

MUNICIPAL ORDER NO. 2024 - 286

MUNICIPAL ORDER ACCEPTING THE CITY OF
BOWLING GREEN, KENTUCKY ANNUAL
COMPREHENSIVE FINANCIAL REPORT FOR
THE PERIOD ENDED JUNE 30, 2024 AS
PREPARED BY THE DEPARTMENT OF
FINANCE AND AUDITED BY CHERRY
BEKAERT LLP

WHEREAS, the City of Bowling Green, Kentucky contracts for an annual audit examination of its financial statements, funds, records and accounts in accordance with applicable Kentucky Revised Statutes; and,

WHEREAS, the firm of Cherry Bekaert LLP was retained to conduct said audit examinations in accordance with generally accepted auditing standards; and,

WHEREAS, the audit examinations have been completed and the auditor's opinion and notes have been included in the City's Annual Comprehensive Financial Report; and,

WHEREAS, by Ordinance No. BG2006-41, the City of Bowling Green Audit Committee was created, which has among other duties, the duty to review the Annual Comprehensive Financial Report and provide recommendation for approval to the Board of Commissioners; and,

WHEREAS, at a special meeting on November 4, 2024, the Audit Committee reviewed the Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024, as prepared by the Department of Finance and audited by Cherry Bekaert LLP; and,

WHEREAS, by Resolution No. 2024-1 of the Audit Committee, the Committee approved the Annual Comprehensive Financial Report and recommended approval of this Financial Report to the City of Bowling Green Board of Commissioners.

NOW, THEREFORE, BE IT ORDERED by the City of Bowling Green, Kentucky as follows:

1. The Annual Comprehensive Financial Report prepared for the period ended June 30, 2024 by the Department of Finance and audited by Cherry Bekaert LLP, which was recommended for


(Municipal Order No. 2024 - 286)


approval by the City of Bowling Green Audit Committee, is hereby accepted.

2. The Office of City Clerk and all other City officials are hereby authorized and directed to publish the Annual Audit pursuant to Kentucky Revised Statutes.

3. This Municipal Order shall be in full force and effect upon signature and recordation.

ADOPTED: December 17, 2024

APPROVED: 
Mayor, Chairman of Board of Commissioners

ATTEST: 
City Clerk

SPONSORED BY: Jeffery B. Meisel, City Manager

Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City Bowling Green, Kentucky, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Bowling Green, Kentucky's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police and Firefighters' Retirement Fund, which represent 93% of the assets, 100% of fund balance, and 4% of revenues of the fiduciary funds. We also did not audit the financial statements of Bowling Green Municipal Utilities, which represent 100% of the assets, fund balance, and revenues of the discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Police and Firefighters' Retirement Fund and Bowling Green Municipal Utilities, are based solely on the reports of the other auditors.

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*. 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 of Bowling Green, Kentucky, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 of Bowling Green, Kentucky'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 of Bowling Green, Kentucky'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 of Bowling Green, Kentucky's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB schedules and the Modified Approach for City Streets Infrastructure Capital Assets 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bowling Green, Kentucky's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024 on our consideration of the City of Bowling Green, Kentucky'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 of Bowling Green, Kentucky'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 of Bowling Green, Kentucky's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Lexington, Kentucky
December 11, 2024

City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Real estate	\$ 12,955,000	\$ 12,955,000	\$ 12,981,292	\$ 26,292
Personal property	2,175,000	2,175,000	2,341,004	166,004
Insurance premium	3,060,000	3,060,000	3,315,912	255,912
Motor vehicle and boat	1,438,000	1,438,000	1,450,714	12,714
Payment in lieu of taxes	219,000	219,000	211,900	(7,100)
Franchise	1,619,000	1,619,000	1,458,923	(160,077)
Other taxes	16,150	16,150	16,151	1
Penalties and Interest	99,000	99,000	139,695	40,695
Total taxes	21,581,150	21,581,150	21,915,591	334,441
Licenses and permits				
Occupational:				
Employees' withholding	55,571,000	55,571,000	59,234,356	3,663,356
Net profits	11,765,000	11,765,000	14,284,678	2,519,678
Other fees	510,000	510,000	754,859	244,859
Special licenses	275,000	275,000	269,100	(5,900)
Permits	1,433,000	1,433,000	1,335,531	(97,469)
Total licenses and permits	69,554,000	69,554,000	75,878,524	6,324,524
Intergovernmental				
Federal grants	-	2,623,988	531,912	(2,092,076)
State grants	-	-	18,931	18,931
Local grants	-	542,200	441,450	(100,750)
Total intergovernmental	-	3,166,188	992,293	(2,173,895)
Charges for services				
School tax collection fees	317,000	317,000	291,562	(25,438)
Other general government fees	5,500	5,500	6,396	896
Public safety fees	129,400	129,400	132,404	3,004
Cemetery lot sales	128,620	128,620	87,060	(41,560)
Cemetery fees	198,400	198,400	193,317	(5,083)
Other	89,500	89,500	100,496	10,996
Total charges for services	868,420	868,420	811,235	(57,185)
Parks and recreation	2,266,735	2,272,335	2,759,249	486,914
Miscellaneous				
Investment income	377,623	377,623	1,325,032	947,409
Parking violations fees	2,500	2,500	1,745	(755)
Contributions and donations	32,500	110,555	115,566	5,011
Judgements and settlements	22,750	22,750	21,981	(769)
Other	196,000	196,000	236,305	40,305
Total miscellaneous	631,373	709,428	1,700,629	991,201
Total revenues	\$ 94,901,678	\$ 98,151,521	\$ 104,057,521	\$ 5,906,000

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
General government				
Legislative	\$ 282,650	\$ 294,800	\$ 292,393	\$ 2,407
Executive	1,226,121	1,242,203	1,209,502	32,701
Finance	2,050,934	2,049,803	2,027,901	21,902
Human resources	1,405,037	1,297,491	1,228,606	68,885
Law	514,643	486,635	425,309	61,326
Information technology	3,183,167	3,329,872	4,513,711	(1,183,839)
Administrative services	647,180	602,287	569,121	33,166
Total general government	<u>9,309,732</u>	<u>9,303,091</u>	<u>10,266,543</u>	<u>(963,452)</u>
Public safety				
Police	23,093,148	23,831,870	21,816,048	2,015,822
Fire	19,066,071	20,482,992	20,394,387	88,605
Total public safety	<u>42,159,219</u>	<u>44,314,862</u>	<u>42,210,435</u>	<u>2,104,427</u>
Public works				
Public works administration	1,635,354	1,775,903	1,518,561	257,342
Highway and streets	3,628,287	3,687,806	3,499,107	188,699
Building and plant	1,492,000	1,612,113	1,609,442	2,671
Environmental Compliance	628,802	627,941	578,650	49,291
Total public works	<u>7,384,443</u>	<u>7,703,763</u>	<u>7,205,760</u>	<u>498,003</u>
Parks and recreation				
Parks	3,192,822	3,923,791	3,118,334	805,457
Recreation	1,546,578	2,206,582	1,523,737	682,845
Athletics	724,400	700,517	551,913	148,604
Community centers	1,493,637	1,307,828	1,237,760	70,068
Golf Courses	2,168,469	2,177,102	1,977,849	199,253
Other parks	1,807,215	1,683,446	1,534,973	148,473
Total parks and recreation	<u>10,933,121</u>	<u>11,999,266</u>	<u>9,944,566</u>	<u>2,054,700</u>
Neighborhood & Community Services	<u>2,968,225</u>	<u>4,248,137</u>	<u>3,291,155</u>	<u>956,982</u>
Agency services				
Agency services	1,213,346	1,279,206	1,255,786	23,420
Intergovernmental	2,735,000	2,117,125	1,817,125	300,000
Total agency services	<u>3,948,346</u>	<u>3,396,331</u>	<u>3,072,911</u>	<u>323,420</u>
Total expenditures	<u>76,703,086</u>	<u>80,965,450</u>	<u>75,991,370</u>	<u>4,974,080</u>
Excess of revenues over expenditures	<u>18,198,592</u>	<u>17,186,071</u>	<u>28,066,151</u>	<u>10,880,080</u>
Other financing sources (uses)				
Transfers in	1,105,322	1,605,322	1,060,000	(545,322)
Transfers out	(19,428,914)	(24,676,100)	(24,672,790)	3,310
Proceeds from sale of capital assets	125,000	125,000	162,375	37,375
Lease & SBITA liabilities issued	-	-	1,711,623	1,711,623
Total other financing sources (uses)	<u>(18,198,592)</u>	<u>(22,945,778)</u>	<u>(21,738,792)</u>	<u>1,206,986</u>
Net change in budgetary fund balances	<u>-</u>	<u>(5,759,707)</u>	<u>6,327,359</u>	<u>12,087,066</u>
Fund balances, beginning of year	<u>40,428,007</u>	<u>40,428,007</u>	<u>40,428,007</u>	<u>-</u>
Fund balances, end of year	<u>\$ 40,428,007</u>	<u>\$ 34,668,300</u>	<u>\$ 46,755,366</u>	<u>\$ 12,087,066</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Community Development Special Revenue Fund
 Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 5,717,458	\$ 14,291,708	\$ 9,524,431	\$ (4,767,277)
Investment income	800	800	52,573	51,773
Miscellaneous	30,000	30,000	61,177	31,177
Total revenues	<u>5,748,258</u>	<u>14,322,508</u>	<u>9,638,181</u>	<u>(4,684,327)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	5,101,600	11,048,565	8,179,751	2,868,814
Capital outlay	645,858	2,265,615	726,995	1,538,620
Total expenditures	<u>5,747,458</u>	<u>13,314,180</u>	<u>8,906,746</u>	<u>4,407,434</u>
Excess (deficiency) of revenues over (under) expenses	<u>800</u>	<u>1,008,328</u>	<u>731,435</u>	<u>(276,893)</u>
Other financing sources (uses)				
Transfers out	-	(1,226,330)	(976,330)	250,000
Total other financing sources (uses)	<u>-</u>	<u>(1,226,330)</u>	<u>(976,330)</u>	<u>250,000</u>
Net change in fund balances	800	(218,002)	(244,895)	(26,893)
Fund balances, beginning	<u>2,860,711</u>	<u>2,860,711</u>	<u>2,860,711</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,861,511</u>	<u>\$ 2,642,709</u>	<u>\$ 2,615,816</u>	<u>\$ (26,893)</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Municipal Aid Special Revenue Fund
 Year Ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Judgements and settlements	-	-	322,156	322,156
Intergovernmental	5,808,724	10,372,330	5,269,706	(5,102,624)
Investment income	35,400	35,400	71,506	36,106
Charges for services	95,500	95,500	104,325	8,825
Contributions and donations	-	1,000	1,000	-
Miscellaneous	67,200	67,200	51,450	(15,750)
Total revenues	<u>6,206,824</u>	<u>10,771,430</u>	<u>6,020,143</u>	<u>(4,751,287)</u>
EXPENDITURES				
Current:				
General government	-	38,880	38,879	1
Public safety	2,932,067	2,833,340	2,265,243	568,097
Public works	4,437,988	6,660,860	3,982,043	2,678,817
Capital outlay	733,048	1,179,652	333,132	846,520
Total expenditures	<u>8,103,103</u>	<u>10,712,732</u>	<u>6,619,297</u>	<u>4,093,435</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,896,279)</u>	<u>58,698</u>	<u>(599,154)</u>	<u>(657,852)</u>
Other financing sources (uses)				
Transfers in	<u>1,594,564</u>	<u>2,344,564</u>	<u>2,337,779</u>	<u>(6,785)</u>
Total other financing sources (uses)	<u>1,594,564</u>	<u>2,344,564</u>	<u>2,337,779</u>	<u>(6,785)</u>
Net change in fund balances	(301,715)	2,403,262	1,738,625	(664,637)
Fund balances, beginning	<u>6,606,461</u>	<u>6,606,461</u>	<u>6,606,461</u>	-
Fund balances, ending	<u>\$ 6,304,746</u>	<u>\$ 9,009,723</u>	<u>\$ 8,345,086</u>	<u>\$ (664,637)</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Debt Service Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service				
Principal	\$ 2,892,000	\$ 2,892,217	\$ 2,890,733	\$ 1,484
Interest expense	456,500	456,283	453,290	2,993
Total expenditures	<u>3,348,500</u>	<u>3,348,500</u>	<u>3,344,023</u>	<u>4,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,348,500)</u>	<u>(3,348,500)</u>	<u>(3,344,023)</u>	<u>4,477</u>
Other financing sources (uses)				
Transfers in	3,348,500	3,348,500	3,344,023	(4,477)
Total other financing sources (uses)	<u>3,348,500</u>	<u>3,348,500</u>	<u>3,344,023</u>	<u>(4,477)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 ITA Bond Debt Service Fund
 Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 57,500	\$ 57,500	\$ 346,644	\$ 289,144
Investment income	2,000	2,000	899,482	897,482
Rent income	-	-	688,951	688,951
Miscellaneous	369,000	369,000	368,951	(49)
Total revenues	<u>428,500</u>	<u>428,500</u>	<u>2,304,028</u>	<u>1,875,528</u>
EXPENDITURES				
Current:				
General government	-	22,217,636	2,700	(22,214,936)
Debt service				
Principal	1,025,000	1,025,000	1,025,000	-
Error Correction	910,000	907,300	906,668	(632)
Total expenditures	<u>1,935,000</u>	<u>24,149,936</u>	<u>1,934,368</u>	<u>(22,215,568)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,506,500)</u>	<u>(23,721,436)</u>	<u>369,660</u>	<u>24,091,096</u>
Other financing sources (uses)				
Transfers in	1,506,500	1,506,500	1,193,769	(312,731)
Total other financing sources (uses)	<u>1,506,500</u>	<u>1,506,500</u>	<u>1,193,769</u>	<u>(312,731)</u>
Net change in budgetary fund balances	-	(22,214,936)	1,563,429	23,778,365
Fund balances, beginning of year	25,470,142	25,470,142	25,470,142	-
Error Correction	-	-	21,184,400	-
Fund balances, beginning of year as restated	<u>25,470,142</u>	<u>25,470,142</u>	<u>46,654,542</u>	<u>-</u>
Fund balances, end of year	<u>\$ 25,470,142</u>	<u>\$ 3,255,206</u>	<u>\$ 48,217,971</u>	<u>\$ 44,962,765</u>

See accompanying independent auditor's report