

**CITY OF BOWLING GREEN, FLORIDA**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2021**

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**CITY OF BOWLING GREEN, FLORIDA  
OFFICIALS**

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**City of Bowling Green, Florida  
Principal City Officials**

**September 30, 2021**

**CITY COMMISSION**

**DUANE GARDNER, MAYOR  
ROBERT S. FITE, JR., VICE MAYOR  
DAVID DURASTANTI  
HERBERT C LUNN, JR.  
N'KOSI L. JONES**

**CITY OFFICIALS**

**ADAM THOMPSON, CITY MANAGER  
CARMEN SILVA, CITY CLERK  
JOHN SCHEEL, POLICE CHIEF  
GERALD BUHR, CITY ATTORNEY**



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commission  
City of Bowling Green, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Florida, (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Florida, as of September 30, 2021, 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.

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## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

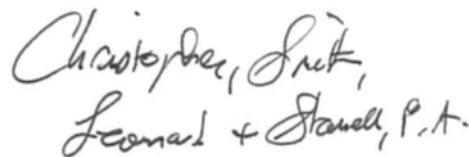
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information as listed in the table of contents on pages 37 - 44 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 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.



**CHRISTOPHER, SMITH,  
LEONARD & STANELL, P.A.**

January 20, 2022  
Bradenton, Florida

**CITY OFFICIALS**  
Adam Thompson, City Manager  
Maria Carmen Silva, City Clerk  
John Scheel, Police Chief  
Gerald Buhr, City Attorney



**COMMISSIONERS**  
Duane Gardner , Mayor  
Robert S. Fite, Jr., Vice Mayor  
David Durastanti  
Herbert C. Lunn Jr.  
N’Kosi Jones

**P.O. Box 608, 104 E. Main Street  
Bowling Green, FL 33834-0608  
(863) 375-2255, Fax (863) 375-3362**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

As management of the City of Bowling Green, Florida (the City), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$14,600,767 (net position). Of this amount, \$2,314,805 (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors.
- The government’s total net position increased by \$743,109.
- As of the close of the current fiscal year, the City’s general fund reported ending fund balance of \$1,287,352, an increase of \$223,633. Of this total amount, \$1,240,143 is available for spending at the City’s discretion (unassigned fund balance).

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private-sector businesses in that revenues are recognized when earned or established criteria are satisfied and expenses reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, and culture and recreation, as well as the Community Redevelopment Agency. The business-type activities of the City include the water, sewer, and sanitation departments.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**Fund financial statements:** Funds are a group of self-balancing accounts. Funds are used to account for specific activities or objectives of the City, rather than reporting on the City as a whole. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City utilizes a general fund and special revenue fund. In fiscal year 2016, the City established the Community Redevelopment Agency (CRA) – a special revenue fund – which began operations in fiscal year 2017 and is also reported as a governmental fund. The General Fund is considered by the City to be a major fund and the Special Revenue Fund is considered a non-major fund.

The City adopts an annual appropriated budget for both its general fund and special revenue fund. A budgetary comparison statement has been provided for both funds to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

**Proprietary funds:** The City utilizes one type of proprietary fund, the enterprise fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water, sewer, and sanitation departments.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and sanitation departments. These activities are all accounted for in one fund, which is classified as a major fund.

The basic proprietary fund financial statements can be found on pages 15 through 17 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 18 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budgetary comparison. Required supplementary information can be found on page 36 of this report.



## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bowling Green, assets exceeded liabilities by \$14,600,767 at the close of the most recent fiscal year. The following table presents a condensed statement of net position as of September 30, 2021 with comparative totals as of September 30, 2020:

### NET POSITION AT SEPTEMBER 30, 2021 AND 2020

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 1,550,520	\$ 1,257,816	\$ 2,443,086	\$ 1,321,246	\$ 3,993,606	\$ 2,579,062
Capital assets	1,538,318	1,269,932	14,402,523	13,933,809	15,940,841	15,203,741
<b>Total assets</b>	<b><u>3,088,838</u></b>	<b><u>2,527,748</u></b>	<b><u>16,845,609</u></b>	<b><u>15,255,055</u></b>	<b><u>19,934,447</u></b>	<b><u>17,782,803</u></b>
Long-term liabilities						
outstanding	18,168	-0-	4,008,937	3,577,651	4,027,105	3,577,651
Other liabilities	<u>110,663</u>	<u>77,100</u>	<u>1,195,912</u>	<u>270,394</u>	<u>1,306,575</u>	<u>347,494</u>
Total liabilities	<u>128,831</u>	<u>77,100</u>	<u>5,204,849</u>	<u>3,848,045</u>	<u>5,333,680</u>	<u>3,925,145</u>
Net position:						
Net investment in capital						
assets	1,520,150	1,269,932	10,393,586	10,356,158	11,913,736	11,626,090
Restricted	149,714	144,160	222,512	212,847	372,226	357,007
Unrestricted	<u>1,290,143</u>	<u>1,036,556</u>	<u>1,024,662</u>	<u>838,005</u>	<u>2,314,805</u>	<u>1,874,561</u>
<b>Total net position</b>	<b><u>\$ 2,960,007</u></b>	<b><u>\$ 2,450,648</u></b>	<b><u>\$11,640,760</u></b>	<b><u>\$11,407,010</u></b>	<b><u>\$14,600,767</u></b>	<b><u>\$13,857,658</u></b>

The majority of the City's net position, \$11,913,736, (or 82%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that are still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$372,226, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of \$2,314,805 may be used to meet the government's ongoing obligations to citizens and creditors.

The following table on page 6 presents a condensed statement of activities, which details the changes in net position for the year ended September 30, 2021 with comparative totals for the year ended September 30, 2020.

**Changes in Net Position**  
**For the Years Ended September 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 144,272	\$ 118,900	\$ 1,276,433	\$ 1,284,431	\$ 1,420,705	\$ 1,403,331
Operating grants and contributions	-0-	-0-	-0-	-0-	-0-	-0-
Capital grants and contributions	308,474	-0-	659,674	1,118,185	968,148	1,118,185
General revenues:						
Property taxes	338,485	298,172	-0-	-0-	338,485	298,172
Other taxes	822,904	723,960	-0-	-0-	822,904	723,960
Transfers	-0-	(57,900)	-0-	57,900	-0-	-0-
Other	136,619	161,960	19,310	33,246	155,929	195,206
<b>Total Revenues</b>	<u>1,750,754</u>	<u>1,245,092</u>	<u>1,955,417</u>	<u>2,493,762</u>	<u>3,706,171</u>	<u>3,738,854</u>
Expenses:						
General government	299,979	323,394	-0-	-0-	299,979	323,394
Public safety	630,878	555,735	-0-	-0-	630,878	555,735
Culture and recreation	30,605	32,757	-0-	-0-	30,605	32,757
Physical environment	278,270	298,699	-0-	-0-	278,270	298,699
Interest on long-term debt	1,663	-0-	25,041	41,439	26,704	41,439
Water	-0-	-0-	590,796	411,561	590,796	411,561
Sewer	-0-	-0-	853,363	708,895	853,363	708,895
Sanitation	-0-	-0-	252,467	269,251	252,467	269,251
<b>Total Expenses</b>	<u>1,241,395</u>	<u>1,210,585</u>	<u>1,721,667</u>	<u>1,431,146</u>	<u>2,963,062</u>	<u>2,641,731</u>
<b>Change in Net Position</b>	<u>509,359</u>	<u>34,507</u>	<u>233,750</u>	<u>1,062,616</u>	<u>743,109</u>	<u>1,097,123</u>
Net position, Beginning of Year	<u>2,450,648</u>	<u>2,416,141</u>	<u>11,407,010</u>	<u>10,344,394</u>	<u>13,857,658</u>	<u>12,760,535</u>
Net position, End of Year	<u><b>\$ 2,960,007</b></u>	<u><b>\$ 2,450,648</b></u>	<u><b>\$11,640,760</b></u>	<u><b>\$11,407,010</b></u>	<u><b>\$14,600,767</b></u>	<u><b>\$13,857,658</b></u>

**Governmental activities:** Governmental activities increased the City's net position by \$509,359. Revenues increased over the prior year by \$505,662. The increase was due to capital grants and contributions received during the year of \$308,474 for park and road improvements. Property and other taxes also increased by \$139,257, rebounding from COVID-19 in the prior year. Expenses were consistent with the prior year, increasing by \$30,810.

**Business-type activities.** Business-type activities increased the City's net position by \$233,750. Key elements of the difference between the current year and prior year are:

- Capital grants and contributions decreased by \$458,511 largely due to certain grant-reimbursed projects related to wastewater treatment plant improvements from the State of Florida Department of Environmental Protection completing in the prior year. Additional grant funding was provided towards this project for fiscal years 2021 and 2022 during the year.
- The City received \$722,983 from the American Rescue Plan Act in September 2021, however, since the amounts were not expensed, the funding was recognized as unearned revenue in the statement of net position as of September 30, 2021. During fiscal year 2022, the City expects to receive additional amounts which are also expected to be expensed.
- Expenses (including interest) increased \$290,521 over the prior year due largely to increased depreciation in the current year of \$120,902 and increased personnel costs in the water department.

## **Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, spendable unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's general fund reported ending fund balances of \$1,287,352, an increase of \$223,633. \$1,240,143 of this total amount is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it is restricted for the police department and improvements to the Community Center.

Activity during the current fiscal year included the following key components:

- Total general fund revenues increased over prior year by \$200,034. The increase was primarily due to increases in state revenue sharing and state taxes of \$114,723 and grant revenues of \$78,834.
- The general fund expenditures increased over prior year by \$283,704. This was primarily due to increased capital outlay compared to the prior year in the amount of \$236,819. Current year capital outlay was largely reimbursed by grants relating to park and road improvements.

The CRA fund – a special revenue fund had \$102,505 of ending fund balance all of which was restricted. The CRA fund balance increased by \$5,508 in the current year, as current year tax revenues were used for park projects. The park projects will be largely reimbursed through a grant in fiscal year 2022.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The following are the noteworthy changes from the prior year:

- Operating revenues remained consistent in the current year, decreasing by \$17,812 from the prior year.
- Operating expenses increased \$306,919 which was largely due to increased depreciation expense during the year of \$120,902 and increases in personnel costs in the water department.
- Additionally, the City received \$659,674 in grant revenues and capital contributions for water and wastewater treatment facility upgrades.

## **General Fund Budgetary Highlights**

The City's General Fund budget was not amended during the year. Budgeted revenues were \$1,210,716 and budgeted expenditures were \$1,210,716. Actual revenues were greater than budgeted revenues by \$441,834. Actual expenditures were greater than budget by \$240,173. Expenditures in excess of budget largely related to capital outlay incurred during the year that wasn't included in the initial budget.

## **Capital Assets and Debt Administration**

**Capital assets.** The City’s investment in capital assets for its governmental and business type activities as of September 30, 2021, amounts to \$15,940,841 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, sewer line improvements, water system improvements, machinery and equipment, and construction in progress.

The following is a summary of the City’s capital assets at September 30, 2021 with comparative totals at September 30, 2020:

### **Capital Assets (Net of Depreciation)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 510,393	\$ 510,393	\$ 31,894	\$ 31,894	\$ 542,287	\$ 542,287
Construction in progress	62,300	15,000	3,864,115	2,828,695	3,926,415	2,843,695
Infrastructure	728,086	471,547	-0-	-0-	728,086	471,547
Building and improvements	156,944	163,060	10,357,422	10,879,376	10,514,366	11,042,436
Machinery and equipment	80,595	109,932	149,092	193,844	229,687	303,776
	<b>\$ 1,538,318</b>	<b>\$ 1,269,932</b>	<b>\$14,402,523</b>	<b>\$13,933,809</b>	<b>\$ 15,940,841</b>	<b>\$15,203,741</b>

Additional information on the City’s capital assets can be found in note 2 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City had total debt outstanding of \$4,027,105. The City’s debt represents bonds secured solely by specified utility revenue sources of \$524,775 and \$3,271,873 of debt through the State Revolving Fund Programs related to water and sewer construction projects. Additionally, during fiscal year 2021, the City utilized \$300,000 on a line of credit.

### **Revenue Bonds and Note Payable**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Line of credit	\$ -0-	\$ -0-	\$ 212,289	\$ -0-	\$ 212,289	\$ -0-
Revenue bonds	-0-	-0-	524,775	561,875	524,775	561,875
Notes payable	18,168	-0-	3,271,873	3,015,776	3,290,041	3,015,776
	<b>\$ 18,168</b>	<b>\$ -0-</b>	<b>\$ 4,008,937</b>	<b>\$ 3,577,651</b>	<b>\$ 4,027,105</b>	<b>\$ 3,577,651</b>

Additional information on the City’s long-term debt can be found in note 2 of this report.

## **Economic Factors and Next Year’s Budgets and Rates**

The City of Bowling Green anticipates no increases in property taxes.

The City’s fiscal year 2022 general fund budget included \$1,386,517 for revenues and expenditures and the CRA budget included \$84,995 for revenues and expenditures. The City’s fiscal year 2022 enterprise fund budget includes \$1,453,400 for revenues and expenses.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Bowling Green, Florida finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bowling Green, 104 East Main Street, Bowling Green, Florida 33834.

**CITY OF BOWLING GREEN, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 457,051	\$ 1,496,373	\$ 1,953,424
Certificates of deposit	514,941	-	514,941
Receivables (net of allowance for uncollectibles)	24,426	98,446	122,872
Grants receivable	263,570	519,433	783,003
Due from other governmental units	64,910	-	64,910
Internal balances	13,388	(13,388)	
Inventory	-	4,780	4,780
Restricted:			
Cash	212,234	173,783	386,017
Certificates of deposit	-	163,659	163,659
Capital Assets (net of accumulated depreciation):			
Land	510,393	31,894	542,287
Construction in progress	62,300	3,864,115	3,926,415
Buildings and improvements	156,944	10,357,422	10,514,366
Infrastructure	728,086	-	728,086
Machinery and equipment	80,595	149,092	229,687
<b>TOTAL ASSETS</b>	<u>3,088,838</u>	<u>16,845,609</u>	<u>19,934,447</u>
<b>LIABILITIES</b>			
Accounts payable	83,022	346,421	429,443
Accrued expenses	27,641	8,584	36,225
Accrued interest payable	-	2,994	2,994
Unearned revenue	-	722,983	722,983
Liabilities payable from restricted assets	-	114,930	114,930
Noncurrent liabilities:			
Due within one year	4,079	420,861	424,940
Due in more than one year	14,089	3,588,076	3,602,165
<b>TOTAL LIABILITIES</b>	<u>128,831</u>	<u>5,204,849</u>	<u>5,333,680</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,520,150	10,393,586	11,913,736
Restricted			
Revenue bond retirement	-	134,009	134,009
Other purposes	149,714	88,503	238,217
Unrestricted	1,290,143	1,024,662	2,314,805
<b>TOTAL NET POSITION</b>	<u>\$ 2,960,007</u>	<u>\$ 11,640,760</u>	<u>\$ 14,600,767</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business -type Activities</u>	<u>Total</u>
General government	\$ 299,979	\$ 73,274	\$ -	\$ -	\$ (226,705)	\$ -	\$ (226,705)
Police department	630,878	29,332	-	4,267	(597,279)	-	(597,279)
Culture and recreation	30,605	-	-	97,154	66,549	-	66,549
Physical environment	278,270	41,666	-	207,053	(29,551)	-	(29,551)
Interest	1,663	-	-	-	(1,663)	-	(1,663)
Total Governmental Activities	<u>1,241,395</u>	<u>144,272</u>	<u>-</u>	<u>308,474</u>	<u>(788,649)</u>	<u>-</u>	<u>(788,649)</u>
Water	598,488	446,749	-	-	-	(151,739)	(151,739)
Sewer	870,712	508,448	-	659,674	-	297,410	297,410
Sanitation	252,467	321,236	-	-	-	68,769	68,769
Total Business-type Activities	<u>1,721,667</u>	<u>1,276,433</u>	<u>-</u>	<u>659,674</u>	<u>-</u>	<u>214,440</u>	<u>214,440</u>
	<b><u>\$ 2,963,062</u></b>	<b><u>\$ 1,420,705</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 968,148</u></b>	<b><u>(788,649)</u></b>	<b><u>214,440</u></b>	<b><u>(574,209)</u></b>
<b>General Revenues:</b>							
Ad valorem					338,485	-	338,485
Utility tax					190,932	-	190,932
Communications service					32,929	-	32,929
Gas taxes and rebates					39,414	-	39,414
State revenue sharing					210,971	-	210,971
Half-cent sales tax					105,021	-	105,021
One-cent surtax					243,637	-	243,637
Unrestricted investment earnings					2,423	637	3,060
Franchise fees					109,927	-	109,927
Other					24,269	18,673	42,942
Total General Revenues					<u>1,298,008</u>	<u>19,310</u>	<u>1,317,318</u>
Transfers					-	-	-
Total General Revenues and Transfers					<u>1,298,008</u>	<u>19,310</u>	<u>1,317,318</u>
Change in Net Position					509,359	233,750	743,109
Net Position - Beginning					2,450,648	11,407,010	13,857,658
Net Position - Ending					<b><u>\$ 2,960,007</u></b>	<b><u>\$ 11,640,760</u></b>	<b><u>\$ 14,600,767</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 457,051	\$ -	\$ 457,051
Certificates of deposit	514,941	-	514,941
Receivables (net of allowance for uncollectible)	24,426	-	24,426
Grants receivable	213,570	50,000	263,570
Due from other governmental units	64,910	-	64,910
Due from other funds	13,388	-	13,388
Cash - restricted	47,209	165,025	212,234
<b>Total assets</b>	<b><u>\$ 1,335,495</u></b>	<b><u>\$ 215,025</u></b>	<b><u>\$ 1,550,520</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 20,502	\$ 62,520	\$ 83,022
Accrued expenses	27,641	-	27,641
<b>Total liabilities</b>	<b><u>48,143</u></b>	<b><u>62,520</u></b>	<b><u>110,663</u></b>
Deferred inflows of resources:			
Unavailable revenue	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Fund balances:			
Spendable:			
Restricted	47,209	102,505	149,714
Unassigned	1,240,143	-	1,240,143
<b>Total fund balances</b>	<b><u>1,287,352</u></b>	<b><u>102,505</u></b>	<b><u>1,389,857</u></b>
<b>Total liabilities, deferred inflows of     resources and fund balances</b>	<b><u>\$ 1,335,495</u></b>	<b><u>\$ 215,025</u></b>	<b><u>\$ 1,550,520</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

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Amounts reported for governmental activities in the statement of net position are different because:

Fund Balance–Governmental funds	\$ 1,389,857
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,538,318
Deferred inflows of resources are not available current financial resources and, therefore, are not reported as revenue in the funds.	50,000
Long–term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Direct borrowing note payable	(18,168)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 2,960,007</u></u></b>

The accompanying notes are an integral part of these financial statements.



**CITY OF BOWLING GREEN, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 533,600	\$ 68,160	\$ 601,760
Fines and forfeitures	29,332	-	29,332
Intergovernmental revenue	559,629	-	559,629
Franchise fees	109,927	-	109,927
Licenses and permits	10,259	-	10,259
Grants	278,474	-	278,474
Interest	2,379	44	2,423
Miscellaneous	128,950	-	128,950
Total Revenues	<u>1,652,550</u>	<u>68,204</u>	<u>1,720,754</u>
<b>Expenditures:</b>			
General government	291,290	-	291,290
Public safety	583,859	-	583,859
Culture and recreation	21,286	396	21,682
Physical environment	232,513	-	232,513
Capital outlay	316,474	62,300	378,774
Debt service - principal	3,804	-	3,804
Debt service - interest	1,663	-	1,663
Total Expenditures	<u>1,450,889</u>	<u>62,696</u>	<u>1,513,585</u>
<b>Excess of Revenues Over (Under)     Expenditures Before Other     Financing Sources (Uses)</b>	201,661	5,508	207,169
<b>OTHER FINANCING SOURCES (USES)</b>			
Equipment financing	<u>21,972</u>	<u>-</u>	<u>21,972</u>
Total Other Financing Sources (Uses)	<u>21,972</u>	<u>-</u>	<u>21,972</u>
Net Change in Fund Balance	223,633	5,508	229,141
FUND BALANCE - Beginning	<u>1,063,719</u>	<u>96,997</u>	<u>1,160,716</u>
FUND BALANCE - Ending	<u><u>\$ 1,287,352</u></u>	<u><u>\$ 102,505</u></u>	<u><u>\$ 1,389,857</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

Net changes in fund balances – Governmental funds	\$ 229,141
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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 and reported as depreciation expense. This is the amount by which capital outlay additions in the current year exceeded depreciation expense

Capital outlay	378,774
Depreciation	(110,388)
	268,386

Revenues in the statement of activities that do not provide current financial resources as they do not meet the availability criteria are not reported as revenues in the funds. This amount represents the change in unavailable revenue	30,000
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The issuance of long-term debt provides current financial resources to the funds, while repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position. This is the net effect of these differences

Financing with direct borrowing note payable	(21,972)
Principal payments on direct borrowing note payable	3,804
	(18,168)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 509,359</u></b>
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The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUND**  
**SEPTEMBER 30, 2021**

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 1,496,373
Accounts receivable, net	98,446
Grants receivable	519,433
Inventory	4,780
Total current assets	2,119,032
Non-current Assets:	
Restricted assets:	
Cash	173,783
Certificates of deposit	163,659
Total restricted assets	337,442
Capital Assets:	
Land	31,894
Construction in progress	3,864,115
Buildings and improvements	16,289,697
Machinery and equipment	662,738
Accumulated depreciation	(6,445,921)
Total capital assets (net)	14,402,523
Total non-current assets	14,739,965
<b>TOTAL ASSETS</b>	<b>16,858,997</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	346,421
Accrued expenses	8,584
Due to other funds	13,388
Unearned revenue	722,983
Total current liabilities	1,091,376
Current Liabilities Payable from Restricted Assets:	
Accrued interest payable	2,994
Customer deposits	114,930
Current portion – long term debt	420,861
Total current liabilities payable from restricted assets	538,785
Non-current Liabilities:	
Notes payable	3,103,001
Revenue bonds payable	485,075
Total noncurrent liabilities	3,588,076
<b>TOTAL LIABILITIES</b>	<b>5,218,237</b>
 <b>NET POSITION</b>	
Net investment in capital assets	10,393,586
Restricted	222,512
Unrestricted	1,024,662
<b>TOTAL NET POSITION</b>	<b>\$ 11,640,760</b>

The accompanying notes are an integral part of these financial statements.

CITY OF BOWLING GREEN, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>Operating Revenues:</b>	
Charges for sales and services:	
Water charges	\$ 446,749
Sewer charges	508,448
Sanitation charges	321,236
Penalties, late fees and miscellaneous	19,400
<b>Total Operating Revenues</b>	<b>1,295,833</b>
<b>Operating Expenses:</b>	
Cost of sales and services:	
Personal services	466,901
Other operating expenses	660,559
Depreciation and amortization	569,166
<b>Total Operating Expenses</b>	<b>1,696,626</b>
<b>Operating Income (Loss)</b>	<b>(400,793)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	637
Interest expense	(25,041)
Other non-operating expense	(727)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(25,131)</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>(425,924)</b>
<b>Capital Contributions</b>	
Grant revenues and capital contributions	659,674
<b>Total Capital Contributions</b>	<b>659,674</b>
<b>Change in Net Position</b>	<b>233,750</b>
<b>NET POSITION – Beginning</b>	<b>11,407,010</b>
<b>NET POSITION – Ending</b>	<b>\$ 11,640,760</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Business-Type Activities Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 1,300,731
Cash payments to suppliers	(681,519)
Cash payments to employees	(464,230)
Net cash provided (used) by operating activities	154,982
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers in/advances from other funds	13,388
Net cash provided (used) by noncapital financing activities	13,388
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Interest paid on revenue borrowings and long-term direct borrowings	(25,041)
Principal payments on long-term debt	(89,150)
Proceeds from line of credit	300,000
Payments on line of credit	(87,711)
Capital grant proceeds	968,613
Capital expenditures	(517,719)
Net cash provided (used) by capital and related financing activities	548,992
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	637
Net cash provided (used) by investing activities	637
<b>NET INCREASE (DECREASE) IN CASH</b>	717,999
<b>CASH AT BEGINNING OF YEAR</b>	1,115,816
<b>CASH AT END OF YEAR</b>	<b>\$ 1,833,815</b>
<b>Cash</b>	
Unrestricted	\$ 1,496,373
Restricted	337,442
	<b>\$ 1,833,815</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ (400,793)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	569,166
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(3,185)
Increase (decrease) in accounts payable	(20,960)
Increase (decrease) in accrued expenses	2,671
Increase (decrease) in customer deposits payable	8,083
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 154,982</b>
<b>NONCASH CAPITAL ACTIVITIES</b>	
Capital asset additions financed with long-term debt	\$ 308,147

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The City of Bowling Green (City) was incorporated in 1927 under the laws of Florida Chapter 12563–(758) and as amended in 1935 under the Laws of Florida Chapter 17496–(725). The present charter calls for a five–member City Commission, one of whom is elected Mayor by the Commission. The City is managed by a City Manager appointed by the Commission. Under the present charter, the City has the power to impose license taxes on occupations, to levy taxes on City property, and to levy charges for services as required for the improvement and government of the City. Services authorized to be provided under the present charter are as follows: public safety, streets and roads, sanitation, water and sewer, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. The City does not have any discretely presented component units.

During the 2016 fiscal year, the City established the City of Bowling Green Community Redevelopment Agency (CRA), which is comprised of a five member Board of Commissioners. The CRA is presented as a special revenue fund within the City’s financial statements because: 1) the CRA substantively operates under the same body as the City through the City Commission which meets separately as the CRA’s governing body to approve the adoption of their annual budget, the transactions of real property, and the execution of contracts and modifications to the community redevelopment plans; 2) the City Commission/CRA Board has operational responsibility of the CRA; and 3) the CRA provides an exclusive service or benefit to the City and its citizens. The CRA is responsible for carrying out the rehabilitation, conservation and redevelopment of the Community Redevelopment Plan. The related tax increment revenue is included in this Special Revenue Fund, all of which is restricted for the CRA.

**B. GOVERNMENT–WIDE AND FUND FINANCIAL STATEMENTS**

The government–wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business–type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds (General Fund and Special Revenue Fund) and the proprietary fund. The general fund and the enterprise fund are considered major funds and are presented as separate columns in the fund financial statements. The special revenue fund is reported as a non–major fund.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. MEASUREMENT FOCUS, 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 financial statements. Government-wide financial statements include a Statement of Net Position and a Statement of Activities. The Statement of Net Position reports all financial and capital resources of the City's governmental activities. It is presented in a net position format (assets and deferred outflows less liabilities and deferred inflows equal net position) and shown with three components: net investment in capital assets, restricted net position and unrestricted net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following governmental funds:

General Fund

The general fund is the City's general operating fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From this fund, expenditures paid include general operating expenditures, fixed charges, and capital improvement costs not paid through other funds.

Special Revenue Fund

The CRA is the City's only special revenue fund. It accounts for the rehabilitation, conservation and redevelopment of certain slum or blighted areas of the City, included within the community redevelopment area. Financing is provided primarily through tax increment funding from the City and Hardee County. All amounts within this fund are restricted to CRA activities.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION – CONTINUED**

The government reports the following proprietary fund:

Enterprise Fund

The enterprise fund accounts for the operation of the City’s water and sewer system, as well as sanitation services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City’s water and sewer fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. CASH AND INVESTMENTS**

Florida Statute 218.415 authorizes the City to invest surplus funds in the following:

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.

All City bank accounts and certificates of deposit are with banking institutions that post collateral as required by state statutes (Qualified Public Depositories). As a result, all amounts which exceed FDIC insured limits are collateralized pursuant to Chapter 280 of the Florida statutes.



**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. CASH AND INVESTMENTS – CONTINUED**

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, at September 30, 2021 the City only had demand deposits and time deposits.

**E. RECEIVABLES AND PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported 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.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

All trade receivables are shown net of allowance for doubtful accounts.

**F. PROPERTY TAXES**

Property taxes become due and payable on November 1st of each year. The county tax collector remits the City's portion as such revenues are received. The City collects nearly all of its tax revenue during the period November 1 through April 1, at which time the property taxes become delinquent. The key dates in the property tax cycle are as follows:

Assessment roll validated	July 1
Millage resolution approved	September 30
Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered and due	November 1
Property taxes payable:	
Maximum discount	November 30
Delinquent	April 1
Tax certificates sold	May 31

Property taxes are recognized as revenue in the fiscal year for which the taxes have been levied to the extent they result in current receivables. Under the system outlined above, no material amount of taxes is receivable after the end of the fiscal year.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**G. RESTRICTED ASSETS**

The following represent restricted resources of each fund:

General Fund

Cash in the General Fund is reserved for the following:

Police Department	\$ 1,339
Community Center improvements	<u>45,870</u>
	<u>\$ 47,209</u>

Special Revenue Fund

Cash held in the Special Revenue Fund is reserved for the following:

CRA activities	<u>\$ 165,025</u>
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Enterprise Fund

Restricted assets, provided for by ordinances adopted by the City for the issuance of the Sewer System Bonds, SRF loans, impact fees, and customer deposits are as follows:

Customer deposits	\$ 114,930
Revenue bond retirement	70,254
Other debt retirement	63,755
Impact fees	<u>88,503</u>
Restricted assets	<u>\$ 337,442</u>

**H. CAPITAL ASSETS**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The City has elected to report general infrastructure assets on a prospective basis only.

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

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 – 40
Infrastructure	20
Machinery and equipment	4 – 10

**CITY OF BOWLING GREEN, FLORIDA**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**I. COMPENSATED ABSENCES**

The City personnel policy provides for the payment of accrued vacation upon separation from its employees. A liability for this amount is recorded in the government-wide and proprietary fund financial statements. A liability for this amount is recorded in the governmental funds only if it has matured. The City also provides sick pay, which is not payable upon separation from the City and is not recorded as a liability. Compensated absences are liquidated out of the general fund and enterprise fund as applicable.

**J. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount.

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

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year the debt is issued in both the government-wide and fund financial statements.

**K. NET POSITION**

Net position is reported in three parts as applicable: net investment in capital assets, restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.

**L. FUND BALANCE**

The City follows Governmental Accounting Standards Board (GASB) Statement No. 54 which established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are Nonspendable and Spendable. Spendable is then further classified as Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**L. FUND BALANCE – CONTINUED**

The City classified governmental fund balance as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. The City does not have any nonspendable fund balance amounts as of September 30, 2021.

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers, such as creditors or grantors.
- Committed – includes amounts that can be spent only for specific purposes that are approved by a formal action of the City Commission through a resolution or the budget process.
- Assigned – includes amounts designated for a specific purpose by the City Commission through a resolution or the budget process, which are neither restricted nor committed.
- Unassigned – includes residual positive fund balance within the General Fund that has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted or committed for those specific purposes.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal minimum fund balance policy.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Spendable:</u>		
Restricted to:		
Confiscated fund – Police Department	\$ 1,339	\$ -0-
Community Center improvements	45,870	-0-
Community Redevelopment Agency	<u>-0-</u>	<u>102,505</u>
	47,209	102,505
Unassigned	<u>1,240,143</u>	<u>-0-</u>
Total Fund Balances	<u>\$ 1,287,352</u>	<u>\$ 102,505</u>

The entire fund balance of the Special Revenue Fund of \$102,505 is restricted for the purposes of alleviating slum and blight in the City in accordance with Florida Statute 163.

CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**M. INVENTORIES**

Inventories are stated at the lower of cost or market as determined on the first in, first out method.

**N. CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, all highly liquid debt instruments purchased with a maturity of three months or less and certificates of deposit without significant withdrawal penalties are considered cash.

**O. ESTIMATES**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect 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.

**P. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for the governmental funds. Expenditures should not exceed total appropriations. All annual appropriations lapse at fiscal year end. Any required budget amendments have to be approved by the City Commissioners through resolutions.

**Q. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. On the governmental funds balance sheet, unavailable revenue is classified as deferred inflows of resources. This represents funds which did not meet the availability criteria under the modified accrual basis of accounting and therefore are considered to be deferred charges until available.

**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

**A. Cash and Cash Equivalents**

At September 30, 2021, the City's carrying amount of cash and cash equivalents was \$2,339,441 and the bank balance was \$2,421,485. The City had certificates of deposit classified as cash equivalents in the amount of \$678,600.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**B. Receivables**

Receivables as of September 30, 2021 for the government’s funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

<u>Receivables</u>	<u>General Fund</u>	<u>Enterprise Fund</u>
Accounts receivable	\$ 24,426	\$ 120,446
Less: allowance for uncollectibles	-0-	22,000
<b>Net total accounts receivables</b>	<b><u>\$ 24,426</u></b>	<b><u>\$ 98,446</u></b>

**C. Interfund receivables, payables, and transfers**

Interfund balances as of September 30, 2021 were \$13,388. There were no transfer of resources between funds to cover expenses during 2021.

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 510,393	\$ -0-	\$ -0-	\$ -0-	\$ 510,393
Construction in progress	15,000	269,940	-0-	(222,640)	62,300
Total capital assets, not being depreciated	<u>525,393</u>	<u>269,940</u>	<u>-0-</u>	<u>(222,640)</u>	<u>572,693</u>
Capital assets, being depreciated:					
Buildings and improvements	607,286	12,420	-0-	-0-	619,706
Infrastructure	580,288	67,154	-0-	222,640	870,082
Machinery and equipment	609,503	29,260	(18,728)	-0-	620,035
Total capital assets being depreciated	<u>1,797,077</u>	<u>108,834</u>	<u>(18,728)</u>	<u>222,640</u>	<u>2,109,823</u>
Less accumulated depreciation for:					
Buildings and improvements	(444,226)	(18,536)	-0-	-0-	(462,762)
Machinery and equipment	(499,571)	(58,597)	18,728	-0-	(539,440)
Infrastructure	(108,741)	(33,255)	-0-	-0-	(141,996)
Total accumulated depreciation	<u>(1,052,538)</u>	<u>(110,388)</u>	<u>18,728</u>	<u>-0-</u>	<u>(1,144,198)</u>
Total capital assets, being depreciated, net	<u>744,539</u>	<u>(1,554)</u>	<u>-0-</u>	<u>222,640</u>	<u>965,625</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 1,269,932</u></b>	<b><u>\$ 268,386</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 1,538,318</u></b>

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**D. Capital Assets – Continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 31,894	\$ -0-	\$ -0-	\$ -0-	\$ 31,894
Construction in progress	2,828,695	1,035,420	-0-	-0-	3,864,115
Total capital assets, not being depreciated	<u>2,860,589</u>	<u>1,035,420</u>	<u>-0-</u>	<u>-0-</u>	<u>3,896,009</u>
Capital assets, being depreciated:					
Buildings and improvements	16,289,697	-0-	-0-	-0-	16,289,697
Machinery and equipment	666,873	11,338	(15,473)	-0-	662,738
Total capital assets being depreciated	<u>16,956,570</u>	<u>11,338</u>	<u>(15,473)</u>	<u>-0-</u>	<u>16,952,435</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,410,321)	(521,954)	-0-	-0-	(5,932,275)
Machinery and equipment	(473,029)	(47,212)	6,595	-0-	(513,646)
Total accumulated depreciation	<u>(5,883,350)</u>	<u>(569,166)</u>	<u>6,595</u>	<u>-0-</u>	<u>(6,445,921)</u>
Total capital assets, being depreciated, net	<u>11,073,220</u>	<u>(557,828)</u>	<u>(8,878)</u>	<u>-0-</u>	<u>10,506,514</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 13,933,809</u></b>	<b><u>\$ 477,592</u></b>	<b><u>\$ (8,878)</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 14,402,523</u></b>

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

**Governmental activities:**

General government	\$ 8,689
Physical environment	45,757
Public safety	47,019
Culture and recreation	<u>8,923</u>
	<u>\$ 110,388</u>

**Business-type activities:**

Water, sewer and sanitation	<u>\$ 569,166</u>
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**E. Long-Term Debt**

**Direct Borrowings Note Payable – Governmental Activities**

The City entered into a financing agreement with a commercial bank to purchase police equipment. The initial amount financed was \$21,972, at an interest rate of 6.99%, with interest and principal to be paid in 5 annual payments beginning in March, 2021. Total principal outstanding and annual debt services is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,079	\$ 1,311	\$ 5,390
2023	4,373	1,017	5,390
2024	4,689	701	5,390
2025	<u>5,027</u>	<u>363</u>	<u>5,390</u>
	<u>\$ 18,168</u>	<u>\$ 3,392</u>	<u>\$21,560</u>

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Direct Borrowings Note Payable – Governmental Activities – Continued

Remedies upon default include a) termination of the agreement and the City's rights to the equipment; b) take possession of the equipment; c) enforce performance and recover damages; and d) declare all unpaid payments to be immediately due and payable.

Line of Credit – Business-type Activities

The City entered into a non-revolving line-of-credit agreement with a commercial bank on April 1, 2021 with maximum borrowings of \$300,000. The line of credit requires interest at 3.5% on any outstanding balances and is secured with a certificate of deposit. The outstanding balance of the line of credit at September 30, 2021 was \$212,289. The line of credit matures on April 1, 2022.

Revenue Bonds – Business-type Activities

In 1984, 1993, 1995 and 1999, the City passed bond ordinances to provide for the issuance of Water and Sewer Revenue Certificates. At September 30, 2021, bonds outstanding are as follows:

<u>Ordinance Year</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance Outstanding</u>
1984	06/11/85	09/01/2024	5.0%	257,000	\$ 41,315
1993	09/01/94	09/01/2033	4.5%	300,000	150,797
1995	09/13/95	09/01/2035	4.5%	400,000	225,753
1999	02/10/99	09/01/2038	4.5%	167,000	106,910
<b>TOTAL</b>					<b><u>\$ 524,775</u></b>

The bonds are secured by the net revenue derived from the operations of the water and sewer system and require the use of a debt service fund, of which is included in restricted cash.

Total annual debt service requirements for the 1984 bonds as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$13,200	\$ 2,080	\$15,280
2023	13,900	1,420	15,320
2024	14,215	725	14,940
	<u>\$41,315</u>	<u>\$ 4,225</u>	<u>\$45,540</u>

Total annual debt service requirements for the 1993 bonds as of September 30, 2021 are as follows:



**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Revenue Bonds – Business-type Activities – continued

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 10,000	\$ 7,550	\$ 17,550
2023	10,000	7,050	17,050
2024	11,000	6,550	17,550
2025	11,000	6,000	17,000
2026	12,000	5,450	17,450
2027 – 2031	67,000	17,900	84,900
2032 – 2033	<u>29,797</u>	<u>2,250</u>	<u>32,047</u>
	<u>\$150,797</u>	<u>\$52,750</u>	<u>\$203,547</u>

Total annual debt service requirements for the 1995 bonds as of September 30, 2021 are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 12,000	\$ 10,170	\$ 22,170
2023	12,000	9,630	21,630
2024	13,000	9,090	22,090
2025	14,000	8,505	22,505
2026	14,000	7,875	21,875
2027 – 2031	82,000	29,205	111,205
2032 – 2035	<u>78,753</u>	<u>9,135</u>	<u>87,888</u>
	<u>\$225,753</u>	<u>\$ 83,610</u>	<u>\$309,363</u>

Total annual debt service requirements for the 1999 bonds as of September 30, 2021 are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 4,500	\$ 5,350	\$ 9,850
2023	4,500	5,125	9,625
2024	5,000	4,900	9,900
2025	5,000	4,650	9,650
2026	5,500	4,400	9,900
2027 – 2031	30,500	17,700	48,200
2032 – 2036	37,500	9,400	46,900
2037 – 2038	<u>14,410</u>	<u>1,025</u>	<u>15,435</u>
	<u>\$106,910</u>	<u>\$ 52,550</u>	<u>\$159,460</u>

Notes Payable from Direct Borrowings – Business-type Activities

The City entered into a loan and grant agreement (WW250202) with the Florida Department of Environmental Protection through the State Revolving Fund. The total amount initially borrowed was \$144,456, at an interest rate of 0.99%, with interest and principal to be paid in 40 semi-annual payments beginning March 15, 2015. During 2014, the City borrowed an additional \$61,010 with an interest rate of 1.19%.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Notes Payable from Direct Borrowings – Business-type Activities – continued

The debt obligation is secured by a pledge of the net revenues of the water and sewer systems. The total amount outstanding at September 30, 2021 was \$105,135.

Total annual debt service requirements as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 7,636	\$ 1,020	\$ 8,656
2023	7,711	944	8,655
2024	7,788	868	8,656
2025	7,864	791	8,655
2026	7,942	713	8,655
2027 – 2031	40,903	2,375	43,278
2032 – 2034	<u>25,291</u>	<u>443</u>	<u>25,734</u>
	<u>\$105,135</u>	<u>\$ 7,154</u>	<u>\$112,289</u>

During 2015, the City entered into a second loan and grant agreement (WW250204) with the Florida Department of Environmental Protection through the State Revolving Fund. The initial approved amount of the agreement was for \$1,187,750, of which \$833,451 was to be forgiven through the grant portion of the agreement. In 2016, the agreement was amended to reduce the approved amount to \$871,777 of which \$803,571 was to be forgiven. The total amount borrowed as of September 30, 2021 was \$75,883, at an interest rate of 1.15%. The principal borrowed is required to be paid over 40 semi-annual payments. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The total amount outstanding at September 30, 2021 was \$64,733.

Total annual debt service requirements as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,817	\$ 729	\$ 4,546
2023	3,861	685	4,546
2024	3,906	641	4,547
2025	3,951	596	4,547
2026	3,996	550	4,546
2027 – 2031	20,683	2,049	22,732
2032 – 2036	21,904	829	22,733
2037	<u>2,615</u>	<u>12</u>	<u>2,627</u>
	<u>\$ 64,733</u>	<u>\$ 6,091</u>	<u>\$ 70,824</u>

During fiscal year 2017, the City entered into a third loan and grant agreement (WW250230) with the Florida Department of Environmental Protection through the State Revolving Fund. The initial approved amount

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Notes Payable from Direct Borrowings – Business-type Activities – continued

of the agreement was for \$553,000, of which \$442,400 was to be forgiven through the grant portion of the agreement.

The total amount borrowed as of September 30, 2021 was \$119,075, at an interest rate of 0.47%. The principal borrowed is required to be paid over 40 semi-annual payments. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The total amount outstanding at September 30, 2021 was \$101,474.

Total annual debt service requirements as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,922	\$ 470	\$ 6,392
2023	5,950	442	6,392
2024	5,978	414	6,392
2025	6,006	386	6,392
2026	6,034	358	6,392
2027 – 2031	30,601	1,359	31,960
2032 – 2036	31,329	631	31,960
2037 – 2038	<u>9,654</u>	<u>39</u>	<u>9,693</u>
	<u>\$ 101,474</u>	<u>\$ 4,099</u>	<u>\$ 105,573</u>

During 2018, the City entered into a fourth loan and grant agreement (WW250231) with the Florida Department of Environmental Protection (FDEP) through the State Revolving Fund. The initial approved amount of the grant agreement was \$5,768,851, of which \$3,750,000 will be forgiven. The grant was subsequently amended to \$6,360,385. The loan amount under the agreement was for \$2,018,861, which was amended to \$2,610,385. The total amount borrowed as of September 30, 2021 was \$2,481,076, at an initial interest rate of 0%. The principal borrowed is required to be paid over 40 semi-annual payments beginning November 15, 2021. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The grant agreement with the FDEP includes grant forgiveness in addition to the loan. The total amount outstanding at September 30, 2021 was \$2,481,076.

Total annual debt service requirements are estimated based on proceeds received as of September 30, 2021 as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 124,054	\$ -0-	\$ 124,054
2023	124,054	-0-	124,054
2024	124,054	-0-	124,054
2025	124,054	-0-	124,054
2026	124,054	-0-	124,054
2027 – 2031	620,270	-0-	620,270
2032 – 2036	620,270	-0-	620,270
2037 – 2041	<u>620,266</u>	<u>-0-</u>	<u>620,266</u>
	<u>\$ 2,481,076</u>	<u>\$ -0-</u>	<u>\$ 2,481,076</u>

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Notes Payable from Direct Borrowings – Business-type Activities – continued

During 2018, the City entered into a fifth loan and grant agreement (DW250250) with the Florida Department of Environmental Protection through the State Revolving Fund. The initial approved amount of the loan agreement was for \$383,473 which was amended to \$595,598. The total amount borrowed as of September 30, 2021 was \$567,807, at an initial interest rate of 0.46%. The City also included service fees of \$11,356 in the debt service requirement. The principal borrowed is required to be paid over 40 semi-annual payments beginning November 15, 2019. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The total amount outstanding at September 30, 2021 was \$519,455. Total annual debt service requirements are estimated based on proceeds received as of September 30, 2021 as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 27,443	\$ 2,659	\$ 30,102
2023	27,869	2,233	30,102
2024	27,997	2,105	30,102
2025	28,126	1,976	30,102
2026	28,256	1,846	30,102
2027 – 2031	143,244	7,266	150,510
2032 – 2036	146,577	3,933	150,510
2037 – 2040	<u>89,943</u>	<u>589</u>	<u>90,532</u>
	<u>\$ 519,455</u>	<u>\$ 22,607</u>	<u>\$ 542,062</u>

For all five loans with the Florida Department of Environmental Protection through the State Revolving Funds, an event of default may subject the City to certain finance-related consequences such as:

- The Florida Department of Environmental Protection establishing rates and collecting fees and charges for the use of the Water and Sewer system and applying the revenues to the reduction of the debt obligation.
- Interception of delinquent amounts plus a penalty from any unobligated funds due to the City under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution.
- Imposing a penalty in an amount not to exceed an interest rate of 18 percent on amounts due in addition to charging the cost to handle and process the debt.
- Accelerating the repayment schedule or increasing the financing rate to as much as 1.667 times.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Loans under the City’s State Revolving Funds describe events of default as failure to make required payments, failure of meeting covenants, representing to false or misleading statements in regards to the loan agreements, the City’s appointment of a legal receiver of any part of the water and sewer system or gross revenues thereof, or any agreement with other creditors affecting the gross revenues of the water or sewer system. The notes also require the use of a debt service fund, of which is included in restricted cash. Total annual debt service requirements for all outstanding business-type activities and enterprise fund debt obligations as of September 30, 2021 are as follows:

Year Ending September 30,	Bonds		Notes from Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 39,700	\$ 25,150	\$ 168,872	\$ 4,878	\$ 208,572	\$ 30,028
2023	40,400	23,225	169,445	4,304	209,845	27,529
2024	43,215	21,265	169,723	4,028	212,938	25,293
2025	30,000	19,155	170,001	3,749	200,001	22,904
2026	31,500	17,725	170,282	3,467	201,782	21,192
2027-2031	179,500	64,805	855,701	13,049	1,035,201	77,854
2032-2036	146,050	20,785	845,371	5,836	991,421	26,621
2037-2041	14,410	1,025	722,478	640	736,888	1,665
	<u>\$ 524,775</u>	<u>\$ 193,135</u>	<u>\$3,271,873</u>	<u>\$ 39,951</u>	<u>\$3,796,648</u>	<u>\$ 233,086</u>

**Changes in long-term liabilities**

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Direct borrowing note payable	\$ -0-	\$ 21,972	\$ (3,804)	\$ 18,168	\$ 4,079
<b>Business-type activities:</b>					
Line of credit	\$ -0-	\$ 300,000	\$ (87,711)	\$ 212,289	\$ 212,289
<b>Debt obligations:</b>					
Notes from direct borrowings,					
WW250202	\$ 112,663	\$ -0-	\$ (7,528)	\$ 105,135	\$ 7,636
WW250204	68,486	-0-	(3,753)	64,733	3,817
WW250230	107,369	-0-	(5,895)	101,474	5,922
WW250231	2,172,929	308,147	-0-	2,481,076	124,054
DW250250	554,329	-0-	(34,874)	519,455	27,443
Total notes payable from direct borrowings	3,015,776	308,147	(52,050)	3,271,873	168,872

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Changes in long-term liabilities – continued

Revenue bonds					
1984	53,915	-0-	(12,600)	41,315	13,200
1993	159,797	-0-	(9,000)	150,797	10,000
1995	236,753	-0-	(11,000)	225,753	12,000
1999	<u>111,410</u>	<u>-0-</u>	<u>(4,500)</u>	<u>106,910</u>	<u>4,500</u>
Total revenue bonds	<u>561,875</u>	<u>-0-</u>	<u>(37,100)</u>	<u>524,775</u>	<u>39,700</u>
Long-term liabilities –					
Business type activities	<u>\$3,577,651</u>	<u>\$608,147</u>	<u>\$ (176,861)</u>	<u>\$4,008,937</u>	<u>\$ 420,861</u>

In the Statement of Activities, interest expense of \$7,693 is included in Water and \$17,348 is included in Sewer.

**NOTE 3 – EMPLOYEE BENEFIT PLAN**

The City adopted a defined contribution retirement plan, effective January 1, 1992 for all full-time employees over 21 years of age and twelve months of service with at least 1,000 service hours during the eligibility period. The name of the Plan is the City of Bowling Green Retirement Plan and the plan is administered by the Variable Annuity Life Insurance Company (VALIC), which is also the Trustee. The City Commission may amend the plan by giving the trustee written notification of such Amendments as adopted.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City’s Commission. City contributions to the plan are not fixed or guaranteed. During the year ended September 30, 2021, for each employee in the pension plan, the City contributed 3 percent of total annual salary, including overtime pay, to an individual employee account. The plan requires employees hired after October 1, 2015 to contribute 3 percent of total annual salary and allows employees hired prior to October 1, 2015 to choose to contribute either 2 or 3 percent. In addition to the required contributions, employees are permitted to make contributions to the pension plan up to applicable Internal Revenue Code limits. For the year ended September 30, 2021, employee contributions totaled \$19,099 and City contributions totaled \$19,099.

Employees hired prior to October 1, 1997 become vested in the plan at 20% after two years of service with 100% vesting after six years of service for employees. For participants hired on or after October 1, 1997, vesting is 100% after ten years of service. Employees may also become 100% vested at retirement age (sixty-five) or in case of disability or death. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan’s administrative expenses. For the year ended September 30, 2021, the City did not apply any available forfeitures towards the City’s pension expense.

**CITY OF BOWLING GREEN, FLORIDA**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**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; and natural disasters for which the City carries commercial insurance. There has been no significant reduction in coverage from the prior year. The City has not experienced any settlements in excess of coverage over the past three years.

**NOTE 5 – CONSTRUCTION COMMITMENTS**

The City has various construction projects that commenced during the year ended September 30, 2021, but were not completed by the end of the fiscal year. Total construction commitments outstanding at September 30, 2021 are approximately \$183,000.

**NOTE 6 – CONTINGENCIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government or the state of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures (or expenses) that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is involved in litigation with various parties from time to time. The outcome of these matters cannot be determined at this time. The City is vigorously defending these cases. The City's insurance carrier has also assigned legal counsel and is expected in the event of an unfavorable outcome, that all claims will be assumed by the City's insurance carrier. As a result, no liability has been recorded in these financial statements. However, it is at least reasonably possible that additional liabilities could result in the near term.

Management of the City continues to evaluate the risks associated with the COVID-19 pandemic. Management of the City continues to implement risk mitigation as to the risk of impact, if any, of COVID-19 related to all aspects of the City's operations. However, the City cannot, at this time, make a determination on the ultimate impacts of the COVID-19 pandemic.

**NOTE 7 – SUBSEQUENT EVENTS**

The City entered into a grant agreement under the American Rescue Plan Act in 2021. Under the agreement, the City was awarded \$1,445,965 of which \$722,983 was received during the year and recognized as unearned revenue in the statement of net position for business-type entities and enterprise fund. The remaining funds under the grant agreement are expected to be received in the upcoming fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>				
Taxes	\$ 504,890	\$ 504,890	\$ 533,600	\$ 28,710
Fines and forfeitures	37,000	37,000	29,332	(7,668)
Intergovernmental revenue	460,026	460,026	559,629	99,603
Franchise fees	110,000	110,000	109,927	(73)
Licenses and permits	6,200	6,200	10,259	4,059
Grants	-	-	278,474	278,474
Interest	5,000	5,000	2,379	(2,621)
Miscellaneous	87,600	87,600	128,950	41,350
<b>Total Revenues</b>	<b>1,210,716</b>	<b>1,210,716</b>	<b>1,652,550</b>	<b>441,834</b>
<b>EXPENDITURES</b>				
General government	301,611	301,611	304,820	(3,209)
Public safety	584,393	584,393	605,830	(21,437)
Culture and recreation	18,650	18,650	88,440	(69,790)
Physical environment	306,062	306,062	446,332	(140,270)
Debt service	-	-	5,467	(5,467)
<b>Total Expenditures</b>	<b>1,210,716</b>	<b>1,210,716</b>	<b>1,450,889</b>	<b>(240,173)</b>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-	-	201,661	201,661
Other Financing Sources (Uses) Equipment financing	-	-	21,972	21,972
Net Change in Fund Balances	-	-	223,633	223,633
Fund Balance – Beginning	1,063,719	1,063,719	1,063,719	-
Fund Balance – Ending	<b>\$ 1,063,719</b>	<b>\$ 1,063,719</b>	<b>\$ 1,287,352</b>	<b>\$ 223,633</b>

**Note 1 – Budget Basis**

The general fund budget is presented on a basis consistent with U.S. generally accepted accounting principles.

**Note 2 – Excess of Expenditures over Appropriations**

During the year, the City exceeded budgeted expenditures of \$3,209 in general government for personnel and administrative costs; \$21,437 in public safety for personnel and new equipment; \$69,790 in culture and recreation for new equipment; and \$140,270 in physical environment for new equipment. Additionally, the City did not budget for debt service cost. The excess was funded through unanticipated revenues and through reserves.

**OTHER SUPPLEMENTAL INFORMATION**

CITY OF BOWLING GREEN, FLORIDA  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>				
Taxes	\$ 68,136	\$ 68,136	\$ 68,160	\$ 24
Interest	-	-	44	44
<b>Total Revenues</b>	<b>68,136</b>	<b>68,136</b>	<b>68,204</b>	<b>68</b>
<b>EXPENDITURES</b>				
Culture and recreation	68,136	68,136	62,696	5,440
<b>Total Expenditures</b>	<b>68,136</b>	<b>68,136</b>	<b>62,696</b>	<b>5,440</b>
Net Change in Fund Balances	-	-	5,508	5,508
Fund Balance – Beginning	96,997	96,997	96,997	-
Fund Balance – Ending	<b>\$ 96,997</b>	<b>\$ 96,997</b>	<b>\$ 102,505</b>	<b>\$ 5,508</b>

**Note 1 – Budget Basis**

The special revenue fund budget is presented on a basis consistent with U.S. generally accepted accounting principles.

**CITY OF BOWLING GREEN, FLORIDA**  
**GENERAL FUND**  
**DETAIL SCHEDULE OF REVENUE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2021**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Ad Valorem taxes	\$ 270,268	\$ 270,325	\$ 57
Fuel taxes	10,000	10,259	259
Utility taxes	156,300	180,673	24,373
Gas taxes	37,439	39,414	1,975
Communications service tax	30,883	32,929	2,046
Franchise fees	110,000	109,927	(73)
Occupational licenses	5,000	9,199	4,199
State revenue sharing	145,602	210,971	65,369
Mobile home license	1,000	906	(94)
State beverage license	200	154	(46)
1/2 Cent sales tax	103,224	105,021	1,797
1 Cent surtax	209,000	241,125	32,125
State gas tax rebate	2,200	2,512	312
Grants	-	278,474	278,474
Fines and forfeitures	37,000	29,332	(7,668)
Interest income	5,000	2,379	(2,621)
Rents	60,600	64,075	3,475
Miscellaneous revenue	14,000	23,209	9,209
Cemetery income	5,000	24,100	19,100
D.O.T. highway lighting	8,000	17,566	9,566
<b>Total Revenues</b>	<b><u>\$ 1,210,716</u></b>	<b><u>\$ 1,652,550</u></b>	<b><u>\$ 441,834</u></b>

**CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Legislative &amp; Executive</b>			
Salaries	\$ 15,600	\$ 15,100	\$ 500
<b>Total Legislative &amp; Executive</b>	<b><u>15,600</u></b>	<b><u>15,100</u></b>	<b><u>500</u></b>
<b>Administrative</b>			
Administrative salaries	149,098	149,151	(53)
Payroll tax	12,982	12,105	877
Employee insurance	26,993	22,611	4,382
Retirement contributions	4,575	3,453	1,122
Workers compensation	3,225	6,756	(3,531)
Uniforms	-	712	(712)
Operating supplies	750	1,363	(613)
Professional fees	15,350	22,675	(7,325)
Telephone	3,300	5,423	(2,123)
Utilities	5,500	3,987	1,513
Other insurance	8,438	8,647	(209)
Repairs and maintenance	4,000	6,394	(2,394)
Building improvements	10,000	12,420	(2,420)
Miscellaneous expense	9,000	9,036	(36)
Office supplies	3,000	2,185	815
Gas and oil	2,000	2,722	(722)
Comprehensive plan	6,000	6,000	-
Lease/rent	2,000	1,545	455
Dues and subscriptions	6,000	3,536	2,464
Advertising	4,000	7,115	(3,115)
Training	6,000	150	5,850
New equipment	3,000	1,109	1,891
Shipping and postage	800	625	175
<b>Total Administrative</b>	<b><u>286,011</u></b>	<b><u>289,720</u></b>	<b><u>(3,709)</u></b>
<b>Law Enforcement</b>			
Salaries	383,979	391,143	(7,164)
Payroll taxes	29,248	27,978	1,270
Employee insurance	62,983	63,613	(630)
Retirement contributions	11,446	9,955	1,491
Workers compensation	21,234	17,632	3,602
Uniforms	3,800	3,495	305
Telephone	6,000	8,433	(2,433)
Utilities	1,600	1,620	(20)
Insurance	8,603	8,647	(44)
Repairs and maintenance	14,000	13,443	557
Miscellaneous expense	3,200	2,870	330
Office supplies	2,500	1,908	592
Contract Labor	2,000	404	1,596
Investigation funds	500	-	500
Gas and oil	17,000	21,649	(4,649)
Operating supplies	3,500	2,328	1,172
Shipping and postage	300	183	117
New equipment	7,500	27,663	(20,163)
Training	5,000	2,866	2,134
<b>Total Law Enforcement</b>	<b><u>584,393</u></b>	<b><u>605,830</u></b>	<b><u>(21,437)</u></b>

CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Recreation</b>			
Contribution to recreation center	\$ 8,000	\$ 8,000	\$ -
Utilities	-	3,865	(3,865)
Repairs and maintenance	5,200	3,859	1,341
Miscellaneous expense	4,700	5,063	(363)
New equipment	500	67,499	(66,999)
Operating supplies	250	154	96
<b>Total Recreation</b>	<u>18,650</u>	<u>88,440</u>	<u>(69,790)</u>
<b>Physical Environment</b>			
P/E salaries	94,802	88,989	5,813
FICA tax	7,562	5,835	1,727
Employee insurance	26,993	24,872	2,121
Retirement contributions	3,156	1,298	1,858
Workers compensation	4,934	5,024	(90)
Uniforms	1,800	800	1,000
Other insurance	8,615	8,647	(32)
Repairs & maintenance	15,000	17,485	(2,485)
Miscellaneous expense	31,000	2,097	28,903
Gas & oil	12,000	8,351	3,649
Operating supplies	6,000	2,836	3,164
Dog pound	9,500	7,480	2,020
New equipment	13,000	7,601	5,399
Streets & roads	14,000	218,292	(204,292)
Utilities	57,200	46,371	10,829
Office supplies	500	354	146
<b>Total Physical Environment</b>	<u>306,062</u>	<u>446,332</u>	<u>(140,270)</u>
Debt service	-	5,467	(5,467)
<b>Total Expenditures</b>	<u>\$ 1,210,716</u>	<u>\$ 1,450,889</u>	<u>\$ (240,173)</u>

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL  
NON-GAAP BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2021

	Final Budget	Actual	Variance
<b>Operating Revenues</b>			
Water charges	\$ 492,744	\$ 446,749	\$ (45,995)
Sewer charges	503,000	508,448	5,448
Sanitation charges	350,000	321,236	(28,764)
Penalties, late fees and miscellaneous	32,600	19,400	(13,200)
<b>Total Operating Revenues</b>	<b>1,378,344</b>	<b>1,295,833</b>	<b>(82,511)</b>
<b>Operating Expenses</b>			
Water Department	529,444	490,499	38,945
Sewer Department	477,388	384,493	92,895
Sanitation Department	219,977	252,468	(32,491)
<b>Total Operating Expenses</b>	<b>1,226,809</b>	<b>1,127,460</b>	<b>99,349</b>
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	5,500	637	(4,863)
Other non-operating expense	-	(727)	(727)
Principal and interest expense	(133,207)	(114,191)	19,016
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(127,707)</b>	<b>(114,281)</b>	<b>13,426</b>
<b>Capital Contributions</b>			
Grant revenue	-	967,821	967,821
Grant expense	(23,828)	(967,821)	(943,993)
<b>Total Capital Contributions</b>	<b>(23,828)</b>	<b>-</b>	<b>23,828</b>
<b>Change in Net Position</b>	<b>\$ -</b>	<b>\$ 54,092</b>	<b>\$ 54,092</b>
<b>Adjustments to GAAP Basis</b>			
Non-Budgeted depreciation and amortization		(569,166)	
Non-GAAP basis principal payments		89,150	
Grant revenues recognized as long-term debt		(308,147)	
Grant expenses recognized as capital asset additions		967,821	
<b>GAAP Change in Net Position</b>		<b>\$ 233,750</b>	

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES  
BUDGET AND ACTUAL  
NON-GAAP BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Water Department</b>			
Salaries	\$ 98,996	71,168	\$ 27,828
Payroll tax	7,573	5,272	2,301
Employee insurance	26,993	16,643	10,350
Retirement	2,969	2,724	245
Workers compensation	3,225	5,024	(1,799)
Contract operators	223,735	246,330	(22,595)
Professional fees	48,350	23,707	24,643
Telephone	2,200	1,584	616
Utilities	-	34,452	(34,452)
Liability insurance	8,615	8,647	(32)
Repairs and maintenance	40,000	35,983	4,017
Lease/rent	500	-	500
Miscellaneous	14,500	16,097	(1,597)
Uniforms	-	704	(704)
Postage	1,000	1,389	(389)
Office supplies	750	107	643
Gas and oil	-	3,427	(3,427)
Dues and subscriptions	-	800	(800)
Materials and supplies	14,038	7,008	7,030
Meter expense	10,000	9,233	767
Equipment	26,000	200	25,800
<b>Total Water Department</b>	<b><u>\$ 529,444</u></b>	<b><u>\$ 490,499</u></b>	<b><u>\$ 38,945</u></b>
<b>Sewer Department</b>			
Contract operators	\$ 320,058	\$ 275,830	\$ 44,228
Professional fees	45,350	49,820	(4,470)
Telephone	2,500	2,810	(310)
Permitting	4,038	-	4,038
Utilities	-	37,745	(37,745)
Liability insurance	7,692	8,647	(955)
Repairs and maintenance	60,500	4,877	55,623
Miscellaneous	35,500	974	34,526
Postage	1,000	1,389	(389)
Office supplies/ expense	750	3	747
Gas and oil	-	909	(909)
Materials and supplies	-	1,489	(1,489)
<b>Total Sewer Department</b>	<b><u>\$ 477,388</u></b>	<b><u>\$ 384,493</u></b>	<b><u>\$ 92,895</u></b>



**CITY OF BOWLING GREEN, FLORIDA**  
**ENTERPRISE FUND**  
**DETAIL SCHEDULE OF EXPENSES**  
**BUDGET AND ACTUAL**  
**NON-GAAP BUDGETARY BASIS**  
**YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Sanitation Department</b>			
Salaries	\$ 56,320	\$ 79,804	\$ (23,484)
Payroll tax	4,203	5,928	(1,725)
Employee insurance	17,995	24,057	(6,062)
Retirement	1,617	1,669	(52)
Workers compensation	3,150	6,756	(3,606)
Professional fees	15,350	22,525	(7,175)
Telephone	850	706	144
Liability insurance	8,769	8,647	122
Repairs and maintenance	12,500	10,210	2,290
Landfill	84,000	83,481	519
Miscellaneous	1,500	841	659
Uniforms	600	823	(223)
Gas and oil	7,000	5,085	1,915
Materials and supplies	3,000	1,746	1,254
Equipment	3,123	190	2,933
<b>Total Sanitation Department</b>	<b><u>\$ 219,977</u></b>	<b><u>\$ 252,468</u></b>	<b><u>\$ (32,491)</u></b>

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES BY DEPARTMENT  
NON-GAAP BUDGET BASIS  
YEAR ENDED SEPTEMBER 30, 2021

	WATER	SEWER	TOTAL WATER & SEWER	SANITATION	TOTAL
Salaries	\$ 71,168	\$ -	\$ 71,168	\$ 79,804	\$ 150,972
Payroll tax	5,272	-	5,272	5,928	11,200
Employee insurance	16,643	-	16,643	24,057	40,700
Retirement	2,724	-	2,724	1,669	4,393
Workers compensation	5,024	-	5,024	6,756	11,780
Contract operators	246,330	275,830	522,160	-	522,160
Professional fees	23,707	49,820	73,527	22,525	96,052
Telephone	1,584	2,810	4,394	706	5,100
Utilities	34,452	37,745	72,197	-	72,197
Liability insurance	8,647	8,647	17,294	8,647	25,941
Repairs and maintenance	35,983	4,877	40,860	10,210	51,070
Landfill	-	-	-	83,481	83,481
Miscellaneous	16,097	974	17,071	841	17,912
Uniforms	704	-	704	823	1,527
Postage	1,389	1,389	2,778	-	2,778
Office supplies	107	3	110	-	110
Gas and oil	3,427	909	4,336	5,085	9,421
Dues and subscriptions	800	-	800	-	800
Materials and supplies	7,008	1,489	8,497	1,746	10,243
Meter expense	9,233	-	9,233	-	9,233
Equipment	200	-	200	190	390
	<b><u>\$ 490,499</u></b>	<b><u>\$ 384,493</u></b>	<b><u>\$ 874,992</u></b>	<b><u>\$ 252,468</u></b>	<b><u>\$ 1,127,460</u></b>

## OTHER REPORTS

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*

MANAGEMENT LETTER

SCHEDULE OF FINDINGS

MANAGEMENT'S RESPONSE TO AUDIT FINDINGS

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

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*

To the Honorable Mayor and City Commission  
City of Bowling Green, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Florida, (City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 20, 2022.

Internal Control over Financial Reporting

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

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

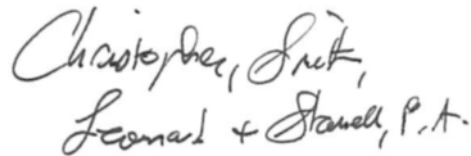
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Christopher Smith, Leonard & Stanell, P.A.

**CHRISTOPHER, SMITH,  
LEONARD & STANELL, P.A.**

January 20, 2022  
Bradenton, Florida



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## MANAGEMENT LETTER

To the Honorable Mayor and City Commission  
City of Bowling Green, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Bowling Green, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 20, 2022.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our 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*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 20, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

### Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Bowling Green, Florida met one or more of the conditions described in Section 218.503(1), Florida

Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Bowling Green, Florida was not in a state of financial emergency, as it did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Bowling Green, Florida. It is management's responsibility to monitor the City of Bowling Green, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Specific Information for a Dependent Special District**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year was 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project was \$0, as there were no such projects.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance is presented on page 37 of the City of Bowling Green, Florida's September 30, 2021 financial statements.

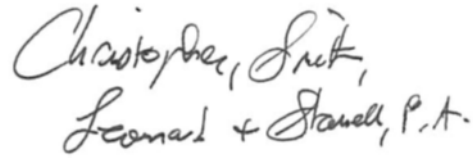
### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations, other than Findings 2021-01 and 2021-02 in the Schedule of Findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Christopher, Smith, Leonard & Stanell, P.A." The signature is written in a cursive, flowing style.

**CHRISTOPHER, SMITH,  
LEONARD & STANELL, P.A.**

January 20, 2022  
Bradenton, Florida



**CITY OF BOWLING GREEN, FLORIDA  
SCHEDULE OF FINDINGS**

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**2021-01    Year End Adjustments**

**Criteria:** Internal controls over financial reporting should ensure that financial statements properly present the net position, fund equity and activities of the City in accordance with accounting principles generally accepted in the United States of America. This would include ensuring that all transactions are properly reflected in the financial statements subjected to auditing.

**Condition:** In conjunction with our audit, various audit adjustments were required in order to properly present the financial statements in accordance with generally accepted accounting principles.

**Content/Cause:** Audit procedures identified various adjustments that were required to be reflected in the City's financial statements. This included adjustments to correct fund balance/net position; record grant receivables, revenues and expenses; long-term debt and related service costs; and record year end accruals.

**Effect:** The City did not present financial statements in accordance with generally accepted accounting principles prior to the proposed adjustments.

**Recommendation:** We recommend that the City establish internal controls over financial reporting to ensure that all material accounts are reconciled and adjusted prior to the audit in accordance with accounting principles generally accepted in the United States of America.

**2021-02    Budgetary Controls**

**Criteria:** In accordance with Florida Statutes, the City shall annually adopt and maintain an operating budget. This budget should be a balanced budget whereby there are adequate resources to fund all budgeted appropriations. In addition, expenditures should not exceed appropriations as authorized by Board.

**Condition:** Our audit procedures disclosed that the adopted budget did not provide adequate resources to fund all expenditures. As reported in the General Fund's Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, actual expenditures exceeded final budgeted expenditures in the amount of \$240,173. The excess was funded through revenues in excess of budget and fund balance reserves.

**Content/Cause:** The final budget was not amended to consider additional expenditures incurred during the year in excess of budgeted amounts.

**Effect:** The General Fund reported expenditures which exceeded the budget in the amount of \$240,173.

**Recommendation:** The fundamental purpose of budgetary control is to develop a financial plan and then maintain operations according to the plan. We recommend that the City amend the budget throughout the year and subsequent to year end, to ensure that expenditures do not exceed appropriations as the budget serves as the City Commission's authorization to incur costs.

**CITY OFFICIALS**  
Adam Thompson, City Manager  
Maria Carmen Silva, City Clerk  
John Scheel, Police Chief  
Gerald Buhr, City Attorney



**COMMISSIONERS**  
Duane Gardner, Mayor  
Sam Fite, Vice Mayor  
David Durastanti  
Cliff Lunn  
N'Kosi Jones

P.O. Box 608, 104 E. Main Street  
Bowling Green, FL 33834-0608  
(863) 375-2255 / (863) 375-3362 Fax

February 7, 2022

State of Florida  
Office of the Auditor General  
P.O. BOX 1735  
Tallahassee, FL. 32302-1735

To Whom it May Concern:

The City of Bowling Green received its annual audit for the 2020/2021 and has the following response:

Management Letter:

2021-01

Year End Adjustments

The city was in a transition period in 2021, the City Manager resigned, and an interim manager was hired. The Interim manager was not familiar with governmental grant operations or familiar with generally accepted accounting principles (GAAP) therefore before the fiscal year ended the finance department had to make several adjustments to account for grant expenditures and revenues that wasn't properly budgeted for. Since the beginning of the new fiscal year (October 2021) a new City Manager has been appointed and new controls put into place that include monthly finance meetings, finance training by finance staff, and grant training to ensure proper controls are met. The city will continue with training to make sure all finance staff understand and follow proper GAAP procedures.

2021-02

Budgetary Controls

The city understands the importance of a balanced budget and has implemented quarterly amendment meetings to ensure the city is staying within budget parameters and ensuring that we are accounting for any changes in both expenditures and revenue throughout the fiscal year. We understand that budgets can and will change throughout the year and that budget amendments might be needed to make sure the city has a balanced budget at the end of every fiscal year.

Please feel free to contact our office with any additional questions or concerns that you may have.

Thanks,



Adam Thompson  
City Manager

INDEPENDENT ACCOUNTANT'S REPORT  
ON INVESTMENT COMPLIANCE

To the Honorable Mayor and City Commission  
City of Bowling Green, Florida

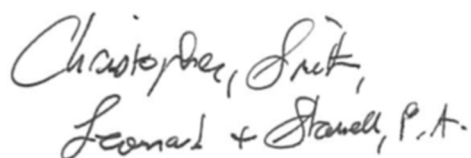
We have examined the City of Bowling Green, Florida's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied in all material respects, with the specified requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the City of Bowling Green, Florida and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Christopher, Smith, Leonard & Stanell, P.A.'.

CHRISTOPHER, SMITH,  
LEONARD & STANELL, P.A.

January 20, 2022  
Bradenton, Florida