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CITY OF BOWLING GREEN, KENTUCKY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



City of Bowling Green

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



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

City of Bowling Green, Kentucky

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ERIN BALLOU, CMA, CPFO
Assistant Chief Financial Officer

MARILYN PARRIGIN
Procurement Manager



SEAN WEEKS, CPFO
Assistant Chief Financial Officer

DAVID L. LYNE
Occupational License Manager

KATIE E. SCHALLER-WARD
Assistant City Manager/Chief Financial Officer

FINANCE DEPARTMENT

November 9, 2020

Honorable Mayor Bruce Wilkerson
Members of the Board of Commissioners
Residents of Bowling Green

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Bowling Green, "the City", for the fiscal year ended June 30, 2020. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and the reporting standards of the Governmental Accounting Standards Board (GASB). The CAFR includes all funds of the City and the component units.

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

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

The independent accounting firm of MCM CPAs and Advisors LLP, Certified Public Accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020 are free of any material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the City; and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2020 are fairly presented in all material respects in conformity with GAAP. Their report is the first component in the Financial Section of this report.

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

PROFILE OF THE CITY

Bowling Green, the "Park City" of Kentucky, was established in 1798, and is located in the south-central part of Kentucky. The City occupies a land area of 40.75 square miles, has an estimated population of 70,550, and serves as the retail, educational, medical, commercial, and social hub for south-central Kentucky and northern Tennessee. The broader workforce, which measures employable workers that are 18 years and older, is measured at approximately 750,000 for the area encompassing a hundred mile radius from the City.

The City operates under the City Manager form of government, one of the alternative forms of municipal government established under Kentucky Statutes. Under this form of government, a Mayor, who is elected for a term of four years, and four City Commissioners, who serve two years each, are all voted into office in non-partisan elections. The Mayor and the City Commissioners comprise the Board of Commissioners, "the Board", in which all legislative and executive authority of the City is vested. As such, the Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and ratifying the hiring of most City staff. The Board appoints a City Manager, who serves as the Chief Administrative Officer of the City and enforces City ordinances and policy as well as carrying out day-to-day operations. The City's workforce as of June 30, 2020, was comprised of 488 authorized full-time positions and 481 of those positions were occupied, with 62% of the employees dedicated to public safety.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

The local economy is comprised of a well-balanced blend of service, manufacturing, retail and other industries that support the City's main revenue source, employee withholdings fees. Bowling Green is the home of Western Kentucky University (WKU), the City's second largest employer with approximately 2,975 employees and a prime catalyst for the local economy. The University's total enrollment for the Fall 2019 semester including undergraduate and graduate students was 18,183, a slight decrease from the previous year. WKU also houses one of the nation's top-rated high schools, the Gatton Academy for Mathematics and Sciences, which according to *Niche.com* 2020 Best Schools, ranks as the 2nd best public high school in Kentucky and top 20% in the Nation. Other major employers include the General Motors Corvette assembly plant and two regional hospitals. In addition, countless local businesses prosper in the community proving that the entrepreneurial spirit is alive and well in the region.

Aggressive cooperative strategies are in place between the local governments, the Chamber of Commerce, and the Economic Development Authority that continue to attract business and jobs to the community. The City consistently scores high in national rankings of preferred business locations and favorable environments for the creation and development of businesses due to rich economic, social and cultural environments. During FY2020, the Bowling Green Area Chamber of Commerce announced capital investments totaling more than \$376.6 million and the creation of nearly 971 new jobs. According to *Site Selection Magazine*, Bowling Green is ranked as one of the 20 top U.S. cities for manufacturers in 2020. *Global Trade Magazine* lists Bowling Green as the #2 City for manufacturing companies.

The most recent rankings published by *Forbes* for the City, has Bowling Green ranked 49th for Job Growth Rate for "Best Small Places for Business and Careers" out of 200 cities and 70th for Low Cost of Doing Business, with an overall ranking of 70th. According to *Money Magazine* Best Place to Live in America, Bowling Green, Kentucky was ranked 39th overall, and according to *Southernliving.com* Bowling Green, Kentucky ranks among the best places to buy due to a walkable downtown and good median household costs.

Bowling Green's average unemployment rate during the past fiscal year increased due to the effects of the global pandemic and State imposed mandates on local businesses; ending the year slightly above the State average. Bowling Green began Fiscal Year 2020 with an unemployment rate of 4.7%, versus 4.8% for the State and 3.7% nationally. By the end of the fiscal twelve months, the City's unemployment rate was 5.7%, versus 5.0% for the State and 11.1% for the Nation. Bowling Green's unemployment rate during Fiscal Year 2020 averaged 6.2%, versus 5.9% statewide and 6.0% across the United States.

Bowling Green was able to grow revenue collections during Fiscal Year 2020 compared to prior year levels by 9.2% with an infusion of Coronavirus Relief Funds contributing to the increase. The payroll tax base posted a gain of approximately \$61.6 million, which increased employee withholdings fee collections by \$1,139,000, or +2.7%, over Fiscal Year 2019, and contributed to total withholding receipts of \$42.9 million. Total employee withholding revenue increased by an average of 2.5% over the prior three years. The City's second most important revenue source, property tax revenues, outperformed the FY2019 actual collections by \$747,000, or +5.6%, contributing to a total collection of \$14,050,000. New business registrations issued during the fiscal year totaled 949.

Management believes the local economy remains fortified even with the impacts of the global pandemic as the City continues to see growth with new or expanding business announcements. The City is committed to aggressively competing for jobs and building a skilled workforce, attracting jobs to the area by offering incentives to new businesses locating in the area and encouraging the expansion of existing businesses to grow the job base. Western Kentucky University continues to be a stabilizing force for the local economy along with the health care and manufacturing sectors.

Long-term Financial Planning

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

Relevant Financial Policies

The City maintains an adopted Financial Policies and Procedures that addresses various areas of operations such as revenue collection, banking services, investments, debt management, budget management, and fund balance reserves. The Fund Balance policy is included in the Financial Policies and prescribes a 25% minimum reserve balance in the General Fund. The increase of 5% became effective on July 1, 2016, with the previous minimum reserve balance of 20% of the General Fund adopted revenue budget. Segregation of duties and internal controls are also a common theme to achieve sound financial operations in the sections covering accounting, accounts payable, revenue collections, payroll, cash management, investments, fixed assets, and procurement card guidelines.

Major Initiatives

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

The Public Works Department continues to be committed to improving the City's street, sidewalk and stormwater infrastructure. The street overlay program was allocated an amended budget of \$2.3 million in FY2020 to resurface approximately 20.0 miles of roadway and make other intersection, curb and gutter improvements at selected locations. In FY2021, this budget was set at \$1.5 million. The fourteenth year of participation in the sidewalk improvement program was completed in 2020 and has resulted in over 16.3 miles of new sidewalk construction, and the FY2021 budget continues with the development of a new greenways expansion program and an initial amended budget of \$275,000. The stormwater program is in its tenth year and over \$5.45 million in local tax revenues have been dedicated since then to undertake large scale drainage improvements across the City, with the FY2021 budget contributing \$200,000. Work was completed on Phase I of the streetscape and alley improvements in downtown Bowling Green during FY2020 and funding was included in the

FY2020 budget to begin design services on Phase II to extend the project further down College and State Streets toward the riverfront. Additional funding for Phase II construction was allocated in the FY2021 amended budget at \$1.5 million. Smallhouse Road Improvements, Phase III received \$500,000 in FY2020 for the extension of the multi-use path to continue to the intersection with Scottsville Road. Construction of the Shive Lane widening and roundabout project, Phase I, was completed and design on Phase II began during FY2020. More funding was also allocated in the FY2021 budget to progress Phase II and Phase III of the Shive Lane project from the new roundabout at Ken Bale Boulevard to a new roundabout at Middle Bridge Road and extending the roadway to Lovers Lane at Searcy Way.

The Parks and Recreation Department continued and completed several projects during Fiscal Year 2020. The replacement of 17 bunkers at the CrossWinds Golf Course was completed for a cost of \$185,000, construction of new greenways and pathways at Pedigo Park and from WKU to Parks and Recreation were completed at a cost of \$732,000, and reconfiguration of the Hobson Golf Course and addition of a driving range rounded out the year with a total cost of \$788,000. Projects underway during FY2021 include the second phase of improvements for the bunkers at CrossWinds Golf Course, development for a new riverfront park area, irrigation improvements at Hobson Golf Course and resurfacing and resealing of parking lots and tennis courts.

Several pieces of larger equipment were purchased during FY2020 for the Public Works Department, including: a vacuum truck, Ford dump truck, skid steer loader, several lifts, and a full size truck for a total cost of \$712,000. Also, the Fire Department completed the purchase of two new fire trucks during the fiscal year at a cost of over \$1.5 million. The trucks were built to the City's specifications and have now been delivered and are in-service.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bowling for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

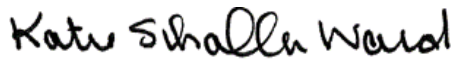
The GFOA has also given an Award for Outstanding Achievement in Financial Reporting to the City of Bowling Green for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

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

Acknowledgements

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

Respectfully submitted,



Katie Schaller-Ward
Assistant City Manager/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bowling Green
Kentucky**

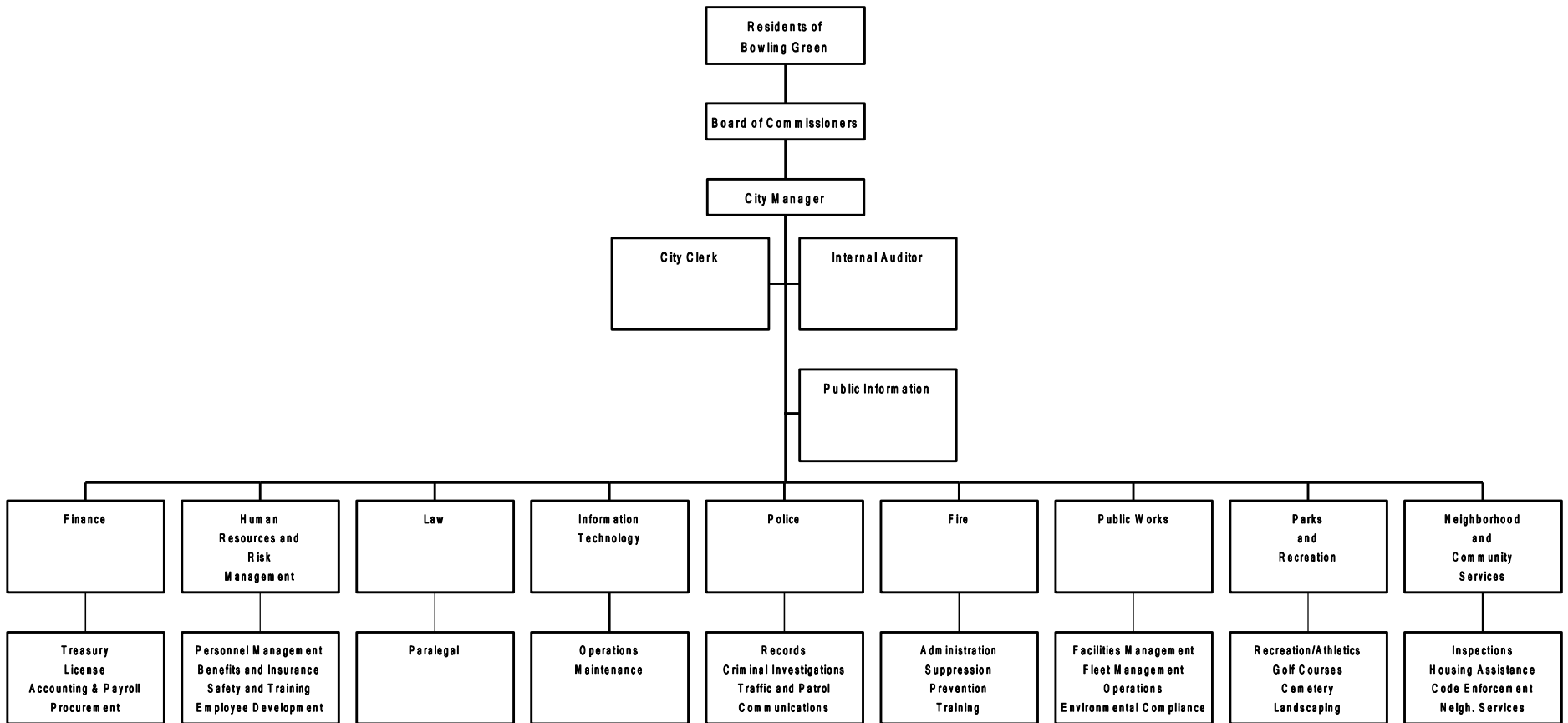
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF BOWLING GREEN



**City of Bowling Green, Kentucky
Directory – Principal Officials**

Mayor and Commissioners

Bruce Wilkerson	Mayor
Dana Beasley-Brown	Commissioner
Joe W. Denning	Commissioner
Brian “Slim” Nash	Commissioner
Sue Parrigin	Commissioner / Mayor Pro Tem

JEFF MEISEL – CITY MANAGER

Administration:

Ashley Jackson	City Clerk
Deborah Jenkins	Internal Auditor

Finance:

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

Human Resources and Risk Management:

Erin Hulsey	Director
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Law:

H. Eugene Harmon	City Attorney
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Information Technology:

Lynn Hartley	Chief Information Officer
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Public Safety:

Doug Hawkins	Police Chief
Jason Colson	Fire Chief

Public Works:

Greg Meredith	Director
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Parks and Recreation:

Brent Belcher	Director
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Neighborhood and Community Services:

Brent Childers	Director
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Independent Auditor's Report

Honorable Bruce Wilkerson, Mayor
and Commissioners
City of Bowling Green

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Policemen and Firefighters' Retirement Fund which reflects total assets of \$6,235,387 as of June 30, 2020, and total additions of \$410,937 for the year ended June 30, 2020. We also did not audit the financial statements of Bowling Green Municipal Utilities which represents all of the assets and the revenues as of and for the year ended June 30, 2020 of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Policemen and Firefighters' Retirement Fund and Bowling Green Municipal Utilities is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

MCM CPAs & Advisors LLP

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Independent Auditor's Report (Continued)

Auditor's Responsibility (Continued)

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

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

Opinions

In our opinion, based on our audit and the reports of 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 unit, each major fund, and the aggregate remaining fund information of the City of Bowling Green as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 22, budgetary comparison information on pages 79 through 81, pension and OPEB schedules on pages 82 through 88 and the Modified Approach for City Streets Infrastructure Capital Assets on pages 89 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report (Continued)

Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section on pages 1 through 9, combining and individual funds statements and schedules on pages 98 through 147, the statistical section on pages 148 through 174 and the Schedule of Expenditures of Federal Awards on page 180 and 181, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical tables have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020 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 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 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.



Lexington, Kentucky
November 9, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) offers readers of the financial statements an overview and analysis of the financial position and activities of the City of Bowling Green ("the City") for the fiscal year ended June 30, 2020. The information presented here should be read in conjunction with the Letter of Transmittal and the financial statements immediately following this analysis.

Financial Highlights

- The City's assets exceeded liabilities at the close of the fiscal year by \$203.6 million (net position). This amount included \$21.8 million of resources restricted to specific projects by laws, regulations or contractual agreements. A deficit total of \$35.6 million of resources was unrestricted principally due to GASB 68 Accounting and Financial Reporting for Pensions, which was implemented during Fiscal Year 2015, and GASB 75 Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB), which was implemented in Fiscal Year 2018.
- The City's total net position increased \$8.4 million this year, net position of governmental activities increased \$7.9 million and net position of business-type activities increased by \$0.5 million. The increase is a result of the purchase of capital assets and the reduction of outstanding debt through scheduled principal payments during FY2020.
- As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$77.6 million, an increase of \$4.0 million over the prior year. Of the total fund balances amount, \$13.5 million in the General Fund was unassigned and available for spending. The committed fund balance total of \$18.1 million represents the minimum reserve balance set by the City's reserve balance policy, which calculates the reserve balance as 25% of the adopted revenue budget.
- The City's governmental activities total assets increased by \$17.4 million primarily as a result of current year additions to capital assets for infrastructure and other improvement projects, while governmental activities deferred outflows of resources did not change. Business-type activity assets increased by \$0.7 million due to increased cash and investment holdings that resulted from a decrease in spending during FY2020.
- The City's governmental activities total liabilities and deferred inflows of resources increased by \$9.5 million due to increased liabilities for pensions and OPEB. Business-type activity debt increased by \$0.3 million as a result of increased vouchers payable due to inception of a new construction project.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all the City's assets and liabilities as of June 30, 2020. Net position is the difference between assets and liabilities. Over time, increases or decreases in net position are one indicator of whether financial health is improving or deteriorating. Information on other factors, such as changes in the revenue structure and the condition of the City's assets, is also needed to assess the overall financial situation of the City.

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

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

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

Fund Financial Statements

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

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

The City as Trustee

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

Government-wide Financial Analysis

Net Position

The following table summarizes the City's financial position as of June 30, 2020. The City reported assets greater than liabilities by \$203.6 million, an increase of \$8.4 million over last year. The increase in net position is primarily a result of the reduction of outstanding debt due to scheduled principal payments alongside an increase in capital assets. Business-type activities increased as a result of reductions in expenses, specifically facility repairs, with reduced revenues still outpacing expenditures. An \$18.1 million increase in assets and deferred outflows of resources is from the current year purchase of capital assets and a driver of the increase in net position over last year. Of the \$203.6 million in net position, \$217.3 million, or 106.7%, was the net investment in capital assets and unrestricted net position equaled a deficit balance of \$35.6 million, or -17.5%. The net position of governmental activity funds totaled \$187.3 million, which was comprised of the net investment in capital assets totaling \$210.5 million, or 112.4%, and a deficit balance of \$45.0 million, or -24.0%, as unrestricted. The unrestricted net position of governmental funds included fund balances of the General Fund and various special revenue funds.

Summary of Net Position June 30, 2020 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 132.2	\$ 128.6	\$ 9.7	\$ 8.9	\$ 141.9	\$ 137.5
Capital assets	230.8	217.0	6.8	6.9	237.6	223.9
Total assets	<u>363.0</u>	<u>345.6</u>	<u>16.5</u>	<u>15.8</u>	<u>379.5</u>	<u>361.4</u>
Deferred outflows of resources	37.4	37.4	-	-	37.4	37.4
Long-term liabilities	186.2	177.3	-	-	186.2	177.3
Other liabilities	15.0	14.2	0.3	-	15.3	14.2
Total liabilities	<u>201.2</u>	<u>191.5</u>	<u>0.3</u>	<u>-</u>	<u>201.5</u>	<u>191.5</u>
Deferred inflows of resources	11.8	12.0	-	-	11.8	12.0
Net position:						
Net investment in capital assets	210.5	195.0	6.8	6.9	217.3	201.9
Restricted for:						
Debt service	5.7	5.5	-	-	5.7	5.5
Capital projects	12.8	24.5	-	-	12.8	24.5
Community development	2.1	1.8	-	-	2.1	1.8
Perpetual care	1.2	1.2	-	-	1.2	1.2
Unrestricted	(45.0)	(48.6)	9.4	8.9	(35.6)	(39.7)
Total net position	<u>\$ 187.3</u>	<u>\$ 179.4</u>	<u>\$ 16.2</u>	<u>\$ 15.8</u>	<u>\$ 203.6</u>	<u>\$ 195.2</u>

**Numbers may not total due to rounding*

The net position of the City's business-type activities totaled \$16.2 million. Of the net position total, \$6.8 million (42%) was net investment in capital assets and \$9.4 million (58%) was unrestricted.

Analysis of City Operations

The following table summarizes City operations for the fiscal year ended June 30, 2020. Governmental activities increased the City of Bowling Green's net position by \$7.9 million, accounting for 94% of the total increase. The increase in net position is a result of increased capital asset and infrastructure acquisitions and the scheduled payoff of outstanding debt. Business-type activities increased the City's net position by \$0.5 million, which was 6% of the total increase. The increase in Business-type net position is due to the purchase of capital assets and completion of capital improvements during Fiscal Year 2020 at the Convention Center.

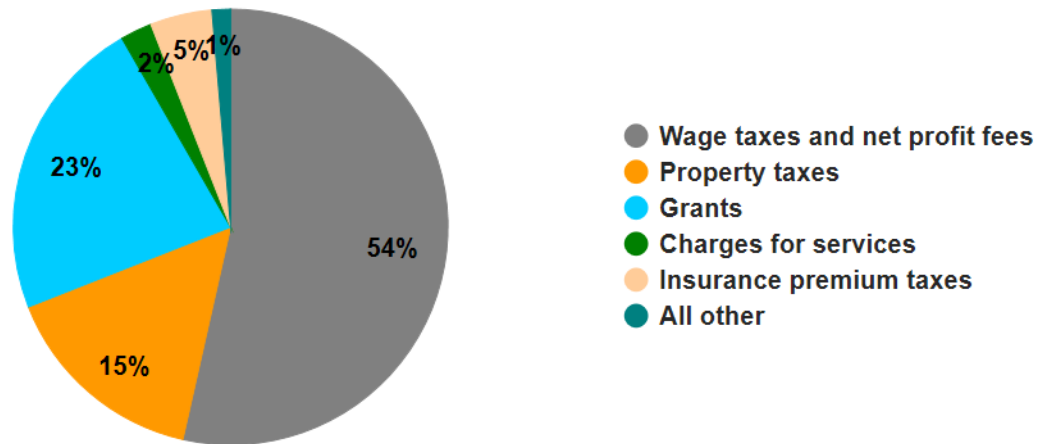
Statement of Activities June 30, 2020 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 2.4	\$ 4.5	\$ 0.1	\$ 0.2	\$ 2.5	\$ 4.7
Operating grants and contributions	17.0	11.4	-	-	17.0	11.4
Capital grants and contributions	6.1	4.6	-	-	6.1	4.6
General revenues						
Property taxes	15.8	15.0	-	-	15.8	15.0
Insurance premium taxes	4.7	4.5	-	-	4.7	4.5
Transient room taxes	-	-	0.5	0.5	0.5	0.5
Wage taxes and net profit fees	54.6	53.6	-	-	54.6	53.6
Other general revenues	1.4	2.7	0.2	0.3	1.6	3.0
Total revenues	102.0	96.3	0.8	1.0	102.8	97.3
Program Expenses						
General government	33.2	28.3	-	-	33.2	28.3
Public safety	27.4	26.3	-	-	27.4	26.3
Public works	14.8	12.7	-	-	14.8	12.7
Parks and recreation	4.9	6.8	-	-	4.9	6.8
Neighborhood and comm. services	6.4	5.3	-	-	6.4	5.3
Agency services	2.7	2.5	-	-	2.7	2.5
Interest expense	4.6	5.1	-	-	4.6	5.1
Convention Center	-	-	0.4	0.8	0.4	0.8
Total program expenses	94.0	87.0	0.4	0.8	94.4	87.8
Increase/decrease in net position before transfers	8.0	9.3	0.4	0.2	8.4	9.5
Transfers	(0.1)	(0.9)	0.1	0.9	-	-
Change in net position	7.9	8.4	0.5	1.1	8.4	9.5
Net position, beginning of year	179.4	171.0	15.7	14.6	195.1	185.6
Net position, end of year	\$ 187.3	\$ 179.4	\$ 16.2	\$ 15.8	\$ 203.6	\$ 195.1

*Numbers may not total due to rounding

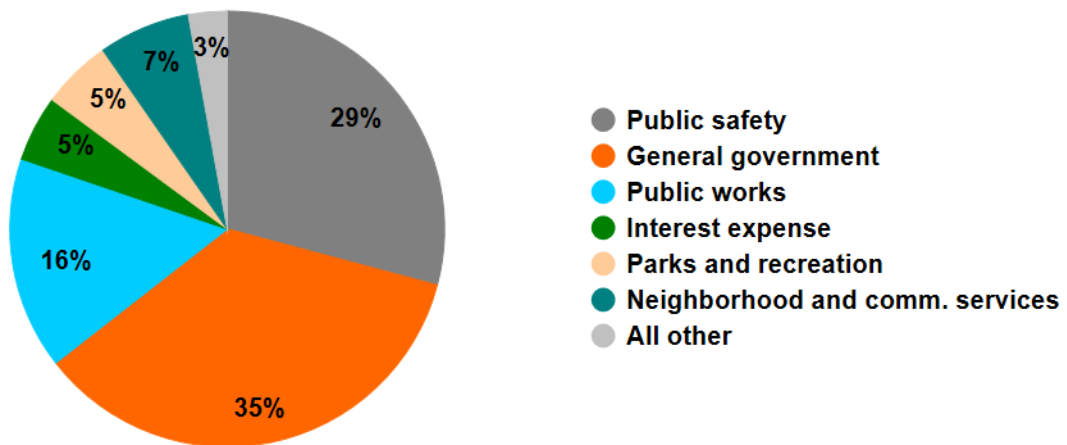
Revenues for the City's governmental activities totaled \$102.0 million at June 30, 2020, compared to \$96.3 million in the prior year. The increase is due to additional operating and capital grants to help offset the effect of COVID-19 as well as positive wage growth prior to COVID-19 related closures. The increase in property taxes is due to new home and multi-family construction and property value assessment increases. The City's largest source of revenue, wage taxes and net profit fees, totaled \$54.6 million, or 53.5%, of governmental revenue during FY2020. The second largest category of revenues, operating and capital grants, accounted for \$23.1 million, or 22.6%, of total revenue. Other revenue sources included property taxes (\$15.8 million), charges for services (\$2.4 million) and insurance premium taxes (\$4.7 million).

Governmental Funds Revenue Sources



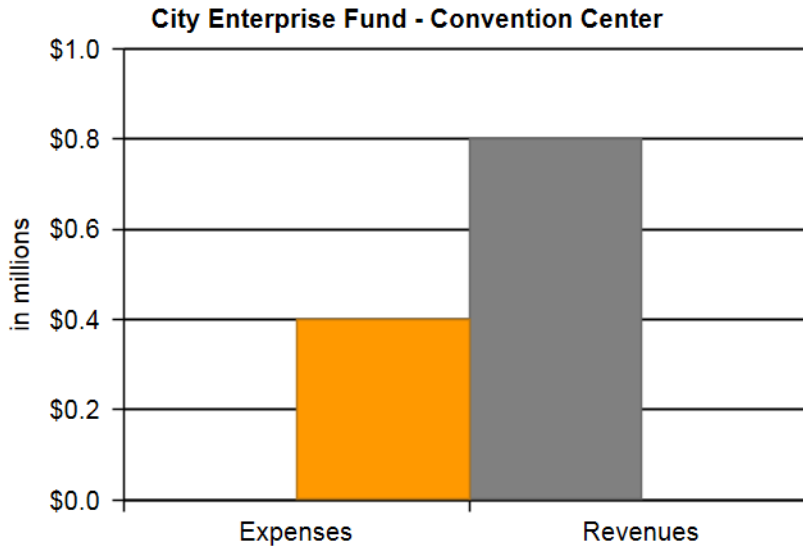
Current year expenses of the City's governmental activities totaled \$94.0 million, compared to \$87.0 million in the prior year. The primary increase in expenses was due to the purchase of two new fire apparatus in the Public Safety program and various on-going construction projects, including a new fire station, evidence storage facility, downtown development, and multiple road projects. The City's largest expense category, General Government, ended the fiscal year with expenses totaling \$33.2 million, or 35.2%, of total expenses during FY2020. The second largest category of expenses was Public Safety, with a total of \$27.4 million, or about 29.1%, of total expenses. Other expense categories include Public Works (\$14.8 million), Parks and Recreation (\$4.9 million), and Neighborhood and Community Services (\$6.4 million) and interest expense (\$4.6 million).

Governmental Funds Expenditure Categories



Business-type Activities

Revenues for business-type activities totaled \$0.8 million during Fiscal Year 2020, compared to \$1.0 million last year. Of the \$0.8 million of revenues, \$0.1 million, or 12.5%, was collected as charges for services fees. Non-service fee revenue included a 3% transient room tax and interest income. Expenses for business-type activities totaled \$0.4 million during FY2020, which is a decrease of \$0.4 million reported last year due to the completion of several non-capital repairs at the Sloan Convention Center in FY2019.



Funds of the City of Bowling Green

The City's governmental funds for the year ended June 30, 2020, reflected a combined ending total fund balance of \$77.6 million, an increase of \$4.0 million over the prior year. The increase in fund balance was a result of wage growth prior to COVID-19 closures and unanticipated grant awards related to COVID-19. Of the \$77.6 million total fund balance, \$13.5 million was unassigned in the General Fund and available for spending at the City's discretion. The remaining balance was comprised of non-spendable, assigned, committed, and restricted amounts; indicating that the funds were not available for spending, or that spending was otherwise restricted by State statute or by City ordinance, or have been dedicated to pay outstanding contracts or purchase orders, or to fund future debt service payments, or intended to be used for specific purposes.

The total fund balance in the General Fund at June 30, 2020, was \$33.6 million, which represents an increase of \$5.6 million from the prior year. The increase in fund balance was mainly a result of an increase in grant funding from other governments to aid in the City's response to COVID-19. Of the \$33.6 million total fund balance, unassigned fund balance was \$13.5 million and reflected 17.2% of General Fund revenues, representing residual net resources that have not been restricted, committed or assigned to specific purposes. Committed fund balance was \$18.1 million and was the General Fund's minimum reserve balance equal to 25% of budgeted revenues, which was increased from 20% in FY2016. Assigned fund balance totaled \$1.7 million, or 2.2%, of General Fund revenues; non-spendable fund balance was \$298,345; and restricted was \$67,000. The fund balances for these categories represented prepaid items, inventories, spending restricted to specific purposes, and funds reserved to pay contracts and purchase orders outstanding as of June 30, 2020.

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

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

The final major governmental fund, the Inter-Modal Transportation Authority, Inc. (ITA) Bond Fund, was used to account for the revenues and expenditures related to the refunding of ITA mortgage-backed bond issues that funded the acquisition and construction of the Kentucky Transpark. Total fund balance of the ITA Bond Fund was \$1.8 million as of June 30, 2020. Of the \$1.8 million total fund balance, all was assigned fund balance.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net position in the proprietary fund, which consists solely of the Convention Center, equaled \$16.2 million as of June 30, 2020, compared to \$15.8 million last year. The gain in the Convention Center Fund net position was due to a reduction in repair costs, which outpaced the reduction in revenue due to COVID-19. Of the total net position, \$6.8 million represented the net investment in capital assets and \$9.4 million was unrestricted.

General Fund Budgetary Highlights

Over the course of the Fiscal Year, the Board of Commissioners approved revisions of the General Fund's budget five times in order to make adjustments for additional revenues collected for grants and donations not known when the budget was initially adopted. In all, the revenue budget was increased by \$6,384,100 or +8.9%. The changes are briefly summarized below.

Original revenue estimates were changed by the following:

Grants	\$ 6,350,850
Contributions & donations	32,750
Parks & Recreation	500

The comparison of actual revenue to the final amended revenue budget yielded significant budgetary variances for employee withholdings (\$2.1 million), grants (\$-0.6 million), and net profits (\$-0.7 million). Employee withholdings bounced back in Fiscal Year 2020 with a 2.7% increase over FY2019 actual collections due to continued growth in the population and economic base resulting from numerous expansions and new projects within the region. Real estate taxes outpaced budget by \$0.3 million with the continued new construction of both commercial and residential property and additions to the tax roll. Net profit collections for the year missed the budgetary expectation by \$0.7 million and as a result the FY2021 budget was reduced by 13.1%.

The total expenditure budget was increased by \$3,953,070 or +6.4%, during the Fiscal Year. The increase was primarily due to the acceptance and appropriation of federal grant funds for the City's COVID-19 response. Other major changes are due to the following:

General Government	\$ (158,000)
Fire	2,493,600
Police	1,795,560
Parks and Recreation	(8,690,060)
Neighborhood & Community Services	575,900
Agency Services	(323,670)
Public Works	438,730

The comparison of actual expenditures to the final amended expenditure budget resulted in significant budgetary variances in the following activities: Public Works (\$831,000), Parks and Recreation (\$958,000), Police (\$2,695,000) and Fire (\$2,604,000). The positive variances are a result of unspent budgeted projects and disciplined under-spending.

Capital Assets

The City's investment in capital assets totaled \$237.0 million as of June 30, 2020, which was an increase of \$13.1 million from the prior year. This investment includes land, buildings, infrastructure, improvements, vehicles, equipment, and intangible assets. For governmental activities, investments totaled \$230.2 million. Comparably, FY2019 had a capital asset investment total of \$216.7 million.

This year's major capital additions are shown below:

Downtown capital improvements phase I	\$ 4,209,874
Street infrastructure improvements/additions	3,969,769
Public Safety apparatus and vehicle replacements	2,310,007
Sidewalk infrastructure improvements/additions	1,339,829
Public Works vehicle and heavy equipment replacement	589,752
Hobson Golf driving range construction and netting	563,284
Stormwater infrastructure improvements/additions	538,855
WKU to Downtown Bikeway/Greenway	526,981
Public Safety property acquisition	275,938
Butler County landfill leachate management system	290,274
Pedigo Park greenway construction	205,185

The following table summarizes the changes in net capital assets:

(Net of Depreciation, stated in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 17.5	\$ 18.2	\$ 2.3	\$ 2.3	\$ 19.8	\$ 20.5
Infrastructure	135.2	130.3	-	-	135.2	130.3
Building	29.1	30.7	4.0	4.3	33.1	35.0
Improvements other than buildings	27.9	22.7	-	-	27.9	22.7
Vehicles, equipment and furniture	12.1	9.6	0.1	0.1	12.2	9.7
Construction in progress	7.3	3.8	0.3	0.1	7.6	3.9
Intangibles	1.0	1.2	-	-	1.0	1.2
Property held under capital lease	0.1	0.1	-	-	0.1	0.1
Total *	\$ 230.2	\$ 216.7	\$ 6.8	\$ 6.8	\$ 237.0	\$ 223.9

**Numbers may not total due to rounding*

The City has elected to apply the Modified Approach to accounting for street and sidewalk infrastructure systems as set forth in GASB 34. With this approach, the City uses an overall condition index (OCI) to assess the surface condition of individual pavement segments. The City's policy is to consider streets and sidewalks in need when the OCI rating falls below minimum functional classification values. The City's most recent assessment in 2020 found that 74% of streets and 89% of sidewalks met or exceeded this goal. The estimated amount needed to maintain City streets and sidewalks at the specified levels for FY2021 was \$1,500,000 and \$100,000 respectively, which was included in the FY2021 budget. Additional information on the City's capital assets activity can be found in note 3C.

Debt Administration

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

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

At the end of the Fiscal Year, the City had \$65.7 million in bonds and notes outstanding, net of discounts and premiums.

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

Outstanding Debt at Year End June 30, 2020 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation & revenue bonds	\$ 58.8	\$ 67.2	\$ -	\$ -	\$ 58.8	\$ 67.2
Notes & lease purchase agreements	4.6	3.5	-	-	4.6	3.5
Compensated absences	2.1	1.9	-	-	2.1	1.9
Landfill post-closure costs	2.2	2.3	-	-	2.2	2.3
Bond premiums, discounts, refunding loss	2.3	2.5	-	-	2.3	2.5
Total	<u>\$ 70.0</u>	<u>\$ 77.4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70.0</u>	<u>\$ 77.4</u>

**Numbers may not total due to rounding*

The City maintains bond ratings of "Aa2" from Moody's and "AA" from Standard & Poor's. Despite the provisions for the issuance of GO debt already discussed, legal limits remain on the total amount of GO indebtedness that may be incurred. The Kentucky Constitution provides that the total principal amount of city net indebtedness, which excludes self-supporting obligations, revenue bonds, special assessment debt, and non-tax supported debt (net debt applicable to limit), cannot exceed 10% of the value of taxable property in the city (\$660,362,747). Therefore, the current debt margin of the City is \$594.7 million (See Statistical Schedule 18).

Next Year's Budget

During the budget planning for FY2021, revenue growth projections were impacted by the future effects of the coronavirus pandemic on the local economy. Using a combination of analysis techniques from the past recession's impacts on net profits and the influences on employee withholdings, a conservative forecasting model was developed identifying a 9.7% decline in revenues across all funds compared to the FY2020 adopted budget. Fortunately, preliminary growth estimates for property taxes offset a portion of the projected regression. The FY2021 adopted General Fund budget is balanced without utilization of fund balance nor an increase in taxes.

The FY2021 adopted expenditure budget for all funds decreased by 8.4% from the FY2020 original budget and includes a 2.3% cost of living adjustment (COLA) for employees. The Capital Improvement Project (CIP) budget is \$20.6 million, which includes debt service, and is a 21.7% decrease compared to the \$25.8 million FY2020 CIP budget. The FY2021 budget continued funding the committed fund balance at 25% of the adopted General Fund revenue budget or \$16.7 million. The committed fund balance acts as the City's 'rainy day' account and can be accessed by a majority vote of the Board of Commissioners.

Improvements in community livability, traffic and roads, parks facilities, and technology enhancements are some of the highlights of the FY2021 capital budget. Improving traffic flow is a top priority and is addressed in the budget with \$3,985,000 allocated for Phase II and Phase III construction of the Shive Lane widening and expansion project. The City also continues investing in the BG Reinvestment/Local Strategy Area by leveraging 80% of the annual CDBG allocation and \$200,000 of local tax revenues to implement improvements in the third target area, which encompasses Census Tracts 103.3 and 103.4 (Old Morgantown Road to Morgantown Road). Other intersection spot improvements in the amount of \$200,000 at Main Avenue and Kentucky/Adams Streets and Eighth Avenue are also included in the FY2021 budget.

The City continues to fund street overlay (\$1.5 million), stormwater mitigation (\$200,000), downtown improvements (\$500,000), and a new greenways expansion program (\$150,000) in the FY2021 budget. Additionally, the City continues to invest in parks and recreation capital improvements and purchases (\$2.2 million) as part of the Parks Master Plan implementation.

New initiatives in the FY2021 budget include funding to enhance public and employee safety with expansion of the City's Employee Assistance Program (EAP) services, establishment of a first responder peer support team, construction of a safe haven baby box at the new fire station on Lovers Lane, and replacement of public safety equipment which has reached its end of useful life. The FY2021 budget furthers the City's efforts to meet the demands of a growing community.

Request for Information

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

City of Bowling Green, Kentucky
Statement of Net Position
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Pooled cash and cash equivalents	\$ 41,735,328	\$ -	\$ 41,735,328	\$ -
Non-pooled cash and cash equivalents	2,945,434	3,388,921	6,334,355	34,862,909
Investments	35,511,975	6,315,837	41,827,812	-
Receivables (net):				
Accounts	1,756,838	308	1,757,146	11,086,833
Other	150,116	-	150,116	2,755,167
Accrued interest	6,133	2,561	8,694	-
Due from other governmental units	6,524,819	-	6,524,819	-
Due from Western Kentucky University	15,340,000	-	15,340,000	-
Prepaid items	1,051,651	-	1,051,651	353,788
Prepaid rent	26,870,164	-	26,870,164	-
Inventories	342,634	-	342,634	1,460,448
Other assets	-	-	-	1,983,545
Restricted assets:				
Restricted cash - TVA	-	-	-	1,785,481
Investments	-	-	-	51,639,792
Capital assets, net of accumulated depreciation:				
Non-depreciable	149,471,501	2,614,552	152,086,053	27,696,300
Depreciable	80,735,164	4,192,544	84,927,708	193,428,888
Net pension asset	608,379	-	608,379	-
Total assets	<u>363,050,136</u>	<u>16,514,723</u>	<u>379,564,859</u>	<u>327,053,151</u>
DEFERRED OUTFLOWS OF RESOURCES				
Outflows for pensions	23,243,952	-	23,243,952	7,105,128
Outflows for OPEB	10,265,418	-	10,265,418	3,188,347
Deferred amounts from refunding debt	3,844,475	-	3,844,475	441,614
Total deferred outflows of resources	<u>37,353,845</u>	<u>-</u>	<u>37,353,845</u>	<u>10,735,089</u>
LIABILITIES				
Vouchers and accounts payable	3,281,598	270,477	3,552,075	10,796,795
Accrued payroll	1,140,055	-	1,140,055	-
Accrued interest payable	240,818	-	240,818	1,020,465
Insurance claims payable	607,964	-	607,964	-
Other current liabilities	-	-	-	2,670,723
Unearned revenue	65,109	-	65,109	-
Deposits	794,721	-	794,721	6,535,690
Non-current liabilities				
Due within one year				
Compensated absences	1,164,139	-	1,164,139	982,506
Bonds payable	7,040,000	-	7,040,000	5,589,804
Notes capital lease obligations	613,681	-	613,681	758,313
Landfill closure and post closure costs	71,420	-	71,420	-
Due in more than one year				
Compensated absences	957,109	-	957,109	451,894
Bonds payable	54,086,049	-	54,086,049	124,294,657
Notes and capital lease obligations	3,971,629	-	3,971,629	1,038,731
Landfill closure and post closure costs	2,164,356	-	2,164,356	-
Advances from customers and TVA	-	-	-	99,786
Net pension liability	99,305,777	-	99,305,777	35,505,693
Net OPEB liability	25,735,785	-	25,735,785	8,488,994
Total liabilities	<u>201,240,210</u>	<u>270,477</u>	<u>201,510,687</u>	<u>198,234,051</u>
DEFERRED INFLOWS OF RESOURCES				
Inflows for pensions	4,171,709	-	4,171,709	882,291
Inflows for OPEB	7,674,385	-	7,674,385	3,088,158
Total deferred inflows of resources	<u>11,846,094</u>	<u>-</u>	<u>11,846,094</u>	<u>3,970,449</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Net Position
June 30, 2020

Continued from previous page

NET POSITION

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Net investment in capital assets	210,484,781	6,807,096	217,291,877	129,653,697
Restricted for				
Debt service	5,732,817	-	5,732,817	11,002,273
Capital projects	12,766,106	-	12,766,106	-
Community development	2,087,886	-	2,087,886	-
Perpetual care	1,235,636	-	1,235,636	-
Unrestricted	(44,989,549)	9,437,150	(35,552,399)	(5,072,230)
Total net position	<u>\$ 187,317,677</u>	<u>\$ 16,244,246</u>	<u>\$ 203,561,923</u>	<u>\$ 135,583,740</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Activities
For the Year Ended June 30, 2020

Function/Programs	Expenses	Program Revenues			Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 33,240,486	\$ 745,125	\$ 4,429,221	\$ 4,048,234	\$ (24,017,906)	\$ -	\$ (24,017,906)	\$ -
Public safety	27,383,455	219,791	7,451,445	598,788	(19,113,431)	-	(19,113,431)	-
Public works	14,839,341	-	1,108,548	1,389,896	(12,340,897)	-	(12,340,897)	-
Parks and recreation	4,889,698	1,451,062	-	10,424	(3,428,212)	-	(3,428,212)	-
Neighborhood and comm. services	6,382,391	-	3,976,679	95,621	(2,310,091)	-	(2,310,091)	-
Agency services	2,673,446	-	-	-	(2,673,446)	-	(2,673,446)	-
Interest expense	4,616,856	-	-	-	(4,616,856)	-	(4,616,856)	-
Total governmental activities	<u>94,025,673</u>	<u>2,415,978</u>	<u>16,965,893</u>	<u>6,142,963</u>	<u>(68,500,839)</u>	<u>-</u>	<u>(68,500,839)</u>	<u>-</u>
Business-type activities:								
Convention Center	371,054	102,041	-	-	-	(269,013)	(269,013)	-
Total business-type activities	<u>371,054</u>	<u>102,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(269,013)</u>	<u>(269,013)</u>	<u>-</u>
Total primary government	<u>\$ 94,396,727</u>	<u>\$ 2,518,019</u>	<u>\$ 16,965,893</u>	<u>\$ 6,142,963</u>	<u>\$ (68,500,839)</u>	<u>\$ (269,013)</u>	<u>\$ (68,769,852)</u>	<u>\$ -</u>
COMPONENT UNITS								
Bowling Green Municipal Utilities	115,572,501	121,795,189	-	797,498	-	-	-	7,020,186
Total component units	<u>\$ 115,572,501</u>	<u>\$ 121,795,189</u>	<u>\$ -</u>	<u>\$ 797,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,020,186</u>
GENERAL REVENUES:								
Property taxes					15,811,675	-	15,811,675	-
Insurance premium taxes					4,667,114	-	4,667,114	-
Transient room taxes					-	475,577	475,577	-
Wages and net profits					54,608,120	-	54,608,120	-
Investment income					851,895	197,464	1,049,359	1,335,882
Gain (loss) on disposal of capital assets					(1,879,514)	(45,575)	(1,925,089)	8,579
Merchandising revenues					-	-	-	120,436
Miscellaneous					2,450,476	7,733	2,458,209	-
Total general revenues					<u>76,509,766</u>	<u>635,199</u>	<u>77,144,965</u>	<u>1,464,897</u>
Transfers					<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
					<u>76,409,766</u>	<u>735,199</u>	<u>77,144,965</u>	<u>1,464,897</u>
Change in net position					7,908,927	466,186	8,375,113	8,485,083
Net position, beginning of year					<u>179,408,750</u>	<u>15,778,060</u>	<u>195,186,810</u>	<u>127,098,657</u>
Net position, end of year					<u>\$ 187,317,677</u>	<u>\$ 16,244,246</u>	<u>\$ 203,561,923</u>	<u>\$ 135,583,740</u>

See accompanying notes.

**City of Bowling Green, Kentucky
Balance Sheet - Governmental Funds
June 30, 2020**

	General Fund	WKU Athletics	Debt Service	ITA Bond	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and cash equivalents	\$ 13,177,146	\$ -	\$ -	\$ 1,360,845	\$ 23,746,845	\$ 38,284,836
Non-pooled cash and cash equivalents	1,649,278	-	-	-	1,296,156	2,945,434
Investments	14,047,063	-	-	199,941	18,423,745	32,670,749
Receivables (net of allowances for uncollectibles):						
Accounts receivable	1,602,853	-	-	-	147,986	1,750,839
Western Kentucky University	-	15,340,000	-	-	-	15,340,000
Interest receivable	436	-	-	-	5,522	5,958
Due from other governmental units	5,080,001	-	-	194,143	1,250,675	6,524,819
Prepaid items	223,934	-	-	-	268,119	492,053
Inventories	74,411	-	-	-	-	74,411
Total assets	\$ 35,855,122	\$ 15,340,000	\$ -	\$ 1,754,929	\$ 45,139,048	\$ 98,089,099
LIABILITIES AND FUND BALANCES						
Liabilities						
Vouchers and accounts payable	316,071	-	-	-	2,834,907	3,150,978
Accrued payroll	1,102,805	-	-	-	14,872	1,117,677
Unearned revenue	-	15,340,000	-	-	65,109	15,405,109
Security deposits	794,721	-	-	-	-	794,721
Total liabilities	2,213,597	15,340,000	-	-	2,914,888	20,468,485
Fund balances						
Non-spendable:						
Prepaid Items	223,934	-	-	-	-	223,934
Inventories	74,411	-	-	-	-	74,411
Restricted for:						
Cemetery perpetual	-	-	-	-	1,107,519	1,107,519
Community services	-	-	-	-	1,619,859	1,619,859
Streets and sidewalks	-	-	-	-	134,803	134,803
Public safety grants	67,000	-	-	-	1,432,931	1,499,931
Lampkin park	-	-	-	-	20,753	20,753
Committed to:						
Economic stabilization	18,063,000	-	-	-	-	18,063,000
Economic development	-	-	-	-	5,277,378	5,277,378
Police and fire improvements	-	-	-	-	1,536,073	1,536,073
Landfill	-	-	-	-	1,319,770	1,319,770
Sidewalks	-	-	-	-	687,633	687,633
Assigned to:						
Debt Service	-	-	-	1,754,929	3,977,888	5,732,817
General government services	172,238	-	-	-	1,489,763	1,662,001
Police and fire services	134,696	-	-	-	5,329,830	5,464,526
Public works services	416,304	-	-	-	13,972,729	14,389,033
Neighborhood and community services	215,203	-	-	-	1,341,418	1,556,621
Parks and recreation	235,831	-	-	-	2,975,813	3,211,644
Other purposes	571,669	-	-	-	-	571,669
Unassigned	13,467,238	-	-	-	-	13,467,238
Total fund balances	33,641,524	-	-	1,754,929	42,224,160	77,620,613
Total liabilities and fund balances	\$ 35,855,121	\$ 15,340,000	\$ -	\$ 1,754,929	\$ 45,139,048	\$ 98,089,098

See accompanying notes.

City of Bowling Green, Kentucky
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2020

Fund balances - total governmental funds		\$ 77,620,613
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	295,859,725	
Less accumulated depreciation	<u>(66,152,816)</u>	229,706,909
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		6,826,165
Other long term assets, including the City's receivables from a former employee and WKU, are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		15,490,116
Prepaid rent, which represents amounts due from the Inter-Modal Transportation Authority (ITA), is a noncurrent asset which is not available to pay current period expenditures.		
		26,870,164
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	(98,697,398)	
Net OPEB liability	(25,735,785)	
Net deferred inflows and outflows associated with pension	19,072,243	
Net deferred inflows and outflows associated with OPEB	2,591,033	
General obligation bonds	(58,785,000)	
Premiums, deferred charges and discounts on bond obligations	1,503,426	
Notes and lease purchase agreements	(4,585,310)	
Accrued interest payable	(240,818)	
Accrued compensated absences	(2,082,905)	
Landfill postclosure care	<u>(2,235,776)</u>	<u>(169,196,290)</u>
Net position of governmental activities		<u>\$ 187,317,677</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2020

	General Fund	WKU Athletics	Debt Service	ITA Bond	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 15,041,104	\$ -	\$ -	\$ 14,702	\$ 755,868	\$ 15,811,674
Insurance premium taxes	2,306,962	-	-	-	2,360,151	4,667,113
Wages and net profits	51,328,167	-	-	-	2,631,210	53,959,377
License and permits	1,472,401	-	-	-	284,060	1,756,461
Intergovernmental	5,766,540	2,979,508	-	-	9,074,200	17,820,248
Investment income	422,064	-	-	3,056	348,409	773,529
Charges for services	677,591	-	-	-	86,558	764,149
Parks and recreation	1,419,098	-	-	-	-	1,419,098
Rent income	-	-	-	93,485	-	93,485
Miscellaneous	282,193	-	-	1,165,109	175,782	1,623,084
Judgements and settlements	-	-	-	-	30,983	30,983
Contributions and donations	-	-	-	-	1,271,161	1,271,161
Total revenues	78,716,120	2,979,508	-	1,276,352	17,018,382	99,990,362
EXPENDITURES						
Current:						
General government	6,825,694	-	-	-	852,996	7,678,690
Public safety	30,002,931	-	-	-	3,737,249	33,740,180
Public works	7,725,874	-	-	-	4,217,772	11,943,646
Parks and recreation	7,243,669	-	-	-	242,410	7,486,079
Neighborhood and community services	2,375,524	-	-	-	3,601,630	5,977,154
Agency services	2,632,446	-	-	-	-	2,632,446
Capital outlay	-	-	-	-	16,052,642	16,052,642
Debt service:						
Principal	-	2,340,000	3,865,594	1,925,000	740,000	8,870,594
Interest	-	639,508	719,809	201,662	715,087	2,276,066
Total expenditures	56,806,138	2,979,508	4,585,403	2,126,662	30,159,786	96,657,497
Excess (deficiency) of revenues over (under) expenditures	21,909,982	-	(4,585,403)	(850,310)	(13,141,404)	3,332,865
Other financing sources (uses):						
Transfers in	614,399	-	4,585,403	1,017,500	16,103,302	22,320,604
Transfers out	(16,940,916)	-	-	-	(6,281,190)	(23,222,106)
Issuance of debt	-	-	-	-	1,531,518	1,531,518
Proceeds from sale of capital assets	59,874	-	-	-	-	59,874
Total other financing sources (uses)	(16,266,643)	-	4,585,403	1,017,500	11,353,630	689,890
Net change in fund balances	5,643,339	-	-	167,190	(1,787,774)	4,022,755
Fund balances, beginning	27,998,185	-	-	1,587,739	44,011,934	73,597,858
Fund balances, ending	\$ 33,641,524	\$ -	\$ -	\$ 1,754,929	\$ 42,224,160	\$ 77,620,613

See accompanying notes.

City of Bowling Green, Kentucky
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Net change in fund balances - total governmental funds \$ 4,022,755

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

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

Capital asset additions	20,858,298	
Governmental depreciation expense	(5,387,604)	
Net sales and disposals of capital assets	<u>(1,939,410)</u>	13,531,284

Certain long-term receivables are not available for the payment of current expenditures and therefore are not reported in the governmental funds. Payments on these receivables are recorded as revenue in the governmental funds and reduction of the receivable in the statement of net position. (2,363,052)

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term and related items. 6,975,435

Principal and interest payments made in relation to refunded ITA debt are current expenditures in the governmental funds. These items are recorded as prepaids in the statement of activities as they represent a long-term lease agreement. 46,045

Accrued interest expense on long-term debt is reported in the statement of activities, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. 30,958

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

Compensated absences payable		(199,195)
Landfill postclosure care		45,374

The net pension expense is an actuarial calculation and does not require the use of current financial resources and it is excluded as an expenditure in governmental funds. Additionally, since the current year contributions to the pension plan will be included in the subsequent year's pension expense calculation, those contributions should not be considered in the government-wide statements. (14,199,563)

The internal service funds used by management to charge the costs of insurance and fleet maintenance to individual funds are not reported in the entity-wide statement of activities. Governmental fund expenditures and related internal fund revenues are eliminated. 18,886

Net change in net position - governmental activities \$ 7,908,927

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Net Position - Proprietary Funds
June 30, 2020

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Convention Center	
ASSETS		
Current assets		
Pooled cash and cash equivalents	\$ -	\$ 3,450,493
Non-pooled cash and cash equivalents	3,388,921	-
Investments	6,315,837	2,841,227
Accounts receivable	308	6,000
Interest receivable	2,561	175
Prepaid items	-	559,598
Inventories	-	268,223
Total current assets	<u>9,707,627</u>	<u>7,125,716</u>
Capital assets		
Land	2,290,764	-
Construction in progress	323,788	-
Buildings	10,724,543	440,576
Machinery and equipment	1,035,627	553,026
Improvements other than buildings	74,550	-
	<u>14,449,272</u>	<u>993,602</u>
Less: accumulated depreciation	<u>(7,642,176)</u>	<u>(493,846)</u>
Capital assets, net	<u>6,807,096</u>	<u>499,756</u>
Total noncurrent assets	<u>6,807,096</u>	<u>499,756</u>
Total assets	<u>16,514,723</u>	<u>7,625,472</u>
LIABILITIES		
Current liabilities		
Vouchers and accounts payable	270,477	130,622
Accrued payroll	-	22,378
Insurance claims payable	-	607,964
Current portion of compensated absences	-	21,042
	<u>270,477</u>	<u>782,006</u>
Noncurrent liabilities		
Noncurrent portion of compensated absences	-	17,301
Total noncurrent liabilities	-	17,301
Total liabilities	<u>270,477</u>	<u>799,307</u>
NET POSITION		
Net invested in capital assets	6,807,096	499,756
Unrestricted	9,437,150	6,326,409
Total net position	<u>\$ 16,244,246</u>	<u>\$ 6,826,165</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2020

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Convention Center	
OPERATING REVENUES		
Transient room taxes	\$ 475,577	\$ -
Charges for services	102,041	1,969,975
Insurance premium taxes	-	8,143,827
Judgements and settlements	7,733	115,952
Contributions and donations	-	6,000
Miscellaneous	-	1,736
Total operating revenues	<u>585,351</u>	<u>10,237,490</u>
OPERATING EXPENSES		
Personnel services	9,652	887,731
Contractual services	-	1,005,072
Supplies	-	1,090,645
Utilities	-	29,064
Repairs and maintenance	19,693	111,855
Insurance premiums and claims	36,725	7,913,066
Depreciation	304,970	55,528
Miscellaneous	15	5,508
Total operating expenses	<u>371,055</u>	<u>11,098,469</u>
Operating income (loss)	214,296	(860,979)
NONOPERATING REVENUES (EXPENSES)		
Interest income	197,464	78,366
Gain (loss) on disposal of capital assets	(45,574)	-
Total nonoperating income	<u>151,890</u>	<u>78,366</u>
Income (loss) before transfers	366,186	(782,613)
Transfers in	100,000	1,025,500
Transfers out	-	(224,000)
Total transfers	<u>100,000</u>	<u>801,500</u>
Net income	466,186	18,887
Net position, beginning of year	<u>15,778,060</u>	<u>6,807,278</u>
Net position, end of year	<u>\$ 16,244,246</u>	<u>\$ 6,826,165</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds	Governmental Activities
	Convention Center	Internal Service Funds
CASH FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 123,231	\$ 10,535,619
Other cash receipts	475,577	-
Payments to employees	(9,834)	(878,427)
Cash payments to suppliers	214,044	(2,044,424)
Claims paid	-	(8,060,795)
	<u>803,018</u>	<u>(448,027)</u>
CASH FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	100,000	1,025,500
Transfers out	-	(224,000)
	<u>100,000</u>	<u>801,500</u>
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(272,588)	(50,243)
CASH FROM INVESTING ACTIVITIES		
Interest received	199,569	78,706
Purchase of investments	(153,726)	(243,390)
	<u>45,843</u>	<u>(164,684)</u>
Net increase (decrease) in cash and cash equivalents	676,273	138,546
Cash and cash equivalents at beginning of period	<u>2,712,648</u>	<u>3,311,947</u>
Cash and cash equivalents at end of period	<u>\$ 3,388,921</u>	<u>\$ 3,450,493</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ 214,296	\$ (860,979)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Depreciation	304,970	55,528
Changes in assets and liabilities:		
Inventories	-	(18,418)
Accounts receivable	13,457	298,129
Accounts payable	270,477	9,610
Prepaid items	-	206,528
Compensated absences	-	2,522
Accrued payroll	(182)	6,782
Insurance claims payable	-	(147,729)
Net cash provided (used) by operating activities:	<u>\$ 803,018</u>	<u>\$ (448,027)</u>

See accompanying notes.

**City of Bowling Green, Kentucky
Statement of Fiduciary Net Position
June 30, 2020**

	Pension Trust- Police & Firefighters' Retirement	<u>Agency Funds</u>
ASSETS		
Pooled cash and cash equivalents	\$ -	\$ 269,381
Non-pooled cash and cash equivalents	174,774	1,529,135
Receivable from other government	-	344,558
Accrued interest receivable	23,939	-
Investments		
Corporate securities	1,957,272	-
Mutual funds	3,347,356	-
United States government securities	102,973	-
Kentucky local municipal bonds	629,073	-
Certificate of deposit	-	91,046
Total investments	<u>6,036,674</u>	<u>91,046</u>
Total assets	<u>\$ 6,235,387</u>	<u>\$ 2,234,120</u>
LIABILITIES		
Due to other governmental units	-	695,213
Other liabilities	-	1,529,136
Due to other taxing units - School Board	-	9,771
Total liabilities	<u>\$ -</u>	<u>\$ 2,234,120</u>
NET POSITION		
Restricted for pensions	<u>\$ 6,235,387</u>	

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2020

	Pension Trust- Police & Firefighters' Retirement
ADDITIONS	
Investment income	\$ 410,937
Total additions	<u>410,937</u>
DEDUCTIONS	
Benefit payments	<u>725,077</u>
Total deductions	<u>725,077</u>
Change in net position	(314,140)
Net position, beginning of year	<u>6,549,527</u>
Net position, end of year, restricted for pensions	<u>\$ 6,235,387</u>

See accompanying notes.

City of Bowling Green, Kentucky

NOTES TO FINANCIAL STATEMENTS

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**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

1. Blended Component Units

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

Fiduciary Fund Type

City of Bowling Green Police and Firefighters' Retirement Fund. Retired or disabled City public safety employees participate in the Police and Firefighters' Retirement Fund. The Fund functions for the benefit of these employees and surviving spouses and is administered by a Board of Trustees consisting of the Mayor, City Chief Financial Officer and retiree representatives of the police and fire departments.

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

Proprietary Fund Type

The Convention Center Corporation. The non-profit corporation was organized as an agency, instrumentality and constituted authority of the City for the express purpose of planning, financing and constructing a municipal convention center and trade show facility and CrossWinds golf course pro shop facility. The Convention Center Corporation does not issue separate financial statements.

The Board of Directors consists of the Mayor, City Commissioners and Warren County Judge-Executive. Special taxing districts have been created by the City and County in the Hartland Planned Community for Convention Center Corporation operations. Bond issuance is approved by the Board of Commissioners. The Corporation is reported as an enterprise fund and does not issue its own separate financial statements.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

2. Discretely Presented Component Units

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

Proprietary Fund Type

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

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

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

B. Related Organization

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

C. Joint Venture

The Inter-Modal Transportation Authority, Inc. (ITA) is a non-profit corporation organized for the purpose of acquiring and financing public projects and public facilities as an agent for the City and the County of Warren, Kentucky, jointly. In the year ended June 30, 2008, the City approved the issuance of General Obligation bonds (Series 2007 B & C) in the amount of \$27,415,000 to refinance the ITA's mortgage-backed bonds that were outstanding. The City entered into a ground lease with the Authority, providing for the City's acquisition of a leasehold estate in the project. The City, Warren County, and the Authority entered into a Contract, Lease & Option agreement in which the Authority and County shall lease back the project from the City in consideration of rental payments to be utilized by the City in support of the payment of principal and interest on the general obligation bonds. The City and Warren County have each pledged to evenly share any shortfalls towards payment of debt service on the outstanding bonds. In 2013, there was a significant land sale to the State for right-of-way use on the I-65 connector road planned in the near future. It generated approximately \$2.3 million that was used for a partial early redemption call on the 2007C bonds through 2018. Subsequently, during FY2016 the outstanding debt of the 2007B and 2007C bonds were partially refunded by General Obligation Refunding Bonds, Series 2016A & B in the total amount of \$15,300,000. During FY2020, the City and County made scheduled debt service contributions in the amount of \$2,126,662. The separately audited financial statements of the ITA can be obtained from the City Clerk's office.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basic Financial Statements

Government-wide and Fund Financial Statements

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

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

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

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

Basis of Accounting and Financial Statement Presentation

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

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basic Financial Statements

Basis of Accounting and Financial Statement Presentation

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

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

E. Basis of Presentation

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

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

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

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

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

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Basis of Presentation

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

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

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

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

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

Agency funds generally are used to account for assets that the City holds on behalf of others as their agent, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Claims Fund is an imprest paying agent for all government funds.

Payroll Fund is an imprest paying agent for City payroll.

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

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

Treasurer's Distribution Fund is used to account for collection of miscellaneous receipts requiring disbursement to other outside agencies.

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

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

F. Assets, Liabilities and Fund Equity

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

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

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

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

Interfund Receivables - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2020, balances of interfund amounts receivable or payable have been recorded as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

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

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

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

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

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

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

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

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

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

Retirement - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the City's participation in the County Employees' Retirement System (CERS) of the Kentucky Retirement Systems (KRS) have been determined on the same basis as reported by the KRS. Benefits including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms of the CERS plan. The liability was measured at June 30, 2019.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CERS' Insurance Fund and additions to/deductions from the Insurance Fund's fiduciary net position have been determined on the same basis as reported by the Insurance Fund. The Insurance Fund recognizes benefit payments when due and payable in accordance with benefit terms. The liability was measured at June 30, 2019.

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

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

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

Long-term liabilities include the following:

- Principal outstanding on general obligation bonds, notes and capital lease obligations.
- Landfill closure and postclosure care liability is the established total current cost to place a final cover on the City's landfill sites and to perform certain maintenance and monitoring functions after closure.

Unearned Revenues - The City defers revenue recognition in connection with resources that have been received but not yet earned. At the end of Fiscal Year 2020, grant funding from the 2004 Federal CARES Act in the amount of \$65,109 have been deferred as these amounts have not yet been earned.

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Equity

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

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

G. Revenues, Expenditures and Expenses

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

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

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance with Finance Related Legal and Contractual Provisions

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

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

The City's bank balances at June 30, 2020 are entirely insured or collateralized with securities held by the City's agent in the City's name. In accordance with Kentucky Revised Statutes (KRS) 66.480 and the Government's investment policy, the Government is allowed to invest in obligations of the U.S. Treasury and U.S. agencies and instruments, repurchase agreements, bankers' acceptances, commercial paper, obligations of the Commonwealth of Kentucky and its agencies and instrumentalities, shares of mutual funds or interest bearing deposits of insured national or state banks. In addition, the Fiduciary Funds are allowed to invest in equity securities, corporate bonds and international stocks listed as American Depository Receipts (ADR). Investments of the City as of June 30, 2020 are summarized and categorized in the table on the following page.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

Primary Government (except Fiduciary Funds)		
Investment Type	Fair Value	Weighted Average Maturity
Certificate of deposit	\$ 5,547,682	0.827
Cash equivalents	10,432,951	N/A
Tax free mutual funds	1,766,285	N/A
U.S. agencies CMO	68,736	0.054
Taxable mutual funds	824,250	N/A
U.S. equity	228,849	N/A
Taxable bond funds	526,612	N/A
U.S. agencies bonds	15,934,244	1.031
Foreign real estate fund	4,666	N/A
U.S. real estate	7,853	N/A
Municipal bonds	6,485,684	0.494
	<u>\$ 41,827,812</u>	

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

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

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

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

The City has the following recurring fair value measurements as of June 30, 2020:

- Certificates of deposit, cash equivalents, U.S. Agencies CMO, and U.S. Agencies Bonds total \$31,983,613 and are valued using quoted market prices (Level 1 inputs).
- Municipal bonds, tax free mutual funds, taxable mutual funds, U.S. and foreign equity, and U.S. and foreign real state funds total \$9,844,199 using quoted prices for similar assets in active markets (Level 2 inputs).

Component Units

Bowling Green Municipal Utilities

The Bowling Green Municipal Utilities may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities, Kentucky bonds and certificates of indebtedness, highly-rated securities issued by a state or local government in the United States and certain other investments more fully described in the Kentucky Revised Statutes. Investments of each division of the Utility as of June 30, 2020 are summarized and categorized in the tables on the following pages.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

Bowling Green Municipal Utilities Water-Sewer Division			
Investment Type	Fair Value	Maturities in Years	
		Less than 1	1-5
Fixed income funds	\$ 644,921	\$ 432,071	\$ 212,850
U.S. treasury obligations	18,656	18,656	-
Negotiable certificates of deposit	1,212,032	453,356	758,676
Money market account	54,160,851	54,160,851	-
Corporate bonds	584,479	584,479	-
Foreign fixed income funds	203,351	203,351	-
	<u>\$ 56,824,290</u>	<u>\$ 55,852,764</u>	<u>\$ 971,526</u>

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

Carrying value	
Deposits	\$ 10,960,297
Investments	<u>56,824,290</u>
	<u>\$ 67,784,587</u>

Included in the following captions:

Cash and cash equivalents	\$ 17,411,340
Noncurrent cash and investments	49,284,469
Other short-term investments	<u>1,088,778</u>
	<u>\$ 67,784,587</u>

Bowling Green Municipal Utilities Electric Division		
Investment Type	Fair Value	Maturities in Years
		Less than 1
Money market account	<u>\$ 1,166,565</u>	<u>\$ 1,166,545</u>

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

Carrying value	
Deposits	\$ 16,082,357
Investments	<u>1,166,545</u>
	<u>\$ 17,248,902</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

Included in the following captions:

Cash and cash equivalents	\$ 15,982,357
Investments and restricted funds	<u>1,266,545</u>
	<u>\$ 17,248,902</u>

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

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2020, the Utility's investments in U.S. agencies obligations not directly guaranteed by the U.S. government were rated by Standard & Poor's and by Moody's Investors Services as AAA.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Utility will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2020, Bowling Green Municipal Utilities was not exposed to custodial credit risk.

Concentration of Credit Risk - The Utility places no limit on the amount that may be invested in any one issuer. At June 30, 2020, the Water-Sewer Division's investment in U.S. Treasury Note obligations constituted less than 1% of its total investments.

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

The Water/Sewer Division had the following assets measured at fair value on a recurring basis as of June 30, 2020.

Investments by Fair Value Level	June 30, 2020	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. treasury obligations	\$ 18,656	\$ -	\$ 18,656
Fixed income funds	644,921	644,921	-
Negotiable certificates of deposit	1,212,032	-	1,212,032
Foreign fixed income funds	203,351	203,351	-
Corporate bonds	584,479	584,479	-
Total investment by fair value	<u>\$ 2,663,439</u>	<u>\$ 1,432,751</u>	<u>\$ 1,230,688</u>

Police and Firefighters' Retirement Fund

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

Level 1 - Investments reflect prices quoted in active markets.

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

Level 3 - Investments reflect prices based upon unobservable sources.

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

Investments by Fair Value Level	June 30, 2020	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Corporate securities	\$ 1,957,272	\$ 457,058	\$ 1,500,214
Mutual funds	3,347,356	3,347,356	-
Kentucky local municipal bonds	629,073	-	629,073
United States government securities	102,973	102,973	-
Total investments by fair value	<u>\$ 6,036,674</u>	<u>\$ 3,907,387</u>	<u>\$ 2,129,287</u>

Approximately 32% of the net assets held in trust for pension benefits are invested in corporate securities and 55% are invested in mutual funds. The fund has the following investments whose market value exceeds 5% of the plan's fiduciary net position: American Fundamental Investors Class A FD#10 (14.18%), American Growth Fund of America Class A FD#05 (15.24%), The Investment Company of America Class A FD#4 (11.84%), and American Funds Washington Mutual Investors Class A (12.65%).

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

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

**Investment Maturities
(In Years)**

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. government	\$ 102,973	\$ -	\$ 102,973	\$ -	\$ -
Corporate securities	1,957,272	34,988	1,553,671	235,991	132,622
Kentucky municipal bonds	629,073	49,935	314,476	151,646	113,016
Mutual funds	3,347,356	3,347,356	-	-	-
Total	<u>\$ 6,036,674</u>	<u>\$ 3,432,279</u>	<u>\$ 1,971,120</u>	<u>\$ 387,637</u>	<u>\$ 245,638</u>

Rate of Return - For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expense was 6.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the financial institution, the fund will not be able to recover the value of its cash equivalents. At June 30, 2020, the Fund's carrying amounts for cash investments were uninsured, but held in the Fund by the corresponding bank's trust department.

B. Unrestricted Assets

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2020 follows below:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 18,227,881	\$ 615,938	\$ (1,383,206)	\$ 17,460,613
Infrastructure	119,717,057	5,309,598	(326,543)	124,700,112
Construction in progress	3,825,212	11,524,475	(8,038,911)	7,310,776
Total capital assets, not being depreciated	<u>141,770,150</u>	<u>17,450,011</u>	<u>(9,748,660)</u>	<u>149,471,501</u>
Capital assets, being depreciated:				
Stormwater infrastructure	13,699,896	187,885	-	13,887,781
Buildings	51,101,495	53,495	(585,486)	50,569,504
Improvements other than buildings	42,512,386	7,007,412	(412,379)	49,107,419
Intangibles	2,006,049	36,882	-	2,042,931
Vehicles, equipment and furniture	28,462,023	4,637,031	(1,631,493)	31,467,561
Property held under capital lease	306,633	-	-	306,633
Total capital assets, being depreciated	<u>138,088,482</u>	<u>11,922,705</u>	<u>(2,629,358)</u>	<u>147,381,829</u>
Less accumulated depreciation:				
Stormwater infrastructure	(3,137,099)	(246,995)	-	(3,384,094)
Buildings	(20,397,805)	(1,276,521)	204,334	(21,469,992)
Improvements other than buildings	(19,774,732)	(1,612,952)	163,177	(21,224,507)
Intangibles	(840,763)	(177,568)	-	(1,018,331)
Vehicles, equipment and furniture	(18,819,941)	(2,121,667)	1,606,923	(19,334,685)
Property held under capital lease	(207,625)	(7,431)	-	(215,056)
Total accumulated depreciation	<u>(63,177,965)</u>	<u>(5,443,134)</u>	<u>1,974,434</u>	<u>(66,646,665)</u>
Total capital assets, being depreciated, net	<u>74,910,517</u>	<u>6,479,571</u>	<u>(654,924)</u>	<u>80,735,164</u>
Governmental activities, capital assets, net	<u>\$ 216,680,667</u>	<u>\$ 23,929,582</u>	<u>\$ (10,403,584)</u>	<u>\$ 230,206,665</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

C. Capital Assets

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,290,764	\$ -	\$ -	\$ 2,290,764
Construction in progress	51,200	272,588	-	323,788
Total capital assets, not being depreciated	<u>2,341,964</u>	<u>272,588</u>	<u>-</u>	<u>2,614,552</u>
Capital assets, being depreciated:				
Buildings	11,074,617	-	(350,074)	10,724,543
Improvements other than buildings	74,550	-	-	74,550
Vehicles, equipment and furniture	1,035,627	-	-	1,035,627
Total capital assets, being depreciated	<u>12,184,794</u>	<u>-</u>	<u>(350,074)</u>	<u>11,834,720</u>
Less accumulated depreciation:				
Buildings	(6,738,964)	(262,567)	304,499	(6,697,032)
Improvements	(12,425)	(10,650)	-	(23,075)
Vehicles, equipment and furniture	(890,316)	(31,753)	-	(922,069)
Total accumulated depreciation	<u>(7,641,705)</u>	<u>(304,970)</u>	<u>304,499</u>	<u>(7,642,176)</u>
Total capital assets, being depreciated, net	<u>4,543,089</u>	<u>(304,970)</u>	<u>(45,575)</u>	<u>4,192,544</u>
Business-type activities, capital assets, net	<u>\$ 6,885,053</u>	<u>\$ (32,382)</u>	<u>\$ (45,575)</u>	<u>\$ 6,807,096</u>

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

Governmental activities	
General government	\$ 552,285
Public safety	1,744,112
Public works	983,674
Parks and recreation	1,721,774
Neighborhood and community services	<u>441,289</u>
Total depreciation expense - governmental activities	<u>\$ 5,443,134</u>
Business-type activities	
Convention Center	<u>\$ 304,970</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

C. Capital Assets

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Bowling Green Municipal Utilities				
Capital assets, not being depreciated:				
Construction in progress	\$ 9,148,594	\$ 21,040,493	\$ (2,492,787)	\$ 27,696,300
Capital assets, being depreciated:				
Transmission plant	2,611,222	67,443	(5,923)	2,672,742
Distribution plant	93,023,975	3,182,703	(1,473,164)	94,733,514
Structures and improvements, nodes	314,098	136,190	-	450,288
General plant	15,054,636	721,171	(600,446)	15,175,361
Water plant	105,591,428	1,887,676	-	107,479,104
Sewer plant	115,034,748	943,883	-	115,978,631
Equipment	7,905,241	665,555	(52,621)	8,518,175
Overhead conductors and devices	6,164,881	218,848	(42,028)	6,341,701
Trucks and autos	2,972,337	218,766	(11,300)	3,179,803
Office equipment	1,751,807	244,126	-	1,995,933
Office additions	65,716	-	-	65,716
Total capital assets, being depreciated	<u>350,490,089</u>	<u>8,286,361</u>	<u>(2,185,482)</u>	<u>356,590,968</u>
Less accumulated depreciation	<u>(154,762,840)</u>	<u>(10,844,632)</u>	<u>2,645,392</u>	<u>(162,962,080)</u>
Total capital assets, being depreciated, net	<u>195,727,249</u>	<u>(2,558,271)</u>	<u>459,910</u>	<u>193,628,888</u>
 Bowling Green Municipal Utilities, capital assets, net	 <u>\$ 204,875,843</u>	 <u>\$ 18,482,222</u>	 <u>\$ (2,032,877)</u>	 <u>\$ 221,325,188</u>

D. Interfund Transfers

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

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

	Transfers Out				Total
	General	Nonmajor Governmental	Internal Service	Convention Center	
General Fund	\$ -	\$ 614,399	\$ -	\$ -	\$ 614,399
ITA Bond	1,017,500	-	-	-	1,017,500
Debt Service	2,528,203	2,057,200	-	-	4,585,403
Convention Center	-	100,000	-	-	100,000
Internal Service Funds	825,500	-	200,000	-	1,025,500
Nonmajor Governmental Funds	<u>12,569,713</u>	<u>3,509,589</u>	<u>24,000</u>	<u>-</u>	<u>16,103,302</u>
Totals	<u>\$ 16,940,916</u>	<u>\$ 6,281,190</u>	<u>\$ 224,000</u>	<u>\$ -</u>	<u>\$ 23,446,106</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

Revenue bonds and other directly related long-term liabilities, which are intended to be paid from proprietary funds, are included in the accounts of such funds. All other long-term indebtedness is accounted for in the Governmental column of the Government-wide Statement of Net Position. The table on the following page reports all City long-term debt as of June 30, 2020.

Primary Government:

	<u>Purpose of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Governmental Activities					
General obligation and revenue bonds					
	Lovers Lane, Utilities, Park Community Center Expansion, Circus Square, Downtown Signalization, SkyPAC land acquisition, various road projects, Southwest Parkway property acquisition, Broadway Curve Straightening, Fields Drive and Skate Park Refinance GO Series	\$14,905,000	4.0%-5.0%	June 30, 2021	\$ 540,000
General Obligation Bond, Series 2007A	2002B and 2002C Refinance GO Series	29,580,000	0.5%-3.75%	June 1, 2026	15,340,000
General Obligation Bond, Series 2010/2011	2004A Refinance GO Series	6,320,000	2.0%-3.0%	June 1, 2024	3,510,000
General Obligation Bond, Series 2012A	2004B Refinance portion of GO Series 2007A	1,400,000	1.0%-3.3%	June 1, 2024	575,000
General Obligation Bond, Series 2012B	GO Series 2007B	9,245,000	2.25%-3.0%	December 1, 2032	8,915,000
General Obligation Bond, Series 2015A	GO Series 2007C	12,040,000	2.05%	September 1, 2023	6,370,000
General Obligation Bond, Series 2016A	Refinance GO Series 2007C	3,260,000	3.09%	September 1, 2023	1,280,000
General Obligation Bond, Series 2016B	Refinance portion of Series 2008A & 2008B	24,545,000	3.0%-4.0%	June 1, 2038	22,255,000
General Obligation Bond Series 2016C					<u>58,785,000</u>
Premiums, deferred charges and discounts on bond obligations					<u>2,341,049</u>
Total general obligation bonds					<u>\$ 61,126,049</u>

	<u>Purpose of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Notes and capital leases from direct borrowings and placements					
US Bank	2019 Fire Trucks	\$ 1,531,518	1.95%	December 4, 2029	\$ 1,531,518
Chase Bank	2010 Fire Aerial & Pumper Trucks	1,309,391	2.66%	October 1, 2020	146,942
First Bank	2018 Fire Trucks	3,531,163	2.99%	March 29, 2028	2,906,850
Total notes payable from direct borrowings and placements					<u>\$ 4,585,310</u>
Other Long-Term Liabilities					
Compensated absences					2,121,248
Landfill					<u>2,235,776</u>
					<u>4,357,024</u>
Total long-term governmental liabilities					<u>\$ 70,068,383</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the primary government for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Amounts Due in One Year
Governmental Activities:					
General obligation and revenue bonds	\$ 67,195,000	\$ -	\$ (8,410,000)	\$ 58,785,000	\$ 7,040,000
Notes and capital leases from direct borrowings and placements	3,513,596	1,531,518	(459,804)	4,585,310	613,681
Adjustments for deferred amounts:					
Discount on bonds payable	(74,207)	5,300	-	(68,907)	-
Premium on bonds payable	2,611,182	-	(201,226)	2,409,956	-
Total bonds, notes, leases payable	73,245,571	1,536,818	(9,071,030)	65,711,359	7,653,681
Compensated absences	1,919,531	1,248,715	(1,046,998)	2,121,248	1,164,139
Landfill postclosure care	2,281,150	-	(45,374)	2,235,776	71,420
Total governmental activities	<u>\$ 77,446,252</u>	<u>\$ 2,785,533</u>	<u>\$ (10,163,402)</u>	<u>\$ 70,068,383</u>	<u>\$ 8,889,240</u>

Internal Service funds predominately serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. At year end, \$35,343 of internal service fund compensated absences is included in the above amounts. Landfill postclosure liabilities are liquidated by the Landfill Closure special revenue fund and governmental compensated absences are liquidated by the general fund.

The City's outstanding capital lease from direct borrowings and placements totaling \$146,942 contains a nonappropriation provision where the equipment will be returned to the lessor in the event of non-appropriation. Additionally, a default provision is also in place where the City would be subject to one or all of the following if default occurs: pay interest at 12% on due-payments, return equipment, and/or termination of lease agreement.

The City's outstanding note from direct borrowings and placements totaling \$4,437,578 contains a default provision where the financing agreement would be terminated and all related indebtedness would be due and payable. Collateral for this note includes: one 2018 Pierce Rescue Engine with equipment and machinery, one 2018 Pierce 95' Mid-Mount Aerial Platform Engine with machinery and equipment, and four 2018 Pierce Engines with equipment and machinery.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

Component Unit

Long-term liability activity for the component unit for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Amounts Due in One Year
Component Unit:					
General obligation and revenue bonds					
Water-Sewer Division					
Revenue bonds payable	\$ 122,900,602	\$ 1,085,994	\$ (5,118,089)	\$ 118,868,507	\$ 5,084,804
Electric Division					
Revenue bonds payable	9,430,000	-	(495,000)	8,935,000	505,000
General Services Division					
Notes payable	2,402,642	-	(605,598)	1,797,044	758,313
Less: unamortized bond discount	2,160,438	-	(79,484)	2,080,954	-
	<u>\$ 136,893,682</u>	<u>\$ 1,085,994</u>	<u>\$ (6,298,171)</u>	<u>\$ 131,681,505</u>	<u>\$ 6,348,117</u>

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

Fiscal Year	Governmental Activities			
	General Obligation and Revenue Bonds		Notes and Lease Purchase Agreements	
	Interest	Principal	Interest	Principal
2021	\$ 1,905,479	\$ 7,040,000	\$ 121,896	\$ 613,681
2022	1,687,501	7,210,000	105,354	479,374
2023	1,470,782	7,210,000	92,367	492,360
2024	1,239,463	7,460,000	79,175	505,553
2025	1,029,625	4,605,000	65,297	519,430
2026-2030	3,146,761	12,760,000	119,374	1,974,912
2031-2035	1,467,715	8,425,000	-	-
2036-2040	277,789	4,075,000	-	-
	<u>\$ 12,225,115</u>	<u>\$ 58,785,000</u>	<u>\$ 583,463</u>	<u>\$ 4,585,310</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

Component Unit

Principal requirements for component unit debt is as follows:

Fiscal Year	Bowling Green Municipal Utilities Water-Sewer Division	Bowling Green Municipal Utilities Electric Division	Total
2021	\$ 5,084,804	\$ 505,000	\$ 5,589,804
2022	5,176,826	515,000	5,691,826
2023	5,595,159	530,000	6,125,159
2024	5,696,086	540,000	6,236,086
2025	5,801,070	555,000	6,356,070
2026-2030	30,092,454	3,075,000	33,167,454
2031-2035	25,332,802	2,840,000	28,172,802
2036-2040	17,181,559	375,000	17,556,559
2041-2045	8,170,000	-	8,170,000
2036-2040	10,737,747	-	10,737,747
	<u>\$ 118,868,507</u>	<u>\$ 8,935,000</u>	<u>\$ 127,803,507</u>

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

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

1. \$14,905,000 General Obligation Bonds, Series 2007A, issued to finance costs for construction of public park improvements, construction of utilities, design and construction of a skate park, Circus Square acquisition and construction, land acquisition, construction of public roads, and installation of downtown signalization upgrades. In Fiscal Year 2015, this obligation was partially refunded in the amount of \$9,245,000 by Series 2015A.
2. \$29,580,000 General Obligation and Special Revenue Refunding Bonds, Series 2010 and Series 2011, issued for the purpose of refinancing the Series 2002B and Series 2002C General Obligation and Special Revenue Bonds for Western Kentucky University.
3. \$6,320,000 General Obligation Bonds, Series 2012A, issued for the purpose of refinancing Series 2004A General Obligation Bonds.
4. \$1,400,000 General Obligation Bonds, Series 2012B, issued for the purpose of refinancing Series 2004B General obligation Bonds.
5. \$9,245,000 General Obligation Bonds, Series 2015A, issued for the purpose of refinancing a portion of Series 2007A General Obligation Bonds.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

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

6. \$15,300,000 General Obligation Bonds, Series 2016A & B, issued for the purpose of refinancing a portion of Series 2007B & C General Obligation Bonds. The refunding was undertaken in FY2016 and resulted a net present value savings or benefit of \$1,216,517 or approximately 8.2%. The aggregate difference between the refunding debt and the refunded debt was \$470,000; with \$14,830,000 as the refunded principal.
7. \$24,545,000 General Obligation Bonds, Series 2016C, issued to refinance a portion of Series 2008A & 2008B General Obligation Bonds. The refunding was completed in FY2016 and resulted in a net present value savings or benefit of \$3,072,159 or about 12.72%. The aggregate difference between the refunding debt and the refunded debt was \$395,000; with \$24,150,000 as the refunded principal.

Memorandum of Agreement/WKU Project Financing

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

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

Memorandum of Agreement/WKU Project Financing

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 2,500,000	\$ 568,205	\$ 3,068,205
2022	2,525,000	480,705	3,005,705
2023	2,415,000	392,330	2,807,330
2024	2,520,000	302,975	2,822,975
2025	2,625,000	208,475	2,833,475
2026-2028	2,755,000	106,756	2,861,756
	<u>\$ 15,340,000</u>	<u>\$ 2,059,446</u>	<u>\$ 17,399,446</u>

As of June 30, 2020 the City has recorded a receivable from WKU in the amount of \$15,340,000 in the WKU Athletics Special Revenue Fund applicable to future revenues to be received from WKU related to the above agreement.

Fund Depository and Administration Agreement/WKU Project Financing

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

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

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

TIF District

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

TIF District

incremental revenues within the District under the condition that the project reach \$200 million in eligible projects, which was later amended to \$150 million by the State General Assembly in June 2009.

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

Title to the ballpark is held by the Authority who sold the ballpark to a Single Purpose Entity that will provide new market tax credits in return for additional borrowings to fund other TIF construction. With the achievement of reaching the \$150 million capital investment threshold, the State has begun distributing 80% of State withholdings, individual, corporate, sales and property taxes generated from within the TIF boundaries to the Authority for further distribution to various block developments for debt service.

Prior Year Defeasance of Debt

In a prior year, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2020, \$51,100,000 of bonds outstanding is considered defeased.

Landfill Closure and Postclosure Care Cost

Landfill closure and post-closure costs are accounted for in the Landfill Closure Special Revenue Fund. As of June 30, 2020, the cash, investments and funds receivables from other governments available totaled \$1,319,838.

In Fiscal Year 2005, the Environmental and Environment Cabinet (EEC) announced a program under which the Commonwealth might assume responsibility for many aspects of landfill closure currently funded by local jurisdictions. However, under the provisions of the enabling legislation (HB 174 Kentucky Pride Fund, KRS 224.43-505) it appears that jurisdictions may well retain the bulk of costs to maintain landfill sites (e.g. sampling, pumping, transportation and disposal of leachate, erosion control, mowing, etc). Under current assumptions and projections the Landfill Closure Special Revenue Fund is sufficiently capitalized through 2033, beyond which the City will need an alternate source of funds to maintain landfill sites.

The estimate of present value of remaining closure and post-closure care liabilities for all three landfill sites as of June 30, 2020 is \$2,235,776. The actual cost may differ due to inflation, changes in technology or applicable laws and regulations, the extent of any damage to landfill caps caused by weather and erosion, the magnitude of site improvements or corrections required by state inspectors to achieve closure, or other unforeseeable circumstances (e.g. acts of nature).

Glen Lily Road Landfill

The City's Glen Lily Road landfill was closed in 1981. On March 30, 1990, the City and Commonwealth of Kentucky Natural Resources and Environmental Protection Cabinet (the Cabinet) entered into an agreed order stipulating remedial measures to be taken by the City. To finance the Glen Lily Road landfill closure and post-

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

Landfill Closure and Postclosure Care Cost

closure costs, the City issued \$2,950,000 Bowling Green Municipal Project Corporation Lease Revenue Bonds, Series 1991, dated April 1, 1991. To date, landfill closure cap construction is complete and the City performs annual monitoring, testing and reporting. In 2010, the City entered into a Memorandum of Agreement with the Kentucky Division of Waste Management and HB174 funds were used for 6.1 acres of improvements at the landfill to decrease the production of leachate. Further, the groundwater monitoring program was deemed compliant and complete.

The City has submitted a closure application for Glen Lily which has not been approved to date, owing to the EEC backlog of active landfill oversight responsibilities. The City continues to monitor and care for the landfill, submit required reports, and assume the City will incur landfill maintenance costs at least through 2034. A two year post-closure care period will follow the date upon which the City receives acceptance of any closure application, if the application is processed in accordance with precedent. A thirty year closure period will commence once the two year post-closure period has been approved. Glen Lily is further categorized as a superfund site.

Butler County Landfill

The City submitted a closure plan for its Butler County landfill in May 1991. The site ceased receiving solid waste in June 1992. The closure plan was approved by the State in 1996. The facility met closure standards for a residential landfill rather than a contained landfill. Drawing upon funds from the Landfill Closure Special Revenue Fund, established from proceeds of the 1991 bond issue, the City added a leachate collection system and a passive methane gas venting system. Construction of the landfill cap was completed in Fiscal Year 1995 and the City received a permit for closure construction in 1996. A quality assurance/quality control report was submitted on November 15, 1996. The original closure permit expired in July 1997, and a new permit extending to 2002 was issued. The City submitted quarterly and annual inspections and reports to the cabinet. In 2004, consultants Kamp, Dresser and McKee were engaged to assist in development of a plan to effect final closure of the landfill. In 2005, the City completed the third year of a three-year closure care period. However, the State has not granted final closure to date. From 2012-2016, the Kentucky Division of Waste Management used HB174 funds to design and construct a leachate consolidation system as well as improve the cap to decrease leachate production rates. Beginning in 2017, the City is working with the HB174 program to design and implement a Phase II of landfill improvements to further decrease leachate production as well as provide for permanent low cost leachate disposal options. In 2019 Phase II of the landfill improvements were separated into smaller components for construction again. The City secured \$450,000 in reimbursable costs for construction of only the force main sewer component of Phase II, the work was completed in June 2020 at an actual cost of around \$290,000. The City continues to monitor and care for the landfill, submit required reports, and dispose of the leachate generated. It is assumed that the City will incur landfill maintenance costs at least through 2050.

Old Louisville Road

Landfill closure cap construction is complete and the City performs annual monitoring, testing and reporting. The Greenways Commission is considering a project for some compatible recreational use of the landfill area with which EEC agrees in principle, but for which they will not agree in particular without review of such development plans as Greenways may offer for consideration.

Responding to Cabinet directives, in September 2000, the City awarded a project to install a leachate collection system at the Old Louisville Road landfill. The project cost was \$521,955 and was completed in December 2001. The City anticipated a decision from the Cabinet on the closure application in July 2002. However, the Cabinet

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 3. DETAIL NOTES ON ALL FUNDS

E. Long-term Debt

Landfill Closure and Postclosure Care Cost

has not acted on the application. In 2010, the Cabinet, through HB174, deemed the groundwater monitoring program at the landfill compliant and complete and removed the groundwater monitoring wells at the site. In order to move the closure process forward, the City must restrict the deed for the property that remains with the Kentucky Transportation Cabinet. In 2016, the City delivered a new survey to the Kentucky Transportation Cabinet and a decision to either restrict the deed appropriately or transfer the property to the City was fulfilled in 2019. The City continues to monitor and care for the landfill, submit required reports, and assume that maintenance costs will be incurred at least through 2052. A two year post-closure and thirty year closure period will follow the date upon which the state should grant closure if the application is processed in accordance with precedent.

Hobson Grove

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

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

F. Net Position

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

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

NOTE 4. RISK MANAGEMENT

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

In July 1996, the City established the Workers Compensation Fund (WCF) (an internal service fund) to account for and finance its participation in the Kentucky League of Cities Workers' Compensation Trust (The "Trust"), a public

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 4. RISK MANAGEMENT

entity risk pool currently operating as a common risk management and insurance program for Kentucky cities, municipal boards, agencies and authorities. The City pays an annual premium to the Trust for its workers' compensation, general liability and auto insurance coverages. The Trust Participation Agreement provides that the Trust will be self-sustaining through member premiums. The Trust reinsures through commercial companies at various limits, depending on the type of coverage. The WCF provides coverage of up to \$10,000 for each worker's compensation occurrence.

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

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

Changes in the balances of claims liabilities during Fiscal Years 2020 and 2019 follows:

	Health Care	Workers Compensation	Property and Casualty
Liability at June 30, 2018	\$ 207,867	\$ 17,376	\$ 38,313
Claims and changes in estimates FY2019	6,008,306	143,403	84,288
Claims paid FY2019	(5,557,555)	(106,804)	(79,501)
Liability at June 30, 2019	658,618	53,975	43,100
Claims and changes in estimates FY2020	5,671,618	3,322	163,200
Claims paid FY2020	(5,793,384)	(34,501)	(157,984)
Liability at June 30, 2020	<u>\$ 536,852</u>	<u>\$ 22,796</u>	<u>\$ 48,316</u>

NOTE 5. COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Bowling Green Municipal Utilities

Bowling Green Municipal Utilities has erected various street lighting systems for the City, which represents a total unamortized investment by the Utility at June 30, 2020 of \$4,967,574. For rental and maintenance of these systems, the City has agreed to pay Bowling Green Municipal Utilities eleven percent per annum on the total street light investments. The City must pay \$546,433 per year on a recurring basis. One-twelfth of the annual charge is billed to the City monthly along with the charge for electric service. Similar arrangements have been in effect in prior years.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 5. COMMITMENTS AND CONTINGENCIES

C. Construction Commitments

The City has active construction projects as of June 30, 2020. At year end, the City had the following commitments on construction contracts:

<u>Project</u>	<u>Remaining Commitment</u>
Southwest parkway construction project	\$ 3,179,380
Fire station construction project	3,025,454
Convention center improvements	571,914
Shive lane road construction project	280,889
Street resurfacing construction project	231,762
Downtown improvement project	188,991
Police department evidence building construction	137,533
Smallhouse road construction project	126,456
Greenway construction projects	121,535

D. Contingencies

The City participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the City complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

The City agreed to sublease parking facilities in the structure connected to the above-referenced project from the sub-developer, who in-turn subleases the parking garage from Warren County. In May 2012, an Agreement on Sharing of Revenues was executed between the City, County, and the Warren County Downtown Economic Development Authority that outlined the revenue streams from the TIF district pledged to cover the IRB debt. The City's parking sublease agreement is the final line of revenue pledged, following: (1) lease revenues from the building, (2) 80% of State TIF revenues from Blocks 4A, 5, 8, and 10 in the TIF District, (3) 80% of TIF revenues generated by the key tenant of the building, and (4) any debt service reserve funds available from the permanent financing issue scheduled each December.

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 5. COMMITMENTS AND CONTINGENCIES

E. Liens and Encumbrances

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

F. Conduit Debt

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

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

As of June 30, 2020, there is one industrial revenue bond series and six series of special assessment bonds outstanding with an aggregate principal balance of \$40,000,000 and \$925,000, respectively.

G. Lease Commitments

The Golf program in the General Fund leases approximately 53 acres of real estate from the Bowling Green-Warren County Regional Airport Board. This lease provides for future minimum lease payments as follows:

Year Ending June 30,		
2021	\$	6,328
2022		<u>6,328</u>
	\$	<u>12,656</u>

NOTE 6. THE SINGLE AUDIT ACT

The U.S. Office of Management and Budget's Uniform Administrative Requirements (2 CFR 200.501), Cost Principles, and Audit Requirements for Federal Awards, which replaced Circular No. A133 for *Audits of States, Local Governments and Non-Profit Organizations*, requires non-federal entities that expend \$750,000 or more a year in federal awards to have an audit performed in accordance with the provisions of the guidance. The Single Audit report is issued in the Comprehensive Annual Financial Report after the Statistical Section beginning on page 175.

NOTE 7. DEFINED BENEFIT PENSION PLANS

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

Plan description. The PFRF is a single-employer defined benefit pension plan administered by a Board of Trustees consisting of the Mayor, City Chief Financial Officer, and two retirees from the Police and Fire Departments. PFRF was established to provide retirement and disability benefits for retiring, disabled, or deceased personnel and their surviving spouse. Benefits are determined by Kentucky Revised Statutes Sections 95.851 to 95.884. On August 1, 1988 the plan was closed to new entrants and current active duty police and firemen of the City were given the choice of remaining in this plan or transferring into the County Employees Retirement System (CERS). The PFRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the City's Chief Financial Officer, Bowling Green, Kentucky.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 7. DEFINED BENEFIT PENSION PLANS

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

Plan membership. As of June 30, 2020, the plan consisted of the following:

Active employees	0
Retirees and disabled participants	11
Widow participants	18
Terminated vested employees	0

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

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

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

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

There is currently one participant receiving a retirement annuity, ten participants receiving disability annuities, and eighteen participants receiving widows' annuities.

Contributions. The Retirement Fund's funding policy provided for employee contributions of eight percent of their annual salary. A member reserve was established for member contributions and earnings allocations. As there are no longer any active members, members made no contribution for the year ended June 30, 2020.

The City of Bowling Green (City) only contributes amounts required to fund current service costs and interest on unfunded past service costs as determined by actuarial valuations in compliance with Kentucky Revised Statutes. The City is not required to make an annual contribution. For Fiscal Year 2019/2020, the City made no contribution. For Fiscal Year 2020/2021, the Board of Trustees approved a cost-of-living adjustment (COLA) of 2.0%. The City's General Fund covers the administrative costs of the Plan, approximately \$20,000 per year. There are no assets legally reserved for purposes other than the payment of Plan member benefits.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 7. DEFINED BENEFIT PENSION PLANS

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

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

Net Pension Liability

The City's net pension liability (asset) was measured as of July 1, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Asset valuation method	Fair market value adjusted for accruals
Inflation	None
COLAs	Average of the cost-of-living adjustments made over the prior 5 years, rounded to the nearest 1.0%. For July 1, 2020 valuation, this result is 1.0% per annum.
Investment rate of return	6.0% per annum
Mortality	Non-Disabled Lives: IRS generational mortality tables (Post Commencement Rates only) with mortality improvements after year 2006 under Project Scal MP-2018 (male and female scales). Disabled Lives: Rates published in IRS Revenue Ruling 96-7 (Disablement prior to 1/1/1995).

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

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Inflation (CPI)	N/A
US equity	3.70%
Non-US equity	3.90%
Fixed income	(0.60)%
Cash	(0.27)%

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 7. DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability

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

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
<i>City of Bowling Green's net pension liability (asset)</i>	\$ (236,041)	\$ (608,379)	\$ (939,544)

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

Pension income. For the year ended June 30, 2020, the City recognized pension income of \$362,260.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 10,788	\$ (149,379)
Change of assumptions	-	-
Experience losses (gains)	-	-
Total	<u>\$ 10,788</u>	<u>\$ (149,379)</u>

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

Year Ended June 30th:	
2021	\$ (85,010)
2022	(40,564)
2023	(4,710)
2024	(8,307)
2025	-
	<u>\$ (138,591)</u>

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

General Information about the Pension Plan

Plan description. Employees of the City of Bowling Green are provided a defined benefit pension plan through the CERS, a cost-sharing multiple-employer defined pension plan administered by the Kentucky Revised Statutes (KRS). The CERS pension plan has two categories: Non-Hazardous for general employees and Hazardous for sworn police and fire employees. The KRS was created by State statute under Kentucky Revised Statute Section 61.645. The KRS Board of Trustees is responsible for the proper operation and administration of the KRS. The KRS issues a publicly available financial report that can be obtained by writing to Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at (502) 564-4646.

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

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

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

General Information about the Pension Plan

Contributions. Contributions for employees are established in the statutes governing the KRS and may only be changed by the Kentucky General Assembly. Non-Hazardous employees contribute 5% and Hazardous employees contribute 8% of salary if they were plan members prior to September 1, 2008. Non-Hazardous and Hazardous employees that entered the plan after September 1, 2008, are required to contribute 6% and 9%, respectively, of their annual creditable compensation. The additional 1% is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, total employer contributions for the City were \$8,636,661 based on a rate of 24.06% for Non-Hazardous and 39.58% for Hazardous members through covered payroll. The contribution rate of 24.06% for Non-Hazardous is comprised of amounts for pension and insurance benefits, 19.30% or \$2,148,839 was dedicated to pensions and 4.76% or \$529,973 was allocated to insurance. The total contribution rate of 39.58% for Hazardous consists of 30.06% or \$4,524,834 toward pension benefits and 9.52% or \$1,433,015 for insurance benefits. The total City contribution in FY2020 for the pension benefits portion was \$6,673,673.

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

Net Pension Liability

For financial reporting, the actuarial valuation of as June 30, 2019, was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2019 were based on an actuarial valuation date as of June 30, 2018. The total pension liability was rolled-forward from the valuation date (June 30, 2018) to the plan's fiscal year ending June 30, 2019, using generally accepted accounting principles.

Actuarial assumptions. The Board of Trustees adopted new actuarial assumptions since Jun 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement System 2018 Acturial Experience Study for the Period Ending June 30, 2018". The total pension liability as of June 30, 2019, was detemined using these updated assumptions.

The assumptions are:

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

Net Pension Liability

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Growth	62.50%	
U.S equity	18.75%	4.30%
Non-U.S. equity	18.75%	4.80%
Private equity	10.00%	6.65%
Specialty Credit/High Yield	15.00%	2.60%
Liquidity	14.50%	
Core Bonds	13.50%	1.35%
Cash	1.00%	0.20%
Diversifying Strategies	23.00%	
Real Estate	5.00%	4.85%
Opportunistic	3.00%	2.97%
Real Return	15.00%	4.10%

Discount rate. The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous and CERS Hazardous assumed the local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the KRS financial report.

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

	<u>1% Decrease (5.25%)</u>	<u>Current Discount Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
<i>City of Bowling Green's net pension liability</i>			
Hazardous	\$ 86,786,767	\$ 69,416,952	\$ 55,176,210
Nonhazardous	37,382,438	29,888,825	23,642,965
Total	<u>\$ 124,169,205</u>	<u>\$ 99,305,777</u>	<u>\$ 78,819,175</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

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

Pension expense. For the year ended June 30, 2020, the City recognized pension expense of \$19,692,733.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following table:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (1,464,250)
Net difference between expected and actual experience	3,712,515	(126,288)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,442,032	(790,180)
Change of assumptions	9,763,334	-
Contributions subsequent to the measurement date of June 30, 2019	<u>6,673,673</u>	<u>-</u>
Total	<u>\$ 21,591,554</u>	<u>\$ (2,380,718)</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2019, will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30th:	
2020	\$ 8,168,819
2021	3,061,423
2022	1,210,171
2023	96,750
2024	-
	<u>\$ 12,537,163</u>

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

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

Contributions. Contribution requirements of the participating employers are established and may be amended by the KRS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2020 was 7.88% of covered payroll. Contributions to the Insurance Fund from the City were \$1,962,988 for the year ended June 30, 2020. Employees that entered the plan prior to September 1, 2008 are not required to contribute to the Insurance Fund. Employees that entered the plan after September 1, 2008 are required to contribute 1% of their annual creditable compensation which is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E).

The City's proportion of the collective net OPEB liability and OPEB expense was determined using the employers' actual contributions for Fiscal Year 2019. This method is expected to be reflective of the employers' long-term contribution effort. At June 30, 2019, the City's proportion was 0.4249% of the Non-hazardous plan and 2.513% of the Hazardous plan.

Net OPEB Liability

For financial reporting, the actuarial valuation of as June 30, 2019, was performed by Gabriel Roeder Smith (GRS). The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2019 were based on an actuarial valuation date as of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2018) to the plan's fiscal year ending June 30, 2019, using generally accepted accounting principles.

Actuarial assumptions. The Board of Trustees adopted new actuarial assumptions since Jun 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement System 2018 Acturial Experience Study for the Period Ending June 30, 2018". The total pension liability as of June 30, 2019, was determined using these updated assumptions.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Net OPEB Liability

The assumptions are:

Inflation	2.30 percent
Payroll growth rate	2.00 percent
Salary increases	3.30 percent to 10.30 percent, varies by service for CERS non-hazardous; 3.05 percent to 19.05 percent, varies by service for CERS hazardous
Investment rate of return	6.25 percent
Healthcare cost trend rates (Pre-65)	Initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to ultimate trend rate of 4.05% over a period of 10 years.
Healthcare cost trend rates (Post-65)	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Growth	62.50%	
U.S equity	18.75%	4.30%
Non-U.S. equity	18.75%	4.80%
Private equity	10.00%	6.65%
Specialty credit/high yield	15.00%	2.60%
Liquidity	14.50%	
Core bonds	13.50%	1.35%
Cash	1.00%	0.20%
Diversifying Strategies	23.00%	
Real estate	5.00%	4.85%
Opportunistic	3.00%	2.97%
Real return	15.00%	4.10%

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Net OPEB Liability

Discount rate. The discount rate used to measure the total OPEB liability was 5.68% for Non-hazardous and 5.69% for Hazardous employees. The discount rate is based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 3.13%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2019. Future contributions are projected in accordance with the Board's current funding policy, which includes the requirement that each participating employer in the System contribute the actuarially determined contribution rate, which is determined using a closed funding period (24 years as of June 30, 2019).

However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CAFR and is the same as for the pension target asset allocation.

Changes in the Net OPEB Liability

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

	<u>1% Decrease (4.68%)</u>	<u>Discount Rate (5.68%)</u>	<u>1% Increase (6.68%)</u>
<i>City of Bowling Green's net OPEB liability Non-hazardous</i>	\$ 9,572,841	\$ 7,146,105	\$ 5,146,636
	<u>1% Decrease (4.69%)</u>	<u>Discount Rate (5.69%)</u>	<u>1% Increase (6.69%)</u>
<i>City of Bowling Green's net OPEB liability Hazardous</i>	\$ 25,936,349	\$ 18,589,680	\$ 12,626,318

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
<i>City of Bowling Green's net OPEB liability Non-hazardous</i>	\$ 5,314,595	\$ 7,146,105	\$ 9,367,029
<i>Hazardous</i>	12,934,980	18,589,680	25,488,106
<i>Total</i>	<u>\$ 18,249,575</u>	<u>\$ 25,735,785</u>	<u>\$ 34,855,135</u>

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$3,581,640. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between expected and actual experience	\$ -	\$ (5,614,432)
Changes of assumptions	7,732,317	(49,338)
Net difference between projected and actual earnings on OPEB plan investments	-	(1,386,184)
Changes in proportion and difference between employer contributions and proportionate share of contributions	317,657	(450,329)
Contributions subsequent to the measurement date of June 30, 2019	2,041,342	-
Total	<u>\$ 10,091,316</u>	<u>\$ (7,500,283)</u>

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

Year ended June 30th:	
2020	\$ 1,043,021
2021	54,293
2022	(365,458)
2023	(47,524)
2024	(118,116)
Thereafter	(16,525)
	<u>\$ 549,691</u>

NOTE 9. DEFINED CONTRIBUTION PLANS

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

Investments are managed by ICMA Retirement Corporation, plan administrator, with various investment options. The choice of the investment option(s) is made by the participants. Participating employees can contribute to the Plan based on either a percentage of compensation or a fixed dollar amount per pay period. The limits for the 457 plan are up to \$19,500 per year for regular contributions and \$6,500 for catch-up contributions. The limits for the Roth plan are up to \$6,000 per year for regular contributions and \$1,000 for catch-up contributions. During the fiscal year ended June 30, 2020, employee contributions for both plans totaled \$212,548.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 9. DEFINED CONTRIBUTION PLANS

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

Participating employees can defer a maximum of \$19,500 for regular contributions and \$6,500 for catch-up contributions for the 401(k) plan. The Roth plan has a maximum of \$6,000 for regular contributions and \$1,000 dollars for the catchup contributions. Benefits are available upon termination of employment, retirement, death or for hardship withdrawal. Employee contributions for both plans totaled \$424,821 for the fiscal year ended June 30, 2020.

NOTE 10. TAX ABATEMENTS

As of June 30, 2020, the City provides tax abatement through five programs: Job Development Incentive Program, Property Tax Annexation Program, TIF Occupational Tax Program, Historical Moratorium Property Tax Program, and Payments-in-Lieu-of-Taxes (PILOT) Program.

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

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 10. TAX ABATEMENTS

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

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

A ten year summary of tax abatements is presented below:

Fiscal Year	JDIP withholdings	Annexed property taxes	TIF occupationals	Moratoriums	Payments-in- lieu-of-taxes (PILOT)	Amount of Taxes Abated
2011	\$ 1,181,115	\$ -	\$ -	\$ 1,293	\$ 132,291	\$ 1,314,699
2012	1,317,654	-	-	1,387	115,360	1,434,401
2013	1,236,267	-	-	820	69,010	1,306,097
2014	1,325,519	-	13,466	820	69,010	1,408,815
2015	1,620,628	-	14,375	6,982	69,010	1,710,995
2016	1,591,215	-	45,038	7,775	82,246	1,726,274
2017	1,685,886	-	156,496	7,775	147,651	1,997,808
2018	2,196,373	216	148,483	10,917	152,074	2,508,063
2019	2,372,874	215	180,956	13,377	178,243	2,745,665
2020	1,478,600	625	241,660	4,936	204,082	1,929,903
Total	\$ 16,006,131	\$ 1,056	\$ 800,474	\$ 56,082	\$ 1,218,977	\$ 18,082,720

NOTE 11. SUBSEQUENT EVENTS

The City has committed to issue new General Obligation debt for the Inter-Modal Transportation Authority (ITA) in an amount not to exceed \$44.8 million. The financing is anticipated to be finalized by the third quarter of FY2021.

On October 1, 2020, the City ended its contract with PNC Bank for the operation of the Police and Firefighters' Retirement Fund (PFRF). The City will process monthly retiree pension payments and annual IRS reporting in-house. This change is expected to result in administrative cost saving of approximately \$6,000 annually for the pension plan.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2020**

NOTE 12. IMPLEMENTATION OF GASB 89

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The provisions of this Statement are effective for fiscal years beginning after December 15, 2019, but was postponed by one year as a result of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period.

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The City has no current construction projects underway or planned that require the use of financing. Any future construction projects meeting the criteria will be reported by the City as set forth in GASB Statement No. 89.

NOTE 13. RECENT PRONOUNCEMENTS

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The provisions of this Statement were initially effective for fiscal years beginning after December 15, 2018, but was postponed by one year as a result of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

In June 2017, the GASB issued Statement No. 87, Leases. The provisions of this Statement were effective for fiscal years beginning after December 15, 2019, but was postponed by eighteen months as a result of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The provisions of this Statement are effective immediately. This extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018 and includes Statement No. 84 Fiduciary Activities, Statement No. 87 Leases, which the City has elected to postpone implementation.

The City is evaluating the impact that will result from adopting the above GASB statements and is currently unable to disclose the impact of the adoption of these standards upon the financial position and results of operations.

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

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Real estate	\$ 10,200,000	\$ 10,200,000	\$ 10,462,260	\$ 262,260
Personal property	1,745,000	1,745,000	2,085,907	340,907
Insurance premium	1,975,000	1,975,000	2,306,962	331,962
Motor vehicle and boat	1,075,000	1,075,000	1,180,311	105,311
Payment in lieu of taxes	160,000	160,000	164,906	4,906
Franchise	1,120,000	1,120,000	1,037,457	(82,543)
Other taxes	16,000	16,000	16,151	151
Penalties and Interest	80,000	80,000	94,112	14,112
Total taxes	16,371,000	16,371,000	17,348,066	977,066
Licenses and permits				
Occupational:				
Employees' withholding	40,825,000	40,825,000	42,905,054	2,080,054
Net profits	9,160,000	9,160,000	8,423,114	(736,886)
Other fees	335,000	335,000	364,682	29,682
Special licenses	250,000	250,000	200,450	(49,550)
Permits	1,237,000	1,237,000	907,268	(329,732)
Total licenses and permits	51,807,000	51,807,000	52,800,568	993,568
Intergovernmental				
Federal grants	-	6,283,337	5,680,727	(602,610)
State grants	-	67,000	67,595	595
Local grants	17,750	18,250	18,218	(32)
Total intergovernmental	17,750	6,368,587	5,766,540	(602,047)
Charges for services				
School tax collection fees	270,000	270,000	275,926	5,926
Other general government fees	7,000	7,000	3,142	(3,858)
Public safety fees	75,000	75,000	76,236	1,236
Cemetery lot sales	112,750	112,750	109,476	(3,274)
Cemetery fees	158,200	158,200	155,291	(2,909)
Other	71,500	71,500	57,520	(13,980)
Total charges for services	694,450	694,450	677,591	(16,859)
Parks and recreation				
	1,903,515	1,904,015	1,419,098	(484,917)
Miscellaneous				
Investment income	375,202	375,202	422,064	46,862
ABC and parking violations fees	10,000	10,000	5,650	(4,350)
Contributions and donations	46,800	79,562	60,622	(18,940)
Judgements and settlements	25,000	25,000	50,890	25,890
Other	157,700	157,700	165,031	7,331
Total miscellaneous	614,702	647,464	704,257	56,793
Total revenues	\$ 71,408,417	\$ 77,792,516	\$ 78,716,120	\$ 923,604

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2020**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
EXPENDITURES				
General government				
Legislative	\$ 213,721	\$ 218,221	\$ 199,917	\$ 18,304
Executive	1,075,945	1,174,925	1,079,412	95,513
Finance	1,737,551	1,721,266	1,695,137	26,129
Human resources	1,216,867	1,012,742	939,563	73,179
Law	516,480	471,880	398,318	73,562
Information technology	2,216,944	2,226,724	2,179,480	47,244
Administrative services	357,150	350,922	333,867	17,055
Total general government	7,334,658	7,176,680	6,825,694	350,986
Public safety				
Police	16,731,077	18,526,635	15,831,127	2,695,508
Fire	14,282,324	16,775,932	14,171,804	2,604,128
Total public safety	31,013,401	35,302,567	30,002,931	5,299,636
Public works				
Public works administration	1,652,207	1,902,159	1,563,008	339,151
Highway and streets	3,157,547	3,028,293	2,812,441	215,852
Building and plant	2,354,615	2,240,735	2,064,022	176,713
Environmental Compliance	523,399	925,306	835,988	89,318
Transportation	430,415	460,415	450,415	10,000
Total public works	8,118,183	8,556,908	7,725,874	831,034
Parks and recreation				
Parks	2,738,126	2,403,761	2,256,360	147,401
Recreation	1,298,503	1,231,545	824,880	406,665
Athletics	610,765	526,936	497,009	29,927
Community centers	1,158,875	991,547	900,529	91,018
Golf Courses	1,735,839	1,582,304	1,428,952	153,352
Other parks	1,528,583	1,465,539	1,335,939	129,600
Total parks and recreation	9,070,691	8,201,632	7,243,669	957,963
Neighborhood & Community Services	2,384,967	2,960,855	2,375,524	585,331
Agency services				
Agency services	1,314,809	1,388,817	1,212,148	176,669
Intergovernmental	2,167,980	1,770,300	1,420,298	350,002
Total agency services	3,482,789	3,159,117	2,632,446	526,671
Total expenditures	61,404,689	65,357,759	56,806,138	8,551,621
Excess of revenues over expenditures	10,003,728	12,434,757	21,909,982	9,475,225
Other financing sources (uses)				
Transfers in	723,583	723,583	614,399	(109,184)
Transfers out	(10,847,311)	(16,943,257)	(16,940,916)	2,341
Proceeds from sale of capital assets	120,000	120,000	59,874	(60,126)
Total other financing sources (uses)	(10,003,728)	(16,099,674)	(16,266,643)	(166,969)
Net change in budgetary fund balances	-	(3,664,917)	5,643,339	9,308,256
Fund balances, beginning of year	27,998,185	27,998,185	27,998,185	-
Fund balances, end of year	\$ 27,998,185	\$ 24,333,268	\$ 33,641,524	\$ 9,308,256

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Notes to Required Supplementary Information on Budgetary Accounting and Control
Year Ended June 30, 2020

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

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

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

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

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

The following funds had purchase orders outstanding at June 30, 2020 as follows:

General fund	\$ 756,571
Convention center	578,987
Nonmajor governmental	10,307,625
Internal service	76,878
	<u>\$ 11,720,061</u>

See accompanying independent auditor's report.

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

	2020	2019	2018	2017	2016	2015	2014*	2013	2012	2011
TOTAL PENSION LIABILITY										
Interest on TPL	\$ 352,806	\$ 391,233	\$ 395,370	\$ 440,360	\$ 490,156	\$ 499,000	\$ 582,820	\$ 603,247	\$ 613,792	\$ 655,937
Change of benefit terms	-	-	-	-	(82,559)	(42,390)	-	-	-	-
Differences between expected & actual experience in measurement of the TPL	(261,919)	(226,371)	60,187	(359,520)	170,136	241,872	(1,495,216)	(49,224)	162,348	(413,563)
Changes of assumptions about future economic or demographic factors or other inputs	(11,659)	(59,933)	263,562	-	(536,108)	46,957	-	-	-	-
Benefit payments	(725,077)	(769,371)	(810,168)	(854,877)	(891,272)	(894,710)	(894,455)	(951,864)	(944,811)	(945,459)
Net change in total pension liability	(645,849)	(664,442)	(91,049)	(774,037)	(849,647)	(149,271)	(1,806,851)	(397,841)	(168,671)	(703,085)
Total pension liability - beginning	\$ 6,272,857	\$ 6,937,299	\$ 7,028,348	\$ 7,802,385	\$ 8,652,032	\$ 8,801,303	\$ 10,608,154	\$ 11,005,995	\$ 11,174,666	\$ 11,877,751
Total pension liability - ending (a)	\$ 5,627,008	\$ 6,272,857	\$ 6,937,299	\$ 7,028,348	\$ 7,802,385	\$ 8,652,032	\$ 8,801,303	\$ 10,608,154	\$ 11,005,995	\$ 11,174,666
PLAN FIDUCIARY NET PENSION										
Contributions from City	\$ -	\$ -	\$ -	\$ 182,500	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 450,000
Plan net investment income	410,937	373,726	(583,269)	633,921	359,902	284,522	918,180	630,239	375,513	788,139
Benefit payments	(725,077)	(769,371)	810,168	(854,877)	(891,272)	(894,710)	(894,455)	(951,864)	(944,811)	(945,459)
Plan administrative expense	-	-	-	-	-	-	-	(19,711)	(18,694)	(19,087)
Net change in plan fiduciary net position	(314,140)	(395,645)	226,899	(38,456)	(131,370)	(210,188)	423,725	58,664	(187,992)	273,593
Plan fiduciary net position - beginning	\$ 6,549,527	\$ 6,945,172	\$ 7,172,071	\$ 7,210,527	\$ 7,341,897	\$ 7,552,085	\$ 7,128,360	\$ 7,069,696	\$ 7,257,688	\$ 6,984,095
Plan fiduciary net position - ending (b)	\$ 6,235,387	\$ 6,549,527	\$ 7,398,970	\$ 7,172,071	\$ 7,210,527	\$ 7,341,897	\$ 7,552,085	\$ 7,128,360	\$ 7,069,696	\$ 7,257,688
City net pension (asset) liability (a)-(b)	\$ (608,379)	\$ (276,670)	\$ (461,671)	\$ (143,723)	\$ 591,858	\$ 1,310,135	\$ 1,249,218	\$ 3,479,794	\$ 3,936,299	\$ 3,916,978
Plan fiduciary net position as a percentage of the total pension liability	110.81 %	104.41 %	106.65 %	102.04 %	92.41 %	84.86 %	85.81 %	67.20 %	64.23 %	64.95 %
Covered payroll	-	-	-	-	-	-	-	-	-	-
NPL as % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

See accompanying independent auditor's report

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

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

Notes to Schedule

Valuation date: July 1, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Asset valuation method Fair market value adjusted for accruals

Salary scale Not applicable

Disability, withdrawal, & retirement rates Not applicable

Rate of investment return 6.0% per annum

Cost of living adjustment Average cost of living adjustments made over the last five years, rounded to the nearest 1.00%

Eligible dependents It is assumed that there are no eligible dependent children or parents.

Mortality
 Non-disabled lives: IRS Generational Mortality tables (Post Commencement Rates only) with projected mortality improvements after year 2006 under Projection Scale MP-2018 (male & female scales).
 Disabled Lives: Rates published in IRS Revenue Ruling 96-7 (Disablement prior to 1/1/1995).

Note: This schedule intended to present a 10-year trend per GASB 67.

Additional years will be reported as incurred.

See accompanying independent auditor's report.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weighted rate of return	6.60 %	5.67 %	8.57 %	9.15 %	5.02 %	3.85 %	12.70 %	12.65 %	9.64 %	4.23 %

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

See accompanying independent auditor's report

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

	2020	2019	2018	2017	2016	2015
Total net pension liability for county employees retirement systems	\$ 9,797,340	\$ 8,508,761,726	\$ 8,090,585,976	\$ 6,639,559,678	\$ 5,834,631,445	\$ 4,446,199,755
City's proportion of the net pension liability (asset)	1.0138 %	0.9974 %	1.0106 %	0.9421 %	0.9646 %	0.9719 %
City's proportionate share of the net pension liability (asset)	\$ 99,305,777	\$ 84,867,783	\$ 81,761,120	\$ 62,552,116	\$ 56,301,098	\$ 43,211,000
City's covered payroll	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227	\$ 22,635,432	\$ 22,529,147	\$ 22,141,166
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	394.85 %	352.33 %	335.36 %	276.35 %	249.90 %	195.16 %
Total pension plan's fiduciary net position	\$ 9,573,629,000	\$ 9,367,300,000	\$ 8,905,233,231	\$ 8,151,568,466	\$ 8,519,001,523	\$ 8,615,148,614
Total pension plan's pension liability	\$ 19,368,969,000	\$ 17,876,062,000	\$ 16,995,819,207	\$ 14,791,128,144	\$ 14,353,632,968	\$ 13,061,348,369
Total pension plan's fiduciary net position as a percentage of the total pension liability	49.43 %	52.40 %	52.40 %	55.11 %	59.35 %	65.96 %

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

Additional years will be reported as incurred.

Note: The County Employees Retirement System measurement date is 12 months prior to the City's Financial Statements; the 2020 measurement date is 6/30/2019.

See accompanying independent auditor's report.

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

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

Notes:

Valuation Date	Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2017 actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Remaining amortization period	26 years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.05 to 18.55%, varies by service
Investment Rate of Return	6.25%
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

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

See accompanying independent auditor's report.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total net OPEB liability for county employees retirement systems	\$ 2,421,815,000	\$ 2,488,439,571	\$ 2,837,013,635
City's proportionate share of the net OPEB liability (asset)	1.062665 %	1.002143 %	1.042340 %
City's proportionate share of the net OPEB liability (asset)	\$ 25,735,785	\$ 24,937,728	\$ 29,571,323
City's covered payroll	\$ 25,150,361	\$ 24,087,904	\$ 24,380,227
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	102.33 %	103.53 %	121.29 %
Total pension plan's fiduciary net position	\$ 3,910,225,000	\$ 3,695,108,000	\$ 3,401,537,049
Total pension plan's OPEB liability	\$ 6,332,040,000	\$ 6,183,547,000	\$ 6,238,550,680
Total pension plan's fiduciary net position as a percentage of the total OPEB liability	61.75 %	59.76 %	54.52 %

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

Additional years will be reported as incurred.

Note: The County Employer's Retirement System measurement date is 12 months prior to the City's Financial Statements; the 2020 measurement date is 6/30/2019.

See accompanying independent auditor's report.

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

	2020	2019	2018	2017
Actuarially determined OPEB contribution	\$ 2,041,342	\$ 2,119,645	\$ 1,805,316	\$ 1,664,002
Contributions in relation to the actuarially determined OPEB contribution	<u>2,041,342</u>	<u>2,119,645</u>	<u>1,805,316</u>	<u>1,664,002</u>
OPEB contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 26,180,855	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227
OPEB contributions as a percentage of covered payroll	7.80 %	8.43 %	7.49 %	6.83 %

Notes:

Valuation Date	Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2017 actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	26 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.05% to 18.55%, varies by service
Investment Rate of Return	6.25%
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)
Healthcare Rate Trends	
Pre-65	Initial trend starting at 7.25% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial Trend starting at 5.10% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

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

Additional Years will be reported as incurred.

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Modified Approach for City Streets Infrastructure Capital Assets
 Year Ended June 30, 2020**

Modified Approach for City Streets Infrastructure Capital Assets

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

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

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

Roads

The City began using its computerized pavement management system in 1997. Surface distress and ride comfort assessments are conducted on all segments. Street assessments are conducted annually, and all segments are assessed within a three-year cycle. The most recent assessment was conducted in the spring of 2020.

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

The following pavement quality conditions have been defined:

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

Established Condition Level

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

<u>Functional Classification</u>	<u>Minimum OCI</u>
Local	67.0
Collector	69.0
Arterial	72.0
Alley	25.0

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

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Modified Approach for City Streets Infrastructure Capital Assets (Continued)
Year Ended June 30, 2020

Assessed Conditions

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

<u>Year</u>	<u>Percentage</u>
2020	74%
2019	72%
2018	79%*
2017	87%
2016	97%
2015	97%
2014	98%
2013	98%
2012	97%
2011	95%

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

Budgeted and Estimated Costs to Maintain

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

<u>Fiscal Year</u>	<u>Estimated Spending</u>	<u>Actual Spending</u>
2020-2021	\$ 1,500,000	\$ -
2019-2020	\$ 2,000,000	\$ 2,308,049
2018-2019	\$ 2,000,000	\$ 1,969,625
2017-2018	\$ 2,350,000	\$ 2,390,174
2016-2017	\$ 2,000,000	\$ 2,696,980
2015-2016	\$ 1,300,000	\$ 886,796
2014-2015	\$ 1,000,000	\$ 1,826,000
2013-2014	\$ 900,000	\$ 709,000
2012-2013	\$ 850,000	\$ 572,000
2011-2012	\$ 850,000	\$ 1,090,000
2010-2011	\$ 811,000	\$ 431,000

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

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Modified Approach for City Streets Infrastructure Capital Assets (Continued)
 Year Ended June 30, 2020**

Sidewalks

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

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

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

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

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

Established Condition Level

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

Assessed conditions

The sidewalk management system indicates that 89% of city-maintained sidewalks had an OCI value greater than or equal to the minimum rating of 76.0 as of June 30, 2020.

Budgeted and Estimated Costs to Maintain

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

<u>Fiscal Year</u>	<u>Estimated Spending</u>	<u>Actual Spending</u>
2020-2021	\$ 100,000	\$ -
2019-2020	\$ 100,000	\$ 310,903
2018-2019	\$ 100,000	\$ 28,200
2017-2018	\$ 100,000	\$ 20,130
2016-2017	\$ 100,000	\$ 94,463
2015-2016	\$ 100,000	\$ 249,176
2014-2015	\$ 100,000	\$ 215,000
2013-2014	\$ 100,000	\$ 10,000
2012-2013	\$ 100,000	\$ 41,000
2011-2012	\$ 100,000	\$ 41,000

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Modified Approach for City Streets Infrastructure Capital Assets (Continued)
Year Ended June 30, 2020

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

See accompanying independent auditor's report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Community Development Fund

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

Fire Improvement Fund

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

Municipal Aid Funds

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

Job Development Incentive Fund

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

Parks Development Fund

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

Landfill Closure Fund

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

Local Law Enforcement Block Grant Fund

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

Radio System Fund

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

Police Improvement Fund

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

Lampkin Park Trust Fund

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

TIF District Fund

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

Homeland Security Fund

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

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

Greenways/Riverfront Development Fund

This fund was created to account for the development of a riverfront park adjacent to the Barren River. This fund currently provides funds and expenditures for the construction of greenway trails throughout the City.

Equipment Replacement Fund

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

Road Construction Fund

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

Heritage Trail Construction Fund

This fund is used to account for the revenue and expenditures associated with the construction of the Heritage Trail. Funding has been provided by donations and subsidies from the General Fund.

Sidewalk Improvement Fund

This fund is used to account for costs associated with the improvement of existing and construction of new sidewalks throughout the City. Funding has been provided by the General Fund.

Stormwater Infrastructure Improvement Fund

This fund tracks expenditures related to the improvement of existing storm drainage pipes located throughout the City of Bowling Green. Funding has been provided through a General Fund subsidy.

Municipal Facilities Fund

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

Technology Capital Improvement Fund

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

Smallhouse Road Construction Fund

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

Parks Capital Improvement Fund

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

800 Trunking Radio Systems Improvement Fund

This fund is used to account for the replacement and improvement of the existing 800 Trunking Radio System. Funding has been provided from the General Fund and other local governments, such as Warren County.

Downtown Development Fund

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

Fire Capital Improvements Fund

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

Southwest Parkway Capital Projects Fund

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

Police Capital Improvements Fund

This fund is used to account for expenditures and revenues associated with the planning, design, and construction of Police Department capital projects and equipment. These projects are funded by the General Fund and Special Revenue Funds.

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

TIF District

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

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

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

Cemetery Perpetual Trust Fund

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

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund - TIF District	Nonmajor Permanent Fund- Cemetery Perpetual	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and cash equivalents	\$ 4,264,263	\$ 17,925,949	\$ 1,478,502	\$ 78,131	\$ 23,746,845
Non-pooled cash and cash equivalents	1,296,156	-	-	-	1,296,156
Investments	8,117,694	6,649,160	2,499,386	1,157,505	18,423,745
Receivables (net of allowances for uncollectibles):					
Accounts receivable	147,986	-	-	-	147,986
Interest receivable	5,517	5	-	-	5,522
Due from other governmental units	774,502	476,173	-	-	1,250,675
Prepaid items	268,119	-	-	-	268,119
Total assets	<u>\$ 14,874,237</u>	<u>\$ 25,051,287</u>	<u>\$ 3,977,888</u>	<u>\$ 1,235,636</u>	<u>\$ 45,139,048</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers and accounts payable	\$ 1,185,872	\$ 1,649,035	\$ -	\$ -	\$ 2,834,907
Accrued payroll	14,872	-	-	-	14,872
Unearned revenue	65,109	-	-	-	65,109
Total liabilities	<u>1,265,853</u>	<u>1,649,035</u>	<u>-</u>	<u>-</u>	<u>2,914,888</u>
Fund balances					
Restricted	3,208,345	-	-	1,107,519	4,315,864
Committed	8,820,855	-	-	-	8,820,855
Assigned	1,579,184	23,402,252	3,977,888	128,117	29,087,441
Total fund balances	<u>13,608,384</u>	<u>23,402,252</u>	<u>3,977,888</u>	<u>1,235,636</u>	<u>42,224,160</u>
Total liabilities and fund balances	<u>\$ 14,874,237</u>	<u>\$ 25,051,287</u>	<u>\$ 3,977,888</u>	<u>\$ 1,235,636</u>	<u>\$ 45,139,048</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2020

	Community Development	Fire Improvement	Municipal Aid	Job Development Incentive	Parks Development	Landfill Closure
ASSETS						
Pooled cash and cash equivalents	\$ -	\$ 112,415	\$ 2,562,021	\$ 939,319	\$ 52,341	\$ 119,375
Non-pooled cash and cash equivalents	1,078,099	217,790	-	-	267	-
Investments	531,274	787,878	1,682,843	4,050,115	-	965,602
Receivables (net of allowances for uncollectibles):						
Accounts receivable	13,458	-	120,878	-	-	-
Interest receivable	-	120	52	4,384	-	961
Due from other governmental units	15,721	-	426,177	-	-	233,900
Prepaid items	268,119	-	-	-	-	-
Total assets	<u>\$ 1,906,671</u>	<u>\$ 1,118,203</u>	<u>\$ 4,791,971</u>	<u>\$ 4,993,818</u>	<u>\$ 52,608</u>	<u>\$ 1,319,838</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Vouchers and accounts payable	\$ 20,650	\$ 24,178	\$ 1,080,063	\$ 500	\$ 52,608	\$ 68
Accrued payroll	8,690	-	6,182	-	-	-
Unearned revenue	65,109	-	-	-	-	-
Total liabilities	<u>94,449</u>	<u>24,178</u>	<u>1,086,245</u>	<u>500</u>	<u>52,608</u>	<u>68</u>
Fund balances						
Restricted	1,124,589	13,864	1,986,743	-	-	-
Committed	687,633	1,080,161	139,799	4,993,318	-	1,319,770
Assigned	-	-	1,579,184	-	-	-
Total fund balances	<u>1,812,222</u>	<u>1,094,025</u>	<u>3,705,726</u>	<u>4,993,318</u>	<u>-</u>	<u>1,319,770</u>
Total liabilities and fund balances	<u>\$ 1,906,671</u>	<u>\$ 1,118,203</u>	<u>\$ 4,791,971</u>	<u>\$ 4,993,818</u>	<u>\$ 52,608</u>	<u>\$ 1,319,838</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
June 30, 2020

	Local Law Enforcement Block Grant	Radio System	Police Improvement	Lampkin Park Trust	Homeland Security	TIF District	Total Nonmajor Special Revenue Funds
ASSETS							
Pooled cash and cash equivalents	\$ (8,135)	\$ (18,360)	\$ 209,651	\$ 20,753	\$ (9,177)	\$ 284,060	\$ 4,264,263
Non-pooled cash and cash equivalents	-	-	-	-	-	-	1,296,156
Investments	-	-	99,982	-	-	-	8,117,694
Receivables (net of allowances for uncollectibles):							
Accounts receivable	-	13,650	-	-	-	-	147,986
Interest receivable	-	-	-	-	-	-	5,517
Due from other governmental units	15,668	67,378	6,481	-	9,177	-	774,502
Prepaid items	-	-	-	-	-	-	268,119
Total assets	<u>\$ 7,533</u>	<u>\$ 62,668</u>	<u>\$ 316,114</u>	<u>\$ 20,753</u>	<u>\$ -</u>	<u>\$ 284,060</u>	<u>\$ 14,874,237</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	\$ 7,533	\$ 272	\$ -	\$ -	\$ -	\$ -	\$ 1,185,872
Accrued payroll	-	-	-	-	-	-	14,872
Unearned revenue	-	-	-	-	-	-	65,109
Total liabilities	<u>7,533</u>	<u>272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,265,853</u>
Fund balances							
Restricted	-	62,396	-	20,753	-	-	3,208,345
Committed	-	-	316,114	-	-	284,060	8,820,855
Assigned	-	-	-	-	-	-	1,579,184
Total fund balances	<u>-</u>	<u>62,396</u>	<u>316,114</u>	<u>20,753</u>	<u>-</u>	<u>284,060</u>	<u>13,608,384</u>
Total liabilities and fund balances	<u>\$ 7,533</u>	<u>\$ 62,668</u>	<u>\$ 316,114</u>	<u>\$ 20,753</u>	<u>\$ -</u>	<u>\$ 284,060</u>	<u>\$ 14,874,237</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2020

	<u>Greenways/ Riverfront Development</u>	<u>Equipment Replacement</u>	<u>Road Construction</u>	<u>Fire Capital Improvements</u>	<u>Heritage Trail Construction</u>	<u>Sidewalk Improvement</u>	<u>Stormwater Infrastructure Improvement</u>	<u>Municipal Facilities</u>
ASSETS								
Pooled cash and cash equivalents	\$ 1,360,174	\$ 1,330,350	\$ 2,350,070	\$ 2,513,725	\$ -	\$ 759,845	\$ 635,464	\$ 1,174,192
Investments	-	499,821	3,400,303	999,664	-	99,964	199,928	-
Interest receivable	-	-	5	-	-	-	-	-
Due from other governmental units	95,621	-	-	-	-	-	-	-
Total assets	<u>\$ 1,455,795</u>	<u>\$ 1,830,171</u>	<u>\$ 5,750,378</u>	<u>\$ 3,513,389</u>	<u>\$ -</u>	<u>\$ 859,809</u>	<u>\$ 835,392</u>	<u>\$ 1,174,192</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Vouchers and accounts payable	\$ 114,377	\$ -	\$ 599,827	\$ 269,489	\$ -	\$ -	\$ 2,000	\$ 151,644
Total liabilities	<u>114,377</u>	<u>-</u>	<u>599,827</u>	<u>269,489</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>151,644</u>
FUND BALANCES								
Assigned	<u>1,341,418</u>	<u>1,830,171</u>	<u>5,150,551</u>	<u>3,243,900</u>	<u>-</u>	<u>859,809</u>	<u>833,392</u>	<u>1,022,548</u>
Total fund balances	<u>1,341,418</u>	<u>1,830,171</u>	<u>5,150,551</u>	<u>3,243,900</u>	<u>-</u>	<u>859,809</u>	<u>833,392</u>	<u>1,022,548</u>
Total liabilities and fund balances	<u>\$ 1,455,795</u>	<u>\$ 1,830,171</u>	<u>\$ 5,750,378</u>	<u>\$ 3,513,389</u>	<u>\$ -</u>	<u>\$ 859,809</u>	<u>\$ 835,392</u>	<u>\$ 1,174,192</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Capital Projects Funds (Continued)
June 30, 2020

	<u>Technology Capital Improvement</u>	<u>Smallhouse Road Construction</u>	<u>Parks Capital Improvements</u>	<u>800 Trunking Radio Systems Improvements</u>	<u>Downtown Development</u>	<u>Southwest Parkway</u>	<u>Police Capital Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS								
Pooled cash and cash equivalents	\$ 1,370,502	\$ 751,714	\$ 1,869,441	\$ 963,836	\$ 1,855,241	\$ 14,737	\$ 976,658	\$ 17,925,949
Investments	199,928	99,964	999,642	149,946	-	-	-	6,649,160
Interest receivable	-	-	-	-	-	-	-	5
Due from other governmental units	-	-	-	-	-	380,552	-	476,173
Total assets	<u>\$ 1,570,430</u>	<u>\$ 851,678</u>	<u>\$ 2,869,083</u>	<u>\$ 1,113,782</u>	<u>\$ 1,855,241</u>	<u>\$ 395,289</u>	<u>\$ 976,658</u>	<u>\$ 25,051,287</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Vouchers and accounts payable	\$ 80,667	\$ -	\$ 21,387	\$ -	\$ 24,582	\$ 380,552	\$ 4,510	\$ 1,649,035
Total liabilities	<u>80,667</u>	<u>-</u>	<u>21,387</u>	<u>-</u>	<u>24,582</u>	<u>380,552</u>	<u>4,510</u>	<u>1,649,035</u>
FUND BALANCES								
Assigned	<u>1,489,763</u>	<u>851,678</u>	<u>2,847,696</u>	<u>1,113,782</u>	<u>1,830,659</u>	<u>14,737</u>	<u>972,148</u>	<u>23,402,252</u>
Total fund balances	<u>1,489,763</u>	<u>851,678</u>	<u>2,847,696</u>	<u>1,113,782</u>	<u>1,830,659</u>	<u>14,737</u>	<u>972,148</u>	<u>23,402,252</u>
Total liabilities and fund balances	<u>\$ 1,570,430</u>	<u>\$ 851,678</u>	<u>\$ 2,869,083</u>	<u>\$ 1,113,782</u>	<u>\$ 1,855,241</u>	<u>\$ 395,289</u>	<u>\$ 976,658</u>	<u>\$ 25,051,287</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund - TIF District	Nonmajor Permanent Fund- Cemetery Perpetual	Total Nonmajor Governmental Funds
REVENUES					
Property taxes	\$ 755,868	\$ -	\$ -	\$ -	\$ 755,868
Insurance premium taxes	2,360,151	-	-	-	2,360,151
Wages and net profits	2,631,210	-	-	-	2,631,210
Judgements and settlements	19,173	11,810	-	-	30,983
License and permits	284,060	-	-	-	284,060
Intergovernmental	8,518,153	556,047	-	-	9,074,200
Investment income	185,022	106,856	33,610	22,921	348,409
Charges for services	86,558	-	-	-	86,558
Contributions and donations	434,741	836,420	-	-	1,271,161
Miscellaneous	148,944	-	-	26,838	175,782
Total revenues	15,423,880	1,511,133	33,610	49,759	17,018,382
EXPENDITURES					
Current:					
General government	-	852,996	-	-	852,996
Public safety	2,932,252	804,997	-	-	3,737,249
Public works	3,937,553	280,219	-	-	4,217,772
Parks and recreation	-	242,410	-	-	242,410
Neighborhood and community services	3,550,038	51,592	-	-	3,601,630
Capital outlay	1,170,924	14,881,718	-	-	16,052,642
Debt service:					
Principal	-	-	740,000	-	740,000
Interest	-	-	715,087	-	715,087
Total expenditures	11,590,767	17,113,932	1,455,087	-	30,159,786
Excess (deficiency) of revenues over (under) expenditures	3,833,113	(15,602,799)	(1,421,477)	49,759	(13,141,404)
Other financing sources (uses):					
Transfers in	1,670,268	12,977,946	1,455,088	-	16,103,302
Transfers out	(6,281,189)	(1)	-	-	(6,281,190)
Issuance of debt	-	1,531,518	-	-	1,531,518
Total other financing sources (uses)	(4,610,921)	14,509,463	1,455,088	-	11,353,630
Net change in fund balances	(777,808)	(1,093,336)	33,611	49,759	(1,787,774)
Fund balances, beginning	14,386,192	24,495,588	3,944,277	1,185,877	44,011,934
Fund balances, ending	\$ 13,608,384	\$ 23,402,252	\$ 3,977,888	\$ 1,235,636	\$ 42,224,160

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds
Year Ended June 30, 2020

	Community Development	Fire Improvement	Municipal Aid	Job Development Incentive	Parks Development	Landfill Closure
REVENUES						
Property taxes	\$ -	\$ -	\$ 199,942	\$ 84,037	\$ 471,889	\$ -
Insurance premium taxes	-	2,360,151	-	-	-	-
Wages and net profits	-	-	-	1,256,810	1,374,400	-
Judgements and settlements	-	19,173	-	-	-	-
License and permits	-	-	-	-	-	-
Intergovernmental	3,976,679	-	4,476,425	-	-	-
Investment income	12,162	16,904	41,863	82,851	-	29,291
Charges for services	-	-	21,093	-	-	-
Contributions and donations	-	-	-	-	-	233,900
Miscellaneous	91,942	-	57,000	-	-	-
Total revenues	<u>4,080,783</u>	<u>2,396,228</u>	<u>4,796,323</u>	<u>1,423,698</u>	<u>1,846,289</u>	<u>263,191</u>
EXPENDITURES						
Current:						
Public safety	-	439,854	1,908,060	-	-	-
Public works	-	-	3,874,630	-	-	62,923
Neighborhood and community services	3,509,038	-	-	41,000	-	-
Capital outlay	562,934	136,919	204,995	-	-	242,430
Total expenditures	<u>4,071,972</u>	<u>576,773</u>	<u>5,987,685</u>	<u>41,000</u>	<u>-</u>	<u>305,353</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,811</u>	<u>1,819,455</u>	<u>(1,191,362)</u>	<u>1,382,698</u>	<u>1,846,289</u>	<u>(42,162)</u>
Other financing sources (uses):						
Transfers in	-	-	1,460,468	-	-	-
Transfers out	-	(2,387,673)	(1,327,700)	(519,527)	(1,846,289)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,387,673)</u>	<u>132,768</u>	<u>(519,527)</u>	<u>(1,846,289)</u>	<u>-</u>
Net change in fund balances	8,811	(568,218)	(1,058,594)	863,171	-	(42,162)
Fund balances, beginning	1,803,411	1,662,243	4,764,320	4,130,147	-	1,361,932
Fund balances, ending	<u>\$ 1,812,222</u>	<u>\$ 1,094,025</u>	<u>\$ 3,705,726</u>	<u>\$ 4,993,318</u>	<u>\$ -</u>	<u>\$ 1,319,770</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds (Continued)
Year Ended June 30, 2020

	Local Law Enforcement Block Grant	Radio System	Police Improvement	Lampkin Park Trust	Homeland Security	TIF District	Total Nonmajor Special Revenue Funds
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	755,868
Insurance premium taxes	-	-	-	-	-	-	2,360,151
Wages and net profits	-	-	-	-	-	-	2,631,210
Judgements and settlements	-	-	-	-	-	-	19,173
License and permits	-	-	-	-	-	284,060	284,060
Intergovernmental	55,872	-	-	-	9,177	-	8,518,153
Investment income	-	414	1,537	-	-	-	185,022
Charges for services	-	-	65,465	-	-	-	86,558
Contributions and donations	-	193,455	-	7,386	-	-	434,741
Miscellaneous	-	2	-	-	-	-	148,944
Total revenues	55,872	193,871	67,002	7,386	9,177	284,060	15,423,880
EXPENDITURES							
Current:							
Public safety	38,826	542,935	-	-	2,577	-	2,932,252
Public works	-	-	-	-	-	-	3,937,553
Neighborhood and community services	-	-	-	-	-	-	3,550,038
Capital outlay	17,046	-	-	-	6,600	-	1,170,924
Total expenditures	55,872	542,935	-	-	9,177	-	11,590,767
Excess (deficiency) of revenues over (under) expenditures	-	(349,064)	67,002	7,386	-	284,060	3,833,113
Other financing sources (uses):							
Transfers in	-	185,800	24,000	-	-	-	1,670,268
Transfers out	-	-	(200,000)	-	-	-	(6,281,189)
Total other financing sources (uses)	-	185,800	(176,000)	-	-	-	(4,610,921)
Net change in fund balances	-	(163,264)	(108,998)	7,386	-	284,060	(777,808)
Fund balances, beginning	-	225,660	425,112	13,367	-	-	14,386,192
Fund balances, ending	\$ -	\$ 62,396	\$ 316,114	\$ 20,753	\$ -	\$ 284,060	\$ 13,608,384

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2020

	Greenways/ Riverfront Development	Equipment Replacement	Road Construction	Fire Capital Improvements	Heritage Trail Construction	Sidewalk Improvement	Stormwater Infrastructure Improvement	Municipal Facilities
REVENUES								
Judgements and settlements	\$ -	\$ 11,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	106,047	-	-	-	-	-	-	-
Investment income	-	7,609	50,327	15,217	-	1,522	3,043	4,716
Contributions and donations	-	-	-	-	-	-	-	-
Total revenues	<u>106,047</u>	<u>19,419</u>	<u>50,327</u>	<u>15,217</u>	<u>-</u>	<u>1,522</u>	<u>3,043</u>	<u>4,716</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	2,812	-	109,650	-	-	-	-
Public works	-	11,833	132,441	-	-	-	10,134	8,400
Parks and recreation	-	-	-	-	-	-	-	-
Neighborhood and community services	21,143	-	-	-	-	-	-	-
Capital outlay	<u>222,564</u>	<u>1,537,566</u>	<u>1,877,989</u>	<u>2,717,637</u>	<u>20,069</u>	<u>349,110</u>	<u>299,496</u>	<u>1,142,822</u>
Total expenditures	<u>243,707</u>	<u>1,552,211</u>	<u>2,010,430</u>	<u>2,827,287</u>	<u>20,069</u>	<u>349,110</u>	<u>309,630</u>	<u>1,151,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(137,660)</u>	<u>(1,532,792)</u>	<u>(1,960,103)</u>	<u>(2,812,070)</u>	<u>(20,069)</u>	<u>(347,588)</u>	<u>(306,587)</u>	<u>(1,146,506)</u>
Other financing sources (uses):								
Transfers in	417,556	1,560,000	2,500,000	850,000	-	625,000	500,000	500,000
Transfers out	-	-	-	-	(1)	-	-	-
Issuance of debt	-	-	-	1,531,518	-	-	-	-
Total other financing sources (uses)	<u>417,556</u>	<u>1,560,000</u>	<u>2,500,000</u>	<u>2,381,518</u>	<u>(1)</u>	<u>625,000</u>	<u>500,000</u>	<u>500,000</u>
Net change in fund balances	<u>279,896</u>	<u>27,208</u>	<u>539,897</u>	<u>(430,552)</u>	<u>(20,070)</u>	<u>277,412</u>	<u>193,413</u>	<u>(646,506)</u>
Fund balances, beginning	<u>1,061,522</u>	<u>1,802,963</u>	<u>4,610,654</u>	<u>3,674,452</u>	<u>20,070</u>	<u>582,397</u>	<u>639,979</u>	<u>1,669,054</u>
Fund balances, ending	<u>\$ 1,341,418</u>	<u>\$ 1,830,171</u>	<u>\$ 5,150,551</u>	<u>\$ 3,243,900</u>	<u>\$ -</u>	<u>\$ 859,809</u>	<u>\$ 833,392</u>	<u>\$ 1,022,548</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds (Continued)
Year Ended June 30, 2020

	Technology Capital Improvement	Smallhouse Road Construction	Parks Capital Improvements	800 Trunking Radio Systems Improvements	Downtown Development	Southwest Parkway	Police Capital Improvements	Total Nonmajor Capital Projects Funds
REVENUES								
Judgements and settlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,810
Intergovernmental	-	-	-	-	-	-	450,000	556,047
Investment income	3,043	1,522	15,217	2,282	2,358	-	-	106,856
Contributions and donations	-	-	-	-	-	836,420	-	836,420
Total revenues	<u>3,043</u>	<u>1,522</u>	<u>15,217</u>	<u>2,282</u>	<u>2,358</u>	<u>836,420</u>	<u>450,000</u>	<u>1,511,133</u>
EXPENDITURES								
Current:								
General government	852,996	-	-	-	-	-	-	852,996
Public safety	-	-	-	-	-	-	692,535	804,997
Public works	-	-	-	-	81,221	36,190	-	280,219
Parks and recreation	-	-	242,410	-	-	-	-	242,410
Neighborhood and community services	-	-	-	-	30,449	-	-	51,592
Capital outlay	293,533	612,027	1,897,545	-	2,793,113	805,230	313,017	14,881,718
Total expenditures	<u>1,146,529</u>	<u>612,027</u>	<u>2,139,955</u>	<u>-</u>	<u>2,904,783</u>	<u>841,420</u>	<u>1,005,552</u>	<u>17,113,932</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,143,486)</u>	<u>(610,505)</u>	<u>(2,124,738)</u>	<u>2,282</u>	<u>(2,902,425)</u>	<u>(5,000)</u>	<u>(555,552)</u>	<u>(15,602,799)</u>
Other financing sources (uses):								
Transfers in	1,000,000	500,000	1,346,889	150,800	1,500,001	-	1,527,700	12,977,946
Transfers out	-	-	-	-	-	-	-	(1)
Issuance of debt	-	-	-	-	-	-	-	1,531,518
Total other financing sources (uses)	<u>1,000,000</u>	<u>500,000</u>	<u>1,346,889</u>	<u>150,800</u>	<u>1,500,001</u>	<u>-</u>	<u>1,527,700</u>	<u>14,509,463</u>
Net change in fund balances	(143,486)	(110,505)	(777,849)	153,082	(1,402,424)	(5,000)	972,148	(1,093,336)
Fund balances, beginning	1,633,249	962,183	3,625,545	960,700	3,233,083	19,737	-	24,495,588
Fund balances, ending	<u>\$ 1,489,763</u>	<u>\$ 851,678</u>	<u>\$ 2,847,696</u>	<u>\$ 1,113,782</u>	<u>\$ 1,830,659</u>	<u>\$ 14,737</u>	<u>\$ 972,148</u>	<u>\$ 23,402,252</u>

See accompanying independent auditor's report

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Debt Service Fund
 Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Debt service				
Principal	\$ 3,865,500	\$ 3,865,750	\$ 3,865,594	\$ 156
Interest	741,000	740,750	719,809	20,941
Total expenditures	<u>4,606,500</u>	<u>4,606,500</u>	<u>4,585,403</u>	<u>21,097</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,606,500)</u>	<u>(4,606,500)</u>	<u>(4,585,403)</u>	<u>21,097</u>
Other financing sources (uses)				
Transfers in	<u>4,606,500</u>	<u>4,606,500</u>	<u>4,585,403</u>	<u>(21,097)</u>
Total other financing sources (uses)	<u>4,606,500</u>	<u>4,606,500</u>	<u>4,585,403</u>	<u>(21,097)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 WKU Athletics Debt Service Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,985,000	\$ 2,985,000	\$ 2,979,508	\$ (5,492)
Total revenues	<u>2,985,000</u>	<u>2,985,000</u>	<u>2,979,508</u>	<u>(5,492)</u>
EXPENDITURES				
Current:				
Debt service				
Principal	2,340,000	2,340,000	2,340,000	-
Interest	645,000	645,000	639,508	5,492
Total expenditures	<u>2,985,000</u>	<u>2,985,000</u>	<u>2,979,508</u>	<u>5,492</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 ITA Bond Debt Service Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 11,500	\$ 11,500	\$ 14,702	\$ 3,202
Investment income	-	-	3,056	3,056
Rent income	-	93,485	93,485	-
Miscellaneous	1,017,500	1,017,500	1,165,109	147,609
Total revenues	<u>1,029,000</u>	<u>1,122,485</u>	<u>1,276,352</u>	<u>153,867</u>
EXPENDITURES				
Current:				
Debt service				
Principal	1,835,000	1,925,000	1,925,000	-
Interest	200,000	203,485	201,662	1,823
Total expenditures	<u>2,035,000</u>	<u>2,128,485</u>	<u>2,126,662</u>	<u>1,823</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,006,000)</u>	<u>(1,006,000)</u>	<u>(850,310)</u>	<u>155,690</u>
Other financing sources (uses)				
Transfers in	1,017,500	1,017,500	1,017,500	-
Total other financing sources (uses)	<u>1,017,500</u>	<u>1,017,500</u>	<u>1,017,500</u>	<u>-</u>
Net change in fund balances	11,500	11,500	167,190	155,690
Fund balances, beginning	1,587,739	1,587,739	1,587,739	-
Fund balances, ending	<u>\$ 1,599,239</u>	<u>\$ 1,599,239</u>	<u>\$ 1,754,929</u>	<u>\$ 155,690</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 TIF District Debt Service Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 33,609	\$ 33,609
Contributions and donations	285,000	285,000	-	(285,000)
Total revenues	<u>285,000</u>	<u>285,000</u>	<u>33,609</u>	<u>(251,391)</u>
EXPENDITURES				
Current:				
Debt service				
Principal	740,000	740,000	740,000	-
Interest	716,000	716,000	715,087	913
Total expenditures	<u>1,456,000</u>	<u>1,456,000</u>	<u>1,455,087</u>	<u>913</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,171,000)</u>	<u>(1,171,000)</u>	<u>(1,421,478)</u>	<u>(250,478)</u>
Other financing sources (uses)				
Transfers in	1,456,000	1,456,000	1,455,088	(912)
Total other financing sources (uses)	<u>1,456,000</u>	<u>1,456,000</u>	<u>1,455,088</u>	<u>(912)</u>
Net change in fund balances	285,000	285,000	33,610	(251,390)
Fund balances, beginning	3,944,277	3,944,277	3,944,277	-
Fund balances, ending	<u>\$ 4,229,277</u>	<u>\$ 4,229,277</u>	<u>\$ 3,977,887</u>	<u>\$ (251,390)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Community Development Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 4,001,274	\$ 5,179,970	\$ 3,976,679	\$ (1,203,291)
Investment income	-	-	12,162	12,162
Miscellaneous	71,500	89,836	91,942	2,106
Total revenues	<u>4,072,774</u>	<u>5,269,806</u>	<u>4,080,783</u>	<u>(1,189,023)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	3,543,750	4,251,697	3,509,038	742,659
Capital outlay	529,024	1,144,970	562,934	582,036
Total expenditures	<u>4,072,774</u>	<u>5,396,667</u>	<u>4,071,972</u>	<u>1,324,695</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>(126,861)</u>	<u>8,811</u>	<u>135,672</u>
Net change in fund balances	-	(126,861)	8,811	135,672
Fund balances, beginning	<u>1,803,411</u>	<u>1,803,411</u>	<u>1,803,411</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,803,411</u>	<u>\$ 1,676,550</u>	<u>\$ 1,812,222</u>	<u>\$ 135,672</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Fire Improvement Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Insurance premium taxes	\$ 2,254,500	\$ 2,254,500	\$ 2,360,151	\$ 105,651
Judgements and settlements	20,000	20,000	19,173	(827)
Investment income	2,890	2,890	16,904	14,014
Total revenues	<u>2,277,390</u>	<u>2,277,390</u>	<u>2,396,228</u>	<u>118,838</u>
EXPENDITURES				
Current:				
Public safety	505,390	617,996	439,854	178,142
Capital outlay	76,000	182,695	136,919	45,776
Total expenditures	<u>581,390</u>	<u>800,691</u>	<u>576,773</u>	<u>223,918</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,696,000</u>	<u>1,476,699</u>	<u>1,819,455</u>	<u>342,756</u>
Other financing sources (uses)				
Transfers out	<u>(1,696,000)</u>	<u>(2,546,000)</u>	<u>(2,387,673)</u>	<u>158,327</u>
Total other financing sources (uses)	<u>(1,696,000)</u>	<u>(2,546,000)</u>	<u>(2,387,673)</u>	<u>158,327</u>
Net change in fund balances	-	(1,069,301)	(568,218)	501,083
Fund balances, beginning	<u>1,662,243</u>	<u>1,662,243</u>	<u>1,662,243</u>	-
Fund balances, ending	<u>\$ 1,662,243</u>	<u>\$ 592,942</u>	<u>\$ 1,094,025</u>	<u>\$ 501,083</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Municipal Aid Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Property taxes	\$ 200,000	\$ 200,000	\$ 199,942	\$ (58)
Intergovernmental	4,581,665	9,639,779	4,476,425	(5,163,354)
Investment income	48,400	48,400	41,863	(6,537)
Charges for services	10,000	10,000	21,093	11,093
Miscellaneous	57,000	57,000	57,000	-
Total revenues	<u>4,897,065</u>	<u>9,955,179</u>	<u>4,796,323</u>	<u>(5,158,856)</u>
EXPENDITURES				
Current:				
Public safety	2,053,065	2,154,714	1,908,060	246,654
Public works	3,433,000	9,706,809	3,874,630	5,832,179
Capital outlay	260,000	635,370	204,995	430,375
Total expenditures	<u>5,746,065</u>	<u>12,496,893</u>	<u>5,987,685</u>	<u>6,509,208</u>
Excess (deficiency) of revenues over (under) expenses	<u>(849,000)</u>	<u>(2,541,714)</u>	<u>(1,191,362)</u>	<u>1,350,352</u>
Other financing sources (uses)				
Transfers in	1,032,711	1,463,126	1,460,468	(2,658)
Transfers out	<u>(1,327,700)</u>	<u>(1,327,700)</u>	<u>(1,327,700)</u>	<u>-</u>
Total other financing sources (uses)	<u>(294,989)</u>	<u>135,426</u>	<u>132,768</u>	<u>(2,658)</u>
Net change in fund balances	(1,143,989)	(2,406,288)	(1,058,594)	1,347,694
Fund balances, beginning	4,764,320	4,764,320	4,764,320	-
Fund balances, ending	<u>\$ 3,620,331</u>	<u>\$ 2,358,032</u>	<u>\$ 3,705,726</u>	<u>\$ 1,347,694</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Job Development Incentive Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 80,000	\$ 80,000	\$ 84,037	\$ 4,037
Wages and net profits	2,100,000	2,100,000	1,256,810	(843,190)
Investment income	9,600	9,600	82,851	73,251
Total revenues	<u>2,189,600</u>	<u>2,189,600</u>	<u>1,423,698</u>	<u>(765,902)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	<u>73,000</u>	<u>90,500</u>	<u>41,000</u>	<u>49,500</u>
Total expenditures	<u>73,000</u>	<u>90,500</u>	<u>41,000</u>	<u>49,500</u>
Excess (deficiency) of revenues over (under) expenses	<u>2,116,600</u>	<u>2,099,100</u>	<u>1,382,698</u>	<u>(716,402)</u>
Other financing sources (uses)				
Transfers out	<u>(521,000)</u>	<u>(521,000)</u>	<u>(519,527)</u>	<u>1,473</u>
Total other financing sources (uses)	<u>(521,000)</u>	<u>(521,000)</u>	<u>(519,527)</u>	<u>1,473</u>
Net change in fund balances	1,595,600	1,578,100	863,171	(714,929)
Fund balances, beginning	<u>4,130,147</u>	<u>4,130,147</u>	<u>4,130,147</u>	<u>-</u>
Fund balances, ending	<u>\$ 5,725,747</u>	<u>\$ 5,708,247</u>	<u>\$ 4,993,318</u>	<u>\$ (714,929)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Parks Development Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Property taxes	\$ 488,500	\$ 488,500	\$ 471,889	\$ (16,611)
Wages and net profits	1,405,000	1,405,000	1,374,400	(30,600)
Total revenues	<u>1,893,500</u>	<u>1,893,500</u>	<u>1,846,289</u>	<u>(47,211)</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,893,500</u>	<u>1,893,500</u>	<u>1,846,289</u>	<u>(47,211)</u>
Other financing sources (uses)				
Transfers out	<u>(1,893,500)</u>	<u>(1,893,500)</u>	<u>(1,846,289)</u>	<u>47,211</u>
Total other financing sources (uses)	<u>(1,893,500)</u>	<u>(1,893,500)</u>	<u>(1,846,289)</u>	<u>47,211</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Landfill Closure Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Investment income	\$ 22,500	\$ 22,500	\$ 29,291	\$ 6,791
Contributions and donations	-	270,000	233,900	(36,100)
Total revenues	<u>22,500</u>	<u>292,500</u>	<u>263,191</u>	<u>(29,309)</u>
EXPENDITURES				
Current:				
Public works	149,805	77,805	62,923	14,882
Capital outlay	-	397,000	242,430	154,570
Total expenditures	<u>149,805</u>	<u>474,805</u>	<u>305,353</u>	<u>169,452</u>
Excess (deficiency) of revenues over (under) expenses	<u>(127,305)</u>	<u>(182,305)</u>	<u>(42,162)</u>	<u>140,143</u>
Net change in fund balances	(127,305)	(182,305)	(42,162)	140,143
Fund balances, beginning	<u>1,361,932</u>	<u>1,361,932</u>	<u>1,361,932</u>	-
Fund balances, ending	<u>\$ 1,234,627</u>	<u>\$ 1,179,627</u>	<u>\$ 1,319,770</u>	<u>\$ 140,143</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Local Law Enforcement Block Grant Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 155,074	\$ 55,872	\$ (99,202)
Total revenues	-	155,074	55,872	(99,202)
EXPENDITURES				
Current:				
Public safety	-	138,028	38,826	99,202
Capital outlay	-	17,046	17,046	-
Total expenditures	-	155,074	55,872	99,202
Excess (deficiency) of revenues over (under) expenses	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Radio System Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 414	\$ 414
Contributions and donations	317,200	345,584	193,455	(152,129)
Total revenues	<u>317,200</u>	<u>345,584</u>	<u>193,869</u>	<u>(151,715)</u>
EXPENDITURES				
Current:				
Public safety	503,000	559,768	542,933	16,835
Total expenditures	<u>503,000</u>	<u>559,768</u>	<u>542,933</u>	<u>16,835</u>
Excess (deficiency) of revenues over (under) expenses	<u>(185,800)</u>	<u>(214,184)</u>	<u>(349,064)</u>	<u>(134,880)</u>
Other financing sources (uses)				
Transfers in	185,800	185,800	185,800	-
Total other financing sources (uses)	<u>185,800</u>	<u>185,800</u>	<u>185,800</u>	<u>-</u>
Net change in fund balances	-	(28,384)	(163,264)	(134,880)
Fund balances, beginning	225,660	225,660	225,660	-
Fund balances, ending	<u>\$ 225,660</u>	<u>\$ 197,276</u>	<u>\$ 62,396</u>	<u>\$ (134,880)</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Police Improvement Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 1,537	\$ 1,537
Charges for services	76,000	76,000	65,465	(10,535)
Total revenues	<u>76,000</u>	<u>76,000</u>	<u>67,002</u>	<u>(8,998)</u>
EXPENDITURES				
Current:				
Public safety	42,000	48,000	-	48,000
Total expenditures	<u>42,000</u>	<u>48,000</u>	<u>-</u>	<u>48,000</u>
Excess (deficiency) of revenues over (under) expenses	<u>34,000</u>	<u>28,000</u>	<u>67,002</u>	<u>39,002</u>
Other financing sources (uses)				
Transfers in	21,000	24,000	24,000	-
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(179,000)</u>	<u>(176,000)</u>	<u>(176,000)</u>	<u>-</u>
Net change in fund balances	(145,000)	(148,000)	(108,998)	39,002
Fund balances, beginning	425,112	425,112	425,112	-
Fund balances, ending	<u>\$ 280,112</u>	<u>\$ 277,112</u>	<u>\$ 316,114</u>	<u>\$ 39,002</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Homeland Security Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 270,600	\$ 9,177	\$ (261,423)
Total revenues	<u>-</u>	<u>270,600</u>	<u>9,177</u>	<u>(261,423)</u>
EXPENDITURES				
Current:				
Public safety	-	7,800	2,577	(5,223)
Capital outlay	-	262,800	6,600	(256,200)
Total expenditures	<u>-</u>	<u>270,600</u>	<u>9,177</u>	<u>(261,423)</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 TIF District Special Revenue Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
License and permits	\$ -	\$ -	\$ 284,060	\$ 284,060
Total revenues	-	-	284,060	284,060
Excess (deficiency) of revenues over (under) expenses	-	-	284,060	284,060
Net change in budgetary fund balances	-	-	284,060	284,060
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 284,060	\$ 284,060

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Lampkin Park Trust Special Revenue Fund
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Contributions and donations	\$ 7,000	\$ 7,000	\$ 7,386	\$ 386
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>7,386</u>	<u>386</u>
Excess (deficiency) of revenues over (under) expenses	<u>7,000</u>	<u>7,000</u>	<u>7,386</u>	<u>386</u>
Net change in fund balances	7,000	7,000	7,386	386
Fund balances, beginning	<u>13,367</u>	<u>13,367</u>	<u>13,367</u>	<u>-</u>
Fund balances, ending	<u>\$ 20,367</u>	<u>\$ 20,367</u>	<u>\$ 20,753</u>	<u>\$ 386</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Greenways/ Riverfront Development Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 1,478,517	\$ 106,047	\$ (1,372,470)
Total revenues	-	1,478,517	106,047	(1,372,470)
EXPENDITURES				
Current:				
Neighborhood and community services	-	875,386	21,143	854,243
Capital outlay	-	1,141,740	222,564	919,176
Total expenditures	-	2,017,126	243,707	1,773,419
Excess (deficiency) of revenues over (under) expenses	-	(538,609)	(137,660)	400,949
Other financing sources (uses)				
Transfers in	-	417,556	417,556	-
Total other financing sources (uses)	-	417,556	417,556	-
Net change in fund balances	-	(121,053)	279,896	400,949
Fund balances, beginning	1,061,522	1,061,522	1,061,522	-
Fund balances, ending	\$ 1,061,522	\$ 940,469	\$ 1,341,418	\$ 400,949

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Equipment Replacement Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Judgements and settlements	\$ -	\$ 11,810	\$ 11,810	\$ -
Investment income	-	-	7,609	7,609
Total revenues	-	11,810	19,419	7,609
EXPENDITURES				
Current:				
Public safety	74,000	12,812	2,812	10,000
Public works	-	11,834	11,833	1
Parks and recreation	-	135,516	-	135,516
Capital outlay	1,325,000	1,922,613	1,537,566	385,047
Total expenditures	1,399,000	2,082,775	1,552,211	530,564
Excess (deficiency) of revenues over (under) expenses	(1,399,000)	(2,070,965)	(1,532,792)	538,173
Other financing sources (uses)				
Transfers in	1,060,000	1,560,000	1,560,000	-
Total other financing sources (uses)	1,060,000	1,560,000	1,560,000	-
Net change in fund balances	(339,000)	(510,965)	27,208	538,173
Fund balances, beginning	1,802,963	1,802,963	1,802,963	-
Fund balances, ending	\$ 1,463,963	\$ 1,291,998	\$ 1,830,171	\$ 538,173

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Road Construction Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 39,000	\$ 39,000	\$ 50,327	\$ 11,327
Total revenues	<u>39,000</u>	<u>39,000</u>	<u>50,327</u>	<u>11,327</u>
EXPENDITURES				
Current:				
Public works	100,000	137,154	132,441	4,713
Capital outlay	<u>1,240,000</u>	<u>2,293,134</u>	<u>1,877,989</u>	<u>415,145</u>
Total expenditures	<u>1,340,000</u>	<u>2,430,288</u>	<u>2,010,430</u>	<u>419,858</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,301,000)</u>	<u>(2,391,288)</u>	<u>(1,960,103)</u>	<u>431,185</u>
Other financing sources (uses)				
Transfers in	-	2,500,000	2,500,000	-
Total other financing sources (uses)	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Net change in fund balances	(1,301,000)	108,712	539,897	431,185
Fund balances, beginning	<u>4,610,654</u>	<u>4,610,654</u>	<u>4,610,654</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,309,654</u>	<u>\$ 4,719,366</u>	<u>\$ 5,150,551</u>	<u>\$ 431,185</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Heritage Trail Construction Capital Projects Fund
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
Capital outlay	\$ -	\$ 20,069	\$ 20,069	\$ -
Total expenditures	-	20,069	20,069	-
Excess (deficiency) of revenues over (under) expenses	-	(20,069)	(20,069)	-
Other financing sources (uses)				
Transfers out	-	(1)	(1)	-
Total other financing sources (uses)	-	(1)	(1)	-
Net change in fund balances	-	(20,070)	(20,070)	-
Fund balances, beginning	20,070	20,070	20,070	-
Fund balances, ending	\$ 20,070	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Sidewalk Improvement Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 1,522	\$ 1,522
Total revenues	<u>-</u>	<u>-</u>	<u>1,522</u>	<u>1,522</u>
EXPENDITURES				
Current:				
Public works	-	3,223	-	3,223
Capital outlay	<u>500,000</u>	<u>1,204,231</u>	<u>349,110</u>	<u>855,121</u>
Total expenditures	<u>500,000</u>	<u>1,207,454</u>	<u>349,110</u>	<u>858,344</u>
Excess (deficiency) of revenues over (under) expenses	<u>(500,000)</u>	<u>(1,207,454)</u>	<u>(347,588)</u>	<u>859,866</u>
Other financing sources (uses)				
Transfers in	<u>500,000</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
Total other financing sources (uses)	<u>500,000</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
Net change in fund balances	-	(582,454)	277,412	859,866
Fund balances, beginning	<u>582,397</u>	<u>582,397</u>	<u>582,397</u>	<u>-</u>
Fund balances, ending	<u>\$ 582,397</u>	<u>\$ (57)</u>	<u>\$ 859,809</u>	<u>\$ 859,866</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Stormwater Infrastructure Improvement Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 3,043	\$ 3,043
Total revenues	<u>-</u>	<u>-</u>	<u>3,043</u>	<u>3,043</u>
EXPENDITURES				
Current:				
Public works	-	28,775	10,134	18,641
Capital outlay	500,000	1,111,318	299,496	811,822
Total expenditures	<u>500,000</u>	<u>1,140,093</u>	<u>309,630</u>	<u>830,463</u>
Excess (deficiency) of revenues over (under) expenses	<u>(500,000)</u>	<u>(1,140,093)</u>	<u>(306,587)</u>	<u>833,506</u>
Other financing sources (uses)				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	-	(640,093)	193,413	833,506
Fund balances, beginning	639,979	639,979	639,979	-
Fund balances, ending	<u>\$ 639,979</u>	<u>\$ (114)</u>	<u>\$ 833,392</u>	<u>\$ 833,506</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Municipal Facilities Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 4,716	\$ 4,716
Total revenues	<u>-</u>	<u>-</u>	<u>4,716</u>	<u>4,716</u>
EXPENDITURES				
Current:				
Public works	-	8,400	8,400	-
Capital outlay	-	1,286,500	1,142,822	143,678
Total expenditures	<u>-</u>	<u>1,294,900</u>	<u>1,151,222</u>	<u>143,678</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>(1,294,900)</u>	<u>(1,146,506)</u>	<u>148,394</u>
Other financing sources (uses)				
Transfers in	-	500,000	500,000	-
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	-	(794,900)	(646,506)	148,394
Fund balances, beginning	<u>1,669,054</u>	<u>1,669,054</u>	<u>1,669,054</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,669,054</u>	<u>\$ 874,154</u>	<u>\$ 1,022,548</u>	<u>\$ 148,394</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Downtown Development Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 2,358	\$ 2,358
Total revenues	<u>-</u>	<u>-</u>	<u>2,358</u>	<u>2,358</u>
EXPENDITURES				
Current:				
Public works	100,000	275,293	81,220	194,073
Neighborhood and community services	-	73,997	30,449	43,548
Capital outlay	<u>400,000</u>	<u>3,384,078</u>	<u>2,793,113</u>	<u>590,965</u>
Total expenditures	<u>500,000</u>	<u>3,733,368</u>	<u>2,904,782</u>	<u>828,586</u>
Excess (deficiency) of revenues over (under) expenses	<u>(500,000)</u>	<u>(3,733,368)</u>	<u>(2,902,424)</u>	<u>830,944</u>
Other financing sources (Uses)				
Transfers in	<u>500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total other financing sources (uses)	<u>500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net change in fund balances	-	(2,233,368)	(1,402,424)	830,944
Fund balances, beginning	<u>3,233,083</u>	<u>3,233,083</u>	<u>3,233,083</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,233,083</u>	<u>\$ 999,715</u>	<u>\$ 1,830,659</u>	<u>\$ 830,944</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
800 Trunking Radio Systems Improvements Capital Projects Fund
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 2,283	\$ 2,283
Total revenues	<u>-</u>	<u>-</u>	<u>2,283</u>	<u>2,283</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>-</u>	<u>2,283</u>	<u>2,283</u>
Other financing sources (uses)				
Transfers in	<u>150,800</u>	<u>150,800</u>	<u>150,800</u>	<u>-</u>
Total other financing sources (uses)	<u>150,800</u>	<u>150,800</u>	<u>150,800</u>	<u>-</u>
Net change in fund balances	150,800	150,800	153,083	2,283
Fund balances, beginning	<u>960,700</u>	<u>960,700</u>	<u>960,700</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,111,500</u>	<u>\$ 1,111,500</u>	<u>\$ 1,113,783</u>	<u>\$ 2,283</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Technology Capital Improvement Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 3,043	\$ 3,043
Total revenues	<u>-</u>	<u>-</u>	<u>3,043</u>	<u>3,043</u>
EXPENDITURES				
Current:				
General government	595,500	1,401,877	852,996	548,881
Capital outlay	305,000	293,600	293,533	67
Total expenditures	<u>900,500</u>	<u>1,695,477</u>	<u>1,146,529</u>	<u>548,948</u>
Excess (deficiency) of revenues over (under) expenses	<u>(900,500)</u>	<u>(1,695,477)</u>	<u>(1,143,486)</u>	<u>551,991</u>
Other financing sources (uses)				
Transfers in	500,000	1,000,000	1,000,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balances	(400,500)	(695,477)	(143,486)	551,991
Fund balances, beginning	1,633,249	1,633,249	1,633,249	-
Fund balances, ending	<u>\$ 1,232,749</u>	<u>\$ 937,772</u>	<u>\$ 1,489,763</u>	<u>\$ 551,991</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Smallhouse Road Construction Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 1,522	\$ 1,522
Total revenues	<u>-</u>	<u>-</u>	<u>1,522</u>	<u>1,522</u>
EXPENDITURES				
Capital outlay	500,000	1,462,240	612,027	850,213
Total expenditures	<u>500,000</u>	<u>1,462,240</u>	<u>612,027</u>	<u>850,213</u>
Excess (deficiency) of revenues over (under) expenses	<u>(500,000)</u>	<u>(1,462,240)</u>	<u>(610,505)</u>	<u>851,735</u>
Other financing sources (uses)				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	-	(962,240)	(110,505)	851,735
Fund balances, beginning	962,183	962,183	962,183	-
Fund balances, ending	<u>\$ 962,183</u>	<u>\$ (57)</u>	<u>\$ 851,678</u>	<u>\$ 851,735</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Parks Capital Improvements Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 15,217	\$ 15,217
Total revenues	-	-	15,217	15,217
EXPENDITURES				
Current:				
Parks and recreation	400,000	759,125	242,410	516,715
Capital outlay	650,000	3,149,080	1,897,546	1,251,534
Total expenditures	1,050,000	3,908,205	2,139,956	1,768,249
Excess (deficiency) of revenues over (under) expenses	(1,050,000)	(3,908,205)	(2,124,739)	1,783,466
Other financing sources (uses)				
Transfers in	1,069,917	1,284,917	1,346,889	61,972
Total other financing sources (uses)	1,069,917	1,284,917	1,346,889	61,972
Net change in fund balances	19,917	(2,623,288)	(777,850)	1,845,438
Fund balances, beginning	3,625,545	3,625,545	3,625,545	-
Fund balances, ending	\$ 3,645,462	\$ 1,002,257	\$ 2,847,695	\$ 1,845,438

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Fire Capital Improvements Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 15,217	\$ 15,217
Total revenues	<u>-</u>	<u>-</u>	<u>15,217</u>	<u>15,217</u>
EXPENDITURES				
Current:				
Public safety	120,000	260,150	109,650	(150,500)
Capital outlay	1,560,000	5,951,368	2,717,637	(3,233,731)
Total expenditures	<u>1,680,000</u>	<u>6,211,518</u>	<u>2,827,287</u>	<u>(3,384,231)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,680,000)</u>	<u>(6,211,518)</u>	<u>(2,812,070)</u>	<u>3,399,448</u>
Other financing sources (Uses)				
Transfers in	155,000	1,005,000	850,000	(155,000)
Issuance of debt	1,525,000	1,531,518	1,531,518	-
Total other financing sources (uses)	<u>1,680,000</u>	<u>2,536,518</u>	<u>2,381,518</u>	<u>(155,000)</u>
Net change in fund balances	-	(3,675,000)	(430,552)	3,244,448
Fund balances, beginning of year	<u>3,674,452</u>	<u>3,674,452</u>	<u>3,674,452</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,674,452</u>	<u>\$ (548)</u>	<u>\$ 3,243,900</u>	<u>\$ 3,244,448</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Southwest Parkway Capital Projects Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Contributions and donations	\$ -	\$ 4,286,384	\$ 836,420	\$ (3,449,964)
Total revenues	<u>-</u>	<u>4,286,384</u>	<u>836,420</u>	<u>(3,449,964)</u>
EXPENDITURES				
Current:				
Public works	-	54,133	36,190	(17,943)
Capital outlay	-	4,251,991	805,230	(3,446,761)
Total expenditures	<u>-</u>	<u>4,306,124</u>	<u>841,420</u>	<u>(3,464,704)</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>(19,740)</u>	<u>(5,000)</u>	<u>14,740</u>
Net change in budgetary fund balances	-	(19,740)	(5,000)	14,740
Fund balances, beginning of year	<u>19,737</u>	<u>19,737</u>	<u>19,737</u>	<u>-</u>
Fund balances, end of year	<u>\$ 19,737</u>	<u>\$ (3)</u>	<u>\$ 14,737</u>	<u>\$ 14,740</u>

See accompanying independent auditor's report.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Police Capital Improvements Fund
 Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 450,000	\$ 450,000	\$ -
Total revenues	<u>-</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	1,427,700	1,632,700	692,535	(940,165)
Capital outlay	100,000	345,000	313,017	(31,983)
Total expenditures	<u>1,527,700</u>	<u>1,977,700</u>	<u>1,005,552</u>	<u>(972,148)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,527,700)</u>	<u>(1,527,700)</u>	<u>(555,552)</u>	<u>972,148</u>
Other financing sources (Uses)				
Transfers in	1,927,700	1,927,700	1,527,700	(400,000)
Total other financing sources (uses)	<u>1,927,700</u>	<u>1,927,700</u>	<u>1,527,700</u>	<u>(400,000)</u>
Net change in budgetary fund balances	<u>400,000</u>	<u>400,000</u>	<u>972,148</u>	<u>572,148</u>
Fund balances, end of year	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 972,148</u>	<u>\$ 572,148</u>

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

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

Fleet Maintenance Fund

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

Employee Health Care Fund

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

Workers Compensation Fund

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

Property and Casualty Fund

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

City of Bowling Green, Kentucky
Combining Statement of Net Position - Internal Service Funds
June 30, 2020

	Fleet Maintenance	Employee Health Care	Workers Compensation	Property and Casualty	Total Internal Service Funds
ASSETS					
Current assets					
Pooled cash and cash equivalents	\$ 608,950	\$ 1,816,430	\$ 351,024	\$ 674,089	\$ 3,450,493
Investments	199,967	1,416,040	1,225,220	-	2,841,227
Accounts receivable	-	4,500	1,500	-	6,000
Interest receivable	-	150	25	-	175
Prepaid items	-	559,598	-	-	559,598
Inventories	268,223	-	-	-	268,223
Total current assets	<u>1,077,140</u>	<u>3,796,718</u>	<u>1,577,769</u>	<u>674,089</u>	<u>7,125,716</u>
Noncurrent assets					
Capital assets					
Buildings	241,875	198,701	-	-	440,576
Machinery and equipment	242,927	-	220,773	89,326	553,026
	484,802	198,701	220,773	89,326	993,602
Less: accumulated depreciation	<u>(342,014)</u>	<u>(22,354)</u>	<u>(112,235)</u>	<u>(17,243)</u>	<u>(493,846)</u>
Total capital assets, net of accumulated depreciation	<u>142,788</u>	<u>176,347</u>	<u>108,538</u>	<u>72,083</u>	<u>499,756</u>
Total noncurrent assets	<u>142,788</u>	<u>176,347</u>	<u>108,538</u>	<u>72,083</u>	<u>499,756</u>
Total assets	<u>\$ 1,219,928</u>	<u>\$ 3,973,065</u>	<u>\$ 1,686,307</u>	<u>\$ 746,172</u>	<u>\$ 7,625,472</u>
LIABILITIES					
Current liabilities					
Vouchers and accounts payable	\$ 30,409	\$ 83,693	\$ 3,121	\$ 13,399	\$ 130,622
Accrued payroll	20,057	-	1,568	753	22,378
Insurance claims payable	-	536,852	22,796	48,316	607,964
Current portion of compensated absences	21,042	-	-	-	21,042
Total current liabilities	<u>71,508</u>	<u>620,545</u>	<u>27,485</u>	<u>62,468</u>	<u>782,006</u>
Noncurrent liabilities					
Noncurrent portion of compensated absences	17,301	-	-	-	17,301
Total liabilities	<u>88,809</u>	<u>620,545</u>	<u>27,485</u>	<u>62,468</u>	<u>799,307</u>
NET POSITION					
Net invested in capital assets	142,788	176,347	108,538	72,083	499,756
Unrestricted	988,331	3,176,173	1,550,284	611,621	6,326,409
Total net position	<u>\$ 1,131,119</u>	<u>\$ 3,352,520</u>	<u>\$ 1,658,822</u>	<u>\$ 683,704</u>	<u>\$ 6,826,165</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds
Year Ended June 30, 2020

	Fleet Maintenance	Employee Health Care	Workers Compensation	Property and Casualty	Total
OPERATING REVENUES					
Charges for services	\$ 1,969,975	\$ -	\$ -	\$ -	\$ 1,969,975
Insurance premiums	-	7,475,972	667,855	-	8,143,827
Judgements and settlements	-	3,839	-	112,113	115,952
Contributions and donations	-	-	3,000	3,000	6,000
Miscellaneous	1,075	661	-	-	1,736
Total operating revenues	<u>1,971,050</u>	<u>7,480,472</u>	<u>670,855</u>	<u>115,113</u>	<u>10,237,490</u>
OPERATING EXPENSES					
Personnel services	799,533	-	59,270	28,928	887,731
Contractual services	33,189	779,990	67,215	124,678	1,005,072
Supplies	917,140	84,474	54,877	34,154	1,090,645
Utilities	28,588	-	476	-	29,064
Repairs and maintenance	111,855	-	-	-	111,855
Insurance premiums and claims	-	6,620,513	302,875	989,678	7,913,066
Depreciation	14,695	4,968	27,216	8,649	55,528
Miscellaneous	3,765	-	1,263	480	5,508
Total operating expenses	<u>1,908,765</u>	<u>7,489,945</u>	<u>513,192</u>	<u>1,186,567</u>	<u>11,098,469</u>
Operating income (loss)	<u>62,285</u>	<u>(9,473)</u>	<u>157,663</u>	<u>(1,071,454)</u>	<u>(860,979)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	2,139	37,556	38,671	-	78,366
Total nonoperating revenues (expenses)	<u>2,139</u>	<u>37,556</u>	<u>38,671</u>	<u>-</u>	<u>78,366</u>
Income (loss) before transfers	64,424	28,083	196,334	(1,071,454)	(782,613)
Transfers in	-	325,500	-	700,000	1,025,500
Transfers out	-	-	(224,000)	-	(224,000)
Total transfers	<u>-</u>	<u>325,500</u>	<u>(224,000)</u>	<u>700,000</u>	<u>801,500</u>
Change in net position	64,424	353,583	(27,666)	(371,454)	18,887
Net position, beginning	1,066,695	2,998,937	1,686,488	1,055,158	6,807,278
Net position, ending	<u>\$ 1,131,119</u>	<u>\$ 3,352,520</u>	<u>\$ 1,658,822</u>	<u>\$ 683,704</u>	<u>\$ 6,826,165</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2020

	Fleet Maintenance	Workers Compensation	Employee Health Care	Property and Casualty	Total
CASH FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 1,974,046	\$ 669,355	\$ 7,777,105	\$ 115,113	\$10,535,619
Payments to employees	(790,904)	(58,824)	-	(28,699)	(878,427)
Cash payments to suppliers	(1,146,594)	(144,411)	(594,742)	(158,677)	(2,044,424)
Claims paid	-	(334,054)	(6,742,279)	(984,462)	(8,060,795)
Net cash provided (used in) provided by operating activities	<u>36,548</u>	<u>132,066</u>	<u>440,084</u>	<u>(1,056,725)</u>	<u>(448,027)</u>
CASH FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	325,500	700,000	1,025,500
Transfers to other funds	-	(224,000)	-	-	(224,000)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(224,000)</u>	<u>325,500</u>	<u>700,000</u>	<u>801,500</u>
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	-	-	-	(50,243)	(50,243)
CASH FROM INVESTING ACTIVITIES					
Interest received	2,139	38,757	37,810	-	78,706
Purchase of investments	(199,968)	(30,450)	(12,972)	-	(243,390)
Net provided (used in) provided by investing activities	<u>(197,829)</u>	<u>8,307</u>	<u>24,838</u>	<u>-</u>	<u>(164,684)</u>
Net cash increase (decreases) in cash and cash equivalents	(161,281)	(83,627)	790,422	(406,968)	138,546
Cash and cash equivalents at beginning of period	770,231	434,651	1,026,008	1,081,057	3,311,947
Cash and cash equivalents at end of period	<u>\$ 608,950</u>	<u>\$ 351,024</u>	<u>\$ 1,816,430</u>	<u>\$ 674,089</u>	<u>\$ 3,450,493</u>
Reconciliation of operating income to net cash used in operating activities					
Operating income (loss)	\$ 62,285	\$ 157,663	\$ (9,473)	\$ (1,071,454)	\$ (860,979)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	14,695	27,216	4,968	8,649	55,528
Changes in assets and liabilities:					
Inventories	(18,418)	-	-	-	(18,418)
Accounts receivable	2,996	(1,500)	296,633	-	298,129
Prepaid items	-	-	206,528	-	206,528
Accounts payable	(33,639)	(20,580)	63,194	635	9,610
Compensated absences	2,522	-	-	-	2,522
Accrued payroll	6,107	446	-	229	6,782
Insurance claims payable	-	(31,179)	(121,766)	5,216	(147,729)
Net cash provided by (used in) operating activities	<u>\$ 36,548</u>	<u>\$ 132,066</u>	<u>\$ 440,084</u>	<u>\$ (1,056,725)</u>	<u>\$ (448,027)</u>

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

Claims Fund

Imprest vendor paying agent for all governmental funds.

Payroll Fund

Imprest paying agent for City payroll.

Tourist & Convention Fund

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

Tax Distribution Fund

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

Treasurer's Distribution Fund

This fund is used to account for collection of miscellaneous receipts requiring disbursement to other outside agencies.

Evidence Storage Fund

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

Bowling Green/Warren County Adjusted TIF Incremental Fund

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

City of Bowling Green, Kentucky
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
CLAIMS FUND				
Assets				
Non-pooled cash and cash equivalents	\$ 1,683,841	\$ 140,831,222	\$ 141,008,952	\$ 1,506,111
Liabilities				
Other liabilities	\$ 1,683,841	\$ 140,831,222	\$ 141,008,952	\$ 1,506,111
PAYROLL FUND				
Assets				
Non-pooled cash and cash equivalents	\$ 16,603	\$ 46,022,410	\$ 46,015,989	\$ 23,024
Liabilities				
Other liabilities	\$ 16,603	\$ 46,022,410	\$ 46,015,989	\$ 23,024
TOURIST & CONVENTION FUND				
Assets				
Pooled cash and cash equivalents	\$ -	\$ 1,946,429	\$ 1,946,429	\$ -
Liabilities				
Due to Tourist Commission	\$ -	\$ 1,470,852	\$ 1,470,852	\$ -
Due to Convention Center	-	475,577	475,577	-
Total liabilities	\$ -	\$ 1,946,429	\$ 1,946,429	\$ -
TAX DISTRIBUTION FUND				
Assets				
Pooled cash and cash equivalents	\$ -	\$ 13,962,030	\$ 13,952,259	\$ 9,771
Liabilities				
Due to other taxing units - School Board	-	13,796,323	13,786,552	9,771
Other liabilities	-	165,707	165,707	-
Total liabilities	\$ -	\$ 13,962,030	\$ 13,952,259	\$ 9,771
TREASURER'S DISTRIBUTION FUND				
Assets				
Receivable from other government	\$ -	\$ 344,558	-	\$ 344,558
Liabilities				
Due to other governmental units	\$ -	\$ 357,890	\$ 13,332	\$ 344,558

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Changes in Assets and Liabilities - Agency Funds (Continued)
Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
BG/WC ADJUSTED TIF INCREMENT FUND				
Assets				
Pooled cash and cash equivalents	\$ 66,838	\$ 54,686	\$ -	\$ 121,524
Investments	91,004	42	-	91,046
Total assets	<u>\$ 157,842</u>	<u>\$ 54,728</u>	<u>\$ -</u>	<u>\$ 212,570</u>
Liabilities				
Due to other governments	<u>\$ 157,842</u>	<u>\$ 54,728</u>	<u>\$ -</u>	<u>\$ 212,570</u>
EVIDENCE STORAGE FUND				
Assets				
Pooled cash and cash equivalents	\$ 186,423	\$ 14,979	\$ 63,316	\$ 138,086
Liabilities				
Due to other governmental units	<u>\$ 186,423</u>	<u>\$ 14,979</u>	<u>\$ 63,316</u>	<u>\$ 138,086</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Pooled cash and cash equivalents	\$ 253,261	\$ 15,978,124	\$ 15,962,004	\$ 269,381
Non-pooled cash and cash equivalents	1,700,444	186,853,632	187,024,941	1,529,135
Investments	91,004	42	-	91,046
Receivable from other government	-	344,558	-	344,558
Total assets	<u>\$ 2,044,709</u>	<u>\$ 203,176,356</u>	<u>\$ 202,986,945</u>	<u>\$ 2,234,120</u>
Liabilities				
Due to Tourist Commission	-	1,470,852	1,470,852	-
Due to Convention Center	-	475,577	475,577	-
Due to other taxing units - School Board	-	13,796,323	13,786,552	9,771
Due to other governmental units	344,265	427,597	76,648	695,214
Other liabilities	1,700,444	187,019,339	187,190,648	1,529,135
Total liabilities	<u>\$ 2,044,709</u>	<u>\$ 203,189,688</u>	<u>\$ 203,000,277</u>	<u>\$ 2,234,120</u>

See accompanying independent auditor's report.

City of Bowling Green, Kentucky
Combining Statement of Net Position - Component Unit - Bowling Green Municipal Utilities
June 30, 2020

	Bowling Green Municipal Utilities			Total
	Electric Division	Water-Sewer Division	General Services Division	
ASSETS				
Non-pooled cash and cash equivalents	\$ 15,982,357	\$ 17,411,340	\$ 1,469,212	\$ 34,862,909
Receivables (net of allowances for uncollectibles):				
Accounts	9,196,045	1,849,660	41,128	11,086,833
Other receivables	112,094	163,662	-	275,756
Inventories	1,034,369	322,437	103,642	1,460,448
Prepaid items	176,759	151,071	25,958	353,788
Prepayment to TVA	1,785,481	-	-	1,785,481
Investments and restricted funds	1,266,545	50,373,247	-	51,639,792
Other assets	78,264	1,708,561	196,720	1,983,545
Due from component units	132,023	2,318,784	28,604	2,479,411
Capital assets, net of accumulated depreciation				
Non-depreciable	2,749,022	24,702,143	245,135	27,696,300
Depreciable	57,581,671	131,527,121	4,320,096	193,428,888
Total assets	<u>\$ 90,094,630</u>	<u>\$ 230,528,026</u>	<u>\$ 6,430,495</u>	<u>\$ 327,053,151</u>
DEFERRED OUTFLOWS				
Outflows for pensions	3,089,262	3,543,776	472,090	7,105,128
Outflows for OPEB	1,435,131	1,529,297	223,919	3,188,347
Deferred amounts from refunding debt	84,168	357,446	-	441,614
Total deferred outflows	<u>4,608,561</u>	<u>5,430,519</u>	<u>696,009</u>	<u>10,735,089</u>
Total assets and deferred outflows of resources	<u>94,703,191</u>	<u>235,958,545</u>	<u>7,126,504</u>	<u>337,788,240</u>
LIABILITIES				
Vouchers and accounts payable	6,877,837	3,787,954	131,004	10,796,795
Compensated absences payable	637,587	344,919	-	982,506
Accrued interest payable	931,774	88,691	-	1,020,465
Due to component units	544,121	132,023	-	676,144
Customer deposits	6,535,090	600	-	6,535,690
Other current liabilities	1,223,023	600,825	170,731	1,994,579
Net pension liability	16,292,670	16,825,709	2,387,314	35,505,693
Compensated absences payable, noncurrent	211,480	240,414	-	451,894
Net OPEB liability	3,850,916	4,054,248	583,830	8,488,994
Customer advances, noncurrent	99,786	-	-	99,786
Noncurrent liabilities				
Due within one year	505,000	5,084,804	758,313	6,348,117
Due in more than one year	8,590,074	115,704,583	1,038,731	125,333,388
Total liabilities	<u>46,299,358</u>	<u>146,864,770</u>	<u>5,069,923</u>	<u>198,234,051</u>
DEFERRED INFLOWS OF RESOURCES				
Inflows for pension	387,294	426,998	67,999	882,291
Inflows for OPEB	1,375,180	1,488,159	224,819	3,088,158
Total deferred inflows of resources	<u>1,762,474</u>	<u>1,915,157</u>	<u>292,818</u>	<u>3,970,449</u>
NET POSITION				
Net investment in capital assets	51,235,619	75,649,891	2,768,187	129,653,697
Restricted	1,266,545	9,735,728	-	11,002,273
Unrestricted	(5,860,805)	1,792,999	(1,004,424)	(5,072,230)
Total net position	<u>\$ 46,641,359</u>	<u>\$ 87,178,618</u>	<u>\$ 1,763,763</u>	<u>\$ 135,583,740</u>

See accompanying independent auditor's report

STATISTICAL SECTION

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

Financial Trends: Schedules 1 - 4

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

Revenue Capacity: Schedules 5 - 10

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

Debt Capacity: Schedules 11 - 19

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

Demographic and Economic Information: Schedules 20 - 21

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

Operating Information: Schedules 22 - 24

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 210,484,781	\$ 194,988,348	\$ 190,037,852	\$ 176,973,806	\$ 164,964,407	\$ 156,304,559 ^(a)	\$ 155,028,352	\$ 137,092,802	\$ 135,364,894	\$ 124,378,964
Restricted	21,822,445	33,016,893	27,832,630	29,267,444	27,174,588	19,415,538	13,291,912	9,755,642	8,334,411	7,678,890
Unrestricted	<u>(44,989,549)</u>	<u>(48,596,491)</u>	<u>(46,835,736)</u>	<u>(43,014,659)^(c)</u>	<u>(31,716,893)</u>	<u>(28,174,114)^(b)</u>	<u>(29,848,657)^(b)</u>	<u>22,355,235</u>	<u>14,779,013</u>	<u>11,861,503</u>
Total governmental activities net position	<u>\$ 187,317,677</u>	<u>\$ 179,408,750</u>	<u>\$ 171,034,746</u>	<u>\$ 163,226,591</u>	<u>\$ 160,422,102</u>	<u>\$ 147,545,983</u>	<u>\$ 138,471,607</u>	<u>\$ 169,203,679</u>	<u>\$ 158,478,318</u>	<u>\$ 143,919,357</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 6,807,096	\$ 6,885,053	\$ 6,422,149	\$ 5,103,874	\$ 4,524,334	\$ 4,061,947 ^(a)	\$ 1,797,454	\$ 6,831,728	\$ 6,697,127	\$ 6,601,646
Unrestricted	<u>9,437,150</u>	<u>8,893,007</u>	<u>8,172,717</u>	<u>8,202,715</u>	<u>7,840,586</u>	<u>6,715,057</u>	<u>8,057,826</u>	<u>6,966,658</u>	<u>5,855,494</u>	<u>5,109,640</u>
Total business-type activities net position	<u>\$ 16,244,246</u>	<u>\$ 15,778,060</u>	<u>\$ 14,594,866</u>	<u>\$ 13,306,589</u>	<u>\$ 12,364,920</u>	<u>\$ 10,777,004</u>	<u>\$ 9,855,280</u>	<u>\$ 13,798,386</u>	<u>\$ 12,552,621</u>	<u>\$ 11,711,286</u>
Primary government										
Net investment in capital assets	\$ 217,291,877	\$ 201,873,401	\$ 196,460,001	\$ 182,077,680	\$ 169,488,741	\$ 160,366,506	\$ 156,825,806	\$ 143,924,530	\$ 142,062,021	\$ 130,980,610
Restricted	21,822,445	33,016,893	27,832,630	29,267,444	27,174,588	19,415,538	13,291,912	9,755,642	8,334,411	7,678,890
Unrestricted	<u>(35,552,399)</u>	<u>(39,703,484)</u>	<u>(38,663,019)</u>	<u>(34,811,944)^(c)</u>	<u>(23,876,307)</u>	<u>(21,459,057)</u>	<u>(21,790,831)</u>	<u>29,321,893</u>	<u>20,634,507</u>	<u>16,971,143</u>
Total governmental activities program revenues	<u>\$ 203,561,923</u>	<u>\$ 195,186,810</u>	<u>\$ 185,629,612</u>	<u>\$ 176,533,180</u>	<u>\$ 172,787,022</u>	<u>\$ 158,322,987</u>	<u>\$ 148,326,887</u>	<u>\$ 183,002,065</u>	<u>\$ 171,030,939</u>	<u>\$ 155,630,643</u>

Notes:

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

See accompanying independent auditor's report.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Governmental activities:										
General government	\$ 33,240,486	\$ 28,296,834	\$ 29,613,361	\$ 36,558,180 ^(c)	\$ 19,038,235	\$ 16,081,900	\$ 14,940,954	\$ 16,265,264	\$ 15,273,247	\$ 15,155,819
Public safety	27,383,455	26,264,868	24,490,523	24,581,788	23,723,294	25,081,145	24,384,208	23,180,539	22,297,308	21,843,704
Public works	14,839,341	12,669,001	12,284,494	10,619,939	9,547,794	15,513,082	8,781,909	6,207,967	7,576,164	6,700,923
Parks and recreation	4,889,698	6,808,361	7,256,246	7,623,720	7,751,367	7,434,798 ^(b)	4,899,266	5,280,474	5,011,216	5,478,404
Neighborhood and comm. services	6,382,391	5,278,766	6,203,076	5,436,759	5,014,886	4,308,565	3,734,515	4,787,160	5,158,144	4,948,826
Agency services ^(d)	2,673,446	2,494,955	2,231,558	2,028,787	1,950,663	1,267,637	1,362,100	1,070,544	1,341,318	1,238,015
Interest expense	4,616,856	5,100,598	3,206,275	2,828,885	3,999,109	5,931,620	6,869,043	7,568,802	6,498,659	5,670,703
Total governmental activities	<u>94,025,673</u>	<u>86,913,383</u>	<u>85,285,533</u>	<u>89,678,058</u>	<u>71,025,348</u>	<u>75,618,747</u>	<u>64,971,995</u>	<u>64,360,750</u>	<u>63,156,056</u>	<u>61,036,394</u>
Business-type activities:										
Golf course	-	-	-	-	-	- ^(b)	1,750,045	2,066,604	2,759,341	2,366,430
Aquatics	-	-	-	-	-	- ^(b)	884,164	885,993	919,636	871,429
Convention Center	371,054	759,492	522,084	975,317	471,616	715,458	984,699	673,102	904,908	607,015
Total business-type activities	<u>371,054</u>	<u>759,492</u>	<u>522,084</u>	<u>975,317</u>	<u>471,616</u>	<u>715,458</u>	<u>3,618,908</u>	<u>3,625,699</u>	<u>4,583,885</u>	<u>3,844,874</u>
Total primary government expenses	<u>\$ 94,396,727</u>	<u>\$ 87,672,875</u>	<u>\$ 85,807,617</u>	<u>\$ 90,653,375</u>	<u>\$ 71,496,964</u>	<u>\$ 76,334,205</u>	<u>\$ 68,590,903</u>	<u>\$ 67,986,449</u>	<u>\$ 67,739,941</u>	<u>\$ 64,881,268</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 745,125	\$ 2,321,805	\$ 2,505,897	\$ 2,529,394	\$ 2,865,512	\$ 2,084,612	\$ 1,898,623	\$ 4,650,906	\$ 3,728,986	\$ 3,415,888
Public Safety	219,791	203,395	212,534	268,958	244,291	239,223	259,539	252,181	269,502	187,098
Parks and recreation	1,451,062	1,984,074	2,064,862	2,013,933	2,257,783	1,942,755	381,975	380,360	389,486	398,333
Operating grants and contributions	16,965,893	11,337,808	11,533,016	11,268,936	10,084,318	9,338,213	9,387,792	9,538,468	7,308,403	8,425,923
Capital grants and contributions	6,142,963	4,634,679	4,501,727	4,898,262	1,844,479	7,396,801	4,544,651	5,169,106	13,461,928	9,941,334
Total governmental activities program revenues	<u>25,524,834</u>	<u>20,481,761</u>	<u>20,818,036</u>	<u>20,979,483</u>	<u>17,296,383</u>	<u>21,001,604</u>	<u>16,472,580</u>	<u>19,991,021</u>	<u>25,158,305</u>	<u>22,368,576</u>
Business-type activities:										
Charges for services										
Golf course	-	-	-	-	-	-	1,247,622	1,368,727	1,438,517	1,275,821
Aquatics	-	-	-	-	-	-	449,284	477,508	649,347	578,532
Convention center	102,041	173,447	162,997	160,600	201,378	183,961	210,800	212,823	205,503	216,665
Total business-type activities program revenues	<u>102,041</u>	<u>173,447</u>	<u>162,997</u>	<u>160,600</u>	<u>201,378</u>	<u>183,961</u>	<u>1,907,706</u>	<u>2,059,058</u>	<u>2,293,367</u>	<u>2,071,018</u>
Total primary government program revenues	<u>\$ 25,626,875</u>	<u>\$ 20,655,208</u>	<u>\$ 20,981,033</u>	<u>\$ 21,140,083</u>	<u>\$ 17,497,761</u>	<u>\$ 21,185,565</u>	<u>\$ 18,380,286</u>	<u>\$ 22,050,079</u>	<u>\$ 27,451,672</u>	<u>\$ 24,439,594</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (68,500,839)	\$ (66,431,622)	\$ (64,467,497)	\$ (68,698,575)	\$ (53,728,965)	\$ (54,617,143)	\$ (48,499,415)	\$ (44,369,729)	\$ (37,997,751)	\$ (38,667,818)
Business-type activities	(269,013)	(586,045)	(359,087)	(814,717)	(270,238)	(531,497)	(1,711,202)	(1,566,641)	(2,290,518)	(1,773,856)
Total primary government net expense	<u>\$ (68,769,852)</u>	<u>\$ (67,017,667)</u>	<u>\$ (64,826,584)</u>	<u>\$ (69,513,292)</u>	<u>\$ (53,999,203)</u>	<u>\$ (55,148,640)</u>	<u>\$ (50,210,617)</u>	<u>\$ (45,936,370)</u>	<u>\$ (40,288,269)</u>	<u>\$ (40,441,674)</u>

See accompanying independent auditor's report.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
General revenues										
Property taxes	\$ 15,811,675	\$ 14,963,337	\$ 14,289,761	\$ 13,342,889	\$ 12,988,729	\$ 12,760,797	\$ 12,253,118	\$ 11,763,153	\$ 11,377,484	\$ 11,220,959
Insurance premium taxes	4,667,114	4,477,026	4,239,887	4,096,944	3,839,322	3,660,165	3,545,527	3,342,087	3,156,411	3,087,621
Wages and net profits	54,608,120	53,636,444	53,488,756	53,840,825	48,670,998	46,774,186	43,188,734	41,392,272	39,490,949	37,220,689
Investment income	851,895	850,604	101,498	125,424	462,415	362,436	597,329	644,577	815,700	886,084
Gain (loss) on disposal of capital assets	(1,879,514)	539,129	(21,381)	165,492	368,040	223,557	(98,712)	53,678	-	(1,839,170)
Miscellaneous	2,450,476	1,282,594	1,135,708	941,112	1,262,660	724,169	562,905	251,083	262,868	270,561
Transfers	(100,000)	(943,508)	(958,577)	(1,009,622)	(987,080)	(813,791)	(2,044,823)	(2,351,760)	(2,546,700)	(2,477,840)
Total governmental activities	<u>76,409,766</u>	<u>74,805,626</u>	<u>72,275,652</u>	<u>71,503,064</u>	<u>66,605,084</u>	<u>63,691,519</u>	<u>58,004,078</u>	<u>55,095,090</u>	<u>52,556,712</u>	<u>48,368,904</u>
Business-type activities:										
General revenues										
Property tax ^(a)	-	-	112,987	111,542	114,542	96,848	100,322	-	-	-
Transient room tax	475,577	544,642	564,518	590,019	559,040	450,592	405,516	460,640	432,158	420,300
Gain (loss) on sale of capital assets	(45,575)	-	-	-	-	-	-	-	-	-
Investment earnings	197,464	276,089	11,282	21,327	177,491	91,990	85,883	6	152,995	84,510
Miscellaneous	7,733	5,000	-	23,877	20,000	-	35	-	-	20,373
Transfers	100,000	943,508	958,577	1,009,622	987,080	813,791	2,044,823	2,351,760	2,546,700	2,477,840
Total business-type activities	<u>735,199</u>	<u>1,769,239</u>	<u>1,647,364</u>	<u>1,756,387</u>	<u>1,858,153</u>	<u>1,453,221</u>	<u>2,636,579</u>	<u>2,812,406</u>	<u>3,131,853</u>	<u>3,003,023</u>
Total primary government	<u>\$ 77,144,965</u>	<u>\$ 76,574,865</u>	<u>\$ 73,923,016</u>	<u>\$ 73,259,451</u>	<u>\$ 68,463,237</u>	<u>\$ 65,144,740</u>	<u>\$ 60,640,657</u>	<u>\$ 57,907,496</u>	<u>\$ 55,688,565</u>	<u>\$ 51,371,927</u>
CHANGES IN NET POSITION										
Governmental activities	\$ 7,908,927	\$ 8,374,004	\$ 7,808,155	\$ 2,804,489	\$ 12,876,119	\$ 9,074,376	\$ 9,504,663	\$ 10,725,361	\$ 14,558,961	\$ 9,701,086
Business-type activities	466,186	1,183,194	1,288,277	941,670	1,587,915	921,724	925,377	1,245,765	841,335	1,229,167
Total primary government	<u>\$ 8,375,113</u>	<u>\$ 9,557,198</u>	<u>\$ 9,096,432</u>	<u>\$ 3,746,159</u>	<u>\$ 14,464,034</u>	<u>\$ 9,996,100</u>	<u>\$ 10,430,040</u>	<u>\$ 11,971,126</u>	<u>\$ 15,400,296</u>	<u>\$ 10,930,253</u>

Notes:

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

See accompanying independent auditor's report.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 298,345	\$ 293,526	\$ 209,367	\$ 200,384	\$ 223,820	\$ 217,129	\$ 190,343	\$ 102,022	\$ 110,067	\$ 116,591
Restricted	67,000	-	-	-	9,838	2,289	-	-	-	28,381
Committed	18,063,000	18,517,250	17,378,000	16,268,250	12,052,100	11,772,500	10,716,400	10,476,400	10,142,001	7,153,358
Assigned	1,745,941	1,664,918	2,714,255	2,986,496	3,236,165	5,234,158	2,367,637	4,147,690	3,946,030	2,350,558
Unassigned	13,467,237	7,522,491	7,274,446	5,915,385	5,763,288	5,295,615	5,904,641	4,084,127	4,288,920	8,083,626
Total general fund	<u>\$ 33,641,523</u>	<u>\$ 27,998,185</u>	<u>\$ 27,576,068</u>	<u>\$ 25,370,515</u>	<u>\$ 21,285,211</u>	<u>\$ 22,521,691</u>	<u>\$ 19,179,021</u>	<u>\$ 18,810,239</u>	<u>\$ 18,487,018</u>	<u>\$ 17,732,514</u>
All Other Governmental Funds										
Restricted	\$ 4,315,865	\$ 5,068,565	\$ 5,380,045	\$ 5,620,593	\$ 6,625,289	\$ 6,001,112	\$ 11,555,838	\$ 17,445,124	\$ 17,804,417	\$ 20,223,543
Committed	8,820,854	8,364,297	7,061,227	5,664,499	5,314,947	4,989,083	4,722,507	4,093,440	3,875,464	-
Assigned	30,842,370	32,166,811	26,823,810	27,265,386	24,482,158	16,722,160	15,074,918	11,005,485	9,810,617	11,382,712
Unreserved, reported in:										
Total all other governmental funds	<u>\$ 43,979,089</u>	<u>\$ 45,599,673</u>	<u>\$ 39,265,082</u>	<u>\$ 38,550,478</u>	<u>\$ 36,422,394</u>	<u>\$ 27,712,355</u>	<u>\$ 31,353,263</u>	<u>\$ 32,544,049</u>	<u>\$ 31,490,498</u>	<u>\$ 31,606,255</u>

Notes:

Implementation of GASB Statement 54 resulted in the following new governmental fund balance classifications:

- Nonspendable
- Committed
- Assigned
- Unassigned

Effective with FY2011, the unreserved governmental fund balance is eliminated.

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Taxes	\$ 15,811,674	\$ 14,963,337	\$ 14,289,500	\$ 13,342,888	\$ 12,988,729	\$ 12,642,600	\$ 12,149,933	\$ 11,642,257	\$ 11,233,161	\$ 11,094,132
Insurance premium taxes	4,667,113	4,477,026	4,239,886	4,096,944	3,839,322	3,660,165	3,545,527	3,342,087	3,131,426	3,087,621
Wages and net profits	53,959,377	53,299,530	53,166,070	53,531,170	48,503,596	46,774,184	43,188,734	41,392,272	39,490,949	37,218,764
License and permits	1,756,461	1,651,384	1,701,660	1,751,842	1,877,089	1,315,429	1,053,434	1,196,829	1,225,876	1,008,531
Intergovernmental	17,820,248	12,304,712	11,057,249	10,396,702	9,753,351	9,847,448	9,761,879	9,699,484	10,282,887	10,490,457
Investment income	773,529	767,820	105,612	97,235	400,194	313,327	539,104	597,234	709,096	774,589
Charges for services	764,149	704,966	734,205	768,490	680,960	657,839	673,241	655,280	617,189	572,038
Parks and recreation	1,419,098	1,969,355	1,995,776	1,939,935	2,125,466	1,918,822	348,223	345,951	352,727	379,821
Rent income	93,485	448,653	1,026,513	1,342,225	1,814,788	1,289,025	1,303,456	3,698,284	1,418,056	1,410,533
Miscellaneous	1,623,084	1,282,984 ^(a)	2,266,979	1,829,821	1,396,401	2,382,712	2,207,881	2,045,088	678,284	1,007,904
Judgements and settlements	30,983	20,128 ^(a)	-	-	-	-	-	-	-	-
Contributions and donations	1,271,161	672,940 ^(a)	-	-	-	-	-	-	-	-
Total revenues	99,990,362	92,562,835	90,583,450	89,097,252	83,379,896	80,801,551	74,771,412	74,614,766	69,139,651	67,044,390
EXPENDITURES										
General government	7,678,690	6,692,053	6,769,970	5,934,999	6,119,394	5,814,708	5,322,276	5,929,691	6,416,600	6,319,543
Public safety	33,740,180	30,774,254	27,778,478	27,700,034	26,783,559	26,415,077	26,050,921	26,153,318	24,472,880	23,911,824
Public works	11,943,646	11,228,476	11,128,150	11,199,847	9,667,731	9,239,652	7,442,511	7,611,230	7,879,907	7,330,975
Parks and recreation	7,486,079	7,399,742	7,989,232	8,901,111	7,388,710	7,553,819	5,495,961	5,733,383	5,298,687	5,591,502
Neighborhood and community services	5,977,154	5,752,833	5,763,596	5,526,287	5,079,148	5,011,788	4,991,338	4,979,298	5,756,566	5,194,215
Agency services ^(b)	2,632,446	2,453,955	2,383,078	2,434,543	2,344,663	1,642,637	2,037,928	423,326	625,098	461,995
Capital outlay	16,052,642	7,424,050	14,486,238	5,989,737	4,100,590	7,316,707	6,092,831	3,883,548	2,491,802	5,879,013
Debt service										
Principal	8,870,594	8,924,715	9,369,543	9,834,543	8,332,286	12,229,806	12,979,281	10,131,855	7,391,770	6,798,046
Interest	2,276,066	2,551,342	2,736,324	3,028,788	3,992,515	4,470,886	4,801,181	5,315,979	5,632,984	6,145,566
Total expenditures	96,657,497	83,201,420	88,404,609	80,549,889	73,808,596	79,695,080	75,214,228	70,161,628	65,966,294	67,632,679
Excess (deficiency) of revenues over (under) expenditures	3,332,865	9,361,415	2,178,841	8,547,363	9,571,300	1,106,471	(442,816)	4,453,138	3,173,357	(588,289)

See accompanying independent auditor's report.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OTHER FINANCING SOURCES (USES)										
Transfers in	22,320,604	21,845,937	19,007,257	19,092,756	21,421,164	16,008,355	17,052,527	12,547,232	13,721,906	10,727,493
Transfers out	(23,222,106)	(24,989,445)	(21,915,834)	(21,652,377)	(23,630,744)	(17,522,146)	(19,747,350)	(15,632,723)	(16,452,014)	(13,105,332)
Premium on general obligation bonds	-	-	-	-	-	359,645	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-	(95,408)	-	-	-	-
Capital lease proceeds	1,531,518	-	3,531,021	-	-	-	-	-	-	1,309,391
Proceeds from bond refunding	-	-	-	-	39,845,000	9,345,485	-	4,099,807	7,409,463	29,627,561
Payment to refunded bonds redeemed	-	-	-	-	-	-	-	170,747	-	-
Payment to refunded debt escrow agent	-	-	-	-	(42,259,385)	(9,605,241)	-	(4,281,161)	(7,718,497)	(29,627,561)
Premium from bond refunding	-	-	-	-	2,085,795	-	-	19,731	319,639	-
Proceeds from sale of capital assets	59,874	538,801	118,872	225,645	440,429	104,601	267,853	-	184,893	15,604
Total other financing sources (uses)	689,890	(2,604,707)	741,316	(2,333,976)	(2,097,741)	(1,404,709)	(2,426,970)	(3,076,367)	(2,534,610)	(1,052,844)
Net change in fund balances	<u>\$ 4,022,755</u>	<u>\$ 6,756,708</u>	<u>\$ 2,920,157</u>	<u>\$ 6,213,387</u>	<u>\$ 7,473,559</u>	<u>\$ (298,238)</u>	<u>\$ (2,869,786)</u>	<u>\$ 1,376,771</u>	<u>\$ 638,747</u>	<u>\$ (1,641,133)</u>
Debt service as a percentage of noncapital expenditures	14.71 %	15.73 %	17.01 %	18.76 %	17.59 %	23.93 %	26.14 %	24.37 %	24.37 %	22.78 %

Note: Golf and Aquatics enterprise funds were reclassified as governmental activities-effective July 1, 2014.
(a) Prior to FY2019, Judgements and settlements and Contributions and donations were previously listed as Miscellaneous.
(b) Agency services was previously listed as Community services prior to FY2018

See accompanying independent auditor's report.

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

Fiscal Year Ended June 30,	Total Gross Wages	Occupational License Fees ^(a)	City of Bowling Green Direct Rate	Total Direct Rate
2011	\$ 1,559,791,267	\$ 28,856,139	1.85 %	1.85 %
2012	1,672,226,810	30,936,196	1.85 %	1.85 %
2013	1,732,990,595	32,060,326	1.85 %	1.85 %
2014	1,829,239,189	33,840,925	1.85 %	1.85 %
2015	1,884,772,230	34,868,286	1.85 %	1.85 %
2016	2,033,197,759	37,614,159	1.85 %	1.85 %
2017	2,149,233,565	39,760,821	1.85 %	1.85 %
2018	2,216,711,705	41,009,167	1.85 %	1.85 %
2019	2,257,604,386	41,765,681	1.85 %	1.85 %
2020	2,319,192,084	42,905,054	1.85 %	1.85 %

Source: City of Bowling Green, Department of Finance

Notes:

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

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

Fiscal Year Ended June 30,	Occupational Withholdings Fees	Occupational Net Profit Fees	Other Occupational Fees ^(a)	Total	Percentage Growth
2011	\$ 28,856,139	\$ 6,329,845	\$ 256,642	\$ 35,442,626	4.7 %
2012	30,936,196	6,220,162	265,902	37,422,260	5.6 %
2013	32,060,326	7,031,910	286,827	39,379,063	5.2 %
2014	33,840,925	6,989,859	244,705	41,075,489	4.3 %
2015	34,868,286	9,280,035	261,163	44,409,484	8.1 %
2016	37,614,159	8,112,119	320,002	46,046,280	3.7 %
2017	39,760,821	10,866,714	371,052	50,998,587	10.8 %
2018	41,009,167	8,915,833	322,947	50,247,947	(1.5)%
2019	41,765,681	8,176,009	336,915	50,278,605	0.1 %
2020	42,905,054	8,423,114	364,682	51,692,850	2.8 %

Notes:

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

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

Fiscal Year	Estimated Actual Value ^(a)	Total Real and Personal Property Assessment ^(b)	Franchise	PILOT	Total Assessment Including Franchise & PILOT	Total Current Levy ^(c)	Current Taxes Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Delinquent Taxes Receivable
2011	\$ 5,038,648,946	\$ 4,551,808,439	\$ 138,966,922	\$ 90,257,388	\$ 4,781,032,749	\$ 9,858,019	\$ 9,376,998	95.12 %	\$ 95,730	\$ 459,652
2012	4,944,600,194	4,565,229,850	114,829,884	97,865,757	4,777,925,491	9,560,597	9,433,523	98.67 %	182,375	418,272
2013	5,192,942,433	4,725,859,276	128,861,650	97,906,563	4,952,627,489	9,896,421	9,894,881	99.98 %	139,199	442,058
2014	5,308,858,978	4,941,833,867	108,613,121	85,038,850	5,135,485,838	10,420,333	10,376,147	99.58 %	151,450	492,409
2015	5,260,320,031	5,105,744,064	120,948,806	71,700,175	5,298,393,045	10,580,908	10,703,816	101.16 %	232,348	369,773
2016	5,520,063,044	5,327,488,265	138,865,602	75,763,490	5,542,117,357	11,182,527	11,098,513	99.25 %	458,973	371,907
2017	6,035,826,966	5,636,975,792	109,197,680	77,836,602	5,824,010,074	11,332,723	11,413,472	100.71 %	115,798	459,847
2018	6,376,495,461	5,894,237,333	177,998,932	78,156,277	6,150,392,542	11,796,625	12,228,506	103.66 %	211,049	363,786
2019	6,746,693,070	6,295,517,545	129,476,820	73,237,185	6,498,231,550	12,595,662	12,920,449	102.58 %	165,022	408,623
2020	6,880,203,774	6,603,627,466	76,366,946	80,442,180	6,760,436,592	13,220,871	13,515,522	102.23 %	167,953	481,990

Sources: City of Bowling Green, Department of Finance

Warren County Property Value Administrator

Notes:

(a) Residential, farm, & commercial property divided by sales ratio added to personal, franchise & PILOT assessment.

(b) Annual PVA assessment is valued as of January 1st.

(c) Original levy, Warren County Property Value Administrators Office. Property taxes attach as an enforceable lien on property as of January 1st each year.

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

REAL ESTATE

Fiscal Year	City Proper					City Annex				
	City	County	City School	State	Total	City	County	County School	State	Total
2011	0.2060	0.2105	0.7070	0.1220	1.2455	0.2060	0.2105	0.3830	0.1220	0.9215
2012	0.2060	0.2170	0.7070	0.1220	1.2520	0.2060	0.2170	0.3950	0.1220	0.9400
2013	0.2060	0.2170	0.7310	0.1220	1.2760	0.2060	0.2170	0.4060	0.1220	0.9510
2014	0.2060	0.2170	0.7310	0.1220	1.2760	0.2060	0.2170	0.4200	0.1220	0.9650
2015	0.2060	0.2160	0.7560	0.1220	1.3000	0.2060	0.2160	0.4230	0.1220	0.9670
2016	0.2060	0.2160	0.7680	0.1220	1.3120	0.2060	0.2160	0.4350	0.1220	0.9790
2017	0.2060	0.2146	0.7810	0.1220	1.3236	0.2060	0.2146	0.4400	0.1220	0.9826
2018	0.2060	0.2146	0.8280	0.1220	1.3706	0.2060	0.2146	0.4490	0.1220	0.9916
2019	0.2050	0.2166	0.8280	0.1220	1.3716	0.2050	0.2166	0.4560	0.1220	0.9996
2020	0.2050	0.2155	0.8450	0.1220	1.3875	0.2050	0.2155	0.4610	0.1220	1.0035

PERSONAL PROPERTY

Fiscal Year	City Proper					City Annex				
	City	County	City School	State	Total	City	County	County School	State	Total
2011	0.2600	0.2858	0.7070	0.4500	1.7028	0.2600	0.2888	0.3830	0.4500	1.3818
2012	0.2600	0.2888	0.7310	0.4500	1.7298	0.2600	0.2689	0.3950	0.4500	1.3739
2013	0.2600	0.2689	0.7310	0.4500	1.7099	0.2600	0.2689	0.3950	0.4500	1.3739
2014	0.2600	0.2689	0.7560	0.4500	1.7349	0.2600	0.2689	0.4200	0.4500	1.3989
2015	0.2600	0.2716	0.7560	0.4500	1.7376	0.2600	0.2716	0.4230	0.4500	1.4046
2016	0.2600	0.2714	0.7680	0.4500	1.7494	0.2600	0.2714	0.4350	0.4500	1.4164
2017	0.2600	0.2587	0.7810	0.4500	1.7497	0.2600	0.2587	0.4400	0.4500	1.4087
2018	0.2600	0.2587	0.8280	0.4500	1.7967	0.2600	0.2587	0.4490	0.4500	1.4177
2019	0.2600	0.2673	0.8280	0.4500	1.8053	0.2600	0.2673	0.4560	0.4500	1.4333
2020	0.2600	0.2669	0.8450	0.4500	1.8219	0.2600	0.2669	0.4610	0.4500	1.4379

Source: City of Bowling Green, Department of Finance

Notes:

- City proper and City annex are terms used to designate in which school system the property is located. All City residents pay both the City and County taxes, but are required to pay tax to only the one appropriate school system.
- Tax rates relate to the Fiscal Year period of July 1 - June 30. For example, tax year 2019 rates are collected in Fiscal Year 2020.

See accompanying independent auditor's report.

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

Taxpayer	
2020	2011
Bowling Green Metalforming LLC	Bowling Green Metalforming LLC
City of Bowling Green Board of Education	City of Bowling Green Board of Education
Commonwealth Health Corporation	Country Oven Bakery
Country Oven Bakery	General Motors Corporation
General Motors Corporation	Henkel Corporation
Graves-Gilbert Clinic PSC	Kentucky State Treasurer
Henkel Corporation	The Medical Center at BG
Union Underwear Co. LLC	Union Underwear Co. LLC
Warren County Board of Education	Warren County Board of Education
Western Kentucky University	Western Kentucky University

Source: City of Bowling Green, Department of Finance

Notes:

- Taxpayer information is listed alphabetically.
- Commonwealth Health Corporation was previously listed as The Medical Center.

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

Taxpayer	Type of Business	2020			2011		
		Rank	Assessed Valued	Percent of Total Assessment ^(a)	Rank	Assessed Vale	Percent of Total Assessment ^(b)
Henkel US Operations Corporation ^(c)	Factory	1	\$ 61,000,000	0.92 %	7	\$ 23,072,000	0.51 %
Greenwood Mall LLC/General Growth Prop Limited Partnership	Retail Mall	2	54,000,000	0.82 %	4	40,000,000	0.88 %
Walgreens c/o Baumgardner Hogan Real Estate LLC	Retail Facility	3	27,745,604	0.42 %		-	-
Union Unerwear Co. Inc	Clothing Manufacturer	4	26,250,000	0.40 %	2	50,824,463	1.12 %
Greenview Hospital, Inc	Healthcare Facility	5	24,825,000	0.38 %	5	33,695,580	0.74 %
General Motors	Factory	6	24,000,000	0.36 %	1	53,559,553	1.18 %
Chandler Park Apartments	Apartment Complex	7	23,885,000	0.36 %	9	19,910,000	0.44 %
AJ Industrial Prop LLC (et. al)	Real Estate Holding Company	8	23,802,900	0.36 %		-	-
Scottys Development Co LLC	Holding Company (Olde Stone)	9	23,224,480	0.35 %		-	-
Gilbert Barbee Moore Mcllvoy PSC	Healthcare Facility	10	22,743,950	0.34 %		-	-
Wal Mart	Retail		-	-	3	46,706,786	1.03 %
Insight Midwest LP	Cable Service		-	-	6	25,499,542	0.56 %
Atmos	Utilities		-	-	8	21,085,489	0.46 %
BGK1 LLP	Apartment Complex		-	-	10	17,000,000	0.37 %

Source: City of Bowling Green, Department of Finance

Notes:

- (a) Percent of total assessed value for real property of \$6,295,517,545 (January 1, 2019)
- (b) Percent of total assessed value for real property of \$4,551,808,439 (January 1, 2010)
- (c) Henkel US Operations Corporation was previously listed as Sun Products Corp

See accompanying independent auditor's report.

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

Fiscal Year	Governmental Activities			Business-Type Activities			Percentage of Personal Income ^(b)	Debt per Capita
	General Obligation Bonds	Special Assessment Bonds ^(a)	Notes and Capital Leases from Direct Borrowings and Placements	General Obligation Bonds	Notes Payable and Capital Leases	Total Primary Government		
2011	\$ 124,964,655	\$ 118,419	\$ 3,944,088	\$ 9,165,353	\$ 28,925	\$ 138,221,440	4.02 %	\$ 2,383
2012	119,325,846	112,506	3,412,034	8,274,155	50,256	131,174,797	3.90 %	2,223
2013	108,501,710	-	2,871,504	6,752,559	34,390	118,160,163	3.19 %	1,950
2014	102,591,166	-	2,459,472	6,188,330	21,671	111,260,639	2.84 %	1,809
2015	101,557,970	-	2,119,501	2,936,494	-	106,613,965	2.66 %	1,706
2016	96,522,378	-	1,755,421	2,202,371	-	100,480,170	2.43 %	1,580
2017	87,575,068	-	794,217	1,498,248	-	89,867,533	2.03 %	1,377
2018	78,269,251	-	4,018,748	754,122	-	83,042,121	1.81 %	1,238
2019	69,731,975	-	3,513,596	-	-	73,245,571	1.54 %	1,071
2020	61,126,049	-	4,585,310	-	-	65,711,359	1.32 %	931

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

(a) Warren County Water District bonds.

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
TAX SUPPORTED										
General bonds and notes ^(a)	\$ 48,030,569	\$ 55,565,571	\$ 62,422,999	\$ 59,409,285	\$ 66,095,299	\$ 64,997,001	\$ 70,380,628	\$ 67,918,740	\$ 69,978,938	\$ 74,366,356
REVENUE SUPPORTED										
Revenue supported debt & leases ^(b)	<u>19,165,000</u>	<u>22,467,500</u>	<u>29,258,748</u>	<u>30,458,248</u>	<u>34,384,871</u>	<u>40,473,994</u>	<u>49,395,508</u>	<u>52,205,128</u>	<u>57,621,063</u>	<u>59,763,652</u>
TOTAL DEBT	67,195,569	78,033,071	91,681,747	89,867,533	100,480,170	105,470,995	119,776,136	120,123,868	127,600,001	134,130,008
Less: revenue supported debt	<u>(19,165,000)</u>	<u>(22,467,500)</u>	<u>(29,258,748)</u>	<u>(30,458,248)</u>	<u>(34,384,871)</u>	<u>(40,473,994)</u>	<u>(46,395,508)</u>	<u>(52,205,128)</u>	<u>(57,621,063)</u>	<u>(59,763,652)</u>
NET DIRECT DEBT	48,030,569	55,565,571	62,422,999	59,409,285	66,095,299	64,997,001	73,380,628	67,918,740	69,978,938	74,366,356
Overlapping debt ^(c)	389,520,967	320,516,959	237,915,697	232,154,034	246,190,489	237,949,657	233,949,409	245,533,153	238,339,565	193,880,494
NET DIRECT & OVERLAPPING DEBT	437,551,536	376,082,530	300,338,696	291,563,319	312,285,788	302,946,658	307,330,037	313,451,893	308,318,503	268,246,850
PROPERTY TAX BASE										
Estimated actual value	\$ 6,603,627,466	\$ 6,295,517,545	\$ 5,894,237,333	\$ 5,636,975,792	\$ 5,327,488,265	\$ 5,105,744,064	\$ 4,941,833,867	\$ 4,725,859,276	\$ 4,565,229,650	\$ 4,551,808,439

Source: City of Bowling Green, Department of Finance

Notes:

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

See accompanying independent auditor's report.

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

Fiscal Year	Principal	Interest	Total ^(a)
2021	\$ 7,040,000	\$ 1,905,479	\$ 8,945,479
2022	7,210,000	1,687,501	8,897,501
2023	7,210,000	1,470,782	8,680,782
2024	7,460,000	1,239,850	8,699,850
2025	4,605,000	1,029,625	5,634,625
2026	4,800,000	855,657	5,655,657
2027	2,115,000	679,340	2,794,340
2028	2,195,000	605,888	2,800,888
2029	1,800,000	529,338	2,329,338
2030	1,850,000	476,538	2,326,538
2031	1,910,000	418,363	2,328,363
2032	1,970,000	361,063	2,331,063
2033	2,040,000	290,513	2,330,513
2034	1,235,000	217,413	1,452,413
2035	1,270,000	180,363	1,450,363
2036	1,310,000	142,263	1,452,263
2037	1,360,000	89,863	1,449,863
2038	1,405,000	45,663	1,450,663

Source: City of Bowling Green, Department of Finance

Note:

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

See accompanying independent auditor's report.

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

Fiscal Year	Principal ^(a)			Interest			Total Debt Service
	2016A Bonds	2016B Bonds	Total Principal ^(b)	2016A Bonds	2016B Bonds	Total Interest	
2021	\$ 1,545,000	\$ 310,000	\$ 1,855,000	\$ 116,474	\$ 26,632	\$ 143,106	\$ 1,998,106
2022	1,580,000	315,000	1,895,000	84,001	25,106	109,107	2,004,107
2023	1,600,000	325,000	1,925,000	50,955	15,218	66,173	1,991,173
2024	1,645,000	330,000	1,975,000	17,236	5,099	22,335	1,997,335

Source: City of Bowling Green, Department of Finance

Notes:

- (a) This debt is a general obligation of the City, but payable from revenues received from ITA transactions. The City is jointly responsible with Warren County, KY for debt service on the bonds on a 50%-50% basis. The gross amount is displayed since the City is the issuer of the bonds.
- (b) Does not include compensated absences, contingent liabilities, landfill post closure, bond premiums, deferred charges and discounts.

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

Fiscal Year	Principal ^(a)	Interest	Total Debt Service ^(b)
2021	\$ 2,500,000	\$ 568,205	\$ 3,068,205
2022	2,525,000	480,705	3,005,705
2023	2,415,000	392,330	2,807,330
2024	2,520,000	302,975	2,822,975
2025	2,625,000	208,475	2,833,475
2026	2,755,000	106,756	2,861,756

Source: City of Bowling Green, Department of Finance

Notes:

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

See accompanying independent auditor's report.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
General obligation bonds	\$ 65,710,569	\$ 73,245,571	\$ 78,269,251	\$ 87,575,068	\$ 96,522,378	\$ 101,557,970	\$ 102,591,166	\$ 108,501,710	\$ 119,325,846	\$ 124,964,655
Capital leases	4,585,310	3,513,596	4,018,748	794,217	1,755,421	2,119,501	2,459,472	2,871,504	3,412,034	3,944,088
Special assessment bonds	-	-	-	-	-	-	-	-	112,506	118,419
Net general bonded debt	<u>\$ 70,295,879</u>	<u>\$ 76,759,167</u>	<u>\$ 82,287,999</u>	<u>\$ 88,369,285</u>	<u>\$ 98,277,799</u>	<u>\$ 103,677,471</u>	<u>\$ 105,050,638</u>	<u>\$ 111,373,214</u>	<u>\$ 122,850,386</u>	<u>\$ 129,027,162</u>
Property values	\$ 6,603,627,466	\$ 6,295,517,545	\$ 5,894,237,333	\$ 5,636,975,792	\$ 5,327,488,265	\$ 5,105,744,064	\$ 4,941,833,867	\$ 4,725,859,276	\$ 4,565,229,850	\$ 4,551,808,439
Percentage of estimated actual taxable value of property	1.06 %	1.16 %	1.40 %	1.57 %	1.84 %	2.03 %	2.13 %	2.33 %	2.70 %	2.94 %
Per capita ^(a)	996	1,071	1,226	1,354	1,545	1,672	1,769	1,902	2,165	2,194

Notes:

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

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

Schedule 17
City of Bowling Green, Kentucky
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Governmental Unit	Debt Outstanding ^(a)	Estimated Percentage Applicable ^(b)	Estimated Share of Overlapping Debt
Bowling Green Independent Schools	\$ 46,335,000	100.00 %	\$ 46,335,000
Warren County	76,800,060	57.19 %	43,921,955
Warren County Schools	240,160,583	49.78 %	119,551,938
Bowling Green Municipal Utilities	131,681,505	100.00 %	<u>131,681,505</u>
Subtotal, overlapping debt			341,490,398
City direct debt			<u>65,711,359</u>
Total direct and overlapping debt			<u><u>\$ 407,201,757</u></u>

Sources:

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

Notes:

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

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

Legal Debt Margin Calculation for Fiscal Year 2019	
Assessed value	\$6,603,627,466
Debt limit, 10% of assessed value ^(a)	660,362,747
Debt applicable to limit:	
General obligation bonds	61,126,049
Notes and capital leases from direct borrowings and placements	4,585,310
Total net debt applicable to limit	65,711,359
Legal debt margin	\$ 594,651,388

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$ 660,362,747	\$ 629,551,755	\$ 589,423,733	\$ 563,697,579	\$ 532,748,827	\$ 510,574,406	\$ 494,183,387	\$ 472,585,928	\$ 456,522,985	\$ 455,180,844
Less: Total net debt applicable to limit	65,711,359	73,245,571	83,042,121	89,867,533	100,480,170	106,613,965	111,260,639	118,160,163	129,153,378	135,935,233
Legal debt margin	\$ 594,651,388	\$ 556,306,184	\$ 506,381,612	\$ 473,830,046	\$ 432,268,657	\$ 403,960,441	\$ 382,922,748	\$ 354,425,765	\$ 327,369,607	\$ 319,245,611
Total net debt applicable to the limit as a percentage of debt limit	9.95 %	11.63 %	14.09 %	(15.94)%	18.86 %	20.88 %	22.51 %	25.00 %	28.29 %	29.86 %

Note:

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

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

	Stonehenge Sections I-V ^(a)				Cedar Grove Section IX ^(a)				Lovers Lane ^(b)			
	Special Assessment Collections	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2011	\$ 107,345	\$ 40,000	\$ 82,560	0.88	\$ 28,003	\$ 10,000	\$ 17,863	1.01	\$ 15,385	\$ 7,229	\$ 8,921	0.95
2012	131,031	42,000	74,643	1.12	27,112	10,000	17,188	1.00	16,247	7,579	8,571	1.01
2013	122,336	42,000	77,580	1.02	26,210	10,000	16,513	0.99	15,387	7,946	8,204	0.95
2014	125,020	46,000	75,143	1.03	28,924	15,000	15,838	0.94	17,385	8,331	7,820	1.08
2015	116,210	47,000	71,396	0.98	34,039	15,000	14,825	1.14	16,206	8,735	7,416	1.00
2016	121,669	50,000	68,639	1.03	29,032	15,000	13,813	1.01	16,151	9,157	6,993	1.00
2017	117,646	51,000	66,675	1.00	29,288	15,000	12,800	1.05	16,151	9,601	6,550	1.00
2018	119,332	53,000	64,113	1.02	25,796	15,000	11,788	0.96	16,151	10,066	6,085	1.00
2019	121,852	61,000	60,893	1.00	31,216	20,000	10,775	1.01	16,151	10,553	5,598	1.00
2020	121,947	63,000	57,373	1.01	28,280	20,000	9,425	0.96	16,236	11,064	5,087	1.01

Notes:

- (a) The Stonehenge Sections I-V and Cedar Grove Sections IX special assessment revenues are collected from property owners in each district to fund the development of the subdivisions and to provide amenities such as sidewalk infrastructure.
- (b) Lovers Lane special assessment revenues are collected from property owners to fund the development of underground utilities. This special assessment is new for fiscal year 2008.

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

Fiscal Year	Population ^(a)	Personal Income ^(b)	Per Capita Personal Income ^(c)	Median Age ^(d)	School Enrollment ^(e)	Unemployment Rate ^(f)
2011	58,000	\$ 3,438,236,000	\$ 31,640	28	18,157	9.0 %
2012	59,000	3,359,422,000	29,426	28	18,128	7.9 %
2013	60,600	3,699,388,000	32,025	28	18,957	7.2 %
2014	61,500	3,921,515,000	33,486	27	18,981	6.8 %
2015	62,500	4,005,280,000	33,837	28	19,180	5.0 %
2016	63,600	4,138,310,000	34,354	28	20,682	4.7 %
2017	65,250	4,418,499,000	35,966	27	20,814	4.1 %
2018	67,100	4,582,488,000	36,505	28	21,037	4.0 %
2019	68,400	4,761,667,000	36,957	27	21,607	3.9 %
2020	70,550	4,993,967,000	38,045	27	21,470	6.2 %

Sources:

- (a) Estimated population statistics obtained from the U.S. Census Bureau (<https://www.census.gov/quickfacts/fact/table/bowlinggreencitykentucky,US/PST045219>).
- (b) Personal income data obtained from www.bea.gov (Bureau of Economic Analysis).
- (c) Income per capita obtained from www.bea.gov (Bureau of Economic Analysis).
- (d) Median Age statistics obtained from the U.S. Census Bureau (<https://data.census.gov/cedsci/profile?g=1600000US2109802>).
- (e) Refer to both Board of Educations for public school information and www.greatschools.org for private school information. Schools included are Bowling Green Board of Education, Warren County Board of Education, and private schools. Western Kentucky University is excluded.
- (f) Bureau of Labor Statistics (www.bls.gov), figures not seasonally adjusted, average for fiscal year.

Note:

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

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Commonwealth Health Corporation	3,077	1	4.70 %	1,914	2	2.83 %
Western Kentucky University	2,974	2	4.55 %	4,626	1	6.84 %
BG Metalforming LLC	1,238	3	1.89 %	655	8	0.98 %
General Motors Corporation	1,100	4	1.68 %	-	-	-
Warren County Board of Education	1,068	5	1.63 %	958	5	1.42 %
Houchens Food Group	1,055	6	1.61 %	733	7	1.08 %
Graves-Gilbert Clinic PSC	982	7	1.50 %	-	-	-
Henkel Corporation	930	8	1.42 %	-	-	-
Kentucky State Treasurer	801	9	1.22 %	-	-	-
Kobe Aluminum Automotive Products	696	10	1.06 %	-	-	-
Union Underwear Co. LLC	-	-	-	1,632	3	2.41 %
Walmart Associates Inc	-	-	-	1,018	4	1.51 %
Express Services Inc	-	-	-	931	6	1.38 %
City of Bowling Green	-	-	-	633	9	0.94 %
Bowling Green Board of Education	-	-	-	613	10	0.91 %
Total	13,921		21.26 %	13,713		20.30 %

Sources:

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

Notes:

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>FUNCTION/PROGRAM</u>										
General government	46	43	40	42	42	40	42	41	41	42
Administration	8	8	8	9	8	8	8	7	7	7
Finance	18	16	14	16	16	15	17	17	18	18
Human Resources	7	7	6	6	7	6	6	6	5	6
Legal ^(a)	3	2	2	2	2	2	2	2	2	2
Information Technology	10	10	10	9	9	9	9	9	9	9
Public Safety	296	283	268	269	270	269	265	267	266	269
Police										
Officers	125	116	109	112	115	112	108	110	109	110
Civilians	36	35	32	31	30	35	37	37	35	38
Fire										
Firefighters and Officers	132	129	124	123	122	119	117	117	118	117
Civilians	3	3	3	3	3	3	3	3	4	4
Public Works	60	59	55	56	55	54	53	53	52	50
Parks and Recreation	54	54	54	53	52	56	54	57	58	57
Neighborhood & Community Services	25	26	25	26	26	26	24	23	23	21
Total	481	465	442	446	445	445	438	441	440	439

Source: City of Bowling Green Department of Finance

Notes:

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FUNCTION/PROGRAM										
Finance										
Tax bills sent	22,691	22,587	22,487	22,356	22,352	22,220	21,864	21,703	21,495	21,405
Business registrations received	949	1,105	915	848	829	883	1,025	923	801	835
Human Resources										
Job applicants	3,746	3,688	2,435	2,168	2,488	1,559	1,011	1,299	1,394	1,346
Position filled	240	370	329	299	234	222	248	234	216	216
Police										
911 service calls	69,474	66,314	64,822	78,052	81,072	78,465	75,800	61,859	67,842 ^(a)	65,440
Traffic stops	4,385	6,512	6,901	4,490	8,594	9,071	13,189	11,897	13,476	15,650
Fire										
Accident runs	6,639	7,519	7,298	7,251	6,786	6,195	5,634	5,523	5,049	4,836
Fire runs	207	218	221	262	236	282	212	278	300	285
Fires investigated	37	41	34	30	36	63	17	61	71 ^(b)	2,845
Public Works										
Street resurfacing (miles)	25	18	18	15	8	7	4	7	12	5
Potholes repaired	538	329	598	668	575	826	426	772	392	478
Parks and Recreation										
Fitness & athletic participants	747,175	940,997	995,538	885,472	902,073	883,654	970,174	859,614	927,403	765,462
Visits to Community Center	107,687	161,710	159,047	156,913	156,811	229,885	272,470	267,813	269,596	271,722
Neighborhood & Community Services										
Anti-litter presentations/events	-	-	-	-	-	-	-	-	2	7
Neighborhood meetings conducted	30	36	40	69	69	55	61	63	71	71
Households receiving asst	738	743	762	698	695	743	719	725	726	723
Bldg/electrical & code inspections	11,993	13,816	12,731	13,236	13,360	10,796	12,264	12,170	9,912	8,804
Animal control calls	1,947	2,698	2,542	2,489 ^(c)	2,489	2,317	2,788	2,027	3,203	3,176

Source: Various City of Bowling Green departments.

Notes:

- (a) Beginning in 2012, Public Safety became the answering point for both landline and cell phone 911 calls in Warren County.
- (b) Effective 2012, the Fire Department began tracking fire investigations rather than fire inspections.
- (c) Effective 2017, Animal Control moved to the Neighborhood and Community Services Department from the Police Department.

See accompanying independent auditor's report.

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

<u>FUNCTION/PROGRAM</u>	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	6	6	6	6	6	6	6	6	6	6
Training centers	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	269	266	266	264	262	257	264	258	266	265
Sidewalks (miles)	147	140	136 ^(c)	119	114	113	112	112	109	104
Alleys (miles)	15	15	15	15	15	15	15 ^(b)	19	17	17
Parks and Recreation										
Number of parks	21	21	22	22	22	21	20	20	25	25
Number of facilities	7	7	7	7	7	7	7	7 ^(a)	-	-
Acreage	970	970	970	970	970	974	972	972	972	970
Playgrounds	22	22	22	22	22	22	21	22	22	22
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccerfields	19	19	19	14	14	14	13	13	13	13
Community centers	3	3	3	3	3	3	3	3	3	3
Neighborhood & Community Services										
Building permits issued	2,060	2,284	2,155	2,296	2,193	2,003	1,824	1,868	1,609	1,515

Sources: Various City of Bowling Green departments.

Notes:

- (a) Effective with FY2013, parks and facilities are categorized separately.
- (b) In FY2014, the Public Works Department updated mapping, which decreased alley miles.
- (c) The increase in sidewalk miles is due to the recalculation of miles reported.

See accompanying independent auditor's report.

City of Bowling Green, Kentucky

Single Audit Reports Under
Uniform Guidance

Year Ended June 30, 2020



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

Honorable Bruce Wilkerson, Mayor
and Commissioners
City of Bowling Green

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Bowling Green, Kentucky's basic financial statements, and have issued our report thereon dated November 9, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bowling Green, Kentucky's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bowling Green, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bowling Green, Kentucky's internal control.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bowling Green, Kentucky's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MCM CPAs & Advisors LLP

Lexington, Kentucky
November 9, 2020



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

Honorable Bruce Wilkerson, Mayor
and Commissioners
City of Bowling Green

Report on Compliance for Each Major Federal Program

We have audited the City of Bowling Green, Kentucky's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Bowling Green, Kentucky's major federal programs for the year ended June 30, 2020. The City of Bowling Green, Kentucky's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Bowling Green, Kentucky's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Bowling Green, Kentucky's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Bowling Green, Kentucky's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the City of Bowling Green, Kentucky complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of Bowling Green, Kentucky is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Bowling Green, Kentucky's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bowling Green, Kentucky's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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



Lexington, Kentucky
November 9, 2020

City of Bowling Green, Kentucky
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Pass-through to Sub-recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>Direct programs</i>				
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	N/A	\$ -	\$ 191,119
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Direct programs</i>				
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	N/A	1,043,266	1,043,266
<i>Pass through Kentucky Transportation Cabinet</i>				
Federal Transit Cluster				
Bus and Bus Facilities Formula Program	20.526	KY-34-002	198,595	198,595
Total Federal Transit Cluster			1,241,861	1,241,861
<i>Direct programs</i>				
Transit Service Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	302	302
<i>Pass through Kentucky Transportation Cabinet</i>				
Highway and Planning Construction Cluster				
Highway Planning and Construction	20.205	03-03206	-	106,045
Total U.S. Department of Transportation			<u>1,242,163</u>	<u>1,348,208</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Direct programs</i>				
Housing Voucher Cluster				
Section 8 Administrative	14.871	N/A	-	445,368
Section 8 Housing Choice Vouchers	14.871	N/A	-	2,945,782
Section 8 Mainstream Admin	14.879	N/A	-	2,497
Section 8 Mainstream HAP	14.879	N/A	-	10,997
Total Housing Voucher Cluster			-	3,404,644
CDBG - Entitlement Cluster				
Community Development Block Grants/Entitlement Grants	14.218	N/A	258,580	543,759
Total U.S. Department of Housing and Urban Development			<u>258,580</u>	<u>3,948,403</u>

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

City of Bowling Green, Kentucky
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Pass-through to Sub-recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Direct programs</i>				
Staffing for Adequate Fire and Emergency Response	97.083	N/A	-	542,794
<i>Pass through Kentucky Office of Homeland Security</i>				
Homeland Security Grant Program	97.067	17-174	-	9,177
Total U.S. Department of Homeland Security			-	551,971
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Direct programs</i>				
Bulletproof Vest Partnership Program	16.607	N/A	-	6,893
<i>Direct programs</i>				
2020 CESF	16.034	N/A	-	9,210
<i>Direct programs</i>				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	N/A	-	46,663
Total U.S. Department of Justice			-	62,765
<u>OFFICE OF NATIONAL DRUG CONTROL POLICY</u>				
<i>Pass through Appalachia HIDTA</i>				
High Intensity Drug Trafficking Areas Program	95.001	G12AP001A	-	27,674
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Pass through University of Kentucky Research Foundation</i>				
Paralysis Resource Center	93.325	3200001940-10-090	-	1,075
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
<i>Pass through Department for Local Government</i>				
Covid-19 Relief Fund	21.019	C145	-	4,918,471
Total Expenditures of Federal Awards			<u>\$ 1,500,743</u>	<u>\$ 11,049,687</u>

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

City of Bowling Green, Kentucky
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Bowling Green, Kentucky, under programs of the federal government for the year ended June 30, 2020 in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the City of Bowling Green, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note C - Indirect Cost Rate

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

Note D - CARES Funding

The City of Bowling Green, Kentucky received CARES related funding for the year ending June 30, 2020 under the following programs:

CFDA 21.019	Covid-19 Relief Fund	\$	4,918,471
CFDA 20.507	Federal Transit Formula Grants		229,906
CFDA 14.871	Section 8 Administrative		9,327
			<hr/>
Total		\$	<u>5,157,704</u>

City of Bowling Green, Kentucky
Schedule of Findings & Questioned Costs
Year Ended June 30, 2020

Section I - Summary of Auditor's Results

1. The auditor's report expresses unmodified opinions on the financial statements of the City of Bowling Green, Kentucky.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Bowling Green, Kentucky, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the City of Bowling Green, Kentucky expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Uniform Guidance 516(a).
7. The programs tested as major programs included:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Voucher Cluster
21.019	Covid-19 Relief Fund

8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The City of Bowling Green, Kentucky did qualify as a low-risk auditee.

City of Bowling Green, Kentucky
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2020

Section II - Financial Statement of Findings

No matters were reported.

Section III - Major Federal Award Findings and Questioned Costs

No matters were reported.

**City of Bowling Green, Kentucky
Schedule of Prior Year Audit Findings
Year Ended June 30, 2020**

No matters were reported.