

**CITY OF BOWLING GREEN, FLORIDA**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2022**

**CITY OF BOWLING GREEN, FLORIDA  
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, 2022**

**CITY COMMISSION**

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

**CITY OFFICIALS**

**PAMELA DURRANCE, CITY MANAGER  
KATHERIN KINZEL, CITY CLERK  
JOHN SCHEEL, POLICE CHIEF  
GERALD BUHR, CITY ATTORNEY**

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**INDEPENDENT AUDITOR'S REPORT**

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

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

***Opinions***

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

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

***Basis for Opinions***

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

***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

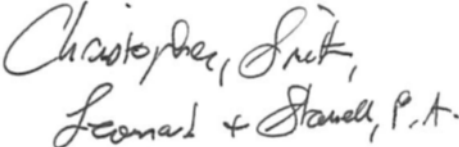
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 13, 2023 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.



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

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

January 13, 2023  
Bradenton, Florida

**CITY OFFICIALS**  
Pamela Durrance, City Manager  
Katherin Kinzel, City Clerk  
John Scheel, Police Chief  
Gerald Buhr, City Attorney



**COMMISSIONERS**  
N’Kosi Jones, Mayor  
Sam Fite, Vice Mayor  
David Durastanti  
Cliff Lunn  
Francisco Arreola

P.O. Box 608, 104 E. Main Street  
Bowling Green, FL 33834-0608  
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## 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, 2022. 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 deferred inflows of resources and liabilities at the close of the most recent fiscal year by \$15,101,487 (net position). Of this amount, \$2,339,270 (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 \$500,720.
- As of the close of the current fiscal year, the City’s general fund reported ending fund balance of \$1,422,352, an increase of \$135,000. Of this total amount, \$1,422,225 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 deferred inflows of resources 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 10 and 11 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 City of Bowling Green 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 12 through 15 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 16 through 18 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 19 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 40 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 deferred inflows and liabilities by \$15,101,487 at the close of the most recent fiscal year. The following table presents a condensed statement of net position as of September 30, 2022 with comparative totals as of September 30, 2021:

### NET POSITION AT SEPTEMBER 30, 2022 AND 2021

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 2,564,284	\$ 1,550,520	\$ 2,267,071	\$ 2,443,086	\$ 4,831,355	\$ 3,993,606
Capital assets	1,644,300	1,538,318	14,194,878	14,402,523	15,839,178	15,940,841
<b>Total assets</b>	<b><u>4,208,584</u></b>	<b><u>3,088,838</u></b>	<b><u>16,461,949</u></b>	<b><u>16,845,609</u></b>	<b><u>20,670,533</u></b>	<b><u>19,934,447</u></b>
Long-term liabilities						
outstanding	14,089	18,168	3,465,318	4,008,937	3,479,407	4,027,105
Other liabilities	161,577	110,663	1,199,302	1,195,912	1,360,879	1,306,575
<b>Total liabilities</b>	<b><u>175,666</u></b>	<b><u>128,831</u></b>	<b><u>4,664,620</u></b>	<b><u>5,204,849</u></b>	<b><u>4,840,286</u></b>	<b><u>5,333,680</u></b>
Deferred inflows	728,760	-0-	-0-	-0-	728,760	-0-
Net position:						
Net investment in capital						
assets	1,630,211	1,520,150	10,729,560	10,393,586	12,359,771	11,913,736
Restricted	135,550	149,714	266,896	222,512	402,446	372,226
Unrestricted	1,538,397	1,290,143	800,873	1,024,662	2,339,270	2,314,805
<b>Total net position</b>	<b><u>\$ 3,304,158</u></b>	<b><u>\$ 2,960,007</u></b>	<b><u>\$11,797,329</u></b>	<b><u>\$11,640,760</u></b>	<b><u>\$15,101,487</u></b>	<b><u>\$14,600,767</u></b>

The majority of the City's net position, \$12,359,771, (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, \$402,446, 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 \$2,339,270 may be used to meet the City's ongoing obligations to citizens and creditors.

The following table on page 7 presents a condensed statement of activities, which details the changes in net position for the year ended September 30, 2022 with comparative totals for the year ended September 30, 2021.

**Changes in Net Position**  
**For the Years Ended September 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	\$ 125,961	\$ 144,272	\$ 1,465,989	\$ 1,276,433	\$ 1,591,950	\$ 1,420,705
Operating grants and contributions	-0-	-0-	13,794	-0-	13,794	-0-
Capital grants and contributions	120,551	308,474	599,521	659,674	720,072	968,148
General revenues:						
Property taxes	375,121	338,485	-0-	-0-	375,121	338,485
Other taxes	901,711	822,904	-0-	-0-	901,711	822,904
Transfers	97,307	-0-	(97,307)	-0-	-0-	-0-
Other	198,476	136,619	46,732	19,310	245,208	155,929
<b>Total Revenues</b>	<u>1,819,127</u>	<u>1,750,754</u>	<u>2,028,729</u>	<u>1,955,417</u>	<u>3,847,856</u>	<u>3,706,171</u>
Expenses:						
General government	379,250	299,979	-0-	-0-	379,250	299,979
Public safety	684,759	630,878	-0-	-0-	684,759	630,878
Culture and recreation	162,919	30,605	-0-	-0-	162,919	30,605
Physical environment	246,737	278,270	-0-	-0-	246,737	278,270
Interest on long-term debt	1,311	1,663	28,760	25,041	30,071	26,704
Water	-0-	-0-	569,070	590,796	569,070	590,796
Sewer	-0-	-0-	920,009	853,363	920,009	853,363
Sanitation	-0-	-0-	354,321	252,467	354,321	252,467
<b>Total Expenses</b>	<u>1,474,976</u>	<u>1,241,395</u>	<u>1,872,160</u>	<u>1,721,667</u>	<u>3,347,136</u>	<u>2,963,062</u>
<b>Change in Net Position</b>	344,151	509,359	156,569	233,750	500,720	743,109
Net position, Beginning of Year	<u>2,960,007</u>	<u>2,450,648</u>	<u>11,640,760</u>	<u>11,407,010</u>	<u>14,600,767</u>	<u>13,857,658</u>
Net position, End of Year	<u><b>\$ 3,304,158</b></u>	<u><b>\$ 2,960,007</b></u>	<u><b>\$11,797,329</b></u>	<u><b>\$11,640,760</b></u>	<u><b>\$15,101,487</b></u>	<u><b>\$14,600,767</b></u>

**Governmental activities:** Governmental activities increased the City's net position by \$344,151. Revenues increased over the prior year by \$68,373. The increase was largely due to transfers received from the Enterprise Fund. Expenses increased by \$233,581 due largely to repairs, maintenance, and purchases of items under the City's capitalization threshold.

**Business-type activities.** Business-type activities increased the City's net position by \$156,569. Key elements of the difference between the current year and prior year are:

- Charges for services increased by \$189,556 due to increased rates effective during 2022.
- The Enterprise Fund transferred \$97,307 to the General Fund during the year.
- The City received \$1,445,966 from the American Rescue Plan Act in fiscal years 2021 and 2022. During the year ended September 30, 2022, the City utilized \$483,743 of this grant funding. Since the remaining amount of \$962,223 was not expensed by the City, the amount was recognized as unearned revenue in the statement of net position as of September 30, 2022.
- Expenses (including interest) increased \$150,493 over the prior year due largely to the purchase of garbage cans and additional sludge hauling required during the fiscal year.

## **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 \$1,422,352, an increase of \$135,000. \$1,422,225 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.

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

- Total general fund revenues decreased over prior year by \$75,139. The decrease was primarily due to grant revenues of \$206,618, offset by taxes and intergovernmental revenues.
- The general fund expenditures were consistent with the prior year, increasing by \$27,133.

The CRA fund – a special revenue fund had \$135,423 of ending fund balance all of which was restricted. The CRA fund balance increased by \$32,918 in the current year, as current year tax revenues were used for park projects.

**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 increased over the prior year by \$200,315, largely due to rate increases implemented during 2022.
- Operating expenses increased \$146,744 which was largely due to purchases of garbage cans and increased sludge hauling.

## **General Fund Budgetary Highlights**

The City's General Fund budget was amended during the year. Original budgeted revenues and expenditures were \$1,793,269 and were amended to \$1,940,527, to reflect grants and related project expenditures. Actual revenues were less than budgeted revenues by \$363,116. Actual expenditures were similarly less than budget by \$400,809.

## **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, 2022, amounts to \$15,839,178 (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, 2022 with comparative totals at September 30, 2021:

**Capital Assets (Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 510,393	\$ 510,393	\$ 31,894	\$ 31,894	\$ 542,287	\$ 542,287
Construction in progress	161,442	62,300	2,350	3,864,115	163,792	3,926,415
Infrastructure	693,621	728,086	-0-	-0-	693,621	728,086
Building and improvements	195,650	156,944	13,718,633	10,357,422	13,914,283	10,514,366
Machinery and equipment	83,194	80,595	442,001	149,092	525,195	229,687
	<u>\$ 1,644,300</u>	<u>\$ 1,538,318</u>	<u>\$14,194,878</u>	<u>\$14,402,523</u>	<u>\$ 15,839,178</u>	<u>\$15,940,841</u>

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 \$3,479,407. The City’s debt represents bonds secured solely by specified utility revenue sources of \$485,075, as well as \$2,980,243 of debt through the State Revolving Fund Programs related to water and sewer construction projects. The City does have \$14,089 of notes payable for police equipment.

**Revenue Bonds and Note Payable**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Line of credit	\$ -0-	\$ -0-	\$ -0-	\$ 212,289	\$ -0-	\$ 212,289
Revenue bonds	-0-	-0-	485,075	524,775	485,075	524,775
Notes payable	14,089	18,168	2,980,243	3,271,873	2,994,332	3,290,041
	<u>\$ 14,089</u>	<u>\$ 18,168</u>	<u>\$ 3,465,318</u>	<u>\$ 4,008,937</u>	<u>\$ 3,479,407</u>	<u>\$ 4,027,105</u>

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 \$2,387,659 for revenues and expenditures and the CRA budget included \$101,671 for revenues and expenditures. The City’s fiscal year 2022 enterprise fund budget includes \$17,451,400 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, 2022**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 957,100	\$ 1,779,386	\$ 2,736,486
Certificates of deposit	516,362	-	516,362
Receivables (net of allowance for uncollectibles)	34,302	116,511	150,813
Grants receivable	124,942	-	124,942
Due from other governmental units	31,271	-	31,271
Internal balances	13,388	(13,388)	
Inventory	-	4,780	4,780
Restricted:			
Cash	140,682	280,293	420,975
Certificates of deposit	-	99,489	99,489
Lease interest receivable	1,861	-	1,861
Lease receivable	744,376	-	744,376
Capital Assets (net of accumulated depreciation):			
Land	510,393	31,894	542,287
Construction in progress	161,442	2,350	163,792
Buildings and improvements	195,650	13,718,633	13,914,283
Infrastructure	693,621	-	693,621
Machinery and equipment	83,194	442,001	525,195
<b>TOTAL ASSETS</b>	<u>4,208,584</u>	<u>16,461,949</u>	<u>20,670,533</u>
<b>LIABILITIES</b>			
Accounts payable	138,735	115,506	254,241
Accrued expenses	22,842	5,693	28,535
Accrued interest payable	-	2,994	2,994
Unearned revenue	-	962,223	962,223
Liabilities payable from restricted assets	-	112,886	112,886
Noncurrent liabilities:			
Due within one year	4,373	192,333	196,706
Due in more than one year	9,716	3,272,985	3,282,701
<b>TOTAL LIABILITIES</b>	<u>175,666</u>	<u>4,664,620</u>	<u>4,840,286</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease-related inflows of resources	728,760	-	728,760
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>728,760</u>	<u>-</u>	<u>728,760</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,630,211	10,729,560	12,359,771
Restricted			
Revenue bond retirement	-	140,117	140,117
Other purposes	135,550	126,779	262,329
Unrestricted	1,538,397	800,873	2,339,270
<b>TOTAL NET POSITION</b>	<u>\$ 3,304,158</u>	<u>\$ 11,797,329</u>	<u>\$ 15,101,487</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, 2022**

	<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	\$ 379,250	\$ 75,789	\$ -	\$ -	\$ (303,461)	\$ -	\$ (303,461)
Police department	684,759	31,557	-	-	(653,202)	-	(653,202)
Culture and recreation	162,919	-	-	120,551	(42,368)	-	(42,368)
Physical environment	246,737	18,615	-	-	(228,122)	-	(228,122)
Interest	1,311	-	-	-	(1,311)	-	(1,311)
Total Governmental Activities	<u>1,474,976</u>	<u>125,961</u>	<u>-</u>	<u>120,551</u>	<u>(1,228,464)</u>	<u>-</u>	<u>(1,228,464)</u>
Water	581,900	501,657	6,897	103,105	-	29,759	29,759
Sewer	935,939	605,527	6,897	104,678	-	(218,837)	(218,837)
Sanitation	354,321	358,805	-	391,738	-	396,222	396,222
Total Business-type Activities	<u>1,872,160</u>	<u>1,465,989</u>	<u>13,794</u>	<u>599,521</u>	<u>-</u>	<u>207,144</u>	<u>207,144</u>
	<b><u>\$ 3,347,136</u></b>	<b><u>\$ 1,591,950</u></b>	<b><u>\$ 13,794</u></b>	<b><u>\$ 720,072</u></b>	<b><u>(1,228,464)</u></b>	<b><u>207,144</u></b>	<b><u>(1,021,320)</u></b>
<b>General Revenues:</b>							
Ad valorem					375,121	-	375,121
Utility tax					199,632	-	199,632
Communications service					33,881	-	33,881
Gas taxes and rebates					43,152	-	43,152
State revenue sharing					244,104	-	244,104
Half-cent sales tax					115,458	-	115,458
One-cent surtax					265,484	-	265,484
Unrestricted investment earnings					1,873	1,362	3,235
Franchise fees					117,498	-	117,498
Other					79,105	45,370	124,475
Total General Revenues					<u>1,475,308</u>	<u>46,732</u>	<u>1,522,040</u>
Transfers					97,307	(97,307)	-
Total General Revenues and Transfers					<u>1,572,615</u>	<u>(50,575)</u>	<u>1,522,040</u>
Change in Net Position					344,151	156,569	500,720
Net Position - Beginning					2,960,007	11,640,760	14,600,767
Net Position - Ending					<b><u>\$ 3,304,158</u></b>	<b><u>\$ 11,797,329</u></b>	<b><u>\$ 15,101,487</u></b>

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

**CITY OF BOWLING GREEN, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 957,100	\$ -	\$ 957,100
Certificates of deposit	516,362	-	516,362
Receivables (net of allowance for uncollectible)	34,302	-	34,302
Grants receivable	124,942	-	124,942
Due from other governmental units	31,271	-	31,271
Due from other funds	13,388	-	13,388
Cash - restricted	127	140,555	140,682
<b>Total assets</b>	<b><u>\$ 1,677,492</u></b>	<b><u>\$ 140,555</u></b>	<b><u>\$ 1,818,047</u></b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 133,603	\$ 5,132	\$ 138,735
Accrued expenses	22,842	-	22,842
<b>Total liabilities</b>	<b><u>156,445</u></b>	<b><u>5,132</u></b>	<b><u>161,577</u></b>
Deferred inflows of resources:			
Unavailable revenue	98,695	-	98,695
Fund balances:			
Spendable:			
Restricted	127	135,423	135,550
Unassigned	1,422,225	-	1,422,225
<b>Total fund balances</b>	<b><u>1,422,352</u></b>	<b><u>135,423</u></b>	<b><u>1,557,775</u></b>
<b>Total liabilities, deferred inflows of     resources and fund balances</b>	<b><u>\$ 1,677,492</u></b>	<b><u>\$ 140,555</u></b>	<b><u>\$ 1,818,047</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, 2022**

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

Fund Balance–Governmental funds	\$ 1,557,775
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Lease interest receivable	1,861
Lease receivable	744,376
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,644,300
Deferred inflows of resources are not available current financial resources and, therefore, are not reported as revenue in the funds.	
Unavailable revenue	98,695
Deferred inflows of resources related to the lease liability do not utilize current financial resources and, therefore, are not reported in the funds.	(728,760)
Long–term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Direct borrowing note payable	(14,089)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 3,304,158</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, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 573,585	\$ 78,201	\$ 651,786
Fines and forfeitures	31,557	-	31,557
Intergovernmental revenue	625,046	-	625,046
Franchise fees	117,498	-	117,498
Licenses and permits	10,201	-	10,201
Grants	71,856	-	71,856
Interest	1,837	36	1,873
Miscellaneous	145,831	-	145,831
Total Revenues	<u>1,577,411</u>	<u>78,237</u>	<u>1,655,648</u>
<b>Expenditures:</b>			
General government	368,452	-	368,452
Public safety	640,498	-	640,498
Culture and recreation	48,467	43,398	91,865
Physical environment	187,661	-	187,661
Capital outlay	289,250	1,921	291,171
Debt service - principal	4,079	-	4,079
Debt service - interest	1,311	-	1,311
Total Expenditures	<u>1,539,718</u>	<u>45,319</u>	<u>1,585,037</u>
<b>Excess of Revenues Over (Under)     Expenditures Before Other     Financing Sources (Uses)</b>	37,693	32,918	70,611
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>97,307</u>	<u>-</u>	<u>97,307</u>
Total Other Financing Sources (Uses)	<u>97,307</u>	<u>-</u>	<u>97,307</u>
Net Change in Fund Balance	135,000	32,918	167,918
<b>FUND BALANCE - Beginning</b>	<u>1,287,352</u>	<u>102,505</u>	<u>1,389,857</u>
<b>FUND BALANCE - Ending</b>	<u><u>\$ 1,422,352</u></u>	<u><u>\$ 135,423</u></u>	<u><u>\$ 1,557,775</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, 2022**

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

Net changes in fund balances – Governmental funds	\$ 167,918
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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 loss on disposal of capital assets and depreciation expense

Capital outlay	291,171
Loss on disposal of capital assets	(67,456)
Depreciation	(117,733)
	105,982

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.

Change in lease interest receivable	1,861
Change in lease receivable	(20,671)
Change in unavailable revenue	48,695
Change in deferred inflows – lease liability	36,287
	66,172

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

Principal payments on direct borrowing note payable	4,079
	4,079

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 344,151</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, 2022**

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 1,779,386
Accounts receivable, net	116,511
Inventory	4,780
Total current assets	1,900,677
Non-current Assets:	
Restricted assets:	
Cash	280,293
Certificates of deposit	99,489
Total restricted assets	379,782
Capital Assets:	
Land	31,894
Construction in progress	2,350
Buildings and improvements	20,175,927
Machinery and equipment	871,406
Accumulated depreciation	(6,886,699)
Total capital assets (net)	14,194,878
Total non-current assets	14,574,660
<b>TOTAL ASSETS</b>	<b>16,475,337</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	115,506
Accrued expenses	5,693
Due to other funds	13,388
Unearned revenue	962,223
Total current liabilities	1,096,810
Current Liabilities Payable from Restricted Assets:	
Accrued interest payable	2,994
Customer deposits	112,886
Current portion – long term debt	192,333
Total current liabilities payable from restricted assets	308,213
Non-current Liabilities:	
Notes payable	2,828,310
Revenue bonds payable	444,675
Total noncurrent liabilities	3,272,985
<b>TOTAL LIABILITIES</b>	<b>4,678,008</b>
<b>NET POSITION</b>	
Net investment in capital assets	10,729,560
Restricted	266,896
Unrestricted	800,873
<b>TOTAL NET POSITION</b>	<b>\$ 11,797,329</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, 2022**

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>Operating Revenues:</b>	
Charges for sales and services:	
Water charges	\$ 501,657
Sewer charges	605,527
Sanitation charges	358,805
Penalties, late fees and miscellaneous	30,159
<b>Total Operating Revenues</b>	<b>1,496,148</b>
<b>Operating Expenses:</b>	
Cost of sales and services:	
Personal services	422,877
Other operating expenses	847,491
Depreciation and amortization	573,032
<b>Total Operating Expenses</b>	<b>1,843,400</b>
<b>Operating Income (Loss)</b>	<b>(347,252)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	1,362
Interest expense	(28,760)
Other non-operating revenue (expense)	15,211
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(12,187)</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>(359,439)</b>
<b>Capital Contributions</b>	
Grant revenues and capital contributions	613,315
<b>Total Capital Contributions</b>	<b>613,315</b>
<b>Transfers</b>	
Transfers out	(97,307)
<b>Total Transfers</b>	<b>(97,307)</b>
<b>Change in Net Position</b>	<b>156,569</b>
<b>NET POSITION – Beginning</b>	<b>11,640,760</b>
<b>NET POSITION – Ending</b>	<b>\$ 11,797,329</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, 2022**

	<b>Business-Type Activities Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 1,476,039
Cash payments to suppliers	(1,078,406)
Cash payments to employees	(425,768)
Net cash provided (used) by operating activities	(28,135)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers out to other funds	(97,307)
Net cash provided (used) by noncapital financing activities	(97,307)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Interest paid on revenue borrowings and long-term direct borrowings	(28,760)
Principal payments on long-term debt	(331,330)
Payments on line of credit	(212,289)
Proceeds from sale of capital assets	15,500
Capital grant proceeds	1,371,988
Capital expenditures	(365,676)
Net cash provided (used) by capital and related financing activities	449,433
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	1,362
Net cash provided (used) by investing activities	1,362
<b>NET INCREASE (DECREASE) IN CASH</b>	325,353
<b>CASH AT BEGINNING OF YEAR</b>	1,833,815
<b>CASH AT END OF YEAR</b>	<b>\$ 2,159,168</b>
<b>Cash</b>	
Unrestricted	\$ 1,779,386
Restricted	379,782
	<b>\$ 2,159,168</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ (347,252)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	573,032
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(18,065)
Increase (decrease) in accounts payable	(230,915)
Increase (decrease) in accrued expenses	(2,891)
Increase (decrease) in customer deposits payable	(2,044)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (28,135)</b>
<b>NONCASH CAPITAL ACTIVITIES</b>	
Capital asset additions financed with long-term debt	\$ -

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.

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

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

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

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.

**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.



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**

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.

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.

**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**

(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.

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, 2022 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

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

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

**F. PROPERTY TAXES – CONTINUED**

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.

**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	<u>\$ 127</u>
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Special Revenue Fund

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

CRA activities	<u>\$ 140,555</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	\$ 112,886
Revenue bond retirement	70,067
Other debt retirement	70,050
Impact fees	<u>126,779</u>
Restricted assets	<u>\$ 379,782</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.

CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

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

**H. CAPITAL ASSETS – CONTINUED**

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

**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.

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

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

**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.

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, 2022.

**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.

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

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

**L. FUND BALANCE – CONTINUED**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Spendable:</u>		
Restricted to:		
Confiscated fund – Police Department	\$ 127	\$ -0-
Community Redevelopment Agency	<u>-0-</u>	<u>135,423</u>
	127	135,423
Unassigned	<u>1,422,225</u>	<u>-0-</u>
Total Fund Balances	<u>\$ 1,422,352</u>	<u>\$ 135,423</u>

The entire fund balance of the Special Revenue Fund of \$135,423 is restricted for the purposes of alleviating slum and blight in the City in accordance with Florida Statute 163.

**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 two items that qualifies for reporting in this category.

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

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

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

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.

On the statement of net position, governmental activities report a lease related inflow of resources which will be recognized as a lease revenue in future years.

**R. CHANGE IN ACCOUNTING PRINCIPLE**

Effective October 1, 2021, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB No. 87), which requires lessees recognize certain lease assets and liabilities for leases that previously were classified as operating leases based on the foundational principle that leases are financings of the right to use an underlying asset. Similarly, GASB No. 87 also requires lessors to recognize certain lease assets and deferred inflows of resources for leases meeting the same recognition principles. Accordingly, the City recognized a lease interest receivable, lease receivable and lease-related deferred inflows of resources in the statement of net position.

The implementation of this new standard required the initial recognition of a lease receivable of \$765,047 and lease-related deferred inflows of resources of \$765,047 as of October 1, 2021. The adoption of GASB No. 87 had no effect on net position or fund balance, as initially reported.

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

**A. Cash and Cash Equivalents**

At September 30, 2022, the City’s carrying amount of cash and cash equivalents was \$3,157,461 and the bank balance was \$3,147,972. The City had certificates of deposit classified as cash equivalents in the amount of \$615,851.

**B. Receivables**

Receivables as of September 30, 2022 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	\$ 34,302	\$ 138,511
Less: allowance for uncollectibles	-0-	22,000
<b>Net total accounts receivables</b>	<b><u>\$ 34,302</u></b>	<b><u>\$ 116,511</u></b>

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

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

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

Interfund balances as of September 30, 2022 were \$13,388. Transfers made from the Enterprise Fund to the General Fund was \$97,307 during the year ended September 30, 2022.

**D. Leases**

During 1998, the City entered into a cell tower lease agreement which allows the counterparty to rent space on the City’s water tower. The agreement was revised effective November 1, 2022 for a term of five years. The agreement will automatically renew for three consecutive five (5) year periods. During the year ended September 30, 2022, the City received minimum monthly rental revenue in the amount of \$3,450 per month. Under the revised agreement, the monthly rental revenue is increased to \$3,500 per month with a 3% annual increase effective November 1, 2027. After the basic rent period, the lessee may terminate the agreement with ninety (90) days prior written notice to the City for any or no reason.

Lease-related revenue recognized in the governmental activities for the year ended September 30, 2022 was as follows:

Lease revenue – Cell Tower	\$ 36,287
Interest revenue – Cell Tower	<u>22,591</u>
Total lease-related revenue	<u>\$ 58,878</u>

Expected future minimum reductions of the lease receivable are as follows:

<b><u>Year Ending September 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 19,890	\$ 22,060	\$ 41,950
2024	20,546	21,454	42,000
2025	21,171	20,829	42,000
2026	21,815	20,185	42,000
2027	22,479	19,521	42,000
2028 – 2032	143,227	85,889	229,116
2033 – 2037	205,479	60,129	265,608
2038 – 2042	284,330	23,583	307,913
2043	5,439	13	5,452
	<u>\$ 744,376</u>	<u>\$ 273,663</u>	<u>\$1,018,039</u>



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

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

**E. Capital Assets**

Capital asset activity for the year ended September 30, 2022 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	<u>62,300</u>	<u>161,442</u>	<u>(62,300)</u>	<u>-0-</u>	<u>161,442</u>
Total capital assets, not being depreciated	<u>572,693</u>	<u>161,442</u>	<u>(62,300)</u>	<u>-0-</u>	<u>671,835</u>
Capital assets, being depreciated:					
Buildings and improvements	619,706	58,286	-0-	-0-	677,992
Infrastructure	870,082	9,256	-0-	-0-	879,338
Machinery and equipment	<u>620,035</u>	<u>62,187</u>	<u>(104,508)</u>	<u>-0-</u>	<u>577,714</u>
Total capital assets being depreciated	<u>2,109,823</u>	<u>129,729</u>	<u>(104,508)</u>	<u>-0-</u>	<u>2,135,044</u>
Less accumulated depreciation for:					
Buildings and improvements	(462,762)	(19,580)	-0-	-0-	(482,342)
Infrastructure	(141,996)	(43,721)	-0-	-0-	(185,717)
Machinery and equipment	<u>(539,440)</u>	<u>(54,432)</u>	<u>99,352</u>	<u>-0-</u>	<u>(494,520)</u>
Total accumulated depreciation	<u>(1,144,198)</u>	<u>(117,733)</u>	<u>99,352</u>	<u>-0-</u>	<u>(1,162,579)</u>
Total capital assets, being depreciated, net	<u>965,625</u>	<u>11,996</u>	<u>(5,156)</u>	<u>-0-</u>	<u>972,465</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 1,538,318</u></b>	<b><u>\$ 173,438</u></b>	<b><u>\$ (67,456)</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 1,644,300</u></b>
	<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	<u>3,864,115</u>	<u>-0-</u>	<u>-0-</u>	<u>(3,861,765)</u>	<u>2,350</u>
Total capital assets, not being depreciated	<u>3,896,009</u>	<u>-0-</u>	<u>-0-</u>	<u>(3,861,765)</u>	<u>34,244</u>
Capital assets, being depreciated:					
Buildings and improvements	16,289,697	24,465	-0-	3,861,765	20,175,927
Machinery and equipment	<u>662,738</u>	<u>341,211</u>	<u>(132,543)</u>	<u>-0-</u>	<u>871,406</u>
Total capital assets being depreciated	<u>16,952,435</u>	<u>365,676</u>	<u>(132,543)</u>	<u>3,861,765</u>	<u>21,047,333</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,932,275)	(525,019)	-0-	-0-	(6,457,294)
Machinery and equipment	<u>(513,646)</u>	<u>(48,013)</u>	<u>132,254</u>	<u>-0-</u>	<u>(429,405)</u>
Total accumulated depreciation	<u>(6,445,921)</u>	<u>(573,032)</u>	<u>132,254</u>	<u>-0-</u>	<u>(6,886,699)</u>
Total capital assets, being depreciated, net	<u>10,506,514</u>	<u>(207,356)</u>	<u>(289)</u>	<u>3,861,765</u>	<u>14,160,634</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 14,402,523</u></b>	<b><u>\$ (207,356)</u></b>	<b><u>\$ (289)</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 14,194,878</u></b>

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

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

**E. Capital Assets – Continued**

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

<b>Governmental activities:</b>	
General government	\$ 10,798
Physical environment	59,076
Public safety	39,105
Culture and recreation	<u>8,754</u>
	<u>\$ 117,733</u>
<b>Business-type activities:</b>	
Water, sewer and sanitation	<u>\$ 573,032</u>

**F. 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>
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>\$ 14,089</u>	<u>\$ 2,081</u>	<u>\$16,170</u>

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 required interest at 3.5% on any outstanding balances and was secured with a certificate of deposit. The line of credit matured on April 1, 2022 and the outstanding balance on the line of credit was paid in full.

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

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

**F. Long-Term Debt – Continued**

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, 2022, 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	\$ 28,115
1993	09/01/94	09/01/2033	4.5%	300,000	140,797
1995	09/13/95	09/01/2035	4.5%	400,000	213,753
1999	02/10/99	09/01/2038	4.5%	167,000	102,410
<b>TOTAL</b>					<b><u>\$ 485,075</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, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$13,900	\$ 1,420	\$15,320
2024	14,215	725	14,940
	<u>\$28,115</u>	<u>\$ 2,145</u>	<u>\$30,260</u>

Total annual debt service requirements for the 1993 bonds as of September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	12,000	4,850	16,850
2028 – 2032	70,000	14,550	84,550
2033	14,797	750	15,547
	<u>\$140,797</u>	<u>\$45,200</u>	<u>\$185,997</u>

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

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

**F. Long-Term Debt – Continued**

Revenue Bonds – Business-type Activities – continued

Total annual debt service requirements for the 1995 bonds as of September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	15,000	7,245	22,245
2028 – 2032	85,000	25,515	110,515
2033 – 2035	<u>60,753</u>	<u>5,580</u>	<u>66,333</u>
	<u>\$213,753</u>	<u>\$ 73,440</u>	<u>\$287,193</u>

Total annual debt service requirements for the 1999 bonds as of September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	5,500	4,125	9,625
2028 – 2032	32,000	16,175	48,175
2033 – 2037	39,000	6,800	45,800
2038	<u>5,910</u>	<u>1,025</u>	<u>6,935</u>
	<u>\$102,410</u>	<u>\$ 47,200</u>	<u>\$149,610</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%.

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, 2022 was \$97,499.

**CITY OF BOWLING GREEN, FLORIDA  
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**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**F. Long-Term Debt – Continued**

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

Total annual debt service requirements as of September 30, 2022 are as follows:

<b><u>Year Ending September 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
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	8,021	635	8,656
2028 – 2032	41,308	1,971	43,279
2033 – 2034	<u>16,865</u>	<u>212</u>	<u>17,077</u>
	<u>\$ 97,499</u>	<u>\$ 6,134</u>	<u>\$103,633</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, 2022 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, 2022 was \$60,938.

Total annual debt service requirements as of September 30, 2022 are as follows:

<b><u>Year Ending September 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
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	4,042	504	4,546
2028 – 2032	20,922	1,811	22,733
2033 – 2037	<u>20,260</u>	<u>575</u>	<u>20,835</u>
	<u>\$ 60,938</u>	<u>\$ 5,362</u>	<u>\$ 66,300</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 of the agreement was for \$553,000, of which \$442,400 was to be forgiven through the grant portion of the agreement.

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

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

**F. Long-Term Debt – Continued**

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

The total amount borrowed as of September 30, 2022 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, 2022 was \$95,551.

Total annual debt service requirements as of September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	6,063	329	6,392
2028 – 2032	30,745	1,215	31,960
2033 – 2037	31,477	483	31,960
2038	<u>3,298</u>	<u>2</u>	<u>3,300</u>
	<u>\$ 95,551</u>	<u>\$ 3,629</u>	<u>\$ 99,180</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 total 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, 2022 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. During the year ended September 30, 2022, the City revised their estimate of debt-to-forgiveness which resulted in a reduction of the loan balance of \$118,000. This amount was recognized as grant revenue during the year ended September 30, 2022. The total amount outstanding at September 30, 2022 was \$2,234,243.

Total annual debt service requirements as of September 30, 2022 as follows:

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

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

**F. Long-Term Debt - Continued**

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 106,542	\$ -0-	\$ 106,542
2024	106,542	-0-	106,542
2025	106,542	-0-	106,542
2026	106,542	-0-	106,542
2027	106,542	-0-	106,542
2028 - 2032	532,710	-0-	532,710
2033 - 2037	532,710	-0-	532,710
2038 - 2041	<u>636,113</u>	<u>-0-</u>	<u>636,113</u>
	<u>\$ 2,234,243</u>	<u>\$ -0-</u>	<u>\$ 2,234,243</u>

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, 2022 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, 2022 was \$492,012. Total annual debt service requirements are estimated based on proceeds received as of September 30, 2022 as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	28,386	1,716	30,102
2028 - 2032	143,904	6,606	150,510
2033 - 2037	147,253	3,257	150,510
2038 - 2040	<u>60,221</u>	<u>209</u>	<u>60,430</u>
	<u>\$ 492,012</u>	<u>\$ 19,948</u>	<u>\$ 511,960</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.

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

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

**F. Long-Term Debt – Continued**

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

- 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.

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, 2022 are as follows:

<b>Year Ending September 30,</b>	<b>Bonds</b>		<b>Notes from Direct Borrowings</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 40,400	\$ 23,225	\$ 151,933	\$ 4,304	\$ 192,333	\$ 27,529
2024	43,500	21,265	152,211	4,028	195,711	25,293
2025	30,000	19,155	152,489	3,749	182,489	22,904
2026	31,500	17,725	152,770	3,467	184,270	21,192
2027	32,500	16,220	153,054	3,184	185,554	19,404
2028-2032	187,000	56,240	769,589	11,603	956,589	67,843
2033-2037	115,000	13,855	748,565	4,527	863,565	18,382
2038-2041	5,175	300	699,632	211	704,807	511
	<u>\$ 485,075</u>	<u>\$ 167,985</u>	<u>\$2,980,243</u>	<u>\$ 35,073</u>	<u>\$3,465,318</u>	<u>\$ 203,058</u>



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

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

**F. Long-Term Debt – Continued**

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2022, 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	\$ 18,168	\$ -0-	\$ (4,079)	\$ 14,089	\$ 4,373
<b>Business-type activities:</b>					
Line of credit	\$ 212,289	\$ -0-	\$ (212,289)	\$ -0-	\$ -0-
<b>Debt obligations:</b>					
Notes from direct borrowings,					
WW250202	\$ 105,135	\$ -0-	\$ (7,636)	\$ 97,499	\$ 7,711
WW250204	64,733	-0-	(3,795)	60,938	3,861
WW250230	101,474	-0-	(5,923)	95,551	5,950
WW250231	2,481,076	-0-	(246,833)	2,234,243	106,542
DW250250	519,455	-0-	(27,443)	492,012	27,869
Total notes payable from direct borrowings	3,271,873	-0-	(291,630)	2,980,243	151,933
Revenue bonds					
1984	41,315	-0-	(13,200)	28,115	13,900
1993	150,797	-0-	(10,000)	140,797	10,000
1995	225,753	-0-	(12,000)	213,753	12,000
1999	106,910	-0-	(4,500)	102,410	4,500
Total revenue bonds	524,775	-0-	(39,700)	485,075	40,400
Long-term liabilities –					
Business type activities	<b>\$4,008,937</b>	<b>\$ -0-</b>	<b>\$ (543,619)</b>	<b>\$3,465,318</b>	<b>\$ 192,333</b>

In the Statement of Activities, interest expense of \$12,830 is included in Water and \$15,930 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.

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

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**NOTE 3 – EMPLOYEE BENEFIT PLAN – CONTINUED**

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, 2022, 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, 2022, employee contributions totaled \$18,379 and City contributions totaled \$19,820, including forfeitures.

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, 2022, the City applied available forfeitures towards the City's pension expense of \$18,379.

**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, 2022, but were not completed by the end of the fiscal year. Total construction commitments outstanding at September 30, 2022 are approximately \$107,000.

**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.

CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

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**NOTE 6 - CONTINGENCIES - CONTINUED**

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.

**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, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 543,996	\$ 564,144	\$ 573,585	\$ 9,441
Fines and forfeitures	26,000	31,557	31,557	-
Intergovernmental revenue	563,683	623,460	625,046	1,586
Franchise fees	110,000	117,498	117,498	-
Licenses and permits	4,700	10,200	10,201	1
Grants	446,000	446,000	71,856	(374,144)
Interest	2,000	1,837	1,837	-
Miscellaneous	96,890	145,831	145,831	-
<b>Total Revenues</b>	<b>1,793,269</b>	<b>1,940,527</b>	<b>1,577,411</b>	<b>(363,116)</b>
<b>EXPENDITURES</b>				
General government	372,759	431,271	384,779	46,492
Public safety	674,043	739,739	643,411	96,328
Culture and recreation	292,350	297,150	173,607	123,543
Physical environment	454,117	472,367	332,531	139,836
Debt service	-	-	5,390	(5,390)
<b>Total Expenditures</b>	<b>1,793,269</b>	<b>1,940,527</b>	<b>1,539,718</b>	<b>400,809</b>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-	-	37,693	37,693
Other Financing Sources (Uses) Transfers in	-	-	97,307	97,307
Net Change in Fund Balances	-	-	135,000	135,000
Fund Balance – Beginning	1,287,352	1,287,352	1,287,352	-
Fund Balance – Ending	<b>\$ 1,287,352</b>	<b>\$ 1,287,352</b>	<b>\$ 1,422,352</b>	<b>\$ 135,000</b>

**Note 1–Budget Basis**

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

**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, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>				
Taxes	\$ 84,995	\$ 84,995	\$ 78,201	\$ (6,794)
Interest	-	-	36	36
<b>Total Revenues</b>	<b>84,995</b>	<b>84,995</b>	<b>78,237</b>	<b>(6,758)</b>
<b>EXPENDITURES</b>				
Culture and recreation	84,995	84,995	45,319	39,676
<b>Total Expenditures</b>	<b>84,995</b>	<b>84,995</b>	<b>45,319</b>	<b>39,676</b>
Net Change in Fund Balances	-	-	32,918	32,918
Fund Balance – Beginning	102,505	102,505	102,505	-
Fund Balance – Ending	<b>\$ 102,505</b>	<b>\$ 102,505</b>	<b>\$ 135,423</b>	<b>\$ 32,918</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, 2022

	Final Budget	Actual	Variance
Ad Valorem taxes	\$ 293,783	\$ 296,920	\$ 3,137
Fuel taxes	8,636	8,636	-
Utility taxes	190,996	190,996	-
Gas taxes	40,120	43,152	3,032
Communications service tax	30,609	33,881	3,272
Franchise fees	117,498	117,498	-
Occupational licenses	9,160	9,160	-
State revenue sharing	244,104	244,104	-
Mobile home license	887	887	-
State beverage license	153	154	1
1/2 Cent sales tax	114,138	115,458	1,320
1 Cent surtax	262,643	262,908	265
State gas tax rebate	2,575	2,576	1
Grants	446,000	71,856	(374,144)
Fines and forfeitures	31,557	31,557	-
Interest income	1,837	1,837	-
Rents	66,629	66,629	-
Miscellaneous revenue	60,587	60,587	-
Cemetery income	8,925	8,925	-
D.O.T. highway lighting	9,690	9,690	-
<b>Total Revenues</b>	<b><u>\$ 1,940,527</u></b>	<b><u>\$ 1,577,411</u></b>	<b><u>\$ (363,116)</u></b>



CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance
<b>Legislative &amp; Executive</b>			
Salaries	\$ 21,600	\$ 17,600	\$ 4,000
<b>Total Legislative &amp; Executive</b>	<b>21,600</b>	<b>17,600</b>	<b>4,000</b>
<b>Administrative</b>			
Administrative salaries	181,900	181,360	540
Payroll tax	15,644	14,933	711
Employee insurance	30,000	29,450	550
Retirement contributions	5,217	1,442	3,775
Workers compensation	7,388	7,276	112
Uniforms	900	776	124
Operating supplies	1,500	1,351	149
Professional fees	25,750	21,558	4,192
Telephone	4,800	4,774	26
Utilities	5,500	4,032	1,468
Other insurance	9,290	9,660	(370)
Repairs and maintenance	7,000	6,634	366
Building improvements	20,000	10,234	9,766
Miscellaneous expense	51,000	30,244	20,756
Office supplies	3,000	2,194	806
Gas and oil	3,500	3,300	200
Comprehensive plan	16,500	16,100	400
Lease/rent	1,482	1,353	129
Dues and subscriptions	6,000	5,145	855
Advertising	4,000	3,809	191
Training	6,000	4,752	1,248
New equipment	2,500	6,093	(3,593)
Shipping and postage	800	709	91
<b>Total Administrative</b>	<b>409,671</b>	<b>367,179</b>	<b>42,492</b>
<b>Law Enforcement</b>			
Salaries	408,331	395,067	13,264
Payroll taxes	30,942	27,557	3,385
Employee insurance	68,098	58,945	9,153
Retirement contributions	11,679	-	11,679
Workers compensation	19,700	19,403	297
Uniforms	9,000	8,707	293
Telephone	8,000	7,835	165
Utilities	1,600	1,532	68
Insurance	9,291	9,660	(369)
Repairs and maintenance	21,000	20,805	195
Miscellaneous expense	9,298	3,779	5,519
Office supplies	2,500	1,992	508
Contract Labor	2,000	410	1,590
Investigation funds	500	-	500
Dog pound	41,000	10,707	30,293
Gas and oil	35,000	32,887	2,113
Operating supplies	2,500	1,959	541
Shipping and postage	300	320	(20)
New equipment	53,000	36,050	16,950
Training	6,000	5,796	204
<b>Total Law Enforcement</b>	<b>739,739</b>	<b>643,411</b>	<b>96,328</b>

CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Recreation</b>			
Contribution to recreation center	\$ 8,000	\$ 8,000	\$ -
Contract labor	6,200	4,200	2,000
Utilities	8,000	7,424	576
Repairs and maintenance	21,000	19,448	1,552
Miscellaneous expense	7,000	8,867	(1,867)
New equipment	246,700	125,320	121,380
Operating supplies	250	348	(98)
<b>Total Recreation</b>	<u><b>297,150</b></u>	<u><b>173,607</b></u>	<u><b>123,543</b></u>
<b>Physical Environment</b>			
P/E salaries	92,116	66,145	25,971
FICA tax	7,047	4,110	2,937
Employee insurance	25,087	16,457	8,630
Retirement contributions	2,763	-	2,763
Workers compensation	7,388	7,276	112
Uniforms	900	559	341
Other insurance	9,291	9,660	(369)
Repairs & maintenance	12,649	7,434	5,215
Miscellaneous expense	3,300	1,953	1,347
Gas & oil	15,000	13,444	1,556
Operating supplies	5,000	447	4,553
New equipment	13,676	16,831	(3,155)
Streets & roads	222,000	138,726	83,274
Utilities	55,650	48,867	6,783
Office supplies	500	622	(122)
<b>Total Physical Environment</b>	<u><b>472,367</b></u>	<u><b>332,531</b></u>	<u><b>139,836</b></u>
Debt service	-	5,390	(5,390)
<b>Total Expenditures</b>	<u><b>\$ 1,940,527</b></u>	<u><b>\$ 1,539,718</b></u>	<u><b>\$ 400,809</b></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, 2022

	Final Budget	Actual	Variance
<b>Operating Revenues</b>			
Water charges	\$ 546,892	\$ 501,657	\$ (45,235)
Sewer charges	605,527	605,527	-
Sanitation charges	358,805	358,805	-
Penalties, late fees and miscellaneous	30,159	30,159	-
<b>Total Operating Revenues</b>	<u>1,541,383</u>	<u>1,496,148</u>	<u>(45,235)</u>
<b>Operating Expenses</b>			
Water Department	652,838	479,501	173,337
Sewer Department	496,941	451,139	45,802
Sanitation Department	267,645	339,728	(72,083)
<b>Total Operating Expenses</b>	<u>1,417,424</u>	<u>1,270,368</u>	<u>147,056</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	16,862	1,362	(15,500)
Other non-operating expense	-	15,211	15,211
Principal and interest expense	(235,960)	(572,379)	(336,419)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(219,098)</u>	<u>(555,806)</u>	<u>(336,708)</u>
<b>Capital Contributions</b>			
Grant revenue	2,044,181	613,315	(1,430,866)
Grant expense	(2,069,181)	(613,315)	1,455,866
<b>Total Capital Contributions</b>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
<b>Change in Net Position</b>	<u>\$ (120,139)</u>	<u>\$ (330,026)</u>	<u>\$ (209,887)</u>
<b>Adjustments to GAAP Basis</b>			
Non-Budgeted depreciation and amortization		(573,032)	
Non-GAAP basis principal payments		543,619	
Grant revenues recognized as long-term debt		-	
Grant expenses recognized as capital asset additions		613,315	
<b>GAAP Change in Net Position</b>		<u>\$ 253,876</u>	

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES  
BUDGET AND ACTUAL  
NON-GAAP BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Water Department</b>			
Salaries	\$ 98,000	103,786	\$ (5,786)
Payroll tax	7,364	6,693	671
Employee insurance	32,000	31,182	818
Retirement	2,888	-	2,888
Workers compensation	7,388	7,276	112
Contract operators	198,864	153,161	45,703
Professional fees	51,950	19,213	32,737
Telephone	2,000	1,687	313
Utilities	91,000	43,107	47,893
Liability insurance	9,291	9,660	(369)
Repairs and maintenance	70,500	57,785	12,715
Lease/rent	-	-	-
Miscellaneous	30,693	33,248	(2,555)
Uniforms	900	869	31
Postage	3,000	2,824	176
Office supplies	1,000	452	548
Gas and oil	4,000	4,735	(735)
Dues and subscriptions	-	560	(560)
Materials and supplies	10,500	1,353	9,147
Meter expense	20,000	1,910	18,090
Equipment	11,500	-	11,500
<b>Total Water Department</b>	<b>\$ 652,838</b>	<b>\$ 479,501</b>	<b>\$ 173,337</b>
<b>Sewer Department</b>			
Contract operators	\$ 298,295	\$ 277,925	\$ 20,370
Professional fees	50,750	32,020	18,730
Sludge hauling	15,874	30,625	(14,751)
Effluent line	35,000	12,569	22,431
Telephone	2,000	2,774	(774)
Permitting	4,038	265	3,773
Utilities	45,000	44,092	908
Liability insurance	9,291	9,660	(369)
Repairs and maintenance	22,000	16,938	5,062
Miscellaneous	8,693	17,435	(8,742)
Postage	1,300	1,698	(398)
Office supplies/ expense	-	401	(401)
Gas and oil	3,500	3,336	164
Materials and supplies	1,200	1,401	(201)
<b>Total Sewer Department</b>	<b>\$ 496,941</b>	<b>\$ 451,139</b>	<b>\$ 45,802</b>

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES  
BUDGET AND ACTUAL  
NON-GAAP BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Sanitation Department</b>			
Salaries	\$ 85,190	\$ 76,587	\$ 8,603
Payroll tax	6,517	4,854	1,663
Employee insurance	31,000	30,546	454
Retirement	2,556	-	2,556
Workers compensation	7,388	7,276	112
Professional fees	20,750	18,031	2,719
Contract labor	-	1,380	(1,380)
Telephone	700	842	(142)
Liability insurance	9,291	9,660	(369)
Repairs and maintenance	11,000	15,323	(4,323)
Landfill	75,000	160,465	(85,465)
Postage	-	1,608	(1,608)
Miscellaneous	4,500	2,654	1,846
Uniforms	900	647	253
Gas and oil	9,500	9,267	233
Materials and supplies	3,353	588	2,765
Equipment	-	-	-
<b>Total Sanitation Department</b>	<b><u>\$ 267,645</u></b>	<b><u>\$ 339,728</u></b>	<b><u>\$ (72,083)</u></b>

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES BY DEPARTMENT  
NON-GAAP BUDGET BASIS  
YEAR ENDED SEPTEMBER 30, 2022

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL WATER &amp; SEWER</u>	<u>SANITATION</u>	<u>TOTAL</u>
Salaries	\$ 103,786	\$ -	\$ 103,786	\$ 76,587	\$ 180,373
Payroll tax	6,693	-	6,693	4,854	11,547
Employee insurance	31,182	-	31,182	30,546	61,728
Retirement	-	-	-	-	-
Workers compensation	7,276	-	7,276	7,276	14,552
Contract operators	153,161	277,925	431,086	1,380	432,466
Professional fees	19,213	32,020	51,233	18,031	69,264
Sludge hauling	-	30,625	30,625	-	30,625
Effluent line	-	12,569	12,569	-	12,569
Telephone	1,687	2,774	4,461	842	5,303
Permitting	-	265	265	-	265
Utilities	43,107	44,092	87,199	-	87,199
Liability insurance	9,660	9,660	19,320	9,660	28,980
Repairs and maintenance	57,785	16,938	74,723	15,323	90,046
Landfill	-	-	-	160,465	160,465
Miscellaneous	33,248	17,435	50,683	2,654	53,337
Uniforms	869	-	869	647	1,516
Postage	2,824	1,698	4,522	1,608	6,130
Office supplies	452	401	853	-	853
Gas and oil	4,735	3,336	8,071	9,267	17,338
Dues and subscriptions	560	-	560	-	560
Materials and supplies	1,353	1,401	2,754	588	3,342
Meter expense	1,910	-	1,910	-	1,910
Equipment	-	-	-	-	-
	<u>\$ 479,501</u>	<u>\$ 451,139</u>	<u>\$ 930,640</u>	<u>\$ 339,728</u>	<u>\$ 1,270,368</u>

## 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, 2022, 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 13, 2023.

Report on 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.

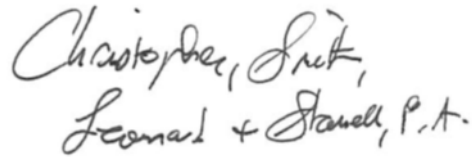


## Report on Compliance and Other Matters

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 13, 2023  
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, 2022, and have issued our report thereon dated January 13, 2023.

### 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*; Schedule of Findings; 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 13, 2023, 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. Finding 2022-01 is a continuation of Finding 2021-01. Finding 2021-02 was corrected.

### 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.

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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.

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **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 City of Bowling Green Community Redevelopment Agency (CRA) reported:

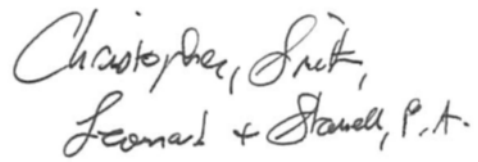
- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year was 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year was 0.
- c. All compensation earned by or awarded to employees, 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 41.

### **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.

**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.

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

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

January 13, 2023  
Bradenton, Florida

CITY OF BOWLING GREEN, FLORIDA  
SCHEDULE OF FINDINGS

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2022-01    **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, unearned revenue, 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.

## CITY OFFICIALS

Pamela Durrance, City Manager  
Katherin Kinzel, City Clerk  
John Scheel, Police Chief  
Gerald Buhr, City Attorney



## COMMISSIONERS

N'Kosi Jones, Mayor  
Sam Fite, Vice Mayor  
David Durastanti  
Cliff Lunn  
Francisco Arreola

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

February 15, 2023

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 2021/2022 and has the following response:

Management Letter:

### 2022-01 Year End Adjustments

The city has appointed a new City Manager, and new controls put into place. The budget is monitored monthly and on an as-needed basis to ensure that any required reconciliation or adjustments are processed in a timely manner. With the City's turnover rate with City Managers and office personnel, training to those in the current positions will be continuously by the finance manager, the city will continue with training to ensure all finance staff understand and follow proper GAAP procedures. The city will pursue training in Governmental budgeting and financing procedures to ensure this issue can be corrected.

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

Thanks,

A handwritten signature in black ink that reads "Pamela Durrance". The signature is written in a cursive, flowing style.

Pamela Durrance  
Interim City Manager

INDEPENDENT ACCOUNTANT'S REPORT  
ON INVESTMENT COMPLIANCE

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

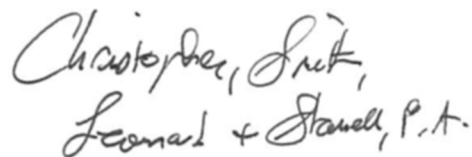
We have examined the City of Bowling Green, Florida's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express 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, 2022.

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 cursive script that reads 'Christopher, Smith, Leonard & Stanell, P.A.'.

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

January 13, 2023  
Bradenton, Florida