,698	6,808,361	7,256,246	7,623,720	7,751,367	7,434,798 (b)	4,899,266	5,280,474
Neighborhood and community services	8,337,116	9,452,333	6,382,391	5,278,766	6,203,076	5,436,759	5,014,886	4,308,565	3,734,515	4,787,160
Agency services(d)	2,457,531	3,033,680	2,673,446	2,494,955	2,231,558	2,028,787	1,950,663	1,267,637	1,362,100	1,070,544
Interest expense	9,360,819	13,606,611	4,616,856	5,100,598	3,206,275	2,828,885	3,999,109	5,931,620	6,869,043	7,568,802
Total governmental activities	<u>92,806,946</u>	<u>111,711,997</u>	<u>94,025,673</u>	<u>86,913,383</u>	<u>85,285,533</u>	<u>89,678,058</u>	<u>71,025,348</u>	<u>75,618,747</u>	<u>64,971,995</u>	<u>64,360,750</u>
Business-type activities:										
Golf course	-	-	-	-	-	-	-	- (b)	1,750,045	2,066,604
Aquatics	-	-	-	-	-	-	-	- (b)	884,164	885,993
Convention Center	572,825	472,796	371,054	759,492	522,084	975,317	471,616	715,458	984,699	673,102
Total business-type activities	<u>572,825</u>	<u>472,796</u>	<u>371,054</u>	<u>759,492</u>	<u>522,084</u>	<u>975,317</u>	<u>471,616</u>	<u>715,458</u>	<u>3,618,908</u>	<u>3,625,699</u>
Total primary government expenses	<u>\$ 93,379,771</u>	<u>\$ 112,184,793</u>	<u>\$ 94,396,727</u>	<u>\$ 87,672,875</u>	<u>\$ 85,807,617</u>	<u>\$ 90,653,375</u>	<u>\$ 71,496,964</u>	<u>\$ 76,334,205</u>	<u>\$ 68,590,903</u>	<u>\$ 67,986,449</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 1,497,164	\$ 1,230,222	\$ 745,125	\$ 2,321,805	\$ 2,505,897	\$ 2,529,394	\$ 2,865,512	\$ 2,084,612	\$ 1,898,623	\$ 4,650,906
Public Safety	216,234	212,071	219,791	203,395	212,534	268,958	244,291	239,223	259,539	252,181
Public works	107,518	67,595	-	-	-	-	-	-	-	-
Parks and recreation	2,359,258	1,882,310	1,451,062	1,984,074	2,064,862	2,013,933	2,257,783	1,942,755	381,975	380,360
Operating grants and contributions	19,946,152	16,190,796	16,965,893	11,337,808	11,533,016	11,268,936	10,084,318	9,338,213	9,387,792	9,538,468
Capital grants and contributions	18,651,647	16,335,912	6,142,963	4,634,679	4,501,727	4,898,262	1,844,479	7,396,801	4,544,651	5,169,106
Total governmental activities program revenues	<u>42,777,973</u>	<u>35,918,906</u>	<u>25,524,834</u>	<u>20,481,761</u>	<u>20,818,036</u>	<u>20,979,483</u>	<u>17,296,383</u>	<u>21,001,604</u>	<u>16,472,580</u>	<u>19,991,021</u>
Business-type activities:										
Charges for services										
Golf course	-	-	-	-	-	-	-	-	1,247,622	1,368,727
Aquatics	-	-	-	-	-	-	-	-	449,284	477,508
Convention center	133,623	54,544	102,041	173,447	162,997	160,600	201,378	183,961	210,800	212,823
Total business-type activities program revenues	<u>133,623</u>	<u>54,544</u>	<u>102,041</u>	<u>173,447</u>	<u>162,997</u>	<u>160,600</u>	<u>201,378</u>	<u>183,961</u>	<u>1,907,706</u>	<u>2,059,058</u>
Total primary government program revenues	<u>\$ 42,911,596</u>	<u>\$ 35,973,450</u>	<u>\$ 25,626,875</u>	<u>\$ 20,655,208</u>	<u>\$ 20,981,033</u>	<u>\$ 21,140,083</u>	<u>\$ 17,497,761</u>	<u>\$ 21,185,565</u>	<u>\$ 18,380,286</u>	<u>\$ 22,050,079</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (50,028,973)	\$ (75,793,091)	\$ (68,500,839)	\$ (66,431,622)	\$ (64,467,497)	\$ (68,698,575)	\$ (53,728,965)	\$ (54,617,143)	\$ (48,499,415)	\$ (44,369,729)
Business-type activities	(439,202)	(418,252)	(269,013)	(586,045)	(359,087)	(814,717)	(270,238)	(531,497)	(1,711,202)	(1,566,641)
Total primary government net expense	<u>\$ (50,468,175)</u>	<u>\$ (76,211,343)</u>	<u>\$ (68,769,852)</u>	<u>\$ (67,017,667)</u>	<u>\$ (64,826,584)</u>	<u>\$ (69,513,292)</u>	<u>\$ (53,999,203)</u>	<u>\$ (55,148,640)</u>	<u>\$ (50,210,617)</u>	<u>\$ (45,936,370)</u>

See accompanying independent auditor's report.

Schedule 2
City of Bowling Green, Kentucky
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
General revenues										
Property taxes	\$ 17,538,685	\$ 16,974,489	\$ 15,811,675	\$ 14,963,337	\$ 14,289,761	\$ 13,342,889	\$ 12,988,729	\$ 12,760,797	\$ 12,253,118	\$ 11,763,153
Insurance premium taxes	5,579,436	4,887,145	4,667,114	4,477,026	4,239,887	4,096,944	3,839,322	3,660,165	3,545,527	3,342,087
Wages and net profits	66,281,309	57,556,440	54,608,120	53,636,444	53,488,756	53,840,825	48,670,998	46,774,186	43,188,734	41,392,272
Investment income	(2,349,157)	299,971	851,895	850,604	101,498	125,424	462,415	362,436	597,329	644,577
Gain on disposal of capital assets	-	118,196	(1,879,514)	539,129	(21,381)	165,492	368,040	223,557	(98,712)	53,678
Miscellaneous	3,107,169	2,472,135	2,450,476	1,282,594	1,135,708	941,112	1,262,660	724,169	562,905	251,083
Transfers	(100,000)	(100,000)	(100,000)	(943,508)	(958,577)	(1,009,622)	(987,080)	(813,791)	(2,044,823)	(2,351,760)
Total governmental activities	90,057,442	82,208,376	76,409,766	74,805,626	72,275,652	71,503,064	66,605,084	63,691,519	58,004,078	55,095,090
Business-type activities:										
General revenues										
Property tax ^(a)	-	-	-	-	112,987	111,542	114,542	96,848	100,322	-
Transient room tax	706,193	418,494	475,577	544,642	564,518	590,019	559,040	450,592	405,516	460,640
Gain (loss) on sale of capital assets	-	-	(45,575)	-	-	-	-	-	-	-
Investment earnings	(394,059)	120,256	197,464	276,089	11,282	21,327	177,491	91,990	85,883	6
Miscellaneous	-	-	7,733	5,000	-	23,877	20,000	-	35	-
Transfers	100,000	100,000	100,000	943,508	958,577	1,009,622	987,080	813,791	2,044,823	2,351,760
Total business-type activities	412,134	638,750	735,199	1,769,239	1,647,364	1,756,387	1,858,153	1,453,221	2,636,579	2,812,406
Total primary government	\$ 90,469,576	\$ 82,847,126	\$ 77,144,965	\$ 76,574,865	\$ 73,923,016	\$ 73,259,451	\$ 68,463,237	\$ 65,144,740	\$ 60,640,657	\$ 57,907,496
CHANGES IN NET POSITION										
Governmental activities	\$ 40,028,469	\$ 6,415,285	\$ 7,908,927	\$ 8,374,004	\$ 7,808,155	\$ 2,804,489	\$ 12,876,119	\$ 9,074,376	\$ 9,504,663	\$ 10,725,361
Business-type activities	(27,068)	220,498	466,186	1,183,194	1,288,277	941,670	1,587,915	921,724	925,377	1,245,765
Total primary government	\$ 40,001,401	\$ 6,635,783	\$ 8,375,113	\$ 9,557,198	\$ 9,096,432	\$ 3,746,159	\$ 14,464,034	\$ 9,996,100	\$ 10,430,040	\$ 11,971,126

Notes:

- (a) Property taxes for business-type activities were previously reported on transient room tax line.
- (b) Golf and Aquatics enterprise funds were reclassified as governmental activities-effective July 1, 2014.
- (c) Implementation of GASB 75 resulted in the restatement of FY2017 balances.
- (d) Agency services was previously listed as Community Services prior to FY2018.

See accompanying independent auditor's report.

Schedule 3
City of Bowling Green, Kentucky
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 263,342	\$ 286,536	\$ 298,345	\$ 293,526	\$ 209,367	\$ 200,384	\$ 223,820	\$ 217,129	\$ 190,343	\$ 102,022
Restricted	449,999	-	67,000	-	-	-	9,838	2,289	-	-
Committed	18,908,250	16,729,000	18,063,000	18,517,250	17,378,000	16,268,250	12,052,100	11,772,500	10,716,400	10,476,400
Assigned	6,843,038	2,204,470	1,745,941	1,664,918	2,714,255	2,986,496	3,236,165	5,234,158	2,367,637	4,147,690
Unassigned	12,698,634	9,883,588	13,467,237	7,522,491	7,274,446	5,915,385	5,763,288	5,295,615	5,904,641	4,084,127
Total general fund	<u>\$ 39,163,263</u>	<u>\$ 29,103,594</u>	<u>\$ 33,641,523</u>	<u>\$ 27,998,185</u>	<u>\$ 27,576,068</u>	<u>\$ 25,370,515</u>	<u>\$ 21,285,211</u>	<u>\$ 22,521,691</u>	<u>\$ 19,179,021</u>	<u>\$ 18,810,239</u>
All Other Governmental Funds										
Restricted	\$ 47,944,586	\$ 48,396,800	\$ 4,315,865	\$ 5,068,565	\$ 5,380,045	\$ 5,620,593	\$ 6,625,289	\$ 6,001,112	\$ 11,555,838	\$ 17,445,124
Committed	11,349,554	10,941,661	8,820,854	8,364,297	7,061,227	5,664,499	5,314,947	4,989,083	4,722,507	4,093,440
Assigned	53,247,162	45,201,542	30,842,370	32,166,811	26,823,810	27,265,386	24,482,158	16,722,160	15,074,918	11,005,485
Total all other governmental funds	<u>\$112,541,302</u>	<u>\$104,540,003</u>	<u>\$ 43,979,089</u>	<u>\$ 45,599,673</u>	<u>\$ 39,265,082</u>	<u>\$ 38,550,478</u>	<u>\$ 36,422,394</u>	<u>\$ 27,712,355</u>	<u>\$ 31,353,263</u>	<u>\$ 32,544,049</u>

Note:

Golf and Aquatics enterprise funds were reclassified as governmental activities effective July 1, 2014.

Schedule 4
City of Bowling Green, Kentucky
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Taxes	\$ 17,538,684	\$ 16,974,489	\$ 15,811,674	\$ 14,963,337	\$ 14,289,500	\$ 13,342,888	\$ 12,988,729	\$ 12,642,600	\$ 12,149,933	\$ 11,642,257
Insurance premium taxes	5,579,436	4,887,145	4,667,113	4,477,026	4,239,886	4,096,944	3,839,322	3,660,165	3,545,527	3,342,087
Wages and net profits	66,281,308	57,556,440	53,959,377	53,299,530	53,166,070	53,531,170	48,503,596	46,774,184	43,188,734	41,392,272
License and permits	1,861,084	1,552,863	1,756,461	1,651,384	1,701,660	1,751,842	1,877,089	1,315,429	1,053,434	1,196,829
Intergovernmental	28,643,050	23,873,481	17,820,248	12,304,712	11,057,249	10,396,702	9,753,351	9,847,448	9,761,879	9,699,484
Investment income (loss)	(2,193,725)	261,929	773,529	767,820	105,612	97,235	400,194	313,327	539,104	597,234
Charges for services	936,325	862,124	764,149	704,966	734,205	768,490	680,960	657,839	673,241	655,280
Parks and recreation	2,316,775	1,833,100	1,419,098	1,969,355	1,995,776	1,939,935	2,125,466	1,918,822	348,223	345,951
Rent income	1,377,190	1,646,049	93,485	448,653	1,026,513	1,342,225	1,814,788	1,289,025	1,303,456	3,698,284
Miscellaneous	1,188,938	1,376,565	1,623,084	1,282,984 ^(a)	2,266,979	1,829,821	1,396,401	2,382,712	2,207,881	2,045,088
Judgements and settlements	27,993	47,459	30,983	20,128 ^(a)	-	-	-	-	-	-
Contributions and donations	400,374	3,186,545	1,271,161	672,940 ^(a)	-	-	-	-	-	-
Total revenues	123,957,432	114,058,189	99,990,362	92,562,835	90,583,450	89,097,252	83,379,896	80,801,551	74,771,412	74,614,766
EXPENDITURES										
General government	14,220,571	16,974,602	7,678,690	6,692,053	6,769,970	5,934,999	6,119,394	5,814,708	5,322,276	5,929,691
Public safety	38,061,127	34,803,004	33,740,180	30,774,254	27,778,478	27,700,034	26,783,559	26,415,077	26,050,921	26,153,318
Public works	15,152,810	10,240,385	11,943,646	11,228,476	11,128,150	11,199,847	9,667,731	9,239,652	7,442,511	7,611,230
Parks and recreation	8,941,052	7,512,784	7,486,079	7,399,742	7,989,232	8,901,111	7,388,710	7,553,819	5,495,961	5,733,383
Neighborhood and community services	8,753,295	9,198,553	5,977,154	5,752,833	5,763,596	5,526,287	5,079,148	5,011,788	4,991,338	4,979,298
Agency services ^(b)	2,335,826	2,993,180	2,632,446	2,453,955	2,383,078	2,434,543	2,344,663	1,642,637	2,037,928	423,326
Capital outlay	7,655,588	8,991,912	16,052,642	7,424,050	14,486,238	5,989,737	4,100,590	7,316,707	6,092,831	3,883,548
Debt service										
Principal	8,881,547	9,278,922	8,870,594	8,924,715	9,369,543	9,834,543	8,332,286	12,229,806	12,979,281	10,131,855
Interest	2,597,101	2,143,284	2,276,066	2,551,342	2,736,324	3,028,788	3,992,515	4,470,886	4,801,181	5,315,979
Total expenditures	106,598,917	102,136,626	96,657,497	83,201,420	88,404,609	80,549,889	73,808,596	79,695,080	75,214,228	70,161,628
Excess (deficiency) of revenues over (under) expenditures	17,358,515	11,921,563	3,332,865	9,361,415	2,178,841	8,547,363	9,571,300	1,106,471	(442,816)	4,453,138

See accompanying independent auditor's report.

Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
OTHER FINANCING SOURCES (USES)										
Transfers in	23,099,394	32,654,147	22,320,604	21,845,937	19,007,257	19,092,756	21,421,164	16,008,355	17,052,527	12,547,232
Transfers out	(24,739,394)	(33,391,085)	(23,222,106)	(24,989,445)	(21,915,834)	(21,652,377)	(23,630,744)	(17,522,146)	(19,747,350)	(15,632,723)
Premium on bond issuance	-	820,466	-	-	-	-	-	359,645	-	-
Discount on bond issuance	-	(312,948)	-	-	-	-	-	(95,408)	-	-
Financed purchase proceeds	-	-	1,531,518	-	3,531,021	-	-	-	-	-
Issuance of debt	2,091,238	43,835,000	-	-	-	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	-	39,845,000	9,345,485	-	4,099,807
Payment to refunded bonds redeemed	-	-	-	-	-	-	-	-	-	170,747
Payment to refunded debt escrow agent	-	-	-	-	-	-	(42,259,385)	(9,605,241)	-	(4,281,161)
Premium from bond refunding	-	-	-	-	-	-	2,085,795	-	-	19,731
Lease liabilities issued ^(c)	150,677	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	100,538	220,841	59,874	538,801	118,872	225,645	440,429	104,601	267,853	-
Total other financing sources (uses)	702,453	43,826,421	689,890	(2,604,707)	741,316	(2,333,976)	(2,097,741)	(1,404,709)	(2,426,970)	(3,076,367)
Net change in fund balances	<u>\$ 18,060,968</u>	<u>\$ 55,747,984</u>	<u>\$ 4,022,755</u>	<u>\$ 6,756,708</u>	<u>\$ 2,920,157</u>	<u>\$ 6,213,387</u>	<u>\$ 7,473,559</u>	<u>\$ (298,238)</u>	<u>\$ (2,869,786)</u>	<u>\$ 1,376,771</u>
Debt service as a percentage of noncapital expenditures	12.83 %	12.02 %	14.71 %	15.73 %	17.01 %	18.76 %	17.59 %	23.93 %	26.14 %	24.37 %

Note: Golf and Aquatics enterprise funds were reclassified as governmental activities-effective July 1, 2014.

(a) Prior to FY2019, Judgements and settlements and Contributions and donations were previously listed as Miscellaneous.

(b) Agency services was previously listed as Community services prior to FY2018.

(c) The City implemented GASB 87 effective for period ending June 30, 2022, which resulted in a an Other Financing Source for lease liabilities issued.

See accompanying independent auditor's report.

Schedule 5
City of Bowling Green, Kentucky
Wages Withholding Fees & Direct Occupational License Fee Rate, General Fund
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Gross Wages	Occupational License Fees ^(a)	City of Bowling Green Direct Rate	Total Direct Rate
2013	\$ 1,732,990,595	\$ 32,060,326	1.85 %	1.85 %
2014	1,829,239,189	33,840,925	1.85 %	1.85 %
2015	1,884,772,230	34,868,286	1.85 %	1.85 %
2016	2,033,197,759	37,614,159	1.85 %	1.85 %
2017	2,149,233,565	39,760,821	1.85 %	1.85 %
2018	2,216,711,705	41,009,167	1.85 %	1.85 %
2019	2,257,604,386	41,765,681	1.85 %	1.85 %
2020	2,319,192,084	42,905,054	1.85 %	1.85 %
2021	2,385,399,988	44,129,900	1.85 %	1.85 %
2022	2,651,661,963	49,055,746	1.85 %	1.85 %

Source: City of Bowling Green, Department of Finance

Notes:

(a) Occupational license fee rates include the net profit fees and wage withholding fees.

Schedule 6
City of Bowling Green, Kentucky
Occupational License Receipts, General Fund
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Occupational Withholdings Fees	Occupational Net Profit Fees	Other Occupational Fees ^(a)	Total	Percentage Growth
2013	\$ 32,060,326	\$ 7,031,910	\$ 286,827	\$ 39,379,063	5.2 %
2014	33,840,925	6,989,859	244,705	41,075,489	4.3 %
2015	34,868,286	9,280,035	261,163	44,409,484	8.1 %
2016	37,614,159	8,112,119	320,002	46,046,280	3.7 %
2017	39,760,821	10,866,714	371,052	50,998,587	10.8 %
2018	41,009,167	8,915,833	322,947	50,247,947	(1.5)%
2019	41,765,681	8,176,009	336,915	50,278,605	0.1 %
2020	42,905,054	8,423,114	364,682	51,692,850	2.8 %
2021	44,129,900	10,079,423	346,828	54,556,151	5.5 %
2022	49,055,746	12,712,420	1,064,434 ^(b)	62,832,600	15.2 %

Notes:

(a) Other occupational fees include minimum business registration fees which are \$50 that applies only to new businesses. Existing businesses pay a minimum occupational net profit fee of \$30 registration fee; itinerant businesses that pay a fee based on the amount of time business will be conducted in the City and the number of employees working; and penalties (5% per month not to exceed 25% with a minimum of \$25) and interest (1% per month) relate to all occupational receipts.

(b) A change was made to Chapter 18 of the City's Code of Ordinances to place a two year cap on the request of business registration bond refunds. All current bond payers were notified of the change and refunded if eligibility requirements were met. All bonds exceeding two years were deemed ineligible for a refund. These refunds were considered forfeited and booked as revenue, which resulted in an increase in the Other Occupational Fees category. This process will be performed annually going forward.

Schedule 7
City of Bowling Green, Kentucky
Real Property Tax Estimated Values, Assessments, Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Estimated Actual Value ^(a)	Total Real and Personal Property Assessment ^(b)	Franchise	PILOT	Total Assessment Including Franchise & PILOT	Total Current Levy ^(c)	Current Taxes Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Delinquent Taxes Receivable
2013	\$ 5,192,942,433	\$ 4,725,859,276	\$ 128,861,650	\$ 97,906,563	\$ 4,952,627,489	\$ 9,896,421	\$ 9,894,881	99.98 %	\$ 139,199	\$ 442,058
2014	5,308,858,978	4,941,833,867	108,613,121	85,038,850	5,135,485,838	10,420,333	10,376,147	99.58 %	151,450	492,409
2015	5,260,320,031	5,105,744,064	120,948,806	71,700,175	5,298,393,045	10,580,908	10,703,816	101.16 %	232,348	369,773
2016	5,520,063,044	5,327,488,265	138,865,602	75,763,490	5,542,117,357	11,182,527	11,098,513	99.25 %	458,973	371,907
2017	6,035,826,966	5,636,975,792	109,197,680	77,836,602	5,824,010,074	11,332,723	11,413,472	100.71 %	115,798	459,847
2018	6,376,495,461	5,894,237,333	177,998,932	78,156,277	6,150,392,542	11,796,625	12,228,506	103.66 %	211,049	363,786
2019	6,746,693,070	6,295,517,545	129,476,820	73,237,185	6,498,231,550	12,595,662	12,920,449	102.58 %	165,022	408,623
2020	6,880,203,774	6,603,627,466	76,366,946	80,442,180	6,760,436,592	13,220,871	13,515,522	102.23 %	167,953	481,990
2021	7,099,546,655	7,060,379,804	174,155,590	79,325,698	7,313,861,092	14,088,541	14,655,475	104.02 %	308,970	369,221
2022	9,133,009,311	7,503,515,420	188,152,859	79,470,424	7,771,138,703	14,705,552	15,063,987	102.44 %	213,783	505,243

Sources: City of Bowling Green, Department of Finance
Warren County Property Value Administrator

Notes:

- (a) Residential, farm, and commercial property divided by sales ratio added to personal, franchise, and PILOT assessment.
- (b) Annual PVA assessment is valued as of January 1st.
- (c) Original levy, Warren County Property Value Administrators Office. Property taxes attach as an enforceable lien on property as of January 1 each year.

See accompanying independent auditor's report.

Schedule 8
City of Bowling Green, Kentucky
Property Tax Rates, Direct and Overlapping Governmental Units
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

REAL ESTATE

Fiscal Year	City Proper					City Annex				
	City	County	City School	State	Total	City	County	County School	State	Total
2013	0.2060	0.2170	0.7310	0.1220	1.2760	0.2060	0.2170	0.4060	0.1220	0.9510
2014	0.2060	0.2170	0.7310	0.1220	1.2760	0.2060	0.2170	0.4200	0.1220	0.9650
2015	0.2060	0.2160	0.7560	0.1220	1.3000	0.2060	0.2160	0.4230	0.1220	0.9670
2016	0.2060	0.2160	0.7680	0.1220	1.3120	0.2060	0.2160	0.4350	0.1220	0.9790
2017	0.2060	0.2146	0.7810	0.1220	1.3236	0.2060	0.2146	0.4400	0.1220	0.9826
2018	0.2060	0.2146	0.8280	0.1220	1.3706	0.2060	0.2146	0.4490	0.1220	0.9916
2019	0.2050	0.2166	0.8280	0.1220	1.3716	0.2050	0.2166	0.4560	0.1220	0.9996
2020	0.2050	0.2155	0.8450	0.1220	1.3875	0.2050	0.2155	0.4610	0.1220	1.0035
2021	0.2050	0.2174	0.8450	0.1220	1.3894	0.2050	0.2174	0.4610	0.1220	1.0054
2022	0.2050	0.2175	0.8420	0.1190	1.3835	0.2050	0.2175	0.4610	0.1190	1.0025

PERSONAL PROPERTY

Fiscal Year	City Proper					City Annex				
	City	County	City School	State	Total	City	County	County School	State	Total
2013	0.2600	0.2689	0.7310	0.4500	1.7099	0.2600	0.2689	0.3950	0.4500	1.3739
2014	0.2600	0.2689	0.7560	0.4500	1.7349	0.2600	0.2689	0.4200	0.4500	1.3989
2015	0.2600	0.2716	0.7560	0.4500	1.7376	0.2600	0.2716	0.4230	0.4500	1.4046
2016	0.2600	0.2714	0.7680	0.4500	1.7494	0.2600	0.2714	0.4350	0.4500	1.4164
2017	0.2600	0.2587	0.7810	0.4500	1.7497	0.2600	0.2587	0.4400	0.4500	1.4087
2018	0.2600	0.2587	0.8280	0.4500	1.7967	0.2600	0.2587	0.4490	0.4500	1.4177
2019	0.2600	0.2673	0.8280	0.4500	1.8053	0.2600	0.2673	0.4560	0.4500	1.4333
2020	0.2600	0.2669	0.8450	0.4500	1.8219	0.2600	0.2669	0.4610	0.4500	1.4379
2021	0.2600	0.2681	0.8450	0.4500	1.8231	0.2600	0.2681	0.4610	0.4500	1.4391
2022	0.2600	0.2687	0.8450	0.4500	1.8237	0.2600	0.2687	0.4610	0.4500	1.4397

Source: City of Bowling Green, Department of Finance

Notes:

- City proper and City annex are terms used to designate in which school system the property is located. All City residents pay both the City and County taxes, but are required to pay tax to only the one appropriate school system.
- Tax rates relate to the Fiscal Year period of July 1 - June 30. For example, Tax Year 2021 rates are collected in Fiscal Year 2022.

See accompanying independent auditor's report.

Schedule 9
City of Bowling Green, Kentucky
Principal Occupational Withholdings Fee Payers
Current Year and Nine Years Ago

Taxpayer	
2022	2013
Bowling Green Metalforming LLC	Bowling Green Metalforming LLC
City of Bowling Green Board of Education	City of Bowling Green Board of Education
Commonwealth Health Corporation	Commonwealth Health Corporation
Country Oven Bakery	Country Oven Bakery
General Motors Corporation	General Motors Corporation
Graves-Gilbert Clinic PSC	Henkel Corporation
Holley Performance Product Inc	The Medical Center at BG
Union Underwear Co. LLC	Union Underwear Co. LLC
Warren County Board of Education	Warren County Board of Education
Western Kentucky University	Western Kentucky University

Source: City of Bowling Green, Department of Finance

Notes:

- Taxpayer information is listed alphabetically.
- General Motors was previously listed as NAO Comp Oper-North American Oper.
- Commonwealth Health Corporation was previously listed as The Medical Center at BG.
- Henkel Corporation was previously listed as Sun Products Corporation.

Schedule 10
City of Bowling Green, Kentucky
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2022			2013		
		Rank	Assessed Valued	Percent of Total Assessment ^(a)	Rank	Assessed Vale	Percent of Total Assessment ^(b)
Hub Multifamily LLC	Residential & Commercial Complex	1	\$ 70,542,500	0.94 %		\$ -	\$ -
Henkel US Operations Corporation ^(c)	Factory	2	44,857,500	0.60 %	5	31,310,563	0.66 %
Greenwood Mall LLC/General Growth Prop Limited Partnership	Retail Mall	3	42,100,000	0.56 %	3	40,700,000	0.86 %
BG Fee Owner (KY) LLC	Real Estate Holding Company	4	31,462,500	0.42 %		-	-
Chandler Drive Partners LLC	Apartment Complex	5	29,743,000	0.40 %	10	19,910,000	0.42 %
Union Underwear Co. Inc	Clothing Manufacturer	6	26,625,000	0.35 %	1	60,570,057	1.28 %
Three Zero Eight (308) Partners LLC	Apartment Complex	7	25,622,500	0.34 %		-	-
AJ Industrial Prop LLC (et. al)	Real Estate Holding Company	8	24,751,400	0.33 %		-	-
Gilbert Barbee Moore Mcllvoy PSC	Healthcare Facility	9	24,648,300	0.33 %		-	-
Hartland Partners	Apartment Complex	10	24,600,000	0.33 %		-	-
Wal-Mart	Retail		-	-	2	50,072,369	1.06 %
Greenview Hospital, Inc	Healthcare Facility		-	-	4	35,164,649	0.74 %
General Motors LLC	Factory		-	-	6	25,921,412	0.55 %
Atmos	Utilities		-	-	7	23,918,213	0.51 %
Insight Midwest LP	Cable Service		-	-	8	20,068,151	0.42 %
NHK Associated Spring	Factory		-	-	9	20,000,000	0.42 %

Source: City of Bowling Green, Department of Finance

Notes:

- (a) Percent of total assessed value for real property of \$7,503,515,240 (January 1, 2021).
- (b) Percent of total assessed value for real property of \$4,725,859,276 (January 1, 2012).
- (c) Henkel US Operations Corporation was previously listed as Sun Products Corp.

See accompanying independent auditor's report.

Schedule 11
City of Bowling Green, Kentucky
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income ^(b)	Debt per Capita
	General Obligation Bonds	Notes and Financed Purchases from Direct Borrowings and Placements	General Obligation Bonds	Notes Payable and Financed Purchases			
2013	\$ 108,501,710	\$ 2,871,504	\$ 6,752,559	\$ 34,390	\$ 118,160,163	3.19 %	\$ 1,950
2014	102,591,166	2,459,472	6,188,330	21,671	111,260,639	2.84 %	1,809
2015	101,557,970	2,119,501	2,936,494	-	106,613,965	2.66 %	1,706
2016	96,522,378	1,755,421	2,202,371	-	100,480,170	2.43 %	1,580
2017	87,575,068	794,217	1,498,248	-	89,867,533	2.03 %	1,377
2018	78,269,251	4,018,748	754,122	-	83,042,121	1.81 %	1,238
2019	69,731,975	3,513,596	-	-	73,245,571	1.54 %	1,071
2020	61,126,049	4,585,310	-	-	65,711,359	1.32 %	931
2021	96,063,190	3,970,596	-	-	100,033,786	1.97 %	1,384
2022	87,480,320	5,582,460	-	-	93,062,780	1.70 %	1,266

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) Warren County Water District bonds.

(b) See Schedule 20 for personal income and population data. The ratios are calculated using personal income and population for the prior calendar year.

Schedule 12
City of Bowling Green, Kentucky
Indebtedness and Debt Ratios
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
TAX SUPPORTED										
General bonds and notes ^(a)	\$ 53,380,000	\$ 57,880,000	\$ 48,030,569	\$ 55,565,571	\$ 62,422,999	\$ 59,409,285	\$ 66,095,299	\$ 64,997,001	\$ 70,380,628	\$ 67,918,740
REVENUE SUPPORTED										
Revenue supported debt & financed purchases ^(b)	37,767,460	40,045,596	19,165,000	22,467,500	29,258,748	30,458,248	34,384,871	40,473,994	49,395,508	52,205,128
TOTAL DEBT	91,147,460	97,925,596	67,195,569	78,033,071	91,681,747	89,867,533	100,480,170	105,470,995	119,776,136	120,123,868
Less: revenue supported debt	(37,767,460)	(40,045,596)	(19,165,000)	(22,467,500)	(29,258,748)	(30,458,248)	(34,384,871)	(40,473,994)	(49,395,508)	(52,205,128)
NET DIRECT DEBT	53,380,000	57,880,000	48,030,569	55,565,571	62,422,999	59,409,285	66,095,299	64,997,001	70,380,628	67,918,740
Overlapping debt ^(c)	372,715,829	366,862,033	389,520,967	320,516,959	237,915,697	232,154,034	246,190,489	237,949,657	233,949,409	245,533,153
NET DIRECT & OVERLAPPING DEBT	426,095,829	424,742,033	437,551,536	376,082,530	300,338,696	291,563,319	312,285,788	302,946,658	304,330,037	313,451,893
PROPERTY TAX BASE										
Estimated actual value	\$ 7,503,515,420	\$ 7,060,379,804	\$ 6,603,627,466	\$ 6,295,517,545	\$ 5,894,237,333	\$ 5,636,975,792	\$ 5,327,488,265	\$ 5,105,744,064	\$ 4,941,833,867	\$ 4,725,859,276

Source: City of Bowling Green, Department of Finance

- Notes:
- (a) Does not include compensated absences, contingent liabilities, landfill post closure, bond premiums, deferred charges and discounts. Does not include debt service paid by WKU (See footnote on preceding page) or ITA debt obligations. See the Notes to the Financial Statements located in the Annual Comprehensive Financial Report (ACFR).
 - (b) In addition to enterprise supported obligations (see the prior and following tables), includes that portion of the ITA debt which is the responsibility of the City (50%). Also includes debt issued for WKU that is completely self-supporting.
 - (c) Overlapping debt includes the City's portion of the debt of Bowling Green Independent Schools, Warren County, Warren County Schools, and Bowling Green Municipal Utilities.

See accompanying independent auditor's report.

Schedule 13
City of Bowling Green, Kentucky
General Debt - Governmental Funds
Future Debt Services Requirements as of June 30th

Fiscal Year	Principal	Interest	Total ^(a)
2023	\$ 6,285,000	\$ 2,327,054	\$ 8,612,054
2024	6,510,000	2,117,938	8,627,938
2025	4,905,000	1,914,250	6,819,250
2026	5,105,000	1,736,613	6,841,613
2027	3,105,000	1,546,601	4,651,601
2028	3,230,000	1,452,312	4,682,312
2029	2,885,000	1,357,828	4,242,828
2030	2,980,000	1,284,069	4,264,069
2031	3,505,000	1,174,418	4,679,418
2032	3,650,000	1,064,268	4,714,268
2033	3,785,000	963,293	4,748,293
2034	3,055,000	867,293	3,922,293
2035	3,165,000	793,093	3,958,093
2036	3,280,000	716,343	3,996,343
2037	3,410,000	623,743	4,033,743
2038	3,535,000	537,743	4,072,743
2039	2,210,000	448,681	2,658,681
2040	2,295,000	403,631	2,698,631
2041	2,385,000	356,831	2,741,831
2042	2,475,000	308,231	2,783,231
2043	2,565,000	257,831	2,822,831
2044	2,660,000	205,581	2,865,581
2045	2,760,000	151,381	2,911,381
2046	2,860,000	93,394	2,953,394
2047	2,965,000	31,503	2,996,503

Source: City of Bowling Green, Department of Finance

Note:

(a) Does not include compensated absences, contingent liabilities, landfill post closure, bond premiums, deferred charges and discounts. Includes the ITA and WKU debt.

See accompanying independent auditor's report.

Schedule 14
City of Bowling Green, Kentucky
Inter-Modal Transportation Authority Debt
Future Debt Services Requirements as of June 30th

Fiscal Year	Principal ^(a)					Interest					Total Debt Service
	2016A Bonds	2016B Bonds	2021A Bonds	2021B Bonds	Total Principal ^(b)	2016A Bonds	2016B Bonds	2021A Bonds	2021B Bonds	Total Interest	
2023	\$ 630,000	\$ 80,000	\$ -	\$ 290,000	\$ 1,000,000	\$ 19,783	\$ 3,708	\$ 807,931	\$ 98,919	\$ 930,341	\$ 1,930,341
2024	650,000	80,000	-	295,000	1,025,000	6,663	1,236	807,931	93,069	908,899	1,933,899
2025	-	-	-	300,000	300,000	-	-	807,931	87,119	895,050	1,195,050
2026	-	-	-	305,000	305,000	-	-	807,931	81,069	889,000	1,194,000
2027	-	-	-	990,000	990,000	-	-	807,931	68,119	876,050	1,866,050
2028	-	-	-	1,035,000	1,035,000	-	-	807,931	47,869	855,800	1,890,800
2029	-	-	-	1,085,000	1,085,000	-	-	807,931	30,059	837,990	1,922,990
2030	-	-	-	1,130,000	1,130,000	-	-	807,931	11,300	819,231	1,949,231
2031	-	-	1,595,000	-	1,595,000	-	-	768,056	-	768,056	2,363,056
2032	-	-	1,680,000	-	1,680,000	-	-	715,581	-	715,581	2,395,581
2033	-	-	1,745,000	-	1,745,000	-	-	685,531	-	685,531	2,430,531
2034	-	-	1,820,000	-	1,820,000	-	-	649,881	-	649,881	2,469,881
2035	-	-	1,895,000	-	1,895,000	-	-	612,731	-	612,731	2,507,731
2036	-	-	1,970,000	-	1,970,000	-	-	574,081	-	574,081	2,544,081
2037	-	-	2,050,000	-	2,050,000	-	-	533,881	-	533,881	2,583,881
2038	-	-	2,130,000	-	2,130,000	-	-	492,081	-	492,081	2,622,081
2039	-	-	2,210,000	-	2,210,000	-	-	448,681	-	448,681	2,658,681
2040	-	-	2,295,000	-	2,295,000	-	-	403,631	-	403,631	2,698,631
2041	-	-	2,385,000	-	2,385,000	-	-	356,831	-	356,831	2,741,831
2042	-	-	2,475,000	-	2,475,000	-	-	308,231	-	308,231	2,783,231
2043	-	-	2,565,000	-	2,565,000	-	-	257,831	-	257,831	2,822,831
2043	-	-	2,660,000	-	2,660,000	-	-	205,581	-	205,581	2,865,581
2044	-	-	2,760,000	-	2,760,000	-	-	151,381	-	151,381	2,911,381
2045	-	-	2,860,000	-	2,860,000	-	-	93,394	-	93,394	2,953,394
2046	-	-	2,965,000	-	2,965,000	-	-	31,503	-	31,503	2,996,503

Source: City of Bowling Green, Department of Finance

Notes:

(a) This debt is a general obligation of the City, but payable from revenues received from ITA transactions. The City is jointly responsible with Warren County, KY for debt service on the bonds on a 50%-50% basis. The gross amount is displayed since the City is the issuer of the bonds.

(b) Does not include compensated absences, contingent liabilities, landfill post closure, bond premiums, deferred charges and discounts.

See accompanying independent auditor's report.

Schedule 15
City of Bowling Green, Kentucky
Western Kentucky University Debt
Series 2010 Bonds
Future Debt Services Requirements as of June 30th

Fiscal Year	Principal ^(a)	Interest	Total Debt Service ^(b)
2023	\$ 2,415,000	\$ 392,330	\$ 2,807,330
2024	2,520,000	302,975	2,822,975
2025	2,625,000	208,475	2,833,475
2026	2,755,000	106,756	2,861,756

Source: City of Bowling Green, Department of Finance

Notes:

- (a) Payable from revenues received from Western Kentucky University (WKU). Since the City was the issuer of the bonds, the debt is a direct obligation of the City, but WKU is responsible and makes all debt service payments.
- (b) Does not include compensated absences, contingent liabilities, landfill post closure, bond premiums, deferred charges and discounts.

Schedule 16
City of Bowling Green, Kentucky
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
General obligation bonds	\$ 87,480,320	\$ 96,063,190	\$ 61,126,049	\$ 69,731,975	\$ 78,269,251	\$ 87,575,068	\$ 96,522,378	\$ 101,557,970	\$ 102,591,166	\$ 108,501,710
Financed purchases	5,582,460	3,970,596	4,585,310	3,513,596	4,018,748	794,217	1,755,421	2,119,501	2,459,472	2,871,504
Net general bonded debt	<u>\$ 93,062,780</u>	<u>\$ 100,033,786</u>	<u>\$ 65,711,359</u>	<u>\$ 73,245,571</u>	<u>\$ 82,287,999</u>	<u>\$ 88,369,285</u>	<u>\$ 98,277,799</u>	<u>\$ 103,677,471</u>	<u>\$ 105,050,638</u>	<u>\$ 111,373,214</u>
Property values	\$ 7,503,515,420	\$ 7,060,379,804	\$ 6,603,627,466	\$ 6,295,517,545	\$ 5,894,237,333	\$ 5,636,975,792	\$ 5,327,488,265	\$ 5,105,744,064	\$ 4,941,833,867	\$ 4,725,859,276
Percentage of estimated actual taxable value of property	1.24 %	1.42 %	1.00 %	1.16 %	1.40 %	1.57 %	1.84 %	2.03 %	2.13 %	2.33 %
Per capita ^(a)	1,266	1,384	931	1,071	1,226	1,354	1,545	1,672	1,769	1,902

Notes:

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(a) Population data can be found in Schedule 20.

Schedule 17
City of Bowling Green, Kentucky
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

Governmental Unit	Debt Outstanding ^(a)	Estimated Percentage Applicable ^(b)	Estimated Share of Overlapping Debt
Bowling Green Independent Schools	\$ 86,099,000	100.00 %	\$ 86,099,000
Warren County	82,881,826	57.22 %	47,424,981
Warren County Schools	237,108,014	49.93 %	118,388,031
Bowling Green Municipal Utilities	120,803,817	100.00 %	<u>120,803,817</u>
Subtotal, overlapping debt			372,715,829
City direct debt			<u>93,062,780</u>
Total direct and overlapping debt			<u><u>\$ 465,778,609</u></u>

Sources:

Bowling Green Municipal Utilities
Bowling Green Board of Education
Warren County Treasurer
Warren County Board of Education

Notes:

- (a) Gross governmental debt, less revenues.
(b) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Bowling Green.
(Warren County ratio = City + Annex/All Districts; Warren County Schools = Annex/County + Annex)

See accompanying independent auditor's report.

**Schedule 18
City of Bowling Green, Kentucky
Legal Debt Margin Information
Last Ten Fiscal Years**

<u>Legal Debt Margin Calculation for Fiscal Year 2022</u>	
Assessed value	\$7,503,515,420
Debt limit, 10% of assessed value ^(a)	750,351,542
Debt applicable to limit:	
General obligation bonds	87,480,320
Notes and financed purchases from direct borrowings and placements	<u>5,582,460</u>
Total net debt applicable to limit	93,062,780
Legal debt margin	<u>\$ 657,288,762</u>

	<u>Fiscal Year</u>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 750,351,542	\$ 706,037,980	\$ 660,362,747	\$ 629,551,755	\$ 589,423,733	\$ 563,697,579	\$ 532,748,827	\$ 510,574,406	\$ 494,183,387	\$ 472,585,928
Less: Total net debt applicable to limit	<u>93,062,780</u>	<u>100,033,786</u>	<u>65,711,359</u>	<u>73,245,571</u>	<u>83,042,121</u>	<u>89,867,533</u>	<u>100,480,170</u>	<u>106,613,965</u>	<u>111,260,639</u>	<u>118,160,163</u>
Legal debt margin	<u>\$ 657,288,762</u>	<u>\$ 606,004,194</u>	<u>\$ 594,651,388</u>	<u>\$ 556,306,184</u>	<u>\$ 506,381,612</u>	<u>\$ 473,830,046</u>	<u>\$ 432,268,657</u>	<u>\$ 403,960,441</u>	<u>\$ 382,922,748</u>	<u>\$ 354,425,765</u>
Total net debt applicable to the limit as a percentage of debt limit	12.40 %	14.17 %	9.95 %	11.63 %	14.09 %	15.94 %	18.86 %	20.88 %	22.51 %	25.00 %

Note:

(a) Under Section 158 of the Constitution of Commonwealth of the Kentucky, the City's outstanding debt is not to exceed 10 percent of total assessed property value.

Schedule 19
City of Bowling Green, Kentucky
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Stonehenge Sections I-V ^(a)				Cedar Grove Section IX ^(a)				Lovers Lane ^(b)			
	Special Assessment Collections	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2013	\$ 122,336	\$ 42,000	\$ 77,580	1.02	\$ 26,210	\$ 10,000	\$ 16,513	0.99	\$ 15,387	\$ 7,946	\$ 8,204	0.95
2014	125,020	46,000	75,143	1.03	28,924	15,000	15,838	0.94	17,385	8,331	7,820	1.08
2015	116,210	47,000	71,396	0.98	34,039	15,000	14,825	1.14	16,206	8,735	7,416	1.00
2016	121,669	50,000	68,639	1.03	29,032	15,000	13,813	1.01	16,151	9,157	6,993	1.00
2017	117,646	51,000	66,675	1.00	29,288	15,000	12,800	1.05	16,151	9,601	6,550	1.00
2018	119,332	53,000	64,113	1.02	25,796	15,000	11,788	0.96	16,151	10,066	6,085	1.00
2019	121,852	61,000	60,893	1.00	31,216	20,000	10,775	1.01	16,151	10,553	5,598	1.00
2020	121,947	63,000	57,373	1.01	28,280	20,000	9,425	0.96	16,236	11,064	5,087	1.01
2021	122,692	66,000	53,710	1.02	29,957	20,000	8,075	1.07	16,151	11,600	4,551	1.00
2022	115,273	69,000	49,910	0.97	26,778	20,000	6,725	1.00	16,151	12,161	3,989	1.00

Notes:

(a) The Stonehenge Sections I-V and Cedar Grove Sections IX special assessment revenues are collected from property owners in each district to fund the development of the subdivisions and to provide amenities such as sidewalk infrastructure.

(b) Lovers Lane special assessment revenues are collected from property owners to fund the development of underground utilities. This special assessment was new for fiscal year 2008.

Schedule 20
City of Bowling Green, Kentucky
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ^(a)	Personal Income ^(b)	Per Capita Personal Income ^(c)	Median Age ^(d)	School Enrollment ^(e)	Unemployment Rate ^(f)
2013	60,600	\$ 3,699,388,000	\$ 32,025	28	18,957	7.2 %
2014	61,500	3,921,515,000	33,486	27	18,981	6.8 %
2015	62,500	4,005,280,000	33,837	28	19,180	5.0 %
2016	63,600	4,138,310,000	34,354	28	20,682	4.7 %
2017	65,250	4,418,499,000	35,966	27	20,814	4.1 %
2018	67,100	4,582,488,000	36,505	28	21,037	4.0 %
2019	68,400	4,761,667,000	36,957	27	21,607	3.9 %
2020	70,550	4,993,967,000	38,045	27	21,470	6.2 %
2021	72,294	5,085,624,000	38,268	27	22,725	4.9 %
2022	73,529	5,475,272,000	40,705	28	23,766	3.8 %

Sources:

(a) Estimated population statistics obtained from the 2020 Census results (<https://www.census.gov/quickfacts/fact/table/bowlinggreen/kentucky/POP010220>).

(b) Personal income data obtained from www.bea.gov (Bureau of Economic Analysis).

(c) Income per capita obtained from www.bea.gov (Bureau of Economic Analysis).

(d) Median Age statistics obtained from the World Population Review (<https://worldpopulationreview.com/us-cities/bowling-green-ky-population>).

(e) Refer to both Board of Educations for public school information (<https://education.ky.gov>) and www.greatschools.org for private school information. Schools included are Bowling Green Board of Education, Warren County Board of Education, and private schools. Western Kentucky University is excluded.

(f) Bureau of Labor Statistics (www.bls.gov), figures not seasonally adjusted, average for fiscal year.

Note:

Personal and per capita income correspond to the full calendar year prior to fiscal year end. Values are derived from Warren County population statistics.

Schedule 21
City of Bowling Green, Kentucky
Principal Employers
Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Western Kentucky University	3,274	1	4.33 %	4,416	1	6.25 %
Commonwealth Health Corporation	2,842	2	3.76 %	2,145	2	3.04 %
BG Metalforming LLC	1,258	3	1.66 %	755	9	1.07 %
Warren County Board of Education	1,185	4	1.57 %	941	5	1.33 %
General Motors Corporation	1,100	5	1.46 %	-	-	-
Graves-Gilbert Clinic PSC	1,079	6	1.43 %	-	-	-
Union Underwear Co. LLC	930	7	1.23 %	1,610	3	2.28 %
Henkel Corporation	930	8	1.23 %	975	4	1.38 %
Houchens Food Group	899	9	1.19 %	816	8	1.16 %
Kentucky State Treasurer	717	10	0.95 %	-	-	-
Express Services Inc	-	-	-	878	6	1.24 %
Walmart Associates Inc	-	-	-	851	7	1.21 %
Trace Die Cast Inc	-	-	-	688	10	0.97 %
Total	14,214		18.81 %	14,075		19.93 %

Sources:

City Bowling Green, Department of Finance
Bowling Green Area Chamber of Commerce
Bureau of Labor and Statistics (www.bls.gov)

Notes:

- Commonwealth Health Corporation was previously listed as The Medical Center at BG.
- Henkel Corporation was previously listed as Sun Products Corporation.

Schedule 22
City of Bowling Green, Kentucky
Full-time City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>FUNCTION/PROGRAM</u>										
General government	45	44	46	43	40	42	42	40	42	41
Administration	8	7	8	8	8	9	8	8	8	7
Finance	18	18	18	16	14	16	16	15	17	17
Human Resources	7	7	7	7	6	6	7	6	6	6
Legal ^(a)	2	2	3	2	2	2	2	2	2	2
Information Technology	10	10	10	10	10	9	9	9	9	9
Public Safety	285	303	296	283	268	269	270	269	265	267
Police										
Officers	118	124	125	116	109	112	115	112	108	110
Civilians	31	40	36	35	32	31	30	35	37	37
Fire										
Firefighters and Officers	131	134	132	129	124	123	122	119	117	117
Civilians	5	5	3	3	3	3	3	3	3	3
Public Works	59	60	60	59	55	56	55	54	53	53
Parks and Recreation	53	51	54	54	54	53	52	56	54	57
Neighborhood & Community Services	28	23	25	26	25	26	26	26	24	23
Total	470	481	481	465	442	446	445	445	438	441

Source: City of Bowling Green Department of Finance

Notes:

(a) Temporary overlapping of two full-time City Attorney positions as part of succession planning in FY2020.

Schedule 23
City of Bowling Green, Kentucky
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FUNCTION/PROGRAM										
Finance										
Tax bills sent	22,900	22,608	22,691	22,587	22,487	22,356	22,352	22,220	21,864	21,703
Business registrations received	1,162	1,103	949	1,105	915	848	829	883	1,025	923
Human Resources										
Job applicants	2,044	1,929	3,746	3,688	2,435	2,168	2,488	1,559	1,011	1,299
Position filled	221	382	240	370	329	299	234	222	248	234
Police										
911 service calls	74,048	70,235	69,474	66,314	64,822	78,052	81,072	78,465	75,800	61,859
Traffic stops	5,280	3,074	4,385	6,512	6,901	4,490	8,594	9,071	13,189	11,897
Fire										
Accident runs	6,504	5,375	6,639	7,519	7,298	7,251	6,786	6,195	5,634	5,523
Fire runs	300	244	207	218	221	262	236	282	212	278
Fires investigated	114	97	37	41	34	30	36	63	17	61
Public Works										
Street resurfacing (miles)	17	15	25	18	18	15	8	7	4	7
Potholes repaired	125	222	538	329	598	668	575	826	426	772
Parks and Recreation										
Fitness & athletic participants	853,709	646,239	747,175	940,997	995,538	885,472	902,073	883,654	970,174	859,614
Visits to Community Center	86,162	50,029	107,687	161,710	159,047	156,913	156,811	229,885	272,470	267,813
Neighborhood & Community Services										
Neighborhood meetings conducted ^(b)	0	20	30	36	40	69	69	55	61	63
Households receiving asst	798	761	738	743	762	698	695	743	719	725
Bldg/electrical & code inspections	20,033	10,199	11,993	13,816	12,731	13,236	13,360	10,796	12,264	12,170
Animal control calls	1,654	1,654	1,947	2,698	2,542	2,489 ^(a)	2,489	2,317	2,788	2,027

Source: Various City of Bowling Green departments.

Notes:

(a) Effective 2017, Animal Control moved to the Neighborhood and Community Services Department from the Police Department.

(b) Due to the pandemic, neighborhood meetings were not tracked nor able to be held in 2022.

See accompanying independent auditor's report.

Schedule 24
City of Bowling Green, Kentucky
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	7	7	6	6	6	6	6	6	6	6
Training centers	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	274	273	269	266	266	264	262	257	264	258
Sidewalks (miles)	239	236 ^(d)	147	140	136 ^(c)	119	114	113	112	112
Alleys (miles)	16	16	15	15	15	15	15	15	15 ^(b)	19
Parks and Recreation										
Number of parks	24	24	21	21	22	22	22	21	20	20
Number of facilities	7	7	7	7	7	7	7	7	7	7 ^(a)
Acreage	1,000	1,000	970	970	970	970	970	974	972	972
Playgrounds	15	15 ^(e)	22	22	22	22	22	22	21	22
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccerfields	21	21	19	19	19	14	14	14	13	13
Community centers	3	3	3	3	3	3	3	3	3	3
Neighborhood & Community Services										
Building permits issued	3,787	2,460	2,060	2,284	2,155	2,296	2,193	2,003	1,824	1,868

Sources: Various City of Bowling Green departments.

Notes:

- (a) Effective with FY2013, parks and facilities are categorized separately.
- (b) In FY2014, the Public Works Department updated mapping, which decreased alley miles.
- (c) The increase in sidewalk miles is due to the recalculation of miles reported in FY2018.
- (d) The FY2021 increase in sidewalk miles is due to the acceptance of maintenance of sidewalks previously maintained by the State.

See accompanying independent auditor's report.

City of Bowling Green, Kentucky

Single Audit Reports Under
Uniform Guidance

Year Ended June 30, 2022

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

Honorable Todd Alcott, Mayor
and Members of the Board of Commissioners
City of Bowling Green

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Bowling Green, Kentucky's basic financial statements, and have issued our report thereon dated October 24, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bowling Green, Kentucky'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, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bowling Green, Kentucky's internal control.

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bowling Green, Kentucky'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*.

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.

MCM CPAs & Advisors LLP

Lexington, Kentucky
October 24, 2022

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Honorable Todd Alcott, Mayor
and Members of the Board of Commissioners
City of Bowling Green

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Bowling Green, Kentucky's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Bowling Green, Kentucky's major federal programs for the year ended June 30, 2022. The City of Bowling Green, Kentucky's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Bowling Green, Kentucky complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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.

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)

Auditor's 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'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 GAAS, *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 a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 a 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 Auditor's 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.

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)

Report on Internal Control over Compliance (Continued)

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.

MUM CPAs & ADVISORS LLP

Lexington, Kentucky
October 24, 2022

City of Bowling Green, Kentucky
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Pass-through to Sub- recipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Direct programs</i>				
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	N/A	\$ -	\$ 291,334
COVID - 19 - Federal Transit Formula Grants	20.507	N/A	-	1,285,210
Bus and Bus Facilities Formula & Discretionary Programs	20.526	N/A	-	6,058
Total Federal Transit Cluster			-	1,582,602
<i>Pass through Kentucky Transportation Cabinet</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	03-03206	-	904,090
Total U.S. Department of Transportation			-	2,486,692
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Direct programs</i>				
Housing Voucher Cluster				
Section 8 Administrative	14.871	N/A	-	564,131
Section 8 Housing Choice Vouchers	14.871	N/A	-	3,030,455
COVID - 19 - Section 8 CARES Act Admin	14.871	N/A	-	20,799
Mainstream Voucher Admin	14.879	N/A	-	42,629
Mainstream Voucher Program	14.879	N/A	-	306,460
Total Housing Voucher Cluster			-	3,964,474
CDBG - Entitlement Cluster				
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	1,203,417
Total U.S. Department of Housing and Urban Development			-	5,167,891

See accompanying independent auditor's report and notes to the schedule of expenditures of federal awards.

City of Bowling Green, Kentucky
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Pass-through to Sub- recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Direct programs</i>				
Staffing for Adequate Fire and Emergency Response	97.083	N/A	\$ -	\$ 114,871
<i>Pass through Kentucky Office of Homeland Security</i>				
Homeland Security Grant Program	97.067	19-074, 19-075	-	52,060
<i>Pass through KY Division of Emergency Management</i>				
COVID - 19 Disaster Grants - Public Assistance	97.036	277-08902-00	-	4,277,897
Total U.S. Department of Homeland Security			-	4,444,828
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Direct programs</i>				
Bulletproof Vest Partnership Program	16.607	N/A	-	11,850
<i>Direct programs</i>				
COVID -19 - Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	17,374
<i>Direct programs</i>				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	N/A	-	20,939
Total U.S. Department of Justice			-	50,163
<u>OFFICE OF NATIONAL DRUG CONTROL POLICY</u>				
<i>Pass through Appalachia HIDTA</i>				
High Intensity Drug Trafficking Areas Program	95.001	G12AP001A	-	17,648
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
<i>Pass through Department for Local Government</i>				
COVID -19 - Coronavirus Relief Fund	21.019	C2-072	-	509,479
<i>Direct Programs</i>				
COVID -19 Coronavirus State and Local Fiscal Recovery Funds	21.027	C2-072	-	2,128,239
Total Expenditures of Federal Awards			\$ -	\$ 14,804,940

See accompanying independent auditor's report and notes to the schedule of expenditures of federal awards.

City of Bowling Green, Kentucky
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Bowling Green, Kentucky, under programs of the federal government for the year ended June 30, 2022 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, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note C - Indirect Cost Rate

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

City of Bowling Green, Kentucky
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditor's Results

1. The auditor's report expresses unmodified opinions on the financial statements of the City of Bowling Green, Kentucky.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Bowling Green, Kentucky, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the City of Bowling Green, Kentucky expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Uniform Guidance 516(a).
7. The programs tested as major programs included:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster
20.507, 20.526	Federal Transit Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants - Public Assistance

8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The City of Bowling Green, Kentucky did qualify as a low-risk auditee.

City of Bowling Green, Kentucky
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

Section II - Financial Statement of Findings

No matters were reported.

Section III - Major Federal Award Findings and Questioned Costs

No matters were reported.

**City of Bowling Green, Kentucky
Schedule of Prior Year Audit Findings
Year Ended June 30, 2022**

No matters were reported.