City of Bowling Green

Comprehensive Annual Financial Report

for the

Fiscal Year Ended June 30, 2010

Issued by the Department of Finance

CITY OF BOWLING GREEN

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DEPARTMENT OF FINANCE

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December 15, 2010

Honorable Mayor Elaine Walker
Members of the City Commission
Citizens of Bowling Green

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Bowling Green (City) for the fiscal year ended June 30, 2010. 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 various funds and component units 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 Mountjoy Chilton Medley 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, 2010 are free of any material misstatement.

CITY HALL ANNEX ✱ 1017 COLLEGE STREET ✱ P. O. BOX 430 ✱ BOWLING GREEN, KY 42102-0430

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 unqualified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with GAAP. Their report is the first component in the Financial Section of this report.

Additionally, Mountjoy Chilton Medley LLP included an audit of federal grants in order to meet the requirements of federal grantor agencies as outlined by the federal Single Audit Act of 1984, the Single Audit Act Amendment of 1996, and related OMB Circular A-133. 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. These reports are published separately. Those wishing to receive the Single Audit Report should direct their request to the City's Chief Financial Officer.

PROFILE OF THE CITY

Bowling Green, the "Park City" of Kentucky, was established in 1798, and is located in the south-central part of the state. The City occupies a land area of 38.5 square miles, has a population estimated at 57,000 and serves as the retail, educational, medical, commercial, and social hub for south-central Kentucky and northern Tennessee. The labor market area, which measures employable workers that are 18 years and older, is measured at approximately 451,500 for the area encompassing a sixty minute drive 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 (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 hiring all 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. As of June 30, 2010, the City had 437 authorized full-time positions, with 60% of the employees being public safety related.

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. 39, "*The Financial Reporting Entity"*, and based on the foregoing criteria, the City has presented the Bowling Green Police and Firefighters' Retirement Fund, the Convention Center Corporation and the Bowling Green Municipal Projects Corporation as blended component units within the City's basic financial statements because the component unit's governing body is substantially the same as the governing body of the City, or the component unit provides services almost entirely to the City. Bowling Green Municipal Utilities and the Bowling Green Enterprise Community, Inc. are included as discretely presented component units 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 Airport, Bowling Green City School System, 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 not included in 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 City Commission in June. Under state statute, this budget must be balanced for each fund and total available funds must equal or exceed total anticipated expenditures. The Commission then conducts a series of public hearings on the proposed budget. Prior to July 1, the budget is legally enacted through passage of an ordinance. The Chief Financial Officer is authorized to transfer budgeted amounts between departments within any fund. However, the City Commission must approve any revisions that alter the total expenditures of any fund. During this fiscal year, there were six such budget amendments.

FACTORS AFFECTING FINANCIAL CONDITION

The local economy is a well-balanced blend of service, manufacturing, retail and financial industries. The City consistently scores high in national rankings of preferred business location and favorable environments for the creation and development of businesses due to its rich economic, social and cultural environments. According to Sperling's best places, the City of Bowling Green population had growth of 14.2% and the cost of living is 15.9% lower than the national average. Bowling Green also ranked 33rd out of 184 for the "Best Small Places for Business and Careers". The overall ranking is comprised of a rating of 41st in projected job growth, 50th in cost of living, and 21st for cost of doing business according to Forbes.com.

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.

Economic Performance. The local economy remained sluggish, but showed some signs of recovery from the national recession, particularly in the manufacturing, retail, and construction sectors. No significant layoffs occurred, but wage growth was meager. Only six of the ten major Standard Industry Code (SIC) groups of businesses posted increases in payroll, including the largest group – Services (+2.6%), the second largest group – Manufacturing (+1.3%) and third Retail (+0.5%) respectively. Overall, business payrolls in Bowling Green increased by approximately $11.9 million (+0.8%) this year.

Business profits were down from the previous fiscal year by approximately $34.4 million, resulting in a Net Profit Tax collection decrease of $516,000 (-10.9%) from FY09. This fiscal year's decrease comes after an increase in FY09 for this revenue source. A total of 819 new business licenses were issued this fiscal year, which is down from 864 the previous year.

Employment Opportunities. Bowling Green's unemployment rate decreased slightly during FY10, reflecting a slight up-tick in the economy, and ended the year above the state rate, but below the national rate. The City of Bowling Green began the year in July 2009 with an unemployment rate of 11.5%, versus 10.9% for the state and 9.5% nationally. In June 2010, Bowling Green was at 9.9% versus 10.6% for the state and 9.8% for the nation.

Job Development Incentive Fund. City efforts to attract new businesses have been successful, as evidenced by continued economic expansion. One factor contributing to these efforts is the City's Job Development Incentive Fund. This Fund, initiated in 1989, offers incentive credits to manufacturing or service firms who either locate or expand facilities in the City. The amount of the incentive is related to the City's occupational withholding taxes on new employee wages generated and paid to the City during the firm's initial phase of operation.

During the fiscal year ending June 30, 2010, approximately $283,000 in withholding tax credits was awarded to four new or expanding companies. This investment in the future by the City should result in the creation of 136 new jobs which are expected to generate an additional $326,000 in occupational taxes to the City over the next ten years.

Annexation. The City has annexed over 3,000 acres into the corporate limits since 1998. In all cases, the property owners requested these annexations. This annexed land has been developed for a variety of residential, commercial, and industrial uses, including a large golf course community and the Kentucky TriModal Transpark.

SIGNIFICANT EVENTS AND INITIATIVES

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

Roads and Transportation. During FY10, the City completed construction on the Greenwood Lane realignment project and concluded the acquisition of easements for the Old Morgantown Road widening project, on which construction is expected to begin in FY11. The City issued $14.8 million of general obligation bonds in 2007 for constructing new roads and improving traffic flow. The Old Morgantown Road project will close out these remaining bond proceeds.

Sidewalks and Greenways. The City completed the fourth year of participation in the sidewalk program in FY10. The sidewalk program is designed to construct over 1.8 miles of new sidewalks and improve existing sidewalks. The program was funded with available reserves on a year-to-year basis with no debt being issued. No funding was budgeted in FY10 for this program

and the remaining carryover funding from FY09 is still being utilized. The City has also received funds to construct greenways or shared use paths. The paths are designed to connect and eventually circle the City. During FY10, the construction of two greenway paths was underway; one of which was completed with the other still in progress at June 30, 2010.

Downtown Revitalization. The City issued approximately $25 million in general obligation bonds to fund the construction of a minor league baseball park in downtown Bowling Green, which was completed in April 2009 in time for the inaugural season of the Bowling Green Hot Rods Single A team. The baseball park is part of the Tax Increment Financing (TIF) District that was established for approximately 50 blocks in the downtown area. The TIF District will include a parking garage, hotel, performing arts center and mixed-use development consisting of retail, professional and residential occupants. The City has invested over $3.3 million in the land acquisitions for the Southern Kentucky Performing Arts Center (SKYPAC) now under construction in the heart of the TIF District. There are also plans for a new Alumni Center and College of Business for Western Kentucky University to be built inside the TIF District.

The City pledged 80% of the incremental growth in City property taxes, employee withholding fees, and net profit fees within the TIF District. The State has also pledged 80% of the incremental growth in state income, property, sales, and withholding taxes, contingent upon the total capital investment in the district reaching $150 million by 2014. As of June 30, 2010, the total capital investment being reported to the State was approximately $63 million.

In conjunction with the Downtown Revitalization, a new administrative building at the Fire Headquarters station was completed which resides within the TIF District. Along with this new construction, there was also renovation work on the existing Headquarters facility. Total project costs for the Fire Headquarters station totaled over $2.8 million with debt service funding for the project being covered by the Fire Improvement fund.

FINANCIAL INFORMATION

Budgetary Controls. The City maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Budgetary control is maintained at the division level and is facilitated by the use of encumbrance accounting. As purchase orders are issued through the financial software, corresponding amounts of a division's appropriations are automatically reserved for later payment. At year-end, open encumbrances are recorded as reservations of fund balance for subsequent year expenditures.

Cash Management and Investment Policy. The Department of Finance is responsible for the custody, investment and disbursement of all funds of the City in accordance with the procedures adopted by the City Commission. It is the City's policy to invest funds in a manner that will provide the highest investment return with the maximum security of principal, while meeting the City's daily cash flow demands. The City's investments are governed by Kentucky Revised Statute (KRS) 66.480 and an investment policy approved by the City Commission. All funds were invested in either obligations of the United States or its agencies, or collateralized

certificates of deposit. Interest income totaling approximately $1.1 million was earned in all funds during this fiscal year.

Long-term Financial Planning. The City's budget team, which is composed of the City Manager, Assistant City Manager, Comptroller, Human Resources Director, and Chief Financial Officer, is charged with the task of long-term financial planning. Multi-year financial projections are prepared each year during the budget process that considers the effects of major policy decisions (i.e. capital projects, issuance of debt, and personnel changes, etc). Revenue projections are matched to anticipated expenditures in order to analyze and monitor fund balance in the General Fund and other major funds of the City. Great emphasis is placed on maintaining the 15% reserve policy in the General Fund.

Self -Insurance and Risk Management. Bowling Green has been self-insured for health insurance since 1992. The Employee Health Insurance Fund is overseen by the City's Department of Human Resources and is administered by a third party. The City reduces its financial risks in providing health insurance by purchasing various types of reinsurance policies. As of June 30, 2010, the Employee Health Insurance Fund had net assets of approximately $4.8 million. Since the inception of the City's Loss Management Program in 1990, the City has reduced Workers Compensation expenditures dramatically. The City uses various risk control techniques to minimize accident-related losses, with major emphasis concentrated in injury and accident prevention training.

Pension Trust Funds. All active City employees are covered by the County Employees' Retirement System (CERS), which is a multiple-employer, cost-sharing, defined benefit plan and is administered by the Kentucky Retirement System. The City contributed 16.16% for non-hazardous and 32.97% for hazardous employees during this fiscal year.

The City of Bowling Green Police and Firefighters' Retirement Fund is a single-employer, defined benefit plan created by ordinance and under state statute. On August 1, 1988, the fund was closed to new entrants. Police officers and firefighters on active duty on that date were given a choice of remaining in the fund or transferring their accounts into the CERS. As of June 30, 2010, there were no active employees, 28 retirees and 19 surviving spouses and children in the plan. The actuarial study conducted as of January 1, 2010, projected the plan's liabilities to exceed the plan's assets by approximately $2 million, assuming no future cost-of-living increases. The City plans to continue the funding recommended by the actuary each fiscal year to keep the fund solvent and provide for cost-of-living adjustments, if fiscally able.

AWARDS AND ACKNOWLEDGEMENTS

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 the comprehensive annual financial report for the fiscal year ended June 30, 2009. 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.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and are submitting the report to the GFOA to determine eligibility for another certificate.

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 Wilma Brown, Comptroller; Erin Ballou, Senior Staff Accountant, Sean Weeks, Staff Accountant and to the staff of Mountjoy Chilton Medley LLP, CPA's.

Respectfully submitted,

Jeff Meisel, CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bowling Green Kentucky

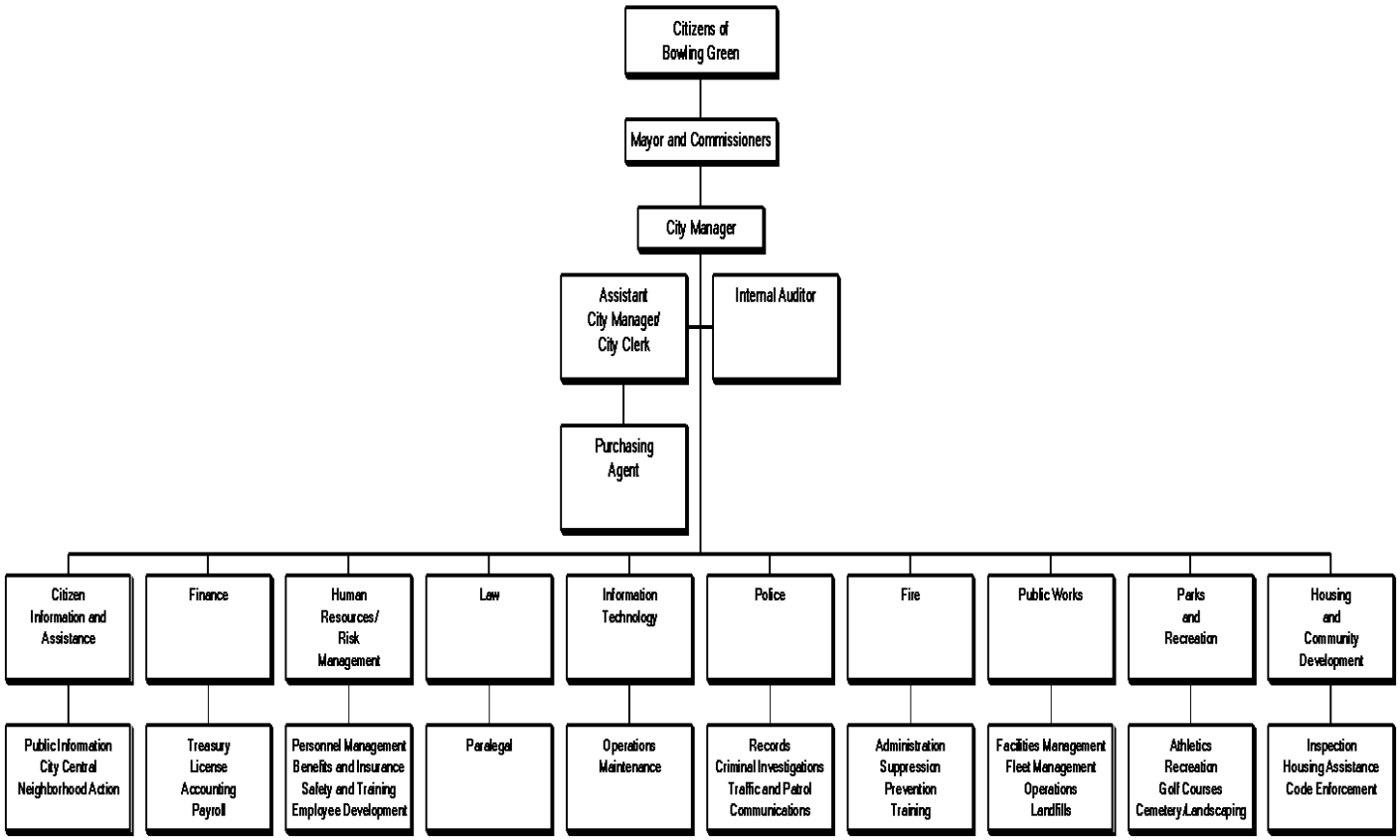
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

CITY OF BOWLING GREEN



CITY OF BOWLING GREEN, KENTUCKY

Directory – Principal Officials

Mayor and Commissioners

Elaine Walker	Mayor
Catherine Hamilton	Mayor Pro Tem
Joe Denning	Commissioner
Brian (Slim) Nash	Commissioner
Bruce Wilkerson	Commissioner

KEVIN D. DEFEBBO – CITY MANAGER

Administration:	
Katie Schaller	Assistant City Manager/ City Clerk
Jennifer Portmann	Purchasing Agent
Deborah Jenkins	Internal Auditor
Citizen Information & Assistance:	
J. Michael Grubbs	Director
Finance:	
Jeff Meisel, CPA	Chief Financial Officer
Wilma Brown	Comptroller
Human Resources:	
Michael Grubbs	Interim Director
Law:	
H. Eugene Harmon	City Attorney
Information Technology:	
Lynn Hartley	Chief Information Officer
Public Safety:	
Doug Hawkins	Police Chief
Greg Johnson	Fire Chief
Public Works:	
Katie Schaller	Interim Director
Jeff Lashlee	City Engineer
Parks and Recreation:	
Ernie Gouvas	Director
Housing and Community Development:	
Kevin DeFebbo	Interim Director

Mountjoy
Chilton
Medley

Report of Independent Accountants

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Bowling Green, Kentucky (the Government) as of and for the year ended June 30, 2010, which collectively comprise the Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Policemen and Firemen's Retirement Fund which reflects total assets of $6,986,050 and total additions of $1,031,436 for the year ended June 30, 2010. We did not audit the financial statements of Bowling Green Municipal Utilities which represents substantially all of the assets and the revenues as of and for the year ended June 30, 2010 of the discretely presented component units. 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 Firemen's 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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 units, each major fund, and the aggregate remaining fund information of the Government as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2010 on our consideration of the Government'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 internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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Louisville
Lexington
Covington
Frankfort
Bowling Green

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 24 and 72 through 76 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements. The introductory section on pages 1 through 7, combining and individual funds statements and schedules on pages 86 through 136, and the statistical section on pages 137 through 156 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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.

Mountjoy Chilton Medley LLP

Lexington, Kentucky
December 15, 2010

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, 2010. 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 $144.7 million (net assets). This amount includes $8.5 million of resources that are restricted to specific projects by laws, regulations or contractual agreements. A total of $14.7 million of resources are unrestricted and are available to fund the City's outstanding obligations and future programs.

- The City's total net assets increased $8.7 million this year. Net assets of governmental activities increased $7.7 million and net assets of business-type activities increased by $1.0 million.

- As of June 30, 2010, the City's governmental funds reported combined ending fund balances of $51.0 million, a decrease of $4.8 million from the prior year. Of this amount, $8.6 million in the General Fund was unreserved, undesignated, and available for spending. The City has a minimum reserve retention policy of 15% of revenues, which was $7.6 million for FY10. An additional $0.2 million was reserved for one-time employee wage payments bringing the total to $7.8 million designated.

- The City's governmental activities total debt decreased by $4.4 million due to the payment of principal on outstanding debt. Business-type activity debt decreased by $1.1 million due to the payment of principal on outstanding debt.

Overview of 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 is 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 nor depreciated.

Government-Wide Financial Statements

Government-wide financial statements include the Statement of Net Assets 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 Assets presents information on all the City's assets and liabilities as of June 30, 2010. Net assets are the difference between assets and liabilities. Over time, increases or decreases in net assets 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 assets. 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, community development and general administration. Occupational license fees, property taxes and service charges finance most activities.

- Business-type activities - Activities primarily paid for from the charges and fees to cover the cost of services are reported here. This includes golf programs, the aquatics program and the operations of the Sloan Convention Center.

- Component units - The City includes two separate legal entities as component units: Bowling Green Municipal Utilities and the Bowling Green Enterprise Community, Inc. Although legally separate, component units are important because the City is 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 Assets 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, ITA Bond Fund, and Debt Service 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 Golf Fund, the Aquatics Fund, and the Convention Center Fund to be major proprietary funds.

The City as Trustee

The City is trustee, or fiduciary, for the closed Policeman and Fireman's Retirement Fund. The City is also responsible for other assets that, because of 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 because the City cannot use these assets to finance operations.

Government-wide Financial Analysis

Net Assets

The following table summarizes the City's financial position as of June 30, 2010. The City as a whole had assets greater than liabilities by $144.7 million, an increase of $8.7 million over last year. This is due mostly to the increase in assets, particularly cash, as a result of cuts in expenditures, as well as continued debt reduction. The expenditure reductions were in response to the sluggish performance of revenues the first half of the year. Of the $144.7 million, $121.5 million or 84.0% was invested in capital assets, and $14.7 million or 10.2% was unrestricted. Net assets of governmental activity funds total $134.2 million, with $115.4 million or 86.0% invested in capital assets and $10.3 million or 7.7% unrestricted. The unrestricted net assets of governmental funds include fund balances of the General Fund and various special revenue funds. Unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors in the future.

Net Assets
June 30, 2010
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	$105.5	$110.1	$4.8	$4.0	$110.3	$114.1
Capital assets	168.3	160.5	15.4	16.2	183.7	176.7
Total assets	273.8	270.6	20.2	20.2	294.0	290.8
Long-term liabilities	127.7	133.6	8.5	9.3	136.2	142.9
Other liabilities	11.9	10.4	1.2	1.5	13.1	11.9
Total liabilities	139.6	144.0	9.7	10.8	149.3	154.8
Net assets:						
Invested in capital assets, net of related debt	115.4	110.1	6.1	5.7	121.5	115.8
Restricted for:						
Capital Projects	6.6	11.1	0.0	0.0	6.6	11.1
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
Community Development	1.2	0.8	0.0	0.0	1.2	0.8
Perpetual Care	0.7	0.7	0.0	0.0	0.7	0.7
Unrestricted	10.3	3.8	4.4	3.8	14.7	7.6
Total net assets	$134.2	$126.5	$10.5	$9.5	$144.7	$136.0

*Numbers may not total due to rounding.

The net assets of the City's business-type activities total $10.5 million. Of the net assets total, $6.1 million (58%) was invested in capital assets with unrestricted net assets totaling $4.4 million (42%).

Analysis of City Operations

The following table summarizes City operations for the fiscal year ended June 30, 2010. Governmental activities increased the City of Bowling Green's net assets by $7.7 million, accounting for 89% of the increase in the net assets. As mentioned earlier, this is due mostly to the increase in assets, particularly cash, as a result of cuts in expenditures and continued debt reduction. Business-type activities increased the City's net assets by $1.0 million, which was 11% of the total increase. Likewise, this increase is mainly a product of debt reduction.

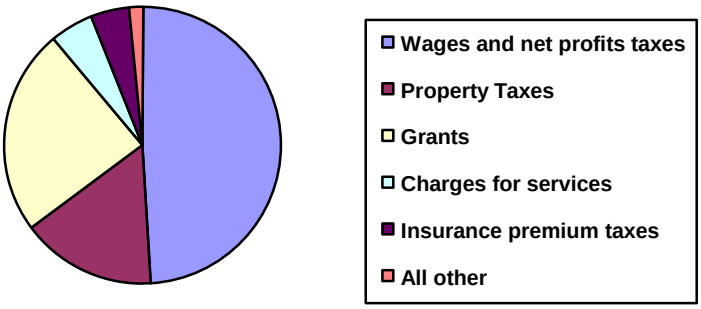
Statement of Activities
For the Year Ended June 30, 2010
(In millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charges for services	$3.7	$4.2	$2.0	$2.2	$5.7	$6.4
Operating grants and contributions	9.0	7.3	0.0	0.0	9.0	7.3
Capital grants and contributions	8.3	7.7	0.0	0.0	8.3	7.7
General revenue:						
Property taxes	11.3	10.8	0.0	0.0	11.3	10.8
Insurance premium taxes	3.1	3.1	0.0	0.0	3.1	3.1
Transient room taxes	0.0	0.0	0.4	0.4	0.4	0.4
Wages and net profits taxes	35.5	36.0	0.0	0.0	35.5	36.0
Other general revenues	1.2	3.1	0.1	0.0	1.3	3.1
Total revenues	72.1	72.2	2.5	2.6	74.6	74.8
Program expenses						
General government	12.9	14.2	0.0	0.0	12.9	14.2
Public safety	22.5	20.6	0.0	0.0	22.5	20.6
Public works	7.8	6.3	0.0	0.0	7.8	6.3
Parks and recreation	4.9	4.7	0.0	0.0	4.9	4.7
Housing and community development	4.7	5.6	0.0	0.0	4.7	5.6
Community services	2.4	24.1	0.0	0.0	2.4	24.1
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
Interest on long-term debt	6.8	7.0	0.0	0.0	6.8	7.0
Golf	0.0	0.0	2.3	2.3	2.3	2.3
Aquatics	0.0	0.0	0.9	0.9	0.9	0.9
Convention Center	0.0	0.0	0.8	0.7	0.8	0.7
Total expenses	62.0	82.5	4.0	3.9	66.0	86.4
Increase/decrease in net assets before transfers	10.1	(10.3)	(1.5)	(1.3)	8.7	(11.6)
Transfers	(2.5)	(2.9)	2.5	2.9	0.0	0.0
Change in net assets	7.7	(13.2)	1.0	1.6	8.7	(11.6)
Net assets, beginning of year,	126.5	139.7	9.5	7.9	136.0	147.6
Net assets end of year	$134.2	$126.5	$10.5	$9.5	$144.7	$136.0

*Numbers may not total due to rounding

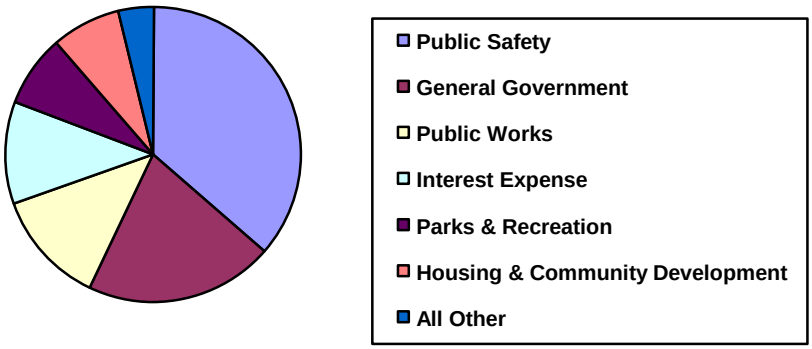
Total revenues for the City's governmental activities total $72.1 million at June 30, 2010, compared to $72.2 million last year. This slight decrease can be attributed to a decrease in investment interest income. Wage and net profits taxes total $35.5 million or 49.2% of revenue and include other related occupational license fees. The second largest category of governmental revenues, operating and capital grants and contributions, accounts for $17.3 million, or 24.0% of total revenue. Property taxes total $11.3 million and account for 15.7% of total revenues. Charges for services total $3.7 million or 5.1% of the total collections. Insurance premium taxes account for $3.1 million, or 4.3%.

Governmental Funds Revenue Sources



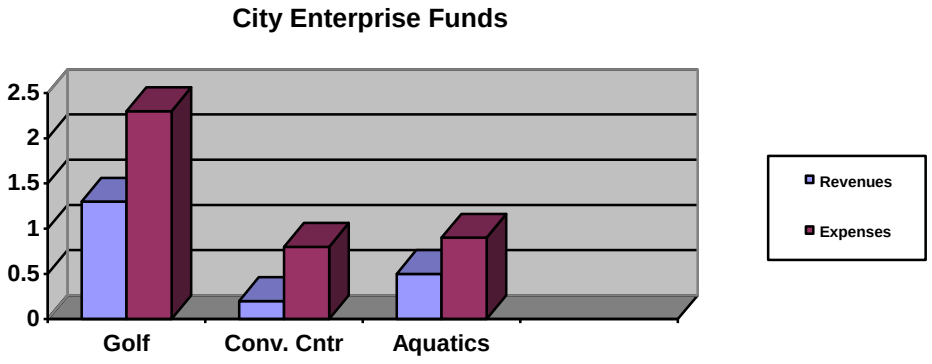
Current year total expenses of the City's governmental activities total $62.0 million, compared to $82.5 million last year. The decrease is primarily a result of Community Development expenditures related to the construction of the Baseball Park located within the Tax Increment Financing District that was completed during last fiscal year. Public Safety expenses total $22.5 million and account for 36.3% of total expenses. The second largest category of expenses, General Government, totals $12.9 million and accounts for 20.8% of expenses. Public Works was third and totals $7.8 million, or 12.6%. Interest expense totals $6.8 million, or 11.0%. Parks and Recreation total $4.9 million, or 7.9% of expenses. The last major expenditure category, Housing and Community Development, totaled $4.7 million, or 7.6% of expenses.

Governmental Funds Expenditure Categories



Business-type Activities

Revenues for business-type activities total $2.5 million this fiscal year compared to $2.6 million last year. This minor decrease is the result of a decline of golf revenues for the fiscal year. Of this, $2.0 million, or 80.0% was from charges for services. Expenses for business-type activities total $4.0 million. The largest program in the business type-activity was the operation of three municipal golf courses, which accounts for 57.5% of business-type expenses. The Russell Sims Aquatic Center accounts for 22.5% of business-type expenses and the operation of the Sloan Convention Center accounts for the remaining 20.0% of expenses in business-type activities.



Funds of the City of Bowling Green

The City's governmental funds for the year ended June 30, 2010 reflected a combined ending fund balance of $51.0 million, a decrease of $4.8 million from the prior year. The decrease in fund balance is mainly due to Capital Project funds that were completed as planned using previously appropriated funds. Of the $51.0 million total fund balance, $8.6 million was unreserved and available for spending at the City's discretion. The remainder was reserved or designated; this indicates that the funds were not available for spending, but had been committed to pay outstanding contracts or purchase orders, to make future debt service payments, or whose spending was otherwise restricted by state statute or by City ordinance.

At the end of the fiscal year, the total fund balance in the General Fund was $17.0 million, which represents an increase of $1.3 million over the prior year. The increase in fund balance is a result of disciplined under-spending, personnel reductions, elimination of General Fund spending for the sidewalk program and other capital projects, and the return of unspent funds from completed projects in other funds that had originally been funded by the General Fund. Of the $17.0 million total fund balance; unreserved, undesignated fund balance was $8.6 million and reflected 17.3% of General Fund revenues. Included in the $8.6 million was $2.6 million in project carryovers to be spent in FY11. Reserved and designated fund balances totaled $8.4 million, or 16.9% of General Fund revenues. These funds were reserved for minimum reserve requirements, prepaid expenses and to pay contracts and purchase orders outstanding as of June 30, 2010**.** The City has a policy of segregating and maintaining reserved fund balance in the General Fund equal to 15% of budgeted revenues.

The WKU Athletics Fund is used to account for the revenues and expenditures associated with the June 2002 issuance of $31,915,000 in City General Obligation and Special Revenue Bonds. The bond proceeds were utilized to improve athletic and parking facilities belonging to Western Kentucky University in order to increase public use. Western Kentucky University pays the City for the total debt service each year on the bonds through student athletic fees, as a result the amounts are offsetting payables and receivables resulting in no fund balance.

The final major governmental fund, the Inter-Modal Transportation Authority, Inc. (ITA) Bond Special Revenue Fund is used to account for the revenues and expenditures related to the refinancing of the ITA mortgage-backed bond issues, the original issues funded the acquisition and construction of the Kentucky Transpark. Total fund balance in the ITA Bond Fund was $15.5 million as of June 30, 2010, compared to $15.3 million in the prior fiscal year. The slight increase in fund balance is due to the City front loading contributions toward future debt service obligations.

The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net assets in the proprietary funds equal $10.5 million as of June 30, 2010, compared to $9.5 million last year.

The Golf Fund had total net assets of $3.8 million, an increase of $0.1 million over the prior year. The increase over last fiscal year is mostly due to further debt reduction in FY10. Of the total net assets, $3.6 million was invested in capital assets, net of related debt. Unrestricted net assets were $0.2 million.

The Aquatics Fund ended the year with total net assets of $0.8 million, representing an increase of $0.2 million over last year. The increase over last fiscal year can be attributed to continued debt reduction. Of the total net assets, $(0.2) million was invested in capital assets, net of related debt, and unrestricted net assets were $1.0 million.

The Convention Center Fund had total net assets of $5.9 million, representing an increase of $0.8 million over last year**.** The increase in Convention Center fund net assets is related to the increase in cash due to under-spending throughout the year. Of the total net assets, $2.7 million was invested in capital assets, net of related debt, and $3.2 million was unrestricted.

General Fund Budgetary Highlights

Over the course of the fiscal year, the City Commission approved revisions of the General Fund's budget six times in order to make adjustments in revenue projections and to add projects that were not anticipated when the budget was first adopted. In all, the revenue budget was increased by $701,500 or 1.4%. The changes can be briefly summarized as follows:

Original revenue estimates were changed by the following:

Grants	$ 591,500
Employee Withholdings	30,000
Contributions & Donations	52,500
Parks and Recreation	17,000
Judgments and Settlements	8,500
Other	2,000

In comparing actual revenue to final amended budget, the significant budgetary variances included employee withholdings (+$0.8 million), permits (+$0.2 million), and real estate taxes (-$0.2 million). Due to a down year in employee withholdings during FY09, the budget estimate was more conservative, thus a positive variance. Permits were positive due to one large permit being issued at the end of the fiscal year which was unforeseen at budget time. The shortfall in real estate taxes was due to there being no tax rate increase which would have been allowed under State Statute that provides for 4% growth in existing property.

The total expenditure budget was increased by $1,379,000 or 3.2% during the year. The increase is largely due to State mandated overtime payouts made to Firefighters during FY10 in the amount of $1,334,000. Funding for the payouts was provided by restricted fund balance.

Other major changes were due to the following:

General Government	$ (127,000)
Police	(26,000)
Other Fire	(71,000)
Parks and Recreation	(40,000)
Housing and Community Development	(69,000)
Community Services	(117,000)
Public Works	495,000

In comparing actual expenditures to final amended budget, the significant budgetary variances are all positive and found in General Government ($0.3 million), Police ($0.2 million) and Public Works ($1.1 million). The positive variances are mostly a result of projects carried over to fiscal year 2011, disciplined under-spending and budget cuts made during fiscal year 2010.

Capital Assets

The City's total investment in capital assets totaled $183.7 million as of June 30, 2010, which represented an increase of $7.0 million over last year. This investment includes land, buildings, infrastructure, improvements, vehicles, and equipment. For governmental activities, investments totaled $168.3 million, an increase of $7.8 million over FY09.

This year's major capital additions included the following:

Fire Headquarters Administrative Building construction	$ 1,981,017
Fire Headquarters building renovation	849,007
West Campus Greenways construction	662,346
New World Systems software development	567,769
Wireless Infrastructure development	2,268,942
Pioneer Cemetery fence construction	72,233
Old Morgantown Road widening property acquisitions	191,885
SKyPAC Property acquisition	224,088
Convention Center Restroom Renovation	169,248
Community Action Facility Land & Building conveyance	305,000

The following table summarizes the changes in net capital assets:

(Net of Depreciation, Stated in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land (including Restricted Land)	$20.8	$20.2	$2.7	$2.7	$23.5	$22.9
Infrastructure	92.0	84.5	0.0	0.0	92.0	84.5
Buildings	30.0	28.1	7.3	7.5	37.3	35.6
Improvements other than buildings	16.0	15.9	5.0	5.4	21.0	21.3
Vehicles, equipment, and furniture	5.9	7.1	0.2	0.3	6.1	7.4
Construction in progress	0.7	4.7	0.0	0.1	0.7	4.8
Intangibles	2.9	0.0	0.0	0.0	2.9	0.0
Property held under capital lease	0.0	0.0	0.2	0.2	0.2	0.2
Total*	$168.3	$160.5	$15.4	$16.2	$183.7	$176.7

*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 2010 found that 94% of streets and 95% of sidewalks met or exceeded this goal, which is 4% higher and 1% lower than FY09, respectively. The estimated amount needed to maintain City streets at the specified levels for FY11 is $811,000 and $100,000 for sidewalks, which is included in the upcoming budget. Additional information on the City's capital assets activity can be found in note 3D.

Debt Administration

Bowling Green was the first City in the state to begin issuing general obligation (G.O.) bonds in fiscal year 1999 as a result of changes in state law that had previously precluded this type of financing. Since G.O. 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 the future debt issuance of the City will be G.O. debt.

Prior to the issuance of G.O. 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 sewer system. For additional detail on the City's debt transactions, please refer to note 3F of this report.

At the end of the Fiscal Year, the City had $144.1 million in bonds and notes outstanding net of bond discounts and premiums. There was no new debt issued or refinanced during the fiscal year.

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

Long-term Obligation at Year End
(Stated in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General obligation & revenue bonds	$128.7	$132.3	$10.1	$11.3	$138.8	$143.6
Notes & lease purchase agreements	3.2	4.5	0.0	0.1	3.2	4.6
Compensated absences	1.5	1.4	0.0	0.0	1.5	1.4
Landfill post-closure costs	1.3	1.0	0.0	0.0	1.3	1.0
Bond discount and refunding loss	0.0	(0.1)	(0.7)	(0.8)	(0.7)	(0.9)
Total	$134.7	$139.1	$9.4	$10.6	$144.1	$149.7

*Numbers may not total due to rounding.

The City maintains bond ratings of "Aa2" from Moody's and "AA-" from Standard & Poors. The "Aa2" rating from Moody's was a recalibration from the previous "Aa3" rating due to Moody's implementation of a new rating methodology. Despite the relatively recent legal changes that provide for the issuance of G.O. debt discussed on the previous page, legal limits remain on the total amount of G.O. 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, cannot exceed 10% of the value of taxable property in the City. Therefore, the City's debt margin is $314.6 million.

Next Year's Budget

During the budget planning for FY11, General Fund revenues in FY10 were still of some concern and still in question in terms of meeting the FY10 original revenue budget. Therefore, revenue projections for FY11 were kept conservative due to not knowing whether or not revenues had reached the bottom point with the ongoing recession and high unemployment. Budget cuts to General Fund expenditures were made across the board during FY09 and FY10 and continued to be the theme in preparing the FY11 budget. The FY11 adopted General Fund revenue and expenditure budgets are balanced with the use of approximately $241,000 of reserves to fund one-time employee wage payments.

The FY11 adopted budget for all funds was increased by 2.4% over the FY10 original budget. The increase in budget for FY11 as compared to FY10 is largely due to increased debt service requirements and, to a lesser effect, capital improvement spending. There is $16.9 million budgeted for Capital Improvement Projects, which includes debt service. This is a 0.97% increase over the $15.4 million CIP budget in FY10. Improvements in community livability, traffic and roads, a continued investment in technology and renovations of public safety and parks facilities and equipment are some of the highlights of the capital budget in FY11. The City

also plans to continue to honor existing commitments in FY11, including: funding existing programs, providing financial assistance to contract agencies that provide community services, paying debt service, and providing a fair and equitable pay structure to City employees.

Requests for Information

This financial report is 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 Jeffery B. Meisel, Chief Financial Officer, P.O. Box 430, Bowling Green, Kentucky, 42102-0430 or can be e-mailed to jeff.meisel@bgky.org.

CITY OF BOWLING GREEN, KENTUCKY
STATEMENT OF NET ASSETS
June 30, 2010

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Pooled cash and cash equivalents	$ 18,791,772	$ -	$ 18,791,772	$ -
Non-pooled cash and cash equivalents	1,368,736	2,736,318	4,105,054	11,482,346
Investments	20,604,398	1,847,625	22,452,023	100,000
Receivables (net):				
Accounts	87,828	16,711	104,539	8,548,169
Loans	457,119	-	457,119	-
Other	330,748	-	330,748	7,087,991
Accrued interest	35,184	-	35,184	-
Due from Western Kentucky University	30,435,000	-	30,435,000	-
Due from other governmental units	619,550	-	619,550	-
Deferred charges	948,094	-	948,094	201,293
Prepaid items	454,263	-	454,263	753,111
Prepaid rent	12,313,682	-	12,313,682	-
Inventories	140,275	121,668	261,943	1,083,345
Other assets	-	-	-	182,633
Restricted assets:				
Non-pooled cash and cash equivalents	18,909,676	-	18,909,676	-
Restricted cash - TVA	-	-	-	307,667
Investments	-	-	-	3,443,518
Capital assets, net of accumulated depreciation:				
Non-depreciable	99,458,419	2,751,411	102,209,830	16,830,165
Restricted land	3,204,977	-	3,204,977	-
Depreciable	65,631,262	12,690,911	78,322,173	129,125,638
Total assets	273,790,983	20,164,644	293,955,627	179,145,876
LIABILITIES				
Vouchers and accounts payable	1,022,122	160,041	1,182,163	11,632,562
Accrued payroll	742,940	65,234	808,174	-
Accrued interest payable	861,254	42,278	903,532	1,285,381
Insurance claims payable	227,534	-	227,534	-
Other current liabilities	-	-	-	2,161,745
Unearned revenue	1,660,103	200	1,660,303	1,748
Deposits	393,687	-	393,687	2,459,729
Noncurrent liabilities:				
Due within one year				
Compensated absences	834,531	34,904	869,435	677,071
Bonds payable	5,453,588	908,220	6,361,808	2,524,274
Notes and capital lease obligations	638,289	16,116	654,405	-
Landfill closure and post closure costs	52,091	-	52,091	-
Due in more than one year				
Bonds payable	123,178,749	8,412,919	131,591,668	45,306,666
Notes and capital lease obligations	2,603,296	31,428	2,634,724	-
Compensated absences	610,618	11,185	621,803	308,165
Landfill closure and post closure costs	1,293,910	-	1,293,910	-
Advances from customers and TVA	-	-	-	86,720
Total liabilities	139,572,712	9,682,525	149,255,237	66,444,061
NET ASSETS				
Invested in capital assets, net of related debt	115,406,434	6,073,639	121,480,073	98,879,385
Restricted for:				
Debt service	-	-	-	3,543,518
Capital projects	6,566,577	-	6,566,577	-
Community development	1,244,008	-	1,244,008	-
Perpetual care (nonexpendable)	678,624	-	678,624	-
Unrestricted	10,322,628	4,408,480	14,731,108	10,278,912
Total net assets	$ 134,218,271	$ 10,482,119	$ 144,700,390	$ 112,701,815

See accompanying independent auditor's report
and notes to financial statements

CITY OF BOWLING GREEN, KENTUCKY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

		Program Revenues			Changes in Net Assets			
					Primary Government			
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
PRIMARY GOVERNMENT								
Governmental activities:								
General government	$ 12,874,758	$ 3,095,600	$ 3,659,885	$ 4,949,646	$ (1,169,627)	$ -	$ (1,169,627)	$ -
Public safety	22,477,932	187,228	1,678,732	1,132,496	(19,479,476)	-	(19,479,476)	-
Public works	7,782,325	-	-	1,692,093	(6,090,232)	-	(6,090,232)	-
Parks and recreation	4,895,725	421,798	-	-	(4,473,927)	-	(4,473,927)	-
Housing and community development	4,739,011	-	3,647,852	565,049	(526,110)	-	(526,110)	-
Community services	2,446,270	-	-	-	(2,446,270)	-	(2,446,270)	-
Interest expense	6,789,892	-	-	-	(6,789,892)	-	(6,789,892)	-
Total governmental activities	62,005,913	3,704,626	8,986,469	8,339,284	(40,975,534)	-	(40,975,534)	-
Business-type activities:								
Golf course	2,323,270	1,316,218	-	-	-	(1,007,052)	(1,007,052)	-
Aquatics	849,210	518,834	-	-	-	(330,376)	(330,376)	-
Convention center	823,333	214,459	-	-	-	(608,874)	(608,874)	-
Total business-type activities	3,995,813	2,049,511	-	-	-	(1,946,302)	(1,946,302)	-
Total primary goverrnment	$ 66,001,726	$ 5,754,137	$ 8,986,469	$ 8,339,284	(40,975,534)	(1,946,302)	(42,921,836)	-
COMPONENT UNITS								
Bowling Green Municipal Utilities	$ 94,276,270	$ 93,385,183	$ -	$ 819,820	-	-	-	(71,267)
Bowling Green Enterprise Community	200,316	-	129,075	-	-	-	-	(71,241)
Total component units	$ 94,476,586	$ 93,385,183	$ 129,075	$ 819,820	-	-	-	(142,508)
			General revenues:					
			Property taxes		11,346,706	-	11,346,706	-
			Insurance premium taxes		3,140,598	-	3,140,598	-
			Transient room taxes		-	382,340	382,340	-
			Wages and net profits taxes		35,502,869	-	35,502,869	-
			Investment income		1,031,911	70,646	1,102,557	427,307
			Miscellaneous		144,527	-	144,527	362,279
			Total general revenues		51,166,611	452,986	51,619,597	789,586
			Transfers		(2,538,083)	2,538,083	-	-
					48,628,528	2,991,069	51,619,597	789,586
			Change in net assets		7,652,994	1,044,767	8,697,761	647,078
			Net assets, beginning of year		126,565,277	9,437,352	136,002,629	112,054,737
			Net assets, end of year		$ 134,218,271	$ 10,482,119	$ 144,700,390	$ 112,701,815

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2010

	General	WKU Athletics	Debt Service	ITA Bond	Other Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and cash equivalents	$ 6,831,143	$ -	$ -	$ 1,805,000	$ 8,051,613	$ 16,687,756
Non-pooled cash and cash equivalents	83,315	-	-	-	1,285,421	1,368,736
Investments	11,212,124	-	-	-	4,147,404	15,359,528
Receivables (net of allowances for uncollectibles):						
Accounts	67,582	-	-	-	18,270	85,852
Loans	-	-	-	-	457,119	457,119
Western Kentucky University	-	30,435,000	-	-	-	30,435,000
Interest	26,689	-	-	-	4,144	30,833
Due from other governmental units	209,048	-	-	-	410,502	619,550
Prepaid items	131,263	-	-	-	-	131,263
Restricted assets:						
Non-pooled cash and cash equivalents	-	-	-	13,659,399	5,250,277	18,909,676
Total assets	$ 18,561,164	$ 30,435,000	$ -	$ 15,464,399	$ 19,624,750	$ 84,085,313
LIABILITIES AND FUND BALANCES						
Liabilities						
Vouchers and accounts payable	$ 273,752	$ -	$ -	$ -	$ 615,717	$ 889,469
Accrued payroll	716,772	-	-	-	10,382	727,154
Deferred revenue	202,967	30,435,000	-	-	457,136	31,095,103
Security deposits	393,687	-	-	-	-	393,687
Total liabilities	1,587,178	30,435,000	-	-	1,083,235	33,105,413
Fund Balances						
Reserved for encumbrances	448,995	-	-	-	5,340,645	5,789,640
Reserved for perpetual care	-	-	-	-	641,818	641,818
Reserved for prepaid expenses	131,263	-	-	-	-	131,263
Unreserved						
Designated	7,841,220	-	-	-	-	7,841,220
Undesignated, reported in special revenue funds	-	-	-	15,464,399	9,442,146	24,906,545
Undesignated, reported in capital projects funds	-	-	-	-	3,081,735	3,081,735
Undesignated, reported in permanent funds	-	-	-	-	35,171	35,171
Undesignated	8,552,508	-	-	-	-	8,552,508
Total fund balances	16,973,986	-	-	15,464,399	18,541,515	50,979,900
Total liabilities and fund balances	$ 18,561,164	$ 30,435,000	$ -	$ 15,464,399	$ 19,624,750	$ 84,085,313

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

June 30, 2010

Fund balances - total governmental funds		$ 50,979,900
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	197,131,725	
Less accumulated depreciation	(29,017,112)	168,114,613
Internal service funds are used by management to charge the costs 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 assets.		7,607,316
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.		30,765,748
Prepaid rent, which represents amounts due from the Industrial Transit Authority, is a noncurrent asset which is not available to pay current period expenditures.		12,313,682
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.		
General obligation and revenue bonds	(128,686,662)	
Premiums, deferred charges and discounts on bond obligations	54,325	
Deferred charges for issuance costs (to be amortized over the life of debt)	948,094	
Notes and lease purchase agreements	(3,241,585)	
Deferred revenue	(1,000,000)	
Accrued interest payable	(861,254)	
Accrued compensated absences	(1,429,905)	
Landfill postclosure care	(1,346,001)	(135,562,988)
		$ 134,218,271

See accompanying independent auditor's report
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CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENT FUNDS

For the Year Ended June 30, 2010

	General	WKU Athletics	Debt Service	ITA Bond	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 10,781,738	$ -	$ -	$ -	$ 393,100	$ 11,174,838
Insurance premium taxes	1,368,592	-	-		1,772,006	3,140,598
Wages and net profits taxes	33,593,555	-	-	-	1,909,314	35,502,869
Licenses and permits	1,164,737	-	-	-	-	1,164,737
Intergovernmental	1,565,438	2,124,387	-	-	8,767,593	12,457,418
Investment income	222,662	-	-	497,151	220,691	940,504
Charges for services	538,970	-	-	-	77,226	616,196
Parks and recreation	410,111	-	-	-	-	410,111
Rent income	-	-	-	976,868	-	976,868
Miscellaneous	160,353	-	-	-	331,772	492,125
Total Revenues	49,806,156	2,124,387	-	1,474,019	13,471,702	66,876,264
EXPENDITURES						
Current:						
General government	6,366,443	-	-	-	387,401	6,753,844
Public safety	22,808,546	-	-	-	1,965,554	24,774,100
Public works	6,519,983	-	-	-	2,165,680	8,685,663
Parks and recreation	4,982,922	-	-	-	3,936	4,986,858
Housing and community development	1,331,076	-	-	-	4,510,998	5,842,074
Community services	751,278	-	-	-	-	751,278
Capital Outlay	-	-	-	-	5,675,679	5,675,679
Debt Service:						
Principal	-	-	4,899,095	590,000	-	5,489,095
Interest and fiscal charges	-	-	6,107,034	548,154	-	6,655,188
Total Expenditures	42,760,248	-	11,006,129	1,138,154	14,709,248	69,613,779
Excess (deficiency) of revenues over (under) expenditures	7,045,908	2,124,387	(11,006,129)	335,865	(1,237,546)	(2,737,515)
Other financing sources (uses):						
Transfers in	610,015	-	11,006,129	1,000,000	2,207,033	14,823,177
Transfers out	(6,458,418)	(2,124,387)	-	(1,213,817)	(7,214,638)	(17,011,260)
Proceeds from the sale of capital assets	44,483	-	-	-	21,900	66,383
Total other financing sources (uses)	(5,803,920)	(2,124,387)	11,006,129	(213,817)	(4,985,705)	(2,121,700)
Net change in fund balances	1,241,988	-	-	122,048	(6,223,251)	(4,859,215)
Fund balances, beginning	15,731,998	-	-	15,342,351	24,764,766	55,839,115
Fund balances, ending	$ 16,973,986	$ -	$ -	$ 15,464,399	$ 18,541,515	$ 50,979,900

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

June 30, 2010

Net change in fund balances - total governmental funds		$ (4,859,215)
Amounts reported for governmental activities in the statement of activities are difference 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	11,877,472	
Depreciation expense	(3,827,068)	
Sales of capital assets	(204,003)	7,846,401
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 assets.		(634,710)
The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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.		4,786,440
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.		236,343
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.		49,754
Some expenses reported in the statement of activties do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds:		
Compensated absences payable		(6,920)
Landfill postclosure care		(302,889)
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.		537,790
Change in net assets of governmental activities		$ 7,652,994

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS
June 30, 2010

	Business-Type Activities Enterprise Funds				Governmental Activities
	Golf	Aquatics	Convention Center	Total	Internal Service Funds
ASSETS					
Current Assets					
Pooled cash and cash equivalents	$ -	$ -	$ -	$ -	$ 2,104,016
Non-pooled cash and cash equivalents	485,585	765,650	1,485,083	2,736,318	-
Investments	-	276,329	1,571,296	1,847,625	5,244,870
Accounts receivable	92	-	16,619	16,711	1,976
Interest receivable	-	-	-	-	4,351
Lease receivable from component unit	-	-	19,235	19,235	-
Inventories	121,668	-	-	121,668	140,275
Prepaid assets	-	-	-	-	323,000
Total current assets	607,345	1,041,979	3,092,233	4,741,557	7,818,488
Noncurrent assets					
Noncurrent portion of lease receivable from component unit	-	-	206,186	206,186	-
Capital assets					
Land	248,543	200,991	2,290,764	2,740,298	-
Construction in progress	-	-	11,113	11,113	-
Buildings	1,734,994	155,062	10,330,374	12,220,430	200,986
Improvements other than buildings	-	5,647,802	-	5,647,802	-
Golf course improvements	4,770,939	-	-	4,770,939	-
Machinery and equipment	1,016,964	47,349	1,168,861	2,233,174	227,983
Property held under capital lease	306,633	-	-	306,633	-
	8,078,073	6,051,204	13,801,112	27,930,389	428,969
Less accumulated depreciation	(3,900,961)	(2,910,671)	(5,676,435)	(12,488,067)	(248,925)
Capital assets, net	4,177,112	3,140,533	8,124,677	15,442,322	180,044
Total noncurrent assets	4,177,112	3,140,533	8,330,863	15,648,508	180,044
Total assets	$ 4,784,457	$ 4,182,512	$ 11,423,096	$ 20,390,065	$ 7,998,532
LIABILITIES					
Current liabilities					
Vouchers and accounts payable	$ 46,073	$ 23,349	$ 90,619	$ 160,041	$ 132,652
Accrued payroll	40,853	24,043	338	65,234	15,786
Accrued interest payable	2,941	21,502	17,835	42,278	-
Deferred revenue	200	-	-	200	
Insurance claims payable	-	-	-	-	227,534
Current portion of compensated absences	34,748	156	-	34,904	14,159
Current portion of capital lease obligations	16,116	-	-	16,116	-
Capital lease due to component unit	19,235	-	-	19,235	-
Current portion of bond obligations	31,828	316,392	560,000	908,220	-
Total current liabilities	191,994	385,442	668,792	1,246,228	390,131
Noncurrent liabilities					
Noncurrent portion of compensated absences	7,900	3,285	-	11,185	1,085
Noncurrent portion of capital lease obligations	31,428	-	-	31,428	-
Noncurrent portion of capital lease due to component units	206,186	-	-	206,186	-
Noncurrent portion of bond obligations	551,562	2,980,974	4,880,383	8,412,919	-
Total noncurrent liabilities	797,076	2,984,259	4,880,383	8,661,718	1,085
Total liabilities	989,070	3,369,701	5,549,175	9,907,946	391,216
NET ASSETS					
Invested in capital assets, net of related debt	3,546,178	(156,833)	2,684,294	6,073,639	180,044
Unrestricted	249,209	969,644	3,189,627	4,408,480	7,427,272
Total net assets	$ 3,795,387	$ 812,811	$ 5,873,921	$ 10,482,119	$ 7,607,316

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS – PROPRIETARY FUNDS

For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Golf	Aquatics	Convention Center	Total	
OPERATING REVENUES					
Transient room taxes	$ -	$ -	382,340	$ 382,340	$ -
Charges for services	1,070,640	410,335	214,459	1,695,434	1,609,472
Sales of merchandise and concessions	245,261	108,499	-	353,760	-
Insurance premiums	-	-	-	-	4,818,783
Judgements and settlements	317	-	-	317	32,009
Miscellaneous	-	-	-	-	3,936
Total operating revenues	1,316,218	518,834	596,799	2,431,851	6,464,200
OPERATING EXPENSES					
Cost of sales	169,233	61,649	-	230,882	-
Personnel services	1,168,935	194,267	13,016	1,376,218	518,250
Contractual services	183,395	9,245	46,607	239,247	445,651
Supplies	311,487	53,886	-	365,373	869,748
Utilities	66,640	52,483	-	119,123	26,662
Repairs and maintenance	98,033	29,694	133,963	261,690	137,770
Insurance premiums and claims	-	-	-	-	3,672,517
Depreciation	274,293	292,037	348,316	914,646	27,425
Miscellaneous	24,119	588	12	24,719	251
Total operating expenses	2,296,135	693,849	541,914	3,531,898	5,698,274
Operating income (loss)	(979,917)	(175,015)	54,885	(1,100,047)	765,926
NONOPERATING REVENUES (EXPENSES)					
Interest income	728	8,078	61,840	70,646	122,598
Gain/(loss) on disposal of assets	4,608	-	-	4,608	(734)
Interest expense	(32,448)	(136,743)	(212,554)	(381,745)	-
Amortization	705	(18,618)	(68,865)	(86,778)	-
Total nonoperating revenues (expenses)	(26,407)	(147,283)	(219,579)	(393,269)	121,864
Income (loss) before transfers	(1,006,324)	(322,298)	(164,694)	(1,493,316)	887,790
Transfers in	1,152,003	486,329	899,751	2,538,083	-
Transfers out	-	-	-	-	(350,000)
Change in net assets	145,679	164,031	735,057	1,044,767	537,790
Net assets, beginning	3,649,708	648,780	5,138,864	9,437,352	7,069,526
Net assets, ending	$ 3,795,387	$ 812,811	$ 5,873,921	$ 10,482,119	$ 7,607,316

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Golf	Aquatics	Convention Center	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 1,316,326	$ 518,834	$ 214,894	$ 2,050,054	$ 6,467,548
Other cash receipts	-	-	382,340	382,340	-
Cash payments to employees	(1,329,145)	(253,491)	(12,678)	(1,595,314)	(512,649)
Cash payments to suppliers	(701,504)	(142,032)	(69,150)	(912,686)	(1,425,949)
Claims paid	-	-	-	-	(3,479,925)
Net cash provided by (used in) operating activities	(714,323)	123,311	515,406	(75,606)	1,049,025
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVTIES					
Transfers in	1,152,003	486,329	899,751	2,538,083	-
Transfers out	-	-	-	-	(350,000)
Net cash provided by noncapital financing activities	1,152,003	486,329	899,751	2,538,083	(350,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(55,026)	-	(117,960)	(172,986)	(5,306)
Proceeds from sales of capital assets	4,608	-	-	4,608	-
Proceeds from capital leases	24,820	-	-	24,820	-
Principal paid on bond obligations	(399,680)	(345,376)	(470,000)	(1,215,056)	-
Principal paid on component unit lease	(15,388)	-	-	(15,388)	
Principal paid on capital leases	(37,974)	-	-	(37,974)	-
Interest paid on debt obligations	(36,103)	(138,275)	(212,422)	(386,800)	-
Net cash used in capital and related financing activities	(514,743)	(483,651)	(800,382)	(1,798,776)	(5,306)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	728	8,078	61,840	70,646	146,036
Purchase of investments	-	(395,528)	(1,200,816)	(1,596,344)	(440,460)
Proceeds from sale of investments	-	409,536	688,135	1,097,671	9,166
Cash received from lease property	-	-	15,388	15,388	-
Net cash provided by (used in) investing activities	728	22,086	(435,453)	(412,639)	(285,258)
Net increase in cash and cash equivalents	(76,335)	148,075	179,322	251,062	408,461
Cash and cash equivalents, beginning of year	561,920	617,575	1,305,761	2,485,256	1,695,555
Cash and cash equivalents, end of year	$ 485,585	$ 765,650	$ 1,485,083	$ 2,736,318	$ 2,104,016
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ (979,917)	$ (175,015)	$ 54,885	$ (1,100,047)	$ 765,926
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	274,293	292,037	348,316	914,646	27,425
Change in assets and liabilities					
Accounts receivable	(92)	-	435	343	3,348
Inventories	(1,489)	-	-	(1,489)	(21,845)
Prepaid items	-	-	43,696	43,696	197,293
Accounts payable	(16,341)	3,864	67,736	55,259	75,978
Deferred revenue	200	-	-	200	-
Compensated absences	(42)	1,292	-	1,250	1,276
Accrued payroll	9,065	1,133	338	10,536	4,325
Insurance claims payable	-	-	-	-	(4,701)
Net cash provided by (used in) operating activities	$ (714,323)	$ 123,311	$ 515,406	$ (75,606)	$ 1,049,025

See accompanying independent auditor's report and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2010

	Pension Trust - Police & Firemen's Retirement	Agency Funds
ASSETS		
Pooled cash and cash equivalents	$ -	$ 145,077
Non-pooled cash and cash equivalents	684,287	174,726
Accrued interest receivable	34,598	-
Investments		
Corporate securities	1,689,489	-
Mutual funds	2,399,954	-
Kentucky local municipal bonds	708,125	
United States government securities	1,469,597	-
Total investments at fair value	6,267,165	-
Total assets	$ 6,986,050	$ 319,803
LIABILITIES		
Accounts payable and accrued expenses	$ 1,891	$ -
Due to other governmental units	-	145,077
Other liabilities	-	174,726
Total liabilities	1,891	$ 319,803
NET ASSETS		
Held in trust for pension benefits	$ 6,984,159	

See accompanying independent auditor's report
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CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2010

	Pension Trust - Police & Firemen's Retirement
ADDITIONS	
Contributions	
Employer	$ 410,000
Investment income	
Net appreciation in fair value of investments	387,521
Interest	180,537
Dividends	53,378
Total investment earnings	621,436
Total additions	1,031,436
DEDUCTIONS	
Benefit payments	967,741
Administrative expenses	18,863
Total deductions	986,604
Change in net assets	44,832
Net assets, beginning of year	6,939,327
Net assets, end of year	$ 6,984,159

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF NET ASSETS

COMPONENT UNITS

June 30, 2010

	Bowling Green Municipal Utilities	Bowling Green Enterprise Community	Total
ASSETS			
Non-pooled cash and cash equivalents	$ 11,482,346	$ -	$ 11,482,346
Investments	100,000	-	100,000
Receivables (net):			
Accounts	8,548,169	-	8,548,169
Other	7,087,991	-	7,087,991
Accrued interest	-	-	-
Inventories	1,083,345	-	1,083,345
Prepaid items	753,111	-	753,111
Deferred charges	201,293	-	201,293
Restricted assets:			
Restricted cash - TVA	307,667	-	307,667
Investments	3,443,518	-	3,443,518
Other assets	182,633	-	182,633
Capital assets, net of accumulated depreciation:			
Non-depreciable	16,830,165	-	16,830,165
Depreciable	129,125,638	-	129,125,638
Total assets	179,145,876	-	179,145,876
LIABILITIES			
Vouchers and accounts payable	11,632,562	-	11,632,562
Compensated absences payable	677,071	-	677,071
Accrued interest payable	1,285,381		1,285,381
Other current liabilities	2,161,745	-	2,161,745
Advances from TVA - conservation program	1,748	-	1,748
Customer advances	86,720	-	86,720
Security deposits	2,459,729	-	2,459,729
Compensated absences payable, noncurrent	308,165	-	308,165
Noncurrent liabilities			
Due within one year	2,524,274	-	2,524,274
Due in more than one year	45,306,666	-	45,306,666
Total liabilities	66,444,061	-	66,444,061
NET ASSETS			
Invested in capital assets, net of related debt	98,879,385	-	98,879,385
Restricted for capital activities and debt service	3,543,518	-	3,543,518
Unrestricted	10,278,912	-	10,278,912
Total net assets	$ 112,701,815	$ -	$ 112,701,815

See accompanying independent auditor's report
and notes to financial statements

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CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF ACTIVITIES

COMPONENT UNITS

For the Year Ended June 30, 2010

		Program Revenues			Net (expense) Revenue and Changes in Net Assets		
Function/Programs	Expenses	Charges for Services	Operating Contributions	Capital Contributions	Bowling Green Municipal Utilities	Bowling Green Enterprise Community	Totals
Bowling Green Municipal Utilities	$ 94,276,270	$ 93,385,183	$ -	$ 819,820	$ (71,267)	$ -	$ (71,267)
Bowling Green Enterprise Community	200,316	-	129,075	-	-	(71,241)	(71,241)
Total component units	$ 94,476,586	$ 93,385,183	$ 129,075	$ 819,820	(71,267)	(71,241)	(142,508)
	General revenues:						
	Investment income				427,307	-	427,307
	Miscellaneous				362,279	-	362,279
	Total general revenues				789,586	-	789,586
	Change in net assets				718,319	(71,241)	647,078
	Net assets, beginning of year, restated				111,983,496	71,241	112,054,737
	Net assets, end of year				$ 112,701,815	$ -	$ 112,701,815

See accompanying independent auditor's report
and notes to financial statements

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS

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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. In accordance with GASB Statement No. 20, all applicable GASB pronouncements as well as Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements, have been selected in accounting for proprietary funds. 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.

Governmental Fund Type

City of Bowling Green Policemen and Firemen's Retirement Fund. Retired or disabled City public safety employees participate in the Policemen and Firemen's 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 representatives of the police and fire departments.

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

Bowling Green Municipal Projects Corporation. The non-profit corporation was organized as an agency and instrumentality of the City to facilitate the financing of public capital projects. The corporation's articles of incorporation contain provisions for the City's governing body to retain organizational and supervisory control over the corporation's activities as a constituted authority of the City. The corporation issues revenue bonds to finance construction of public projects and leases the facilities to the City in accordance with lease agreements providing for initial one-year lease terms with annual renewal options at rental amounts sufficient to cover principal and interest maturities within that year.

The non-profit corporation's debt service transactions are reported as part of the City's Debt Service Fund.

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 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 City Commission. The Corporation is reported as an enterprise fund.

2. Discretely Presented Component Units - The agencies described below are included in the City's reporting entity because the City appoints the governing body and the agencies are fiscally dependent on the City. All of these agencies are reported as discretely presented component units 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.

Governmental Fund Type

Bowling Green Enterprise Community, Inc. The non-profit corporation was organized for the purpose of providing fiscal oversight for grant funds and programs related to the City's Enterprise Community designation from the U.S. Department of Agriculture for revitalization efforts in the defined geographic area.

Members of the Board of Directors are nominated by the Mayor and approved by the City Commission. The City also provides administrative services and office space for the non-profit corporation and the City's Grants Manager serves as Executive Director of the organization.

Combining financial statements for the discretely presented component unit is included in the City's basic financial statements. The Bowling Green Enterprise Community, Inc. ceased operations during the year ended June 30, 2010.

Proprietary Fund Type

Bowling Green Municipal Utilities (BGMU). Board member appointments are made by the City Commission. 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 City Commission.

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

B. Related Organization - City officials are also responsible for appointing the members of 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 2010, the ITA made rental payments of $976,868. The City was required to fund an additional $236,950 related to the required debt service payments. The separately audited financial statements of the ITA can be obtained from the finance department of the City.

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 Assets, 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 Assets. 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 deferred 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 Government 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.

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, Workers Compensation and Fleet Maintenance funds 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 is 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 and general administration are reported in this fund.

The **WKU Athletics Special Revenue 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 $30,115,000 General Obligation and Special Revenue Bonds, Series 2002B and $1,800,000 General Obligation and Special Revenues Bonds, Series 2002C.

The **ITA Bond Special Revenue Fund** is used to account for revenues and expenditures related to the refinancing of the existing ITA mortgage-backed bond issues that were used for acquisition and construction of the Kentucky Transpark.

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 focus of proprietary fund measurement is upon the determination of operating income, changes in net assets, 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 funds:

The **Golf Course Fund** is used to account for the operations of the City's public golf courses.

The **Aquatics Fund** is used to account for the operations of the City's public pool and water park.

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 and Workers Compensation 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. 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. Fiduciary funds are as follows:

The City of Bowling Green Policemen and Firemen's 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

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 the 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.

Special Employee/Explorer Fund is used to account for revenues and disbursements used for special employee activities.

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.

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 City 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, 2010, 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 Industrial TransPark Authority 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. Expenditures for items having a useful life greater than one year 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 estimated fair market 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.

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 years – infinite	N/A

The City's infrastructure consists of the street and storm sewers systems. The street system consists of streets, right of ways, 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 the 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 2 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 as of December 31 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 $25/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.

Long-Term Obligations – In the Government-wide and proprietary 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 Assets. The discounts, premiums and issuance costs 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 deferred charges and amortized over the term of the related debt.

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 (new debt) 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 offset against the new liability.

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 estimated 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 2010, licenses and permits paid in advance of $202,984 have been deferred, $457,119 in accounts and loans receivable have been recorded as deferred revenue as these amounts have not yet been earned and $1,000,000 of deferred revenue has been recorded in relation to land acquisitions under the City's agreement with SKyPAC.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated by outside parties for a specific future use. Designated fund balances represent plans for future use of financial resources and include approximately $250,000 for employee wage increases and $7.6 million set aside to comply with the City's minimum reserve retention policy. In proprietary funds, reserves are used to indicate the portion of net assets that are restricted for meeting various covenants as may be specified and defined in the revenue bond indentures.

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.

B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in interest and fiscal charges in the Debt Service fund. These costs were funded by transfers in from other funds.

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

The Government's bank balances at June 30, 2010 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, 2010 are summarized and categorized below in the following table:

Primary Government (except Fiduciary Funds)		
Investment Type	Fair Value	Weighted Average Maturity
Certificate of Deposit	$ 20,225,476	0.99
U.S. Agencies	121,942	0.32
Tax Free Mutual Funds	1,004,463	0.54
U.S. Agencies CMO	931,313	0.04
Money Markets	168,829	n/a
	$ 22,452,023	

Interest Rate Risk - While the Government has adopted an investment policy that recommends controlling interest rate risk through maturity diversification, the policy states that unless matched to a specific cash flow need, the City's funds should not, in general, be invested in securities maturing more than one year from the date of purchase.

Credit Risk - The Government has no policy related to credit risk. The U.S. Agencies investments consist of one Federal Home Loan Bank Bond.

Concentration of Credit Risk - To limit credit risk, the government 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.

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, 2010 are summarized and categorized in the following tables:

Bowling Green Municipal Utilities Water-Sewer Division

Investment Type	Fair Value	Maturities in Years Less than 1
U.S. agencies obligations	$ 1,406,325	$ 1,406,325
U.S. Treasury mutual fund	2,377,667	2,377,667
Federal Home Loan Bank mutual fund	103,734	103,734
Government obligation mutual fund	394,821	394,821
	$ 4,282,547	$ 4,282,547

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

Carrying Value	
Deposits	$ 318,738
Investments	4,282,547
	$ 4,601,285

Included in the following captions:

Non-pooled cash and cash equivalents	$ 2,532,576
Investments and restricted funds	2,068,709
	$ 4,601,285

Bowling Green Municipal Utilities Electric Division

Investment Type	Fair Value	Maturities in Years Less than 1
U.S. agencies obligations	$ 625,914	$ 625,914
U.S. Treasury mutual fund	748,895	748,895
	$ 1,374,809	$ 1,374,809

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

Carrying Value	
Deposits	$ 9,015,279
Investments	1,374,809
	$ 10,390,088

Included in the following captions:

Cash and cash equivalents	$ 8,915,279
Noncurrent cash, cash equivalents and investments	1,474,809
	$ 10,390,088

Interest Rate Risk - The U.S. Treasury mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately. The Municipal Utilities does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2010, certain of 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. The utility's investment in U.S. agencies obligations not directly guaranteed by the U.S. Government was rated AAA by Standard & Poor's and A-1 by Moody's Investors Services.

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, 2010 the Municipal Utilities were 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, 2010, the Water-Sewer Division's investment in Federal National Mortgage Association obligations constituted approximately 33% of its total investments. At June 30, 2010, the Electric Division's investment in Federal National Mortgage Association obligations constituted 46% of its total investments.

Policemen and Firefighters' Retirement Fund

Approximately twenty-three percent of the net assets held in trust for pension benefits are invested in bonds of the U.S. Government and its instrumentalities. The fund has no investments in the stocks or bonds of any commercial or industrial organization whose market value exceeds five percent of the net assets available for benefits.

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 Policemen and Firefighter's Retirement Fund.

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less than 1	1-5	5-10	More than 10
U.S. Government	$ 1,469,597	$ 39	$ -	$ 994,473	$ 475,085
Corporate Securities	1,689,489	-	1,301,103	140,514	247,872
Kentucky Municipal Bonds	708,125	1,132	52,520	445,613	208,860
Mutual Funds	2,399,954	2,399,954	-	-	-
Total	$ 6,267,165	$ 2,401,125	$ 1,353,623	$ 1,580,600	$ 931,817

Debt Securities Investments at Fair Value

Quality Ratings	2010
AA3	$ 53,127
AA2	804,102
A1	169,071
A2	261,517
A3	45,500
BAA1	53,670
NR	1,010,627
Total Credit Risk Debt Securities	2,397,614
U.S. Government Agencies	1,469,597
Total Debt Securities	$ 3,867,211

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 the its cash equivalents. At June 30, 2010, the Fund's carrying amounts for cash investments were uninsured, but held in the Fund by the corresponding bank's trust department.

B. Restricted Assets

Governmental Activities

Cemetery Perpetual Fund - assets totaling $641,818 are reported in the Cemetery Perpetual Fund as these assets are restricted for cemetery maintenance.

2007A General Obligation Bonds - for the 2007 bonds, a construction fund account was established for the payment of costs associated with public park improvements, construction of utilities, design and construction on a skate park, Circus Square acquisition and construction, land acquisition, construction of public roads, and installation of downtown signalization upgrades. The balance of these funds at June 30, 2010 is $3,897,644.

2007B & C General Obligation Bonds - for the 2007B and C bonds, various accounts were established for the payment of outstanding Inter-Model Transportation Authority mortgage-backed bonds as they come due. The balance of these funds at June 30, 2010 is $13,659,399.

2008A & B General Obligation Bonds - for the 2008 bonds, construction fund accounts were established for the payment of costs associated with acquisition, construction and equipping of a baseball stadium and related public infrastructure improvements and for the acquisition, construction, installation and equipping of three fire stations. The balance of these funds at June 30, 2010 is $710,815.

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

C. Loans Receivable

The Community Development Special Revenue Fund has loans receivable pursuant to Commonwealth of Kentucky, Department of Local Government grant agreements and City revolving loan fund agreements, which provided Community Development Block Grant and local program income funds for the above economic development projects in the City. Loans receivable at June 30, 2010 consist of the following:

Houchens Warehousing, Inc. note receivable in 144 monthly installments of $6,172 including interest at 4%; final installment due June 1, 2013; secured by real estate.	$ 209,066
Clay Street Station, LLC note receivable in 180 installments of $2,682 including interest at 3.5%; final balloon payment of $147,364 due June 1, 2014; secured by real estate.	248,053
Total loans receivable	$ 457,119

D. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 17,250,422	$ 496,884	$ (140,614)	$ 17,606,692
Restricted Land	2,980,889	224,088	-	3,204,977
Infrastructure	73,486,727	8,627,309	(955,671)	81,158,365
Construction in progress	4,716,189	4,363,717	(8,386,544)	693,362
Total capital assets, not being depreciated	98,434,227	13,711,998	(9,482,829)	102,663,396
Capital assets, being depreciated:				
Stormwater Infrastructure	11,737,981	140,766	-	11,878,747
Buildings	37,287,236	2,943,618	(34,760)	40,196,094
Improvements other than buildings	18,698,833	876,586	-	19,575,419
Vehicles, equipment and furniture	19,987,073	624,613	(276,147)	20,335,539
Intangibles	16,751	2,894,748	-	2,911,499
Total capital assets, being depreciated	87,727,874	7,480,331	(310,907)	94,897,298
Less accumulated depreciation:				
Stormwater Infrastructure	(777,767)	(228,195)	-	(1,005,962)
Buildings	(9,217,469)	(945,488)	9,415	(10,153,542)
Improvements	(2,835,794)	(759,510)	-	(3,595,304)
Vehicles, equipment and furniture	(12,857,637)	(1,882,860)	270,035	(14,470,462)
Intangibles	(2,326)	(38,440)	-	(40,766)
Total accumulated depreciation	(25,690,993)	(3,854,493)	279,450	(29,266,036)
Total capital assets, being depreciated, net	62,036,881	3,625,838	(31,457)	65,631,262
Governmental activities, capital assets, net	$ 160,471,108	$ 17,337,836	$ (9,514,286)	$ 168,294,658

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Business-type assets:				
Capital assets, not being depreciated:				
Land	$ 2,740,298	$ -	$ -	$ 2,740,298
Construction in progress	121,345	117,996	(228,228)	11,113
Total capital assets, not being depreciated	2,861,643	117,996	(228,228)	2,751,411
Capital assets, being depreciated:				
Buildings	11,992,238	228,192	-	12,220,430
Improvements other than buildings	10,418,741	-	-	10,418,741
Vehicles, equipment and furniture	2,191,786	55,025	(13,637)	2,233,174
Property held under capital lease	306,633	-	-	306,633
Total capital assets, being depreciated	24,909,398	283,217	(13,637)	25,178,978
Less accumulated depreciation:				
Buildings	(4,539,756)	(383,398)	-	(4,923,154)
Improvements	(4,999,210)	(423,613)	-	(5,422,823)
Vehicles, equipment and furniture	(1,914,776)	(100,204)	13,637	(2,001,343)
Propery held under capital lease	(133,316)	(7,431)	-	(140,747)
Total accumulated depreciation	(11,587,058)	(914,646)	13,637	(12,488,067)
Total capital assets, being depreciated, net	13,322,340	(631,429)	-	12,690,911
Business-type activities, capital assets, net	$ 16,183,983	$ (513,433)	$ (228,228)	$ 15,442,322

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

Governmental activities	
General government	$ 343,945
Public safety	1,711,458
Public works	740,939
Parks and recreation	904,774
Housing and community development	153,377
Total depreciation expense - governmental activities	$ 3,854,493
Business-type activties	
Golf course	$ 274,293
Aquatics	292,037
Convention Center	348,316
Total depreciation expense - business-type activities	$ 914,646

Component unit capital asset activity for the year ended June 30, 2010 was as follows:

	Balance 6/30/2009	Increases	Decreases	Balance 6/30/2010
Bowling Green Municipal Utilities				
Capital assets, not being depreciated:				
Construction in progress	$ 7,296,615	$ 12,764,260	$ (3,230,710)	$ 16,830,165
Capital assets, being depreciated:				
Transmission plant	2,036,619	22,102	(40,622)	2,018,099
Distribution plant	66,954,816	1,851,954	(468,999)	68,337,771
Structures and improvements, nodes	254,613	3,027	-	257,640
General plant	12,683,477	439,848	(199,978)	12,923,347
Water plant	69,050,984	3,401,573	-	72,452,557
Sewer plant	54,901,422	40,736	-	54,942,158
Equipment	3,380,010	518,597	(19,893)	3,878,714
Overhead conductors and devices	4,173,827	503,119	-	4,676,946
Trucks and autos	1,467,853	124,420	(20,859)	1,571,414
Office equipment	1,163,838	125,842	-	1,289,680
Office additions	65,716	-	-	65,716
Total capital assets, being depreciated	216,133,175	7,031,218	(750,351)	222,414,042
Less accumulated depreciation	(87,612,528)	(6,595,571)	919,695	(93,288,404)
Total capital assets, being depreciated, net	128,520,647	435,647	169,344	129,125,638
Bowling Green Municipal Utilities, capital assets, net	$ 135,817,262	$ 13,199,907	$ (3,061,366)	$ 145,955,803

E. 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 In	Transfers To					
Within the primary government:	General	WKU Fund	ITA Bond	Non-Major Governmental	Internal Service	Total
General	$ -	$ -	$ -	$ 260,015	$ 350,000	$ 610,015
ITA Bond	1,000,000	-	-	-	-	1,000,000
Debt Service	3,003,480	2,124,387	1,213,817	4,664,445	-	11,006,129
Golf	695,715	-	-	456,288	-	1,152,003
Aquatics	2,668	-	-	483,661	-	486,329
Convention Center	-	-	-	899,751	-	899,751
Non-major governmental	1,756,555	-	-	450,478	-	2,207,033
Total within primary government	$ 6,458,418	$ 2,124,387	$ 1,213,817	$ 7,214,638	$ 350,000	$ 17,361,260

F. Long-term Debt

Revenue bonds and other directly related long-term liabilities, which are intended to be paid from proprietary funds, are included in the accounts of such funds. All other long-term indebtedness is accounted for in the Governmental column of the Government-wide Statement of Net Assets.

Primary Government:

	Purpose of Issue	Original Issue	Interest Rate	Final Maturity	Amount Outstanding
Governmental Activities					
General Obligation and Revenue Bonds					
General Obligation Bond, Series 2002A	City Police Headquarters Expansion	6,430,000	1.90% - 4.70%	June 30, 2018	$ 3,610,000
General Obligation Bond, Series 2002B	Western Kentucky University Project	30,115,000	3.50% - 5.00%	June 1, 2026	28,705,000
General Obligation Bond, Series 2002C	Western Kentucky University Project	1,800,000	5.875% - 6.5%	June 1, 2026	1,730,000
General Obligation Bond, Series 2004A	Parks Community Center, Police Dept. Headquarters, Public Works Renovations, Parks & Cemetery Improvements	12,626,000	2.422% - 4.792%	June 30, 2024	9,716,333
General Obligation Bond, Series 2004B	Real Properties	2,025,000	3.8% - 5.050%	June 30, 2024	1,600,000
General Obligation Bond, Series 2007A	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	14,905,000	4.0% - 5.0%	December 1, 2032	13,665,000
Warren County Water District 2003 Bond	John Jones Area Water & Sewer Construction	165,954	3.70%	July 1, 2025	125,229
General Obligation Bond, Series 2007B	Inter-Modal Transportation Authority, Inc. refinancing	20,615,000	3.877% - 4.881%	September 1, 2023	20,615,000
General Obligation Bond, Series 2007C	Inter-Modal Transportation Authority, Inc. refinancing	6,800,000	3.877% - 4.881%	September 1, 2023	6,800,000
General Obligation Bond, Series 2008A	Baseball Stadium construction	24,835,000	3.50% - 5.00%	June 1, 2038	24,395,000
General Obligation Bond, Series 2008B	Fire stations at Greenwood, Airport and Fire Headquarters	6,585,000	3.50% - 4.75%	June 1, 2028	6,075,000
General Obligation Bond, Series 2009	Refinance prior year bond obligations	11,942,700	3.00% - 4.50%	June 1, 2020	11,650,100
					128,686,662
Premiums, deferred charges and discounts on bond obligations					(54,325)
Total General Obligation and Revenue Bonds					$ 128,632,337
Notes and Lease Purchase Agreements					
National City Bank	2004 fire truck ladder	713,000	Prime - 1.67%	December 5, 2013	285,000
KY League of Cities	Pay off various leases & notes	3,253,840	Variable	July 15, 2010	89,162
BB&T	Relocation of operations division & realignment of 14th Avenue	1,630,000	10 yr LIBOR	July 2, 2025	1,305,380
US Bank	Depot project	1,000,000	5.649%	June 7, 2018	528,888
Huntington National Bank	Purchase various 2005 Ford vehicles	1,145,857	3.14%	March 22, 2011	202,089
Chase Bank	2008 Fire Pumper and Quint	1,019,193	3.97%	August 1, 2018	831,066
Total Notes Payable and Capital Leases					3,241,585
Other Long-Term Liabilities					
Compensated Absences					1,445,149
Landfill					1,346,001
					2,791,150
Total long-term governmental liabilities					$ 134,665,072

Business-Type Activities					
General Obligation Bonds					
General Obligation Bond, Series 2003	Crosswinds Pro Shop/Conv. Cntr Facility	8,585,000	2.0% - 3.7%	June 30, 2019	$ 6,020,000
General Obligation Bond, Series 2004A	Hobson Golf Pro Shop and maintenance facility	749,000	3.8% - 5.050%	June 30, 2024	573,665
General Obligation Bond, Series 2009	Refinance prior year bond obligations	3,567,300	3.00% - 4.50%	June 1, 2020	3,479,910
					10,073,575
Premiums, deferred changes and discounts on bond obligations					(752,436)
Total General Obligation Bonds					9,321,139
Notes Payable and Capital Leases					
KY League of Cities	Crosswinds Fence and Golf Equipment	306,160	Variable	July 15, 2010	7,564
BB&T	John Deere tractor	27,800	3.98%	February 1, 2013	15,160
BB&T	Greens Roller lease	24,820		February 1, 2015	24,820
Total Notes Payable and Capital Leases					47,544
Other Long-Term Liabilities					
Compensated Absences					46,089
Total long-term business-type liabilities					$ 9,414,772

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010	Amounts Due In One Year
Governmental Activities:					
General obligation and revenue bonds	$ 132,313,283	$ -	$ (3,626,621)	$ 128,686,662	$ 5,453,588
Notes and lease purchase agreements	4,510,477	-	(1,268,892)	3,241,585	638,289
Adjustments for deferred amounts:					
Discount on bonds payable	(162,173)	-	12,151	(150,022)	-
Premium on bonds payable	909,609	-	(38,945)	870,664	-
Loss on refunding	(852,463)	-	77,496	(774,967)	-
Total bonds, notes, leases payable	136,718,733	-	(4,844,811)	131,873,922	6,091,877
Compensated absences	1,436,952	842,728	(834,531)	1,445,149	834,531
Landfill postclosure care	1,043,112	302,889	-	1,346,001	52,091
Total governmental activities	139,198,797	1,145,617	(5,679,342)	134,665,072	6,978,499
Business Type Activities					
General obligation and revenue bonds	11,288,624	-	(1,215,049)	10,073,575	908,220
Notes and lease purchase agreements	60,698	24,820	(37,974)	47,544	16,116
Compensated absences	44,839	36,154	(34,904)	46,089	34,904
Less: unamortized bond discount and deferred amount from refunding	(839,215)	-	86,779	(752,436)	-
Total business-type activities	10,554,946	60,974	(1,201,148)	9,414,772	959,240
Total governmental and business-type activities	$ 149,753,743	$ 1,206,591	$ (6,880,490)	$ 144,079,844	$ 7,937,739

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010	Amounts Due In One Year
Component Units					
Bowling Green Municipal Utilities					
Water-Sewer Division					
Notes payable	$ 25,224,299	$ 9,023,961	$ (1,491,038)	$ 32,757,222	$ 1,539,274
Electric Division					
Revenue bonds	11,250,000	-	(955,000)	10,295,000	985,000
General Services Division					
Notes payable	5,000,000	-	-	5,000,000	-
Less: unamortized bond discount	(252,759)	-	31,477	(221,282)	-
	$ 41,221,540	$ 9,023,961	$ (2,414,561)	$ 47,830,940	$ 2,524,274

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, $15,244 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 generally liquidated by the general fund.

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

	Governmental Activities				Business-Type Activities			
	General Obligation and Revenue Bonds		Notes and Lease Purchase Agreements		General Obligation and Revenue Bonds		Notes and Lease Purchase Agreements	
Fiscal Year	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2011	$ 5,849,827	$ 5,453,588	$ 118,509	$ 606,888	$ 351,437	$ 908,222	$ 1,423	$ 16,116
2012	5,642,006	5,816,273	100,002	320,775	325,097	909,640	1,000	10,715
2013	5,415,237	6,096,982	87,993	326,064	295,498	1,009,960	608	10,234
2014	5,173,901	6,411,264	75,850	331,316	263,243	1,010,280	389	5,141
2015	4,908,664	6,757,141	63,502	265,830	226,851	1,115,200	198	5,338
2016-2020	19,751,458	37,508,537	169,585	927,075	488,812	4,922,928	-	-
2021-2025	10,786,226	34,862,877	56,943	379,395	24,156	197,345	-	-
2026-2030	4,541,791	12,735,000	3,025	84,242	-	-	-	-
2031-2035	2,192,724	8,660,000	-	-	-	-	-	-
2036-2038	445,750	4,385,000	-	-	-	-	-	-
	$ 64,707,584	$ 128,686,662	$ 675,409	$ 3,241,585	$ 1,975,094	$ 10,073,575	$ 3,618	$ 47,544

Component Units

Principal requirements for component units' debt are as follows:

Summary of Principal Requirements

Fiscal Year	Bowling Green Municipal Utilities Water-Sewer Division	Bowling Green Municipal Utilities General Services Division	Bowling Green Municipal Utilities Electric Division	Total
2011	$ 1,539,274	$ -	$ 985,000	$ 2,524,274
2012	13,988,096	5,000,000	1,010,000	19,998,096
2013	1,649,004	-	1,040,000	2,689,004
2014	1,109,428		260,000	1,369,428
2015	1,047,257		265,000	1,312,257
2016-2020	5,750,670	-	1,335,000	7,085,670
2021-2025	6,200,961	-	1,325,000	7,525,961
2026-2030	1,472,532	-	1,625,000	3,097,532
2031-2035	-	-	2,000,000	2,000,000
2036-2039	-	-	450,000	450,000
Total	$ 32,757,222	$ 5,000,000	$ 10,295,000	$ 48,052,222

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

General Obligation and Revenue Bonds - The City 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. $6,430,000 general obligation bonds, Series 2002A, issued to advance refund the Series 1994 lease revenue bonds and for the acquisition of land for the City police headquarters expansion.

2. $30,115,000 general obligation and special revenue bonds, Series 2002B, issued to assist in the financing of the renovation, improvement and equipping of certain Western Kentucky University (WKU) athletic and parking facilities subject to a Memorandum of Agreement between the City and WKU (see Memorandum of Agreement below). This bond is secured by the full faith, credit and taxing power of the City and WKU student athletic fees.

3. $1,800,000 general obligation and special revenue bonds, Series 2002C, issued to provide funds to assist in the financing of the renovation, improvement and equipping of certain WKU athletic and parking facilities subject to a Memorandum of Agreement between the City and WKU (see Memorandum of Agreement below).

4. $8,585,000 general obligation bonds, Series 2003, serviced by the Convention Center Enterprise Fund and issued to advance refund $7,860,000 of outstanding Series 1993 Tourism and Economic Development, Inc. mortgage revenue bonds issued to finance the purchase of real estate for a convention center and trade show facility and for Crosswinds municipal golf course pro shop facilities.

5. $165,954, which is 45.71% of the 2003 Warren County Water District bond, issued for the John Jones area water and sewer construction by the Warren County Water District. The City entered into a pledge agreement to assist the Water District in repaying this indebtedness.

6. $13,375,000 general obligation bonds, Series 2004A, portion of proceeds (94.4%) used to provide funds for the demolition and reconstruction of the Parks Community Center, renovation and expansion of the Police Department headquarters, property acquisition for a relocated Public Works operations facility, improvements to parks and cemetery facilities, and various road improvements.

   The remainder of the proceeds (5.6%) serviced by the Golf Enterprise Fund and used for the construction of the Hobson Grove golf course pro shop and maintenance facility.

7. $2,025,000 general obligation bonds, Series 2004B, issued to finance the City's cost of acquisition and clearing of real properties in the Historic Bowling Green Revitalization Project Target area.

8. $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.

9. $27,415,000 general obligation bonds, Series 2007 B & C, issued for the purpose of refinancing the existing mortgage-backed bond issues that were used for acquisition and construction of the Kentucky Transpark. Series B is comprised of $20,615,000 tax-exempt bonds, and Series C is comprised of $6,800,000 taxable bonds.

10. $24,835,000 general obligation bonds, Series 2008A, issued for the purpose of constructing a baseball park and related infrastructure for the Bowling Green Hot Rods, a single A baseball team.

11. $6,585,000 general obligation bonds, Series 2008B, issued for the purpose of constructing the Greenwood Fire Station and the expansions and renovations of the Headquarters and Airport fire stations.

12. $15,740,000 general obligation bonds, Series 2009, issued for the purpose of refinancing the 1995 Bowling Green Municipal Projects Corporation Lease Revenue Bonds, the 1998 City of Bowling Green General Obligation Bonds, Series A and the 2000 City of Bowling Green General Obligation bonds.

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 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.

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, and $1,800,000 General Obligation and Special Revenue Bonds, Series 2002C for the WKU Project:

Year Ending June 30,	Principal 2002B	Principal 2002C	Interest 2002B	Interest 2002C	Total
2011	$ 755,000	$ 40,000	$ 1,370,075	$ 108,950	$ 2,274,025
2012	940,000	50,000	1,339,875	106,600	2,436,475
2013	1,055,000	55,000	1,299,925	103,662	2,513,587
2014	1,175,000	65,000	1,255,088	100,432	2,595,520
2015	1,305,000	75,000	1,205,150	96,612	2,681,762
2016-2020	8,820,000	515,000	5,021,938	406,554	14,763,492
2021-2025	11,940,000	750,000	2,499,250	208,648	15,397,898
2026	2,715,000	180,000	135,750	11,700	3,042,450
	$ 28,705,000	$ 1,730,000	$ 14,127,051	$ 1,143,158	$ 45,705,209

As of June 30, 2010 the City has recorded a receivable from WKU and deferred revenue of $30,435,000 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 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 bond 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 to be used for purposes of debt service on the project. The State also pledged 80% of incremental revenues within the district under the condition that the project reached $200 million in eligible projects, which was later amended to $150 million by the State General Assembly in June 2009.

During FY09, the City issued $25 million in general obligation bonds to fund the construction of a ballpark for a single A 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 (SPE) which will provide new market tax credits in return for additional borrowings to fund other TIF construction. At the end of the bond term (30 years) the city will receive title to the ballpark. The City is entitled to the net revenue generated from the ballpark, and has recorded the construction costs of the ballpark as a contribution in the TIF District Special Revenue Fund.

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, 2010, $21,894,219 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, 2010, the cash and investments available totaled $1,429,402.

In fiscal year 2005, the Environmental and Public Protection Cabinet 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.). Until the full impact of KRS 224.43-505 is felt, it is prudent to assume annual outlays at all three Bowling Green landfill sites will continue, to some extent, in perpetuity. Under current assumptions and projections the Landfill Closure Special Revenue Fund is sufficiently capitalized through 2025, 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, 2010 is $1,346,001. The actual cost may differ due to inflation, changes in technology or applicable laws and regulations, the extent of any damage to landfill caps caused by weather and erosion, the magnitude of site improvements or corrections required by state inspectors to achieve closure, or other unforeseeable circumstances (e.g. acts of nature).

Glen Lily Road Landfill

The City's Glen Lily Road landfill was closed in 1981. On March 30, 1990, the City and Commonwealth of Kentucky Natural Resources and Environmental Protection Cabinet (the Cabinet) entered into an agreed order stipulating remedial measures to be taken by the City. To finance the Glen Lily Road landfill closure and post-closure costs, the City issued $2,950,000 Bowling Green Municipal Project Corporation Lease Revenue Bonds, Series 1991, dated April 1, 1991. Landfill closure cap construction is complete and the City performs annual monitoring, testing and reporting.

The City has submitted a closure application for Glen Lily which has not been approved to date, owing to the EPPC 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.

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. Neither system was required by residential landfill standards. However, the systems were added to reduce the likelihood of discharge of unacceptable leachate in the future. Construction of the landfill cap was completed in fiscal year 1995. 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. Consequently, 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.

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 EPPC 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 has not acted on the application. Consequently, 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 period will follow the date upon which the state should grant closure if the closure application is processed in accordance with precedent.

G. Net Assets

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

Invested in Capital Assets (net of related debt) is intended to reflect the portion of net assets 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 $60,000 for each health insurance claim. The City purchases commercial insurance for claims in excess of coverage provided.

Beginning in July 1996, the City established the Workers Compensation Fund (WCF) (an internal service fund) to account for and finance its participation in the Kentucky League of Cities Workers' Compensation Trust (The "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for Kentucky cities, municipal boards, agencies and authorities. The City pays an annual premium to the Trust for its workers' compensation, general liability and auto insurance coverages. The Trust Participation Agreement provides that the Trust will be self-sustaining through member premiums. The Trust reinsures through commercial companies at various limits, depending on the type of coverage. The WCF provides coverage of up to $100,000 for each worker's compensation occurrence.

The City carries all-lines of insurance coverage through the Kentucky League of Cities for other risks of loss, including property loss, public officials and law enforcement liability. The City also carries commercial insurance for special risks coverage. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

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. Claim liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported based on historical experience.

Changes in the balances of claims liabilities during fiscal years 2010 and 2009 were as follows:

	Health Care	Workers Compensation
Liability at June 30, 2008	$ 444,655	$ 142,117
Claims and changes in estimates - FY 2009	3,560,062	106,801
Claims paid FY 2009	(3,906,283)	(115,117)
Liability at June 30, 2009	98,434	133,801
Claims and changes in estimates FY 2010	3,434,413	41,357
Claims paid FY 2010	(3,425,741)	(54,730)
Liability at June 30, 2010	$ 107,106	$ 120,428

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, 2010 of $3,941,447. In addition, the Utility has installed various lighting systems for the Parks and Recreation Department, with a total unamortized investment of $92,504. 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 $443,735 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 were in effect in prior years.

C. Construction Commitments - The City has active construction projects as of June 30, 2010. At year end, the City had the following commitments on construction contracts:

Project	Remaining Commitment
Old Morgantown Road Rehabilitation	$ 3,063,569
Greenwood Lane Realignment	170,281
State Street Drainage Improvements	139,372
Hobson Grove Greenways Connector	102,100
Sidewalk Improvement Program	97,671

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, 2010 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.

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 the 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, 2010, there were four series of industrial revenue bonds and six series of special assessment bonds outstanding with an aggregate principal balance of $81,550,000 and $1,575,000, respectively.

G. Lease Commitments - The Golf Enterprise Fund leases approximately 53 acres of real estate from the Bowling Green-Warren County Airport Board. This lease provides for future minimum lease payments as of June 30, 2010 as follows:

2011	$	6,100
2012		6,100
2013		6,100
		$18,300

In addition, the Golf Enterprise Fund leases the Crosswinds municipal golf course pro shop facility from The Convention Center Corporation, a component unit. The buildings, furnishings and equipment elements of this lease are classified as capital leases and included in the long-term debt footnote. The land element of this lease is classified as an operating lease. Rental payments are based on 7.62% of the total annual debt service of Mortgage Revenue Bonds, Series 1993. Rental payments attributed to the golf pro shop facility is based upon the facility's original cost ($660,000) as a percentage of total project costs financed by Bonds ($8,660,000). The following is a schedule by years of minimum future rentals of the land element of the golf pro shop facility lease as of June 30, 2010:

Year Ending June 30,		
2011	$	30,114
2012		29,121
2013		31,801
2014		30,597
2015		33,071
Thereafter		124,041
Total	$	278,745

H. Southern Kentucky Performing Arts Center, Inc. (SKyPAC) Agreement – The City entered into a property acquisition agreement with SKyPAC whereby the City has purchased various properties for future conveyance to SKyPAC in exchange for SKyPAC committing to construct a performing arts center on the site. In return, SKyPAC has given the City $1 million for land acquisition with the City responsible for all remaining costs of acquisition and demolition of existing structures. In the government-wide financial statements, the City has recorded both an asset and deferred revenue related to the agreement. As of June 30, 2010, the City maintained the title to the land purchased under the agreement.

I. Subsequent Event – During November 2010 the City issued general obligation bonds to refinance the existing WKU bonds. The refinancing allowed the City to take advantage of lower interest rates and resulted in debt service cost savings of $2,342,000 and a net present value benefit of $1,815,457.

NOTE 6. THE SINGLE AUDIT ACT

The U.S. Office of Management and Budget's Circular No. A-133 for *Audits of States, Local Governments and Non-Profit Organizations* requires non-federal entities that expend $500,000 or more a year in federal awards to have an audit performed in accordance with the provisions of the Circular. A separate supplemental report will be issued on active grant programs of the City of Bowling Green in accordance with applicable provisions of the Single Audit Act of 1984, P.L. 98-502 and the Single Audit Act Amendments of 1996, P.L. 104-156.

NOTE 7. DEFINED BENEFIT PENSION PLANS

The Policemen and Firemen's Retirement Fund (PFRF)

A. Plan Descriptions

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 for the PFRF. That report may be obtained from the City's Chief Financial Officer, City Hall, Bowling Green, Kentucky.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The preparation of the financial statements of the Policemen's and Firefighters' Retirement Fund and the City Employees' Pension Fund conform to the provisions of GASB Statement No. 25. The financial statements are prepared on an accrual basis. City contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan.

Investments - Investments are stated at fair value**.** Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Funding Policy and Annual Pension Cost - The contribution requirements of plan members and the City are established and may be amended by the Board of Trustees. Covered employees were required by statute to contribute eight percent of their annual covered salary. As there are no longer any active members, members made no contributions for the year ended June 30, 2010.

The 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. Administrative costs of the PFRF are financed through investment earnings. The City is not required to make an annual contribution. For 2009-2010 the City made a contribution of $410,000, which included a 3% cost of living increase and payment towards the unfunded liability. For fiscal year 2010-2011 the City approved a cost of living increase of 2.7% effective August 1, 2010. For fiscal years subsequent to 2009-2010, the City expects to approve an annual cost of living increase which closely resembles the Consumer Price Index.

C. Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/(c)
Assumes no Future Cost of Living Increase						
1/1/2010	7,425,235	9,419,690	1,994,455	78.83%	N/A	N/A
Assumes Future Cost-of-Living Increase of 3% per Year						
1/1/2010	7,425,235	11,877,751	4,452,516	62.51%	N/A	N/A
Assumes Future Cost-of-Living Increase of 5% per Year						
1/1/2010	7,425,235	14,144,317	6,719,082	52.50%	N/A	N/A

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Information as of the latest actuarial valuation is presented in the following table:

Valuation date	January 1, 2010
Actuarial cost method	Entry Age Normal
Amortization method	N/A - no method has been adopted. Due to this being a closed plan, the City has adopted the minimum statutory requirements
Amortization period	N/A - no period has been adopted. Due to this being a closed plan, the City has adopted the minimum statutory requirements
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases	N/A - closed plan
Inflation rate	None
Cost of living adjustment	0%, or 3%, or 5.0%
Total minimum City cost	$173,886 (at 0%), $388,191 (at 3%) or $585,800 (at 5%) over 20 years

D. The County Employees' Retirement System

Plan Description - The City, as well as employees for Bowling Green Municipal Utilities Electric, Water-Sewer, and General Services Divisions, and Bowling Green Public Library, are participants in the Commonwealth of Kentucky's County Employees' Retirement System (CERS). CERS is a cost-sharing multi-employer public employee retirement system. Funding for the Plan is provided through payroll withholdings (5% for non-hazardous and 8% for hazardous) and participating employers are required to contribute at an actuarially determined rate. Any employee entering the program after September 1, 2008 is required to contribute an additional 1%. The rates for the year ended June 30, 2010 were 16.16% for non-hazardous and 32.97% for hazardous employees of the employee's total compensation subject to contribution.

The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601.

The contribution requirements for CERS for the years ended June 30, 2010, 2009 and 2008 were $6,740,743, $6,131,371, and $6,583,998, respectively. These amounts consisted of $5,332,543, $4,702,430 and $5,198,653 from the City and $1,408,200, $1,428,941 and $1,385,345 from the employees, respectively.

Benefits under the plans will vary based on final compensation, years of service and other factors as fully described in the Plan documents.

The City also offers employees the option to participate in a Section 457 Deferred Compensation plan or in the Kentucky Public Employees 401(k) Deferred Compensation Plan.

E. Deferred Compensation Plan

On December 5, 1995, the City Commission adopted Municipal Order No. 95-268 extending participation in ICMA Retirement Corporation's Section 457 deferred compensation plan to all eligible City employees as a voluntary retirement supplement. 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 both a 457 option and a 457 Roth 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 plan are up to $16,500 per year for regular contributions and $5,500 for catch-up contributions. The limits for the Roth plan are up to $5,000 per year for regular contributions and $1,000 for catch-up contributions. During the fiscal year ended June 30, 2010, employee contributions for both plans totaled $225,109.

On December 5, 1995, the City Commission also adopted Municipal Order 95-269 authorizing participation in the Kentucky Public Employees 401(k) Deferred Compensation Plan. During the year ended June 30, 2010, the City also began offering a Roth 401(k) option. 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. Participating employees can defer a maximum of $16,500 for regular contributions and $5,500 for catch-up contributions for the 401(k) and $5,000 for regular contributions and $1,000 dollars for the Roth. Benefits are available upon termination of employment, retirement, death or for hardship withdrawal. Employee contributions for both plans totaled $325,618 for the fiscal year ended June 30, 2010.

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

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property taxes				
Real estate	$ 7,198,000	$ 7,198,000	$ 7,016,468	$ (181,532)
Personal property	1,505,000	1,505,000	1,641,784	136,784
Insurance premium	1,485,000	1,485,000	1,368,592	(116,408)
Motor vehicle and boat	707,000	707,000	707,981	981
Payment in lieu of taxes	202,000	202,000	198,937	(3,063)
Franchise	1,126,000	1,126,000	1,145,249	19,249
Penalites and Interest	75,000	75,000	71,319	(3,681)
Total taxes	12,298,000	12,298,000	12,150,330	(147,670)
Licenses and permits				
Occupational:				
Employees' withholding	27,209,000	27,239,000	28,081,202	842,202
Net profits	5,401,000	5,401,000	5,512,353	111,353
Other fees	255,000	255,000	255,285	285
Special licenses	190,000	190,000	208,875	18,875
Permits	485,000	485,000	700,577	215,577
Total licenses and permits	33,540,000	33,570,000	34,758,292	1,188,292
Intergovernmental				
Federal grants	1,542,000	2,103,941	1,484,217	(619,724)
State grants	-	29,500	26,281	(3,219)
Local grants	74,000	74,000	54,940	(19,060)
Total intergovernment	1,616,000	2,207,441	1,565,438	(642,003)
Charges for services				
School tax collection fees	155,000	155,000	168,154	13,154
Other general government fees	9,500	9,500	3,926	(5,574)
Public safety fees	34,000	34,000	41,310	7,310
Cemetery lot sales	101,500	101,500	94,368	(7,132)
Cemetery fees	144,500	144,500	120,285	(24,215)
Other	42,000	42,000	110,927	68,927
Total charges for services	486,500	486,500	538,970	52,470
Parks and recreation	360,500	377,630	410,111	32,481
Miscellaneous				
Interest income	350,000	350,000	222,662	(127,338)
ABC and parking violations fees	16,000	16,000	20,103	4,103
Contributions and donations	51,000	103,687	61,881	(41,806)
Judgements and settlements	26,500	35,118	33,346	(1,772)
Other	48,000	49,665	45,023	(4,642)
Total miscellaneous	491,500	554,470	383,015	(171,455)
Total revenues	$ 48,792,500	$ 49,494,041	$ 49,806,156	$ 312,115

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE - CONTINUED

GENERAL FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
EXPENDITURES				
General government				
Legislative	$ 169,140	$ 164,435	159,551	$ 4,884
Executive	668,641	677,597	647,443	30,154
Citizens information assistance	514,029	413,823	382,886	30,937
Finance	1,292,464	1,245,921	1,233,356	12,565
Human resources	1,775,409	1,604,035	1,545,043	58,992
Law	276,480	319,097	244,923	74,174
Information technology	1,267,378	1,421,647	1,319,326	102,321
Administrative services	853,752	843,416	833,915	9,501
Total general government	6,817,293	6,689,971	6,366,443	323,528
Public safety				
Police	11,643,180	11,617,487	11,446,469	171,018
Fire	10,112,815	11,376,148	11,362,077	14,071
Total public safety	21,755,995	22,993,635	22,808,546	185,089
Public works				
Public works administration	1,518,913	1,736,919	1,279,772	457,147
Highway and streets	2,121,746	2,152,267	2,067,501	84,766
Building and plant	1,885,360	1,770,452	1,722,584	47,868
Transportation	1,557,653	1,919,263	1,450,126	469,137
Total public works	7,083,672	7,578,901	6,519,983	1,058,918
Parks and recreation				
Parks	1,685,464	1,647,036	1,602,955	44,081
Recreation	593,108	640,336	604,334	36,002
Athletics	654,218	664,783	584,854	79,929
Community centers	925,973	890,676	853,174	37,502
Other parks	1,422,252	1,398,449	1,337,605	60,844
Total parks and recreation	5,281,015	5,241,280	4,982,922	258,358
Housing and community development	1,533,325	1,463,833	1,331,076	132,757
Community services				
Community services	593,175	611,503	600,760	10,743
Intergovernmental	383,260	247,571	150,518	97,053
Total community services	976,435	859,074	751,278	107,796
Total Expenditures	43,447,735	44,826,694	42,760,248	2,066,446
Excess of revenues over expenditures	5,344,765	4,667,347	7,045,908	2,378,561
Other financing sources (uses):				
Transfers in	250,000	612,915	610,015	(2,900)
Transfers out	(5,629,765)	(8,065,890)	(6,458,418)	1,607,472
Proceeds from sale of capital assets	35,000	35,000	44,483	9,483
Total other financing sources (uses)	(5,344,765)	(7,417,975)	(5,803,920)	1,614,055
Net change in fund balances	-	(2,750,628)	1,241,988	3,992,616
Fund balances, beginning	15,731,998	15,731,998	15,731,998	-
Fund balances, ending	$ 15,731,998	$ 12,981,370	$ 16,973,986	$ 3,992,616

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGET COMPARISON SCHEDULE

WKU ATHLETICS SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 2,124,500	$ 2,124,500	$ 2,124,387	$ (113)
Other financing sources (uses):				
Transfers out	(2,124,500)	(2,124,500)	(2,124,387)	113
Total other financing sources (uses)	(2,124,500)	(2,124,500)	(2,124,387)	113
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGET COMPARISON SCHEDULE

ITA BOND SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Rent Income	$ 1,215,000	$ 1,215,000	$ 976,868	$ (238,132)
Investment income	-	-	497,151	497,151
Contributions and donations	-	500,000	-	(500,000)
Total revenues	1,215,000	1,715,000	1,474,019	(240,981)
EXPENDITURES				
Debt Service:				
Principal	-	590,000	590,000	-
Interest	-	549,000	548,154	846
Total expenditures	-	1,139,000	1,138,154	846
Excess of revenues over expenditures	1,215,000	576,000	335,865	(240,135)
Other financing sources (uses):				
Transfers In	500,000	1,300,000	1,000,000	(300,000)
Transfers Out	(1,215,000)	(1,215,000)	(1,213,817)	1,183
Total other financing sources (uses)	(715,000)	85,000	(213,817)	(298,817)
Net change in fund balances	500,000	661,000	122,048	(538,952)
Fund balances, beginning	15,342,351	15,342,351	15,342,351	-
Fund balances, ending	$ 15,842,351	$ 16,003,351	$ 15,464,399	$ (538,952)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY ACCOUNTING AND CONTROL

FOR THE YEAR ENDED JUNE 30, 2010

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 a single Debt Service Fund covering all government debt service activities. A budget is not prepared for the City's permanent fund.

Legal Compliance - All agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the part year, current year estimates, and requested appropriations for the next fiscal year.

Before June 1st, the proposed budget is presented to the City Commission for review. The City Commission holds public hearings to obtain taxpayer comments. Prior to July 1st, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Commission.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

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 reported as reservations of fund balances in the governmental funds and 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. However, the following funds had purchase orders outstanding at June 30, 2010 as follows:

Convention Center	$ 29,869
Golf	3,070
Aquatics	458

CITY OF BOWLING GREEN, KENTUCKY

POLICE AND FIREMEN'S RETIREMENT FUND

For the Year Ended June 30, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/(c)
Assumes no Future Cost of Living Increase						
1/1/2010	$7,425,235	$ 9,419,690	$ 1,994,455	78.83%	N/A	N/A
1/1/2009	7,234,104	9,603,005	2,368,901	75.33%	N/A	N/A
1/1/2008	8,830,002	9,844,299	1,014,297	89.70%	N/A	N/A
7/1/2006	8,594,619	9,709,433	114,814	88.52%	N/A	N/A
Assumes Future Cost-of-Living Increase of 3% per Year						
1/1/2010	$7,425,235	$ 11,877,751	$ 4,452,516	62.51%	N/A	N/A
1/1/2009	7,234,104	12,188,342	4,954,238	59.35%	N/A	N/A
1/1/2008	8,830,002	12,560,821	3,730,819	70.30%	N/A	N/A
7/1/2006	8,594,619	12,578,314	3,983,695	68.33%	N/A	N/A
Assumes Future Cost-of-Living Increase of 5% per Year						
1/1/2010	$7,425,235	$ 14,144,317	$ 6,719,082	52.50%	N/A	N/A
1/1/2009	7,234,104	14,593,408	7,359,304	49.57%	N/A	N/A
1/1/2008	8,830,002	15,107,046	6,277,044	58.45%	N/A	N/A
7/1/2006	8,594,619	15,448,181	6,853,562	55.64%	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30	Annual Pension Cost	Amount Contributed
2000	$ 48,781	$ 48,781
2001	48,781	48,781
2002	88,514	88,514
2003	108,000	108,000
2004	108,000	108,000
2005	209,000	209,000
2006	209,000	209,000
2007	328,000	328,000
2008	328,000	328,000
2009	384,000	384,000
2010	410,000	410,000

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

For the Year Ended June 30, 2010

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 Fall of 2009.

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

The following pavement quality conditions have been defined:

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

Established Condition Level

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

Functional Classification	Minimum OCI
Local	67.0
Collector	69.0
Arterial	72.0

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

Assessed Conditions

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

Year	Percentage
2010	94%
2009	90%
2008	90%
2007	85%
2006	85%

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 during the past six fiscal years (in thousands):

Fiscal Year	Estimated Spending	Actual Spending
2010-2011	$811	$
2009-2010	$850	$810
2008-2009	$915	$915
2007-2008	$842	$835
2006-2007	$1,192	$842
2005-2006	$842	$842
2004-2005	$875	$920

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.

Sidewalks

The City utilizes a computerized sidewalk management system. Condition assessments are visually performed on all sidewalks segments, ratings are based on the presence of cracking, heaving, holes, settling and spalling. These assessments were conducted on the entire sidewalk network on a three year cycle. The most recent assessment was completed in the summer of 2009.

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:

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

Established Condition Level *(same as streets with new software)*

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

Currently, the sidewalk management system indicates that 95%, 96% and 95% of city maintained sidewalks had an OCI value greater than or equal to the minimum rating of 76.0 as of June 30, 2010, 2009, and 2008, respectively.

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 during the past five fiscal years (in thousands):

Fiscal Year	Estimated Spending	Actual Spending
2010-2011	$100	$
2009-2010	$100	$0
2008-2009	$100	$100
2007-2008	$100	$60
2006-2007	$100	$5
2005-2006	$100	$113

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

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 capital outlays of the fire department. Funding is provided by insurance premium taxes.

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 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 to reduce incentive payment obligations payable in annual installments not to exceed five years.

TIF District

This fund is used to account for the cost associated with the ballpark construction. Funding is provided by the 2008A General Obligation Bond issue. Tax Incremental Revenues will also be recorded in this fund and payment will be issued to the Warren County Downtown Development.

Parks Development Fund

This fund is used to account for expenditures of certain parks projects. Funding is provided by property tax receipts and occupational fees from the Hartland Development area.

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.

Trunking Operation 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.

Neighborhood Grant Fund

This fund is used to account for the Select Neighborhood Action Program (SNAP) Grants which are made available to neighborhood groups to finance improvement projects up to $5,000 each.

Technology Fund

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

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.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS 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.

Parks Community Center Fund
This fund is used to account for the costs associated with the renovation and expansion of the Parks Community Center on Third Avenue and the construction of the Kummer Little Recreation Center, which was completed in FY08. Financing for these projects has been included in the issuance of the City of Bowling Green, Kentucky General Obligation Bonds, Series 2004A as well as the recent issuance of City of Bowling Green General Obligation Bonds, Series 2007.

SKyPAC Development Fund
This fund is used to account for costs associated with the purchase of land for the development of the Southern Kentucky Performing Arts Center. Funding for this project has been provided by the General Fund, the SKyPAC organization, and bond proceeds from the City of Bowling Green General Obligation Bonds, Series 2007.

Downtown Revitalization Project
This fund is used to account for the costs associated with the construction of and purchase of land for the development of Circus Square Park in downtown Bowling Green. Financing for the project was provided through subsidies from the General Fund, the Community Development Block Grant Fund, and the issuance of City of Bowling Green General Obligation Bonds, Series 2007.

Riverfront Development Fund
This fund was previously utilized to account for the revenues and expenditures in the development of a riverfront park between College and State Streets 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 short-term financing of general government capital outlays for vehicles and equipment.

Road Construction Fund
This fund was previously used to account for costs associated with the purchase of land and construction of three road projects, Bale Boulevard, Turner Court and Houston Court. This fund currently tracks expenditures related to the Kawanishi Way extension project and the Cavemill/Smallhouse Road Intersection design project. Funding for the new projects has been made available through the redirection of bond money from the Shive Lane Development Fund, which was rescinded in June of 2008.

Downtown Signalization Fund
This fund tracks the expenditures associated with the Downtown Signalization project that will revitalize intersection signals. Funding has been provided from a General Fund subsidy, a Liquid Fuel Tax subsidy and from the City of Bowling Green General Obligation Bonds, Series 2007.

Broadway Curve Realignment Fund
This fund tracks the Broadway Curve realignment construction project. Funds have been provided from the General Fund and from the issuance of City of Bowling Green General Obligation Bonds, Series 2007.

Old Morgantown Road Rehab Fund
This fund is used to account for the costs of the rehabilitation of Old Morgantown Road. Funding has been made available through General Fund subsidies and funds from the General Obligation Bonds, Series 2007, redirected from the Shive Lane Development Project.

Heritage Trail Construction Fund
This fund is used to account for the revenue and expenditures associated with the construction of the Heritage Trail. The trail will ultimately run from Fountain Square Park to Riverfront Park. Funding has been provided by donations and subsidies from the General Fund and the Renaissance Alliance Fund.

Parks Improvement Fund
This fund is used to account for several capital projects for the parks department, including improvements at Kereiakes Park, relighting at Lampkin Park baseball fields, the construction of a Skate Park and improvements at Fairview Cemetery. Financing for these projects was included in the issuance City of Bowling Green General Obligation Bonds, Series 2007.

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 made available through subsidies from the General Fund and the Coal Mineral Tax Fund.

Greenwood Fire Station Construction Fund
This fund tracks the costs associated with the design and construction of the new Greenwood Fire Station. Funding has been provided through the City of Bowling Green, General Obligation Bond Issue, Series 2008B.

Headquarters Fire Station Renovation Fund
This fund tracks the professional services and construction costs associated with the renovation of the Headquarters Fire Station and the construction of an adjacent Administrative Building. Funding has been made available through the City of Bowling Green, General Obligation Bond Issue, Series 2008B.

Greenwood Lane Construction Fund
This fund is utilized to monitor costs associated with the design and construction of Greenwood Lane. Funding has been provided from the General Obligation Bond Issue, Series 2007, redirected to this project from the Shive Lane Development Fund in addition to a subsidy from the Job Development Improvement Fund and a credit from the Kentucky Transportation Cabinet.

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 the study and renovation of City buildings. Funding for this project has been made available from General Fund subsidies.

Airport Fire Station Renovation Fund
The Airport Fire Station Renovation Funds is utilized to monitor construction and professional service expenditures related to the renovation of the fire station. Funding has been provided through the 2008B General Obligation Bond Issue.

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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund - Cemetery Perpetual	Total Nonmajor Governmental Funds
ASSETS				
Pooled cash and cash equivalents	$ 6,177,835	$ 1,836,471	$ 37,307	$ 8,051,613
Non-pooled cash and cash equivalents	1,285,421	-	-	1,285,421
Investments	4,147,404	-	-	4,147,404
Receivables (net of allowances for uncollectibles):				
Accounts	18,270	-	-	18,270
Loans	457,119	-	-	457,119
Interest	4,144	-	-	4,144
Due from other governmental units	179,326	231,176	-	410,502
Restricted assets:				
Non-pooled cash and cash equivalents	-	4,608,459	641,818	5,250,277
Total assets	$ 12,269,519	$ 6,676,106	$ 679,125	$ 19,624,750
LIABILITIES AND FUND BALANCES				
Liabilities				
Vouchers and accounts payable	$ 505,687	$ 109,529	$ 501	$ 615,717
Accrued payroll	10,382	-	-	10,382
Deferred revenue	457,136	-	-	457,136
Total liabilities	973,205	109,529	501	1,083,235
Fund Balances				
Reserved for encumbrances	1,854,168	3,484,842	1,635	5,340,645
Reserved for perpetual care	-	-	641,818	641,818
Unreserved, undesignated	9,442,146	3,081,735	35,171	12,559,052
Total fund balances	11,296,314	6,566,577	678,624	18,541,515
Total liabilities and fund balances	$ 12,269,519	$ 6,676,106	$ 679,125	$ 19,624,750

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2010

	Community Development	Fire Improvement	Municipal Aid	Job Development	TIF District	Parks Development	Landfill Closure
ASSETS							
Pooled cash and cash equivalents	$ -	$ 29,977	$ 1,940,695	432,241	2,367,332	$ 458	$ 152,713
Non-pooled cash and cash equivalents	1,210,993	74,428	-	-	-	-	-
Investments	-	1,297,133	1,228,388	345,194	-	-	1,276,689
Receivables (net of allowances for uncollectibles)							
Accounts	18,270	-	-	-	-	-	-
Loans	457,119	-	-	-	-	-	-
Interest	-	4,144	-	-	-	-	-
Due from other governmental units	54,281	-	125,045	-	-	-	-
Total assets	$ 1,740,663	$ 1,405,682	$ 3,294,128	$ 777,435	$ 2,367,332	$ 458	$ 1,429,402
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	$ 32,358	$ 43,257	$ 423,796	$ -	$ -	$ 458	$ 5,018
Accrued payroll	7,173	-	3,209	-	-	-	-
Deferred revenue	457,124	-	12	-	-	-	-
Total liabilities	496,655	43,257	427,017	-	-	458	5,018
Fund Balances							
Reserved for encumbrances	726,125	474,914	620,473	-	-	-	11,500
Unreserved, undesignated	517,883	887,511	2,246,638	777,435	2,367,332	-	1,412,884
Total fund balances	1,244,008	1,362,425	2,867,111	777,435	2,367,332	-	1,424,384
Total liabilities and fund balances	$ 1,740,663	$ 1,405,682	$ 3,294,128	$ 777,435	$ 2,367,332	$ 458	$ 1,429,402

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2010

	Local Law Enforcement Block Grant	Trunking Operation	Neighborhood Grant	Technology	Police Improvement	Lampkin Park Trust	Total Nonmajor Special Revenue Funds
ASSETS							
Pooled cash and cash equivalents	$ 32,921	$ 77,536	$ 2,016	$ 676,441	$ 434,431	$ 31,074	$ 6,177,835
Non-pooled cash and cash equivalents	-	-	-	-	-	-	1,285,421
Investments	-	-	-	-	-	-	4,147,404
Receivables (net of allowances for uncollectibles)							
Accounts	-	-	-	-	-	-	18,270
Loans	-	-	-	-	-	-	457,119
Interest	-	-	-	-	-	-	4,144
Due from other governmental units	-	-	-	-	-	-	179,326
Total assets	$ 32,921	$ 77,536	$ 2,016	$ 676,441	$ 434,431	$ 31,074	$ 12,269,519
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	$ 800	$ -	$ -	$ -	$ -	$ -	$ 505,687
Accrued payroll	-	-	-	-	-	-	10,382
Deferred revenue	-	-	-	-	-	-	457,136
Total liabilities	800	-	-	-	-	-	973,205
Fund Balances							
Reserved for encumbrances	-	4,430	-	16,726	-	-	1,854,168
Unreserved, undesignated	32,121	73,106	2,016	659,715	434,431	31,074	9,442,146
Total fund balances	32,121	77,536	2,016	676,441	434,431	31,074	11,296,314
Total liabilities and fund balances	$ 32,921	$ 77,536	$ 2,016	$ 676,441	$ 434,431	$ 31,074	$ 12,269,519

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2010

	Parks Community Center	Skypac Development Fund	Downtown Revitalization Project	Riverfront Development	Equipment Replacement	Road Construction	Downtown Signalization Fund	Broadway Curve Realignment	Old Morgantown Road Rehab
ASSETS									
Pooled cash and cash equivalents	$ -	$ -	$ -	$ 107,399	$ 76,514	$ -	$ 1,800	$ -	$ 329,828
Due from other governmental units	-	-	-	231,176	-	-	-	-	-
Restricted assets:									
Non-pooled cash and cash equivalents	47,714	-	-	-	-	-	-	65,315	3,784,615
Total assets	$ 47,714	$ -	$ -	$ 338,575	$ 76,514	$ -	$ 1,800	$ 65,315	$ 4,114,443
LIABILITIES AND FUND BALANCES									
Liabilities									
Vouchers and accounts payable	$ -	$ -	$ -	$ 106,254	$ -	$ -	$ 1,468	$ -	$ -
Total liabilities	-	-	-	106,254	-	-	1,468	-	-
Fund Balances									
Reserved for encumbrances	1,145	-	-	119,101	-	-	-	-	3,063,569
Unreserved, undesignated	46,569	-	-	113,220	76,514	-	332	65,315	1,050,874
Total fund balances	47,714	-	-	232,321	76,514	-	332	65,315	4,114,443
Total liabilities and fund balances	$ 47,714	$ -	$ -	$ 338,575	$ 76,514	$ -	$ 1,800	$ 65,315	$ 4,114,443

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2010

	Heritage Trail Construction	Parks Improvements	Sidewalk Improvement	Greenwood Fire Station Construction	Headquarters Fire Expansion	Greenwood Lane Construction	Stormwater Infrastructure Improvement	Muncipal Faciltiies	Airport Fire Expansion	Total Nonmajor Capital Project Funds
ASSETS										
Pooled cash and cash equivalents	$ 138,368	$ -	$ 499,726	$ -	$ -	$ 266,376	$ 54,210	$ 362,250	$ -	$ 1,836,471
Due from other governmental units	-	-	-	-	-	-	-	-	-	231,176
Restricted assets:										
Non-pooled cash and cash equivalents	-	-	-	-	-	-	-	-	710,815	4,608,459
Total assets	$ 138,368	$ -	$ 499,726	$ -	$ -	$ 266,376	$ 54,210	$ 362,250	$ 710,815	$ 6,676,106
LIABILITIES AND FUND BALANCES										
Liabilities										
Vouchers and accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,807	$ 109,529
Total liabilities	-	-	-	-	-	-	-	-	1,807	109,529
Fund Balances										
Reserved for encumbrances	-	-	97,671	-	-	170,271	27,335	-	5,750	3,484,842
Unreserved, undesignated	138,368	-	402,055	-	-	96,105	26,875	362,250	703,258	3,081,735
Total fund balances	138,368	-	499,726	-	-	266,376	54,210	362,250	709,008	6,566,577
Total liabilities and fund balances	$ 138,368	$ -	$ 499,726	$ -	$ -	$ 266,376	$ 54,210	$ 362,250	$ 710,815	$ 6,676,106

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund - Cemetery Perpetual	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	$ 393,100	$ -	$ -	$ 393,100
Insurance premium taxes	1,772,006	-	-	1,772,006
Wages and net profits taxes	1,909,314	-	-	1,909,314
Judgements and settlements	14,900	-	-	14,900
Intergovernmental	7,855,633	911,960	-	8,767,593
Investment income	133,219	67,087	20,385	220,691
Charges for services	77,226	-	-	77,226
Contributions and donations	35,435	29,167	-	64,602
Miscellaneous	228,778	-	23,492	252,270
Total Revenues	12,419,611	1,008,214	43,877	13,471,702
EXPENDITURES				
Current:				
General government	387,401	-	-	387,401
Public safety	1,888,167	77,387	-	1,965,554
Public works	2,022,333	143,347	-	2,165,680
Parks and recreation	-	3,936	-	3,936
Housing and community development	4,493,257	17,741	-	4,510,998
Capital Outlay	561,866	5,010,433	103,380	5,675,679
Total Expenditures	9,353,024	5,252,844	103,380	14,709,248
Excess (deficiency) of revenues over (under) expenditures	3,066,587	(4,244,630)	(59,503)	(1,237,546)
Other financing sources (uses):				
Transfers in	1,815,126	391,907	-	2,207,033
Transfers out	(6,562,715)	(651,923)	-	(7,214,638)
Proceeds from sale of capital assets	21,900	-	-	21,900
Total other financing sources (uses)	(4,725,689)	(260,016)	-	(4,985,705)
Net change in fund balances	(1,659,102)	(4,504,646)	(59,503)	(6,223,251)
Fund balances, beginning	12,955,416	11,071,223	738,127	24,764,766
Fund balances, ending	$ 11,296,314	$ 6,566,577	$ 678,624	$ 18,541,515

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

For the Year Ended June 30, 2010

	Community Development	Fire Improvement	Municipal Aid	Job Development	TIF District	Parks Development	Landfill Closure	Local Law Enforcement Block Grant	Trunking Operation
REVENUES									
Property taxes	$ -	$ -	$ -	$ -	$ -	$ 393,100	$ -	$ -	$ -
Insurance premium taxes	-	1,772,006	-	-	-	-	-	-	-
Wages and net profits taxes	-	-	-	949,230	-	960,084	-	-	-
Judgments and settlements	-	14,900	-	-	-	-	-	-	-
Intergovernmental	3,898,312	-	3,540,989	-	-	-	-	391,332	25,000
Investment income	1,534	34,222	19,737	12,884	26,451	-	32,502	-	100
Charges for services	-	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-	4,350
Miscellaneous	158,284	-	8,434	-	-	-	-	-	-
Total Revenues	4,058,130	1,821,128	3,569,160	962,114	26,451	1,353,184	32,502	391,332	29,450
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	415,965	1,242,620	-	-	-	-	214,867	-
Public works	-	-	1,905,079	-	-	-	66,539	-	50,715
Housing and community development	3,599,711	-	-	-	893,546	-	-	-	-
Capital outlay	56,289	102,718	184,640	34,842	-	-	-	146,760	-
Total Expenditures	3,656,000	518,683	3,332,339	34,842	893,546	-	66,539	361,627	50,715
Excess (deficiency) of revenues over (under) expenditures	402,130	1,302,445	236,821	927,272	(867,095)	1,353,184	(34,037)	29,705	(21,265)
Other financing sources (uses):									
Transfers in	2,250	-	66,740	300,000	1,291,361	-	-	-	25,000
Transfers out	-	(1,589,792)	(50,000)	(1,952,547)	(1,610,538)	(1,356,038)	-	-	-
Proceeds from sale of capital assets	-	7,900	-	-	-	-	-	-	-
Total other financing sources (uses)	2,250	(1,581,892)	16,740	(1,652,547)	(319,177)	(1,356,038)	-	-	25,000
Net change in fund balances	404,380	(279,447)	253,561	(725,275)	(1,186,272)	(2,854)	(34,037)	29,705	3,735
Fund balances, beginning	839,628	1,641,872	2,613,550	1,502,710	3,553,604	2,854	1,458,421	2,416	73,801
Fund balances, ending	$ 1,244,008	$ 1,362,425	$ 2,867,111	$ 777,435	$ 2,367,332	$ -	$ 1,424,384	$ 32,121	$ 77,536

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

For the Year Ended June 30, 2010

	Neighborhood Grant	Technology	Police Improvement	Lampkin Park	Total Special Revenue Funds
REVENUES					
Property taxes	$ -	$ -	$ -	$ -	$ 393,100
Insurance premium taxes	-	-	-	-	1,772,006
Wages and net profits taxes	-	-	-	-	1,909,314
Judgments and settlements	-	-	-	-	14,900
Intergovernmental	-	-	-	-	7,855,633
Investment income	-	-	554	5,235	133,219
Charges for services	-	-	77,226	-	77,226
Contributions and donations	-	-	31,085	-	35,435
Miscellaneous	-	-	62,060	-	228,778
Total Revenues	-	-	170,925	5,235	12,419,611
EXPENDITURES					
Current:					
General government	29,325	358,076	-	-	387,401
Public safety	-	-	14,715	-	1,888,167
Public works	-	-	-	-	2,022,333
Housing and community development	-	-	-	-	4,493,257
Capital outlay	-	30,617	6,000	-	561,866
Total Expenditures	29,325	388,693	20,715	-	9,353,024
Excess (deficiency) of revenues over (under) expenditures	(29,325)	(388,693)	150,210	5,235	3,066,587
Other financing sources (uses):					
Transfers in	25,000	104,775	-	-	1,815,126
Transfers out	-	-	(3,800)	-	(6,562,715)
Proceeds from sale of capital assets	-	-	14,000	-	21,900
Total other financing sources (uses)	25,000	104,775	10,200	-	(4,725,689)
Net change in fund balances	(4,325)	(283,918)	160,410	5,235	(1,659,102)
Fund balances, beginning	6,341	960,359	274,021	25,839	12,955,416
Fund balances, ending	$ 2,016	$ 676,441	$ 434,431	$ 31,074	$ 11,296,314

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

For the Year Ended June 30, 2010

	Parks Community Center	SkyPAC Development Fund	Downtown Revitalization Project	Riverfront Development	Equipment Replacement	Road Contruction	Downtown Signalization Fund	Broadway Curve Realignment	Old Morgntown Rd Rehab
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ 346,960	$ -	$ -	$ -	$ -	$ -
Investment income	-	-	-	-	-	-	-	-	12,004
Contributions and donations	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	346,960	-	-	-	-	12,004
EXPENDITURES									
Current:									
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Parks and recreation	3,936	-	-	-	-	-	-	-	-
Housing and community development	-	-	-	17,741	-	-	-	-	-
Capital outlay	5,705	224,184	-	344,521	152,144	-	26,868	42,303	208,078
Total Expenditures	9,641	224,184	-	362,262	152,144	-	26,868	42,303	208,078
Excess (deficiency) of revenues over (under) expenditures	(9,641)	(224,184)	-	(15,302)	(152,144)	-	(26,868)	(42,303)	(196,074)
Other financing sources (uses):									
Transfers in	-	87,958	-	-	-	-	-	-	113,000
Transfers out	-	-	(5)	(80,000)	-	(113,002)	(16,000)	(71,957)	(170,000)
Total other financing sources (uses)	-	87,958	(5)	(80,000)	-	(113,002)	(16,000)	(71,957)	(57,000)
Net change in fund balances	(9,641)	(136,226)	(5)	(95,302)	(152,144)	(113,002)	(42,868)	(114,260)	(253,074)
Fund balances, beginning	57,355	136,226	5	327,623	228,658	113,002	43,200	179,575	4,367,517
Fund balances, ending	$ 47,714	$ -	$ -	$ 232,321	$ 76,514	$ -	$ 332	$ 65,315	$ 4,114,443

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

For the Year Ended June 30, 2010

	Heritage Trail Construction	Parks Improvements	Sidewalk Improvement	Greenwood Fire Station Construction	Fire Headquarters Expansion	Greenwood Lane Construction	Stormwater Infrastructure Improvement	Municipal Facilities	Airport Fire Expansion	Nonmajor Capital Project Funds
REVENUES										
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 565,000	$ -	$ -	$ -	$ 911,960
Investment income	-	-	-	-	46,109	-	-	-	8,974	67,087
Contributions and donations	29,167	-	-	-	-	-	-	-	-	29,167
Total Revenues	29,167	-	-	-	46,109	565,000	-	-	8,974	1,008,214
EXPENDITURES										
Current:										
Public safety	-	-	-	-	77,387	-	-	-	-	77,387
Public works	-	-	140,072	-	-	-	3,275	-	-	143,347
Parks and recreation	-	-	-	-	-	-	-	-	-	3,936
Housing and community development	-	-	-	-	-	-	-	-	-	17,741
Capital outlay	-	-	848,677	-	2,019,070	1,049,937	-	-	88,946	5,010,433
Total Expenditures	-	-	988,749	-	2,096,457	1,049,937	3,275	-	88,946	5,252,844
Excess (deficiency) of revenues over (under) expenditures	29,167	-	(988,749)	-	(2,050,348)	(484,937)	(3,275)	-	(79,972)	(4,244,630)
Other financing sources (uses):										
Transfers in	-	-	-	-	64,969	-	-	-	125,980	391,907
Transfers out	-	(10,010)	-	(64,969)	(125,980)	-	-	-	-	(651,923)
Total other financing sources (uses)	-	(10,010)	-	(64,969)	(61,011)	-	-	-	125,980	(260,016)
Net change in fund balances	29,167	(10,010)	(988,749)	(64,969)	(2,111,359)	(484,937)	(3,275)	-	46,008	(4,504,646)
Fund balances, beginning	109,201	10,010	1,488,475	64,969	2,111,359	751,313	57,485	362,250	663,000	11,071,223
Fund balances, ending	$ 138,368	$ -	$ 499,726	$ -	$ -	$ 266,376	$ 54,210	$ 362,250	$ 709,008	$ 6,566,577

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 3,439,368	$ 5,335,959	$ 3,898,312	$ (1,437,647)
Investment income	4,390	4,390	1,534	(2,856)
Miscellaneous	132,340	132,340	158,284	25,944
Total revenues	3,576,098	5,472,689	4,058,130	(1,414,559)
EXPENDITURES				
Current:				
Housing and community development	3,498,056	5,407,570	3,599,711	1,807,859
Capital outlay	-	124,321	56,289	68,032
Total expenditures	3,498,056	5,531,891	3,656,000	1,875,891
Excess (deficiency) of revenues over (under) expenditures	78,042	(59,202)	402,130	461,332
Other financing sources (uses):				
Transfers in	-	2,250	2,250	-
Total other financing sources (uses)	-	2,250	2,250	-
Net change in fund balances	78,042	(56,952)	404,380	461,332
Fund balances, beginning	839,628	839,628	839,628	-
Fund balances, ending	$ 917,670	$ 782,676	$ 1,244,008	$ 461,332

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

FIRE IMPROVEMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Insurance premium taxes	$ 1,800,000	$ 1,800,000	$ 1,772,006	$ (27,994)
Judgments and settlements	14,000	14,000	14,900	900
Investment income	51,550	51,550	34,222	(17,328)
Total revenues	1,865,550	1,865,550	1,821,128	(44,422)
EXPENDITURES				
Current:				
Public safety	312,287	542,641	415,965	126,676
Capital outlay	1,500,500	1,525,102	102,718	1,422,384
Total expenditures	1,812,787	2,067,743	518,683	1,549,060
Excess (deficiency) of revenues over (under) expenditures	52,763	(202,193)	1,302,445	1,504,638
Other financing sources (uses):				
Transfers out	(1,328,100)	(1,586,600)	(1,589,792)	(3,192)
Proceeds from sale of capital assets	-	7,900	7,900	-
Total other financing sources (uses)	(1,328,100)	(1,578,700)	(1,581,892)	(3,192)
Net change in fund balances	(1,275,337)	(1,780,893)	(279,447)	1,501,446
Fund balances, beginning	1,641,872	1,641,872	1,641,872	-
Fund balances, ending	$ 366,535	$ (139,021)	$ 1,362,425	$ 1,501,446

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

MUNICIPAL AID SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 2,363,742	$ 3,508,395	$ 3,540,989	$ 32,594
Investment income	44,900	54,150	19,737	(34,413)
Miscellaneous	45,000	45,000	8,434	(36,566)
Total revenues	2,453,642	3,607,545	3,569,160	(38,385)
EXPENDITURES				
Current:				
Public safety	1,576,007	1,624,947	1,242,620	382,327
Public works	950,000	2,588,520	1,905,079	683,441
Capital outlay	15,000	363,060	184,640	178,420
Total expenditures	2,541,007	4,576,527	3,332,339	1,244,188
Excess (deficiency) of revenues over (under) expenditures	(87,365)	(968,982)	236,821	1,205,803
Other financing sources (uses):				
Transfers in	59,250	66,793	66,740	(53)
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	9,250	16,793	16,740	(53)
Net change in fund balances	(78,115)	(952,189)	253,561	1,205,750
Fund balances, beginning	2,613,550	2,613,550	2,613,550	-
Fund balances, ending	$ 2,535,435	$ 1,661,361	$ 2,867,111	$ 1,205,750

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

JOB DEVELOPMENT INCENTIVE SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Wages and net profits taxes	$ 1,195,000	$ 1,195,000	$ 949,230	$ (245,770)
Investment income	43,000	43,000	12,884	(30,116)
Total revenues	1,238,000	1,238,000	962,114	(275,886)
EXPENSES				
Capital outlay	-	34,842	34,842	-
Excess (deficiency) of revenues over (under) expenditures	1,238,000	1,203,158	927,272	(275,886)
Other financing sources (uses):				
Transfers in	-	500,000	300,000	(200,000)
Transfers out	(1,958,000)	(1,961,214)	(1,952,547)	8,667
Total other financing sources (uses)	(1,958,000)	(1,461,214)	(1,652,547)	(191,333)
Net change in fund balances	(720,000)	(258,056)	(725,275)	(467,219)
Fund balances, beginning	1,502,710	1,502,710	1,502,710	-
Fund balances, ending	$ 782,710	$ 1,244,654	$ 777,435	$ (467,219)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

TIF DISTRICT SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	$ -	$ -	$ 26,451	$ 26,451
Total revenues	-	-	26,451	26,451
EXPENDITURES				
Community services	20,000	898,685	893,546	5,139
Total expenditures	20,000	898,685	893,546	5,139
Excess (deficiency) of revenues over (under) expenditures	(20,000)	(898,685)	(867,095)	31,590
Other financing sources (uses):				
Transfers in	1,276,500	1,296,500	1,291,361	(5,139)
Transfers out	(1,611,000)	(2,379,150)	(1,610,538)	768,612
Total other financing sources (uses)	(334,500)	(1,082,650)	(319,177)	763,473
Net change in fund balances	(354,500)	(1,981,335)	(1,186,272)	795,063
Fund balances, beginning	3,553,604	3,553,604	3,553,604	-
Fund balances, ending	$ 3,199,104	$ 1,572,269	$ 2,367,332	$ 795,063

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

PARKS DEVELOPMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$ 393,100	$ 393,100	$ 393,100	$ -
Wages and net profits taxes	836,900	1,021,900	960,084	(61,816)
Total revenues	1,230,000	1,415,000	1,353,184	(61,816)
Other financing sources (uses):				
Transfers out	(1,230,000)	(1,415,000)	(1,356,038)	58,962
Total other financing sources (uses)	(1,230,000)	(1,415,000)	(1,356,038)	58,962
Net change in fund balances	-	-	(2,854)	(2,854)
Fund balances, beginning	2,854	2,854	2,854	-
Fund balances, ending	$ 2,854	$ 2,854	$ -	$ (2,854)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

LANDFILL CLOSURE SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest income	$ 27,000	$ 27,000	$ 32,502	$ 5,502
Total revenues	27,000	27,000	32,502	5,502
EXPENDITURES				
Current:				
Public works	123,159	123,159	66,539	56,620
Total expenditures	123,159	123,159	66,539	56,620
Net change in fund balances	(96,159)	(96,159)	(34,037)	62,122
Fund balances, beginning	1,458,421	1,458,421	1,458,421	-
Fund balances, ending	$ 1,362,262	$ 1,362,262	$ 1,424,384	$ 62,122

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

LOCAL LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ 391,332	$ 391,332	$ -
EXPENDITURES				
Current:				
Public safety	-	240,631	214,867	25,764
Capital Outlay	-	153,117	146,760	6,357
Total expenditures	-	393,748	361,627	32,121
Net change in fund balances	-	(2,416)	29,705	32,121
Fund balances, beginning	2,416	2,416	2,416	-
Fund balances, ending	$ 2,416	$ -	$ 32,121	$ 32,121

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

TRUNKING OPERATION SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 25,000	$ 25,000	$ 25,000	$ -
Investment Income	1,200	1,200	100	(1,100)
Contributions and donations	6,850	6,850	4,350	(2,500)
Total revenues	33,050	33,050	29,450	(3,600)
EXPENDITURES				
Current:				
Public works	56,850	88,227	50,715	37,512
Total expenditures	56,850	88,227	50,715	37,512
Excess (deficiency) of revenues over (under) expenditures	(23,800)	(55,177)	(21,265)	33,912
Other financing sources (uses):				
Transfers in	25,000	325,000	25,000	(300,000)
Total other financing sources (uses)	25,000	325,000	25,000	(300,000)
Net change in fund balances	1,200	269,823	3,735	(266,088)
Fund balances, beginning	73,801	73,801	73,801	-
Fund balances, ending	$ 75,001	$ 343,624	$ 77,536	$ (266,088)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

NEIGHBORHOOD GRANT SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
General government	$ 25,000	$ 31,187	$ 29,325	$ 1,862
Total expenditures	25,000	31,187	29,325	1,862
Deficiency of revenues under expenditures	(25,000)	(31,187)	(29,325)	1,862
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	25,000	-
Net change in fund balances	-	(6,187)	(4,325)	1,862
Fund balances, beginning	6,341	6,341	6,341	-
Fund balances, ending	$ 6,341	$ 154	$ 2,016	$ 1,862

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

TECHNOLOGY SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
General government	$ 69,275	$ 482,334	$ 358,076	$ 124,258
Capital outlay	25,000	189,275	30,617	158,658
Total Expenditures	94,275	671,609	388,693	282,916
Deficiency of revenues over expenditures	(94,275)	(671,609)	(388,693)	(282,916)
Other financing sources (uses):				
Transfers in	104,775	304,775	104,775	200,000
Total other financing sources (uses)	104,775	304,775	104,775	200,000
Net change in fund balances	10,500	(366,834)	(283,918)	(82,916)
Fund balances, beginning	960,359	960,359	960,359	-
Fund balances, ending	$ 970,859	$ 593,525	$ 676,441	$ (82,916)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

POLICE IMPROVEMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	$ 77,000	$ 77,000	$ 77,226	$ 226
Investment income	1,000	1,000	554	(446)
Contributions and donations	-	31,085	31,085	-
Miscellaneous	60,000	60,000	62,060	2,060
Total revenues	138,000	169,085	170,925	1,840
EXPENDITURES				
Public safety	-	15,000	14,715	285
Capital outlay	-	6,000	6,000	-
Total expenses	-	21,000	20,715	285
Excess of revenues over expenditures	138,000	148,085	150,210	2,125
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	14,000	14,000
Transfers in	-	-	-	-
Transfers out	-	(3,800)	(3,800)	-
Total other financing sources (uses)	-	(3,800)	10,200	14,000
Net change in fund balances	138,000	144,285	160,410	16,125
Fund balances, beginning	274,021	274,021	274,021	-
Fund balances, ending	$ 412,021	$ 418,306	$ 434,431	$ 16,125

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

LAMPKIN PARK TRUST

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment Income	$ 5,275	$ 5,275	$ 5,235	$ (40)
Total revenues	5,275	5,275	5,235	(40)
Net change in fund balances	5,275	5,275	5,235	(40)
Fund balances, beginning	25,839	25,839	25,839	-
Fund balances, ending	$ 31,114	$ 31,114	$ 31,074	$ (40)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

PARKS COMMUNITY CENTER CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
Parks and recreation	$ -	$ 44,091	$ 3,936	$ 40,155
Capital outlay	-	8,000	5,705	2,295
Total expenditures	-	52,091	9,641	42,450
Net change in fund balances	-	(52,091)	(9,641)	42,450
Fund balances, beginning	57,355	57,355	57,355	-
Fund balances, ending	$ 57,355	$ 5,265	$ 47,714	$ 42,450

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

SKYPAC DEVELOPMENT FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Capital outlay	$ -	$ 226,726	$ 224,184	$ 2,542
Deficiency of revenues under expenditures	-	(226,726)	(224,184)	2,542
Other financing sources (uses):				
Transfers in	-	90,500	87,958	(2,542)
Total other financing sources (uses)	-	90,500	87,958	(2,542)
Net change in fund balances	-	(136,226)	(136,226)	-
Fund balances, beginning	136,226	136,226	136,226	-
Fund balances, ending	$ 136,226	$ -	$ -	$ -

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

DOWNTOWN DEVELOPMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses):				
Transfers out	$ -	$ (5)	$ (5)	$ -
Total other financing sources (uses)	-	(5)	(5)	-
Net change in fund balances	-	(5)	(5)	-
Fund balances, beginning	5	5	5	-
Fund balances, ending	$ 5	$ -	$ -	$ -

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

RIVERFRONT DEVELOPMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ 859,534	$ 346,960	$ (512,574)
Contributions and donations	-	6,000	-	(6,000)
Total revenues	-	865,534	346,960	(518,574)
EXPENDITURES				
Current:				
Housing and community development	-	145,877	17,741	128,136
Capital outlay	-	864,397	344,521	519,876
Total expenditures	-	1,010,274	362,262	648,012
Deficiency of revenues under expenditures	-	(144,740)	(15,302)	129,438
Other financing sources (uses):				
Transfers out	-	(80,000)	(80,000)	-
Total other financing sources (uses)	-	(80,000)	(80,000)	-
Net change in fund balances	-	(224,740)	(95,302)	129,438
Fund balances, beginning	327,623	327,623	327,623	-
Fund balances, ending	$ 327,623	$ 102,883	$ 232,321	$ 129,438

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Capital outlay	$ 211,171	$ 211,171	$ 152,144	$ 59,027
Total expenditures	(211,171)	(211,171)	(152,144)	59,027
Other financing sources (uses):				
Transfers in	-	200,000	-	(200,000)
Total other financing sources (uses)	-	200,000	-	(200,000)
Net change in fund balances	(211,171)	(11,171)	(152,144)	(140,973)
Fund balances, beginning	228,658	228,658	228,658	-
Fund balances, ending	$ 17,487	$ 217,487	$ 76,514	$ (140,973)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

ROAD CONSTRUCTION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses):				
Transfers out	$ -	$ (113,002)	$ (113,002)	$ -
Total other financing sources (uses)	-	(113,002)	(113,002)	-
Net change in fund balances	-	(113,002)	(113,002)	-
Fund balances, beginning	113,002	113,002	113,002	-
Fund balances, ending	$ 113,002	$ -	$ -	$ -

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

DOWNTOWN SIGNALIZATION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Capital outlay	$ -	$ 27,200	$ 26,868	$ 332
Total expenditures	-	27,200	26,868	332
Other financing sources (uses):				
Transfers out	-	(16,000)	(16,000)	-
Total other financing sources (uses)	-	(16,000)	(16,000)	-
Net change in fund balances	-	(43,200)	(42,868)	332
Fund balances, beginning	43,200	43,200	43,200	-
Fund balances, ending	$ 43,200	$ -	$ 332	$ 332

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

BROADWAY CURVE REALIGNMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Capital outlay	$ -	$ 105,075	$ 42,303	$ 62,772
Total expenditures	-	105,075	42,303	62,772
Other financing sources (uses):				
Transfers out	-	(74,500)	(71,957)	2,543
Total other financing sources (uses)	-	(74,500)	(71,957)	2,543
Net change in fund balances	-	(179,575)	(114,260)	65,315
Fund balances, beginning	179,575	179,575	179,575	-
Fund balances, ending	$ 179,575	$ -	$ 65,315	$ 65,315

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

OLD MORGANTOWN RD REHAB CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest Income	$ -	$ -	$ 12,004	$ 12,004
EXPENDITURES				
Capital Outlay	-	4,310,517	208,078	4,102,439
Deficiency of revenues under expenditures	-	(4,310,517)	(196,074)	4,114,443
Other financing sources (uses):				
Transfers in	-	113,000	113,000	-
Transfers out	-	(170,000)	(170,000)	-
Total other financing sources (uses)	-	(57,000)	(57,000)	-
Net change in fund balances	-	(4,367,517)	(253,074)	4,114,443
Fund balances, beginning	4,367,517	4,367,517	4,367,517	-
Fund balances, ending	$ 4,367,517	$ -	$ 4,114,443	$ 4,114,443

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

HERITAGE TRAIL CONSTRUCTION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Contributions and donations	$ -	$ -	$ 29,167	$ 29,167
EXPENDITURES				
Capital outlay	-	48,030	-	48,030
Net change in fund balances	-	(48,030)	29,167	77,197
Fund balances, beginning	109,201	109,201	109,201	-
Fund balances, ending	$ 109,201	$ 61,171	$ 138,368	$ 77,197

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

PARKS IMPROVEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses):				
Transfers out	$ -	$ (10,010)	$ (10,010)	$ -
Total other financing sources (uses)	-	(10,010)	(10,010)	-
Net change in fund balances	-	(10,010)	(10,010)	-
Fund balances, beginning	10,010	10,010	10,010	-
Fund balances, ending	$ 10,010	$ -	$ -	$ -

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

SIDEWALK IMPROVEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
Public works	$ -	$ 186,933	$ 140,072	$ 46,861
Capital outlay	-	1,301,542	848,677	452,865
Total expenditures	-	1,488,475	988,749	499,726
Net change in fund balances	-	(1,488,475)	(988,749)	499,726
Fund balances, beginning	1,488,475	1,488,475	1,488,475	-
Fund balances, ending	$ 1,488,475	$ -	$ 499,726	$ 499,726

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

GREENWOOD FIRE STATION CONSTRUCTION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses):				
Transfers out	$ -	$ (64,969)	$ (64,969)	$ -
Total other financing sources (uses)	-	(64,969)	(64,969)	-
Net change in fund balances	-	(64,969)	(64,969)	-
Fund balances, beginning	64,969	64,969	64,969	-
Fund balances, ending	$ 64,969	$ -	$ -	$ -

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

FIRE HEADQUARTERS EXPANSION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	$ -	$ -	$ 46,109	$ 46,109
EXPENDITURES				
Current:				
Public safety	-	77,387	77,387	-
Capital outlay	-	2,019,070	2,019,070	-
Total expenditures	-	2,096,457	2,096,457	-
Deficiency of revenues under expenditures	-	(2,096,457)	(2,050,348)	46,109
Other financing sources (uses):				
Transfers In	-	64,969	64,969	-
Transfers out	-	(125,980)	(125,980)	-
Total other financing sources (uses)	-	(61,011)	(61,011)	-
Net change in fund balances	-	(2,157,468)	(2,111,359)	46,109
Fund balances, beginning	2,111,359	2,111,359	2,111,359	-
Fund balances, ending	$ 2,111,359	$ (46,109)	$ -	$ 46,109

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

GREENWOOD LANE CONSTRUCTION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ 565,000	$ 565,000	$ -
EXPENDITURES				
Capital Outlay	-	1,319,527	1,049,937	269,590
Deficiency of revenues under expenditures	-	(754,527)	(484,937)	269,590
Other financing sources (uses):				
Transfers in	-	3,214	-	(3,214)
Net change in fund balances	-	(751,313)	(484,937)	266,376
Fund balances, beginning	751,313	751,313	751,313	-
Fund balances, ending	$ 751,313	$ -	$ 266,376	$ 266,376

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

STORMWATER INFRASTRUCTURE IMPROVEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
Public Works	$ -	$ 17,200	$ 3,275	$ 13,925
Capital Outlay	-	40,285	-	40,285
Total expenditures	-	(57,485)	(3,275)	54,210
Other financing sources (uses):				
Transfers in	-	400,000	-	(400,000)
Net change in fund balances	-	342,515	(3,275)	(345,790)
Fund balances, beginning	57,485	57,485	57,485	-
Fund balances, ending	$ 57,485	$ 400,000	$ 54,210	$ (345,790)

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

MUNICIPAL FACILITIES CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Capital outlay	$ -	$ 362,250	$ -	$ 362,250
Net change in fund balances	-	(362,250)	-	362,250
Fund balances, beginning	362,250	362,250	362,250	-
Fund balances, ending	$ 362,250	$ -	$ 362,250	$ 362,250

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

AIRPORT FIRE EXPANSION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	$ -	$ -	$ 8,974	$ 8,974
EXPENDITURES				
Capital Outlay	-	788,980	88,946	700,034
Deficiency of revenues under expenditures	-	(788,980)	(79,972)	709,008
Other financing sources (uses):				
Transfers in	-	125,980	125,980	-
Total other financing sources (uses)	-	125,980	125,980	-
Net change in fund balances	-	(663,000)	46,008	709,008
Fund balances, beginning	663,000	663,000	663,000	-
Fund balances, ending	$ 663,000	$ -	$ 709,008	$ 709,008

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Principal	$ 4,657,800	$ 4,921,024	$ 4,899,095	$ 21,929
Interest and fiscal charges	6,106,600	6,087,028	6,107,034	(20,006)
Total expenditures	10,764,400	11,008,052	11,006,129	1,923
Excess (deficiency) of revenues over (under) expenditures	(10,764,400)	(11,008,052)	(11,006,129)	1,923
Other financing sources (uses):				
Transfers in	10,764,400	11,008,052	11,006,129	(1,923)
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -

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 a 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.

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS

June 30, 2010

	Fleet Maintenance	Employee Health Care	Workers Compensation	Total
ASSETS				
Current assets				
Pooled cash and cash equivalents	$ 582,862	$ 834,868	$ 686,286	$ 2,104,016
Investments	-	3,821,293	1,423,577	5,244,870
Accounts receivable	1,976	-	-	1,976
Interest receivable	-	4,351	-	4,351
Inventories	140,275	-	-	140,275
Prepaid items	-	323,000	-	323,000
Total current assets	725,113	4,983,512	2,109,863	7,818,488
Noncurrent assets				
Capital assets				
Building	200,986	-	-	200,986
Machinery and equipment	187,638	-	40,345	227,983
	388,624	-	40,345	428,969
Less accumulated depreciation	(220,331)	-	(28,594)	(248,925)
Total capital assets, net of accumulated depreciation	168,293	-	11,751	180,044
Total noncurrent assets	168,293	-	11,751	180,044
Total assets	$ 893,406	$ 4,983,512	$ 2,121,614	$ 7,998,532
LIABILITIES				
Current liabilities				
Vouchers and accounts payable	$ 62,984	$ 43,245	$ 26,423	$ 132,652
Accrued payroll	14,987	-	799	15,786
Insurance claims payable	-	107,106	120,428	227,534
Current portion of compensated absences payable	14,159	-	-	14,159
Total current liabilities	92,130	150,351	147,650	390,131
Noncurrent libilities				
Compensated absences payable, net of current portion	1,085	-	-	1,085
Total liabilities	93,215	150,351	147,650	391,216
NET ASSETS				
Invested in capital assets, net of related debt	168,293	-	11,751	180,044
Unrestricted	631,898	4,833,161	1,962,213	7,427,272
Total net assets	$ 800,191	$ 4,833,161	$ 1,973,964	$ 7,607,316

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT REVENUES, EXPENSES, AND CHANGES IN NET ASSETS – INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2010

	Fleet Maintenance	Employee Health Care	Workers Compensation	Total
OPERATING REVENUES				
Charges for services	$ 1,609,472	$ -	$ -	$ 1,609,472
Insurance premiums	-	4,225,434	593,349	4,818,783
Judgments and settlements	32,009	-	-	32,009
Miscellaneous	947	-	2,989	3,936
Total operating revenues	1,642,428	4,225,434	596,338	6,464,200
OPERATING EXPENSES				
Personnel services	488,261	-	29,989	518,250
Contractual services	585	391,336	53,730	445,651
Supplies	868,389	1,359	-	869,748
Utilities	26,662	-	-	26,662
Repairs and maintenance	121,878	-	15,892	137,770
Insurance premiums and claims	-	3,425,741	246,776	3,672,517
Depreciation	22,922	-	4,503	27,425
Miscellaneous	251	-	-	251
Total operating expenses	1,528,948	3,818,436	350,890	5,698,274
Operating income	113,480	406,998	245,448	765,926
NONOPERATING REVENUES (EXPENSES)				
Interest income	966	90,306	31,326	122,598
Loss on disposal of capital assets	(734)	-	-	(734)
Total nonoperating revenues	232	90,306	31,326	121,864
Income before transfers	113,712	497,304	276,774	887,790
Transfers out	(100,000)	-	(250,000)	(350,000)
Change in net assets	13,712	497,304	26,774	537,790
Net assets, beginning	786,479	4,335,857	1,947,190	7,069,526
Net assets, ending	$ 800,191	$ 4,833,161	$ 1,973,964	$ 7,607,316

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2010

	Fleet Maintenance	Employee Health Care	Workers Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 1,640,452	$ 4,230,758	$ 596,338	$ 6,467,548
Payments to employees	(483,459)	-	(29,190)	(512,649)
Payments to suppliers	(1,027,072)	(349,450)	(49,427)	(1,425,949)
Insurance premiums and claims paid	-	(3,417,069)	(62,856)	(3,479,925)
Net cash provided by operating activities	129,921	464,239	454,865	1,049,025
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVTIES				
Transfers out	(100,000)	-	(250,000)	(350,000)
Net cash used in noncapital financing activities	(100,000)	-	(250,000)	(350,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(5,306)	-	-	(5,306)
Net cash used in capital and related financing activities	(5,306)	-	-	(5,306)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	966	113,744	31,326	146,036
Sale of investments	-	-	9,166	9,166
Purchase of Investments	-	(440,460)	-	(440,460)
Net cash provided by (used in) investing activities	966	(326,716)	40,492	(285,258)
Net increase in cash and cash equivalents	25,581	137,523	245,357	408,461
Cash and cash equivalents, beginning of year	557,281	697,345	440,929	1,695,555
Cash and cash equivalents, end of year	$ 582,862	$ 834,868	$ 686,286	$ 2,104,016
Reconciliation of operating income to net cash provided by operating activities				
Operating income	$ 113,480	$ 406,998	$ 245,448	$ 765,926
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	22,922	-	4,503	27,425
Change in assets and liabilities				
Accounts receivable	(1,976)	5,324	-	3,348
Inventories	(21,845)	-	-	(21,845)
Prepaid items	-	-	197,293	197,293
Accounts payable	12,538	43,245	20,195	75,978
Compensated absences	1,276	-	-	1,276
Accrued payroll	3,526	-	799	4,325
Insurance claims payable	-	8,672	(13,373)	(4,701)
Net cash provided by operating activities	$ 129,921	$ 464,239	$ 454,865	$ 1,049,025

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 government 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 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.

Special Employee/Explorer Fund

This fund is used to account for revenues and disbursements used for special employee activities. The fund is maintained by balance sheet only and requires no adopted budget.

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS

For the Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
CLAIMS FUND				
Assets				
Non-pooled cash and cash equivalents	$ 150,000	$ 96,135,908	$ 96,135,908	$ 150,000
Liabilities				
Other liabilities	$ 150,000	$ 96,135,908	$ 96,135,908	$ 150,000
PAYROLL FUND				
Assets				
Non-pooled cash and cash equivalents	$ 24,540	$ 33,961,507	$ 33,961,321	$ 24,726
Liabilities				
Other liabilities	$ 24,540	$ 33,961,507	$ 33,961,321	$ 24,726
TOURIST & CONVENTION FUND				
Assets				
Pooled cash and cash equivalents	$ -	$ 1,172,860	$ 1,172,860	$ -
Liabilities				
Due to Tourist Commission	$ -	$ 879,645	$ 879,645	$ -
Due to Convention Center Corp.	-	293,215	293,215	-
Total liabilities	$ -	$ 1,172,860	$ 1,172,860	$ -
TAX DISTRIBUTION FUND				
Assets				
Pooled cash and cash equivalents	$ -	$ 18,188,067	$ 18,188,067	$ -
Liabilities				
Due to other funds	$ -	$ 9,154,927	$ 9,154,927	$ -
Due to other taxing units - School Board	-	8,839,013	8,839,013	-
Other liabilities	-	194,127	194,127	-
Total liabilities	$ -	$ 18,188,067	$ 18,188,067	$ -

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS

For the Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
TREASURER'S DISTRIBUTION FUND				
Assets				
Pooled cash and cash equivalents	$ 145,077	$ -	$ -	$ 145,077
Liabilities				
Due to other governmental units	$ 145,077	$ -	$ -	$ 145,077
SPECIAL EMPLOYEE/EXPLORER FUND				
Assets				
Pooled cash and equivalents	$ 28,139	$ -	$ 28,139	$ -
Liabilities				
Due to employees	$ 28,139	$ -	$ 28,139	$ -
TOTALS - ALL AGENCY FUNDS				
Assets				
Pooled cash and cash equivalents	$ 173,216	$ 19,360,927	$ 19,389,066	$ 145,077
Non-pooled cash and cash equivalents	174,540	130,097,415	130,097,229	174,726
Total assets	$ 347,756	$ 149,458,342	$ 149,486,295	$ 319,803
Liabilities				
Due to other funds	$ -	$ 9,154,927	$ 9,154,927	$ -
Due to Tourist Commission	-	879,645	879,645	-
Due to Convention Center Corp.	-	293,215	293,215	-
Due to other taxing units - School Board	-	8,839,013	8,839,013	-
Due to other governmental units	145,077	-	-	145,077
Due to employees	28,139	-	28,139	-
Other liabilities	174,540	130,291,542	130,291,356	174,726
Total liabilities	$ 347,756	$ 149,458,342	$ 149,486,295	$ 319,803

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF ASSETS – COMPONENT UNIT – BOWLING GREEN MUNICIPAL UTILITIES

June 30, 2010

	Bowling Green Municipal Utilities			
	Electric Division	Water-Sewer Division	General Services Division	Total
ASSETS				
Non-pooled cash and cash equivalents	$ 8,915,279	$ 2,532,576	$ 34,491	$ 11,482,346
Receivables (net):				
Accounts	8,143,741	390,287	14,141	8,548,169
Other	130,070	508,668	-	638,738
Inventories	919,127	164,218	-	1,083,345
Prepaid items	603,621	135,669	13,821	753,111
Long-term investments	100,000	-	-	100,000
Restricted cash - TVA	307,667	-	-	307,667
Investments and restricted funds	1,374,809	2,068,709	-	3,443,518
Due from component units	393,109	6,056,144	-	6,449,253
Capital assets, net of accumulated depreciation:				
Non-depreciable	1,622,366	15,203,221	4,578	16,830,165
Depreciable	46,973,009	77,872,552	4,280,077	129,125,638
Deferred charges	-	201,293	-	201,293
Other assets	182,633	-	-	182,633
Total assets	69,665,431	105,133,337	4,347,108	179,145,876
LIABILITIES				
Vouchers and accounts payable	8,674,800	2,844,087	113,675	11,632,562
Compensated absences payable	395,303	281,768	-	677,071
Accrued interest payable	1,228,450	56,931	-	1,285,381
Due to component unit	-	159,788	1,289,465	1,449,253
Security deposits	2,459,729	-	-	2,459,729
Other current liabilities	587,366	125,126	-	712,492
Compensated absences payable, noncurrent	191,347	116,818	-	308,165
Advances from TVA - conservation program	1,748	-	-	1,748
Customer advances	86,720	-	-	86,720
Noncurrent liabilities:				
Due within one year	985,000	1,539,274	-	2,524,274
Due in more than one year	9,088,718	31,217,948	-	40,306,666
Due to component unit	-	-	5,000,000	5,000,000
Total liabilities	23,699,181	36,341,740	6,403,140	66,444,061
NET ASSETS				
Invested in capital assets, net of related debt	38,521,657	60,357,728	-	98,879,385
Restricted for capital activity and debt service	1,474,809	2,068,709	-	3,543,518
Unrestricted	5,969,784	6,365,160	(2,056,032)	10,278,912
Total net assets	$ 45,966,250	$ 68,791,597	$ (2,056,032)	$ 112,701,815

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF ACTIVITIES – COMPONENT UNITS – BOWLING GREEN MUNICIPAL UTILITIES

For the Year Ended June 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
Bowling Green Municipal Utilities	**Expenses**	**Charges for Services**	**Operating Contributions**	**Capital Contributions**	**Electric System**	**Water and Sewer System**	**Fiber Optic System**	**Totals**
Electric Division	$ 77,960,696	$ 78,265,520	$ -	$ -	$ 304,824	$ -	$ -	$ 304,824
Water-Sewer Division	14,879,837	13,470,021	-	819,820	-	(589,996)	-	(589,996)
General Services Division	1,435,737	1,649,642	-	-	-	-	213,905	213,905
Total component units	$ 94,276,270	$ 93,385,183	$ -	$ 819,820	304,824	(589,996)	213,905	(71,267)
			General revenues:					
			Investment income		121,351	305,956	-	427,307
			Merchandising revenues, net		32,183	-	2,254	34,437
			Miscellaneous		-	321,545	6,297	327,842
			Total general revenues		153,534	627,501	8,551	789,586
			Change in net assets		458,358	37,505	222,456	718,319
			Net assets, beginning of year		45,507,892	68,754,092	(2,278,488)	111,983,496
			Net assets, end of year		$ 45,966,250	$ 68,791,597	$ (2,056,032)	$ 112,701,815

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: Tables 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: Tables 5 - 7

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

Debt Capacity: Tables 8 - 12

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: Tables 13 - 14

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: Tables 15 - 17

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
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
Governmental activities								
Invested in capital assets, net of related debt	$115,406,434	$110,124,978	$95,299,980	$70,506,798	$61,920,839	$48,982,175	$47,421,777	$39,857,501
Restricted	8,489,209	12,648,978	13,706,589	16,471,139	7,114,135	8,614,231	2,697,480	2,487,100
Unrestricted	10,322,628	3,791,321	30,702,914	35,938,960	32,220,951	24,642,192	14,287,360	12,004,217
Total governmental activities net assets	$134,218,271	$126,565,277	$139,709,483	$122,916,897	$101,255,925	$82,238,598	$64,406,617	$54,348,818
Business-type activities								
Invested in capital assets, net of related debt	$6,073,639	$5,673,876	$4,914,526	$4,536,514	$4,391,188	$4,007,468	$4,148,183	$4,189,200
Restricted	0	0	0	0	0	533	16,967	996
Unrestricted	4,408,480	3,763,476	2,954,021	2,723,849	1,908,071	1,503,788	1,618,039	1,827,602
Total business-type activities net assets	$10,482,119	$9,437,352	$7,868,547	$7,260,363	$6,299,259	$5,511,789	$5,783,189	$6,017,798
Primary government								
Invested in capital assets, net of related debt	$121,480,073	$115,798,854	$100,214,506	$75,043,312	$66,312,027	$52,989,643	$51,569,960	$44,046,701
Restricted	8,489,209	12,648,978	13,706,589	16,471,139	7,114,135	8,614,764	2,714,447	2,488,096
Unrestricted	14,731,108	7,554,797	33,656,935	38,662,809	34,129,022	26,145,980	15,905,399	13,831,819
Total primary government net assets	$144,700,390	$136,002,629	$147,578,030	$130,177,260	$107,555,184	$87,750,387	$70,189,806	$60,366,616

Note: Only 8 years of data are shown above due to accrual basis figures being unattainable before FY03.

See accompanying independent auditor's report

Schedule 2
City of Bowling Green
Changes in Net Assets, Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
Expenses								
Governmental activities:								
General government	$12,874,758	$14,240,674	$14,963,398	$11,585,397	$10,620,708	$9,839,358	$5,895,705	$5,032,369
Public safety	22,477,932	20,629,290	20,888,002	18,477,954	17,028,198	16,864,958	16,260,982	14,807,559
Public works	7,782,325	6,276,210	6,445,139	8,024,218	6,407,082	6,126,248	5,144,685	4,579,303
Parks and recreation	4,895,725	4,715,430	4,643,176	4,579,136	4,318,574	4,056,394	3,989,799	3,985,463
Housing and community development	4,739,011	5,562,852	4,533,189	5,891,219	5,221,716	4,170,122	3,716,744	3,194,764
Community services	2,446,270	24,078,708	4,087,698	3,016,601	2,585,297	2,445,889	2,406,986	811,445
Miscellaneous	-	-	-	-	-	5,595	280,874	112,656
Interest expense	6,789,892	7,033,869	4,380,214	3,501,788	3,478,617	3,470,870	2,991,536	2,899,766
Total governmental activities expenses	62,005,913	82,537,033	59,940,816	55,076,313	49,660,192	46,979,434	40,687,311	35,423,325
Business-type activities:								
Golf course	2,323,270	2,342,624	2,379,799	2,375,208	2,316,855	2,251,191	2,116,158	2,026,116
Aquatics	849,210	848,501	1,231,201	862,409	877,479	1,039,779	991,237	947,862
Convention center	823,333	742,829	850,659	682,734	897,524	1,087,721	1,136,688	1,381,268
Total business-type activities expenses	3,995,813	3,933,954	4,461,659	3,920,351	4,091,858	4,378,691	4,244,083	4,355,246
Total primary government expenses	$66,001,726	$86,470,987	$64,402,475	$58,996,664	$53,752,050	$51,358,125	$44,931,394	$39,778,571
Program Revenues								
Governmental activities								
Charges for services:								
General government	$3,095,600	$3,545,304	$2,234,584	$2,124,151	$1,072,180	$1,248,536	$603,853	$551,996
Public safety	187,228	250,696	294,866	191,964	199,137	572,295	113,112	122,074
Public works	-	-	-	-	-	-	668,347	443,695
Parks and recreation	421,798	390,693	382,818	323,999	361,444	351,497	591,871	539,792
Operating grants and contributions	8,986,469	7,311,410	7,544,586	6,445,180	5,614,030	5,242,315	5,570,258	4,075,055
Capital grants and contributions	8,339,284	7,689,270	14,582,910	17,335,681	7,856,470	4,185,783	2,847,325	1,692,749
Total governmental activities program revenues	21,030,379	19,187,373	25,039,764	26,420,975	15,103,261	11,600,426	10,394,766	7,425,361
Business-type activities:								
Charges for services:								
Golf course	1,316,218	1,429,946	1,416,483	1,430,200	1,369,313	1,326,003	1,388,009	1,337,477
Aquatics	518,834	511,395	475,673	421,185	461,381	460,480	490,405	466,250
Convention center	214,459	223,958	203,324	194,675	312,682	570,517	287,876	227,416
Total business-type activities	2,049,511	2,165,299	2,095,480	2,046,060	2,143,376	2,357,000	2,166,290	2,031,143
Total primary government program revenues	$23,079,890	$21,352,672	$27,135,244	$28,467,035	$17,246,637	$13,957,426	$12,561,056	$9,456,504

See accompanying independent auditor's report

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue								
Governmental activities	($40,975,534)	($63,349,660)	($34,901,052)	($28,655,338)	($34,556,931)	($35,379,008)	($30,292,545)	($27,997,964)
Business-type activities	(1,946,302)	(1,768,655)	(2,366,179)	(1,874,291)	(1,948,482)	(2,021,691)	(2,077,793)	(2,324,103)
Total primary government net expense	($42,921,836)	($65,118,315)	($37,267,231)	($30,529,629)	($36,505,413)	($37,400,699)	($32,370,338)	($30,322,067)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	$11,346,706	$10,824,938	$11,871,893	$10,835,879	$13,163,115	$10,797,549	$10,401,190	$9,590,687
Insurance premium taxes [a]	3,140,598	3,100,377	3,154,521	3,097,857	-	-	-	-
Wages and net profits taxes	35,502,869	36,016,500	36,502,625	37,247,653	37,285,158	35,711,658	29,965,370	22,315,645
Gain (loss) on sale of capital assets	-	-	-	(872,410)	44,519	6,107	(226,900)	47,927
Judgements and settlements	-	-	-	0	730,458	427,363	-	-
Investment income	1,031,911	2,435,228	2,351,828	2,253,732	1,787,940	957,679	588,707	160,956
Miscellaneous	144,527	696,997	327,802	159,972	148,603	1,302,587	1,235,134	609,723
Transfers	(2,538,083)	(2,868,586)	(2,515,031)	(2,406,373)	(2,318,501)	(1,651,859)	(1,613,157)	(3,312,325)
Total governmental activities	48,628,528	50,205,454	51,693,638	50,316,310	50,841,292	47,551,084	40,350,344	29,412,613
Business-type activities:								
Taxes								
Property taxes	-	-	-	-	-	-	512,710	415,371
Transient room taxes	382,340	396,518	398,381	369,162	373,236	379,571	-	-
Gain (loss) on sale of capital assets	-	-	-	-	(10,854)	10,386	(777)	-
Judgements and settlements	-	-	-	-	-	-	16,162	608,757
Investment income	70,646	72,356	60,951	59,860	55,069	39,089	11,987	10,486
Miscellaneous	-	-	-	-	-	17,542	-	-
Transfers	2,538,083	2,868,586	2,515,031	2,406,373	2,318,501	1,651,859	1,613,157	1,558,213
Total business-type activities	2,991,069	3,337,460	2,974,363	2,835,395	2,735,952	2,098,447	2,153,239	2,592,827
Total primary government	$51,619,597	$53,542,914	$54,668,001	$53,151,705	$53,577,244	$49,649,531	$42,503,583	$32,005,440
Changes in Net Assets								
Governmental activities	$7,652,994	($13,144,206)	$16,792,586	$21,660,972	$16,284,361	$12,172,076	$10,057,799	$1,414,649
Business-type activities	1,044,767	1,568,805	608,184	961,104	787,470	76,756	75,446	268,724
Total primary government	$8,697,761	($11,575,401)	$17,400,770	$22,622,076	$17,071,831	$12,248,832	$10,133,245	$1,683,373

Note: (a) Insurance premium taxes were previously reported in the property tax line.

Only 8 years of data are shown above due to accrual basis figures being unattainable before FY03.

See accompanying independent auditor's report

Schedule 3
City of Bowling Green
Fund Balances, Governmental Funds
Last 10 Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
General Fund										
Reserved	$ 580,258	$ 1,843,259	$ 2,175,158	$ 853,653	$ 681,409	$ 573,802	$ 991,825	$ 218,439	$ 81,981	$ 312,049
Unreserved	16,393,728	13,888,739	15,328,742	20,593,019	21,042,696	16,742,378	10,721,868	6,356,566	5,296,729	4,967,068
Total	$ 16,973,986	$ 15,731,998	$ 17,503,900	$ 21,446,672	$ 21,724,105	$ 17,316,180	$ 11,713,693	$ 6,575,005	$ 5,378,710	$ 5,279,117
All Other Governmental Funds										
Reserved	$ 5,982,463	$ 3,672,061	$ 6,198,535	$ 6,364,120	$ 4,340,670	$ 3,348,334	$ 5,115,715	$ 2,918,016	$ 3,148,326	$ 977,306
Unreserved, reported in:										
Special Revenue funds	24,906,545	27,562,694	24,465,839	7,658,317	8,367,593	7,091,740	5,305,482	4,666,800	4,935,865	4,745,790
Capital Projects funds	3,081,735	8,778,626	8,619,293	13,733,273	2,747,696	4,887,593	6,722,685	(1,005,211)	1,163,437	3,154,485
Debt Service funds	-	-	47,702	104,610	105,116	104,949 [a]	-	-	-	-
Permanent fund	35,171	93,736	67,610	47,988	32,288	541,276	104,014	97,430	-	-
Total	$ 34,005,914	$ 40,107,117	$ 39,398,979	$ 27,908,308	$ 15,593,363	$ 15,973,892	$ 17,247,896	$ 6,677,035	$ 9,247,628	$ 8,877,581

Note: (a) FY2005 was the first year Debt Service funds had a fund balance.

See accompanying independent auditor's report

Schedule 4
City of Bowling Green
Changes in Fund Balances, Governmental Funds
Last 10 Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Revenues										
Taxes	$ 11,174,838	$ 10,633,642	$ 11,743,169	$ 10,835,879 [a]	$ 13,163,115	$ 10,797,549	$ 10,401,190	$ 9,590,687	$ 9,182,285	$ 8,532,853
Insurance premium taxes	3,140,598	3,100,377	3,154,521	3,097,857 [a]	-	-	-	-	-	-
Wage and net profit taxes	35,502,869	36,111,281	36,681,744	37,406,227 [b]	37,285,157	35,711,658	31,085,066	23,100,389	21,700,035	20,372,698
Licenses and permits	1,164,737	898,603	945,383	735,949 [b]	-	-	-	-	-	-
Intergovernmental	12,457,418	9,836,174	10,453,862	11,392,786	9,868,433	9,428,098	8,417,583	5,767,804	5,421,909	5,023,739
Investment income	940,504	2,236,555	2,099,729	2,017,219 [c]	-	-	-	-	-	-
Charges for services	616,196	481,491	547,340	595,021	571,009	572,295	451,453	510,395	399,777	394,218
Parks and recreation	410,111	380,317	372,484	323,999	361,444	351,497	383,879	340,043	324,083	279,206
Rental Income	976,868	1,685,901	-	-	-	-	-	-	-	-
Miscellaneous	492,125	954,532	591,109	965,356	3,050,865	2,188,073	1,813,668	754,555	1,094,389	1,955,883
Total revenues	66,876,264	66,318,873	66,589,341	67,370,293	64,300,023	59,049,170	52,552,839	40,063,873	38,122,478	36,558,597
Expenditures										
General government	6,753,844	6,899,349	8,512,371	7,018,903	6,490,388	6,034,350	5,721,598	4,858,711	6,591,301	5,829,413
Public safety	24,774,100	23,200,660	23,276,993	21,382,962	19,849,913	17,481,667	15,716,344	14,079,630	12,068,648	12,772,406
Public works	7,590,188	7,862,753	6,885,983	7,369,126	7,518,741	6,504,418	5,204,488	4,935,979	4,716,384	6,541,610
Parks and recreation	4,986,858	5,412,954	5,758,676	5,107,121	4,274,028	3,913,462	3,722,246	3,698,588	3,281,851	4,544,635
Housing and community development	6,937,549	27,800,163	6,062,010	6,652,290	5,298,730	4,253,515	3,784,107	3,199,980	32,917,328	3,934,528
Community services	751,278	1,066,412	3,116,912	3,016,601	2,576,613	2,437,205	2,373,892	778,323	1,336,663	1,316,248
Miscellaneous	-	-	-	-	-	5,595	285,827	111,458	111,095	182,859
Capital outlay	5,675,679	12,407,497	10,561,509	9,324,923	6,254,064	9,846,885	10,198,474	3,547,072	2,936,024	7,945,496
Debt service:										
Principal	5,489,095	5,009,606	4,201,347	4,757,074	3,506,898	2,648,501	2,172,095	4,912,967	2,063,834	1,962,333
Interest and fiscal charges	6,655,188	7,277,785	4,500,337	3,403,076	3,403,726	3,576,060	3,206,406	2,866,115	1,931,663	1,550,308
Total Expenditures	69,613,779	96,937,179	72,876,138	68,032,076	59,173,101	56,701,658	52,385,477	42,988,823	67,954,791	46,579,836
Excess (deficiency) of revenues over (under) expenditures	(2,737,515)	(30,618,306)	(6,286,797)	(661,783)	5,126,922	2,347,512	167,362	(2,924,950)	(29,832,313)	(10,021,239)

See accompanying independent auditor's report

Other Financing Sources (Uses)

Transfers in	14,823,177	19,275,432	14,236,314	12,653,038	9,202,125	9,336,999	6,640,294	7,448,127	6,130,470	4,060,584
Transfers out	(17,011,260)	(22,144,018)	(16,816,345)	(15,186,551)	(11,448,126)	(10,893,858)	(8,148,010)	(10,360,452)	(8,429,858)	(6,277,790)
Issuance of debt	-	31,420,000	-	-	-	1,630,000	14,658,705	-	-	-
Premium on general obligation bonds	-	667,110	-	83,038	-	-	237,204	-	-	-
Discount on general obligation bonds	-	(8,009)	-	-	-	-	(1,643)	-	-	-
Capital lease proceeds	-	-	-	-	-	1,708,594	212,000	3,253,128	-	3,580,000
General Obligation note proceeds	-	-	-	-	-	-	1,730,000	386,000	164,500	630,000
General Obligation bond proceeds	-	-	-	14,682,962	-	-	-	-	32,436,841	-
Issuance of refunding debt	-	12,119,800	30,443,095	-	-	-	-	-	5,542,079	-
Payment to refunded bonds redeemed	-	(2,147,888)	-	-	-	-	-	-	-	-
Payments to refunded debt escrow agent	-	(9,971,912)	(13,803,815)	-	-	-	-	-	(5,542,079)	-
Other financing costs	-	-	(319,653)	-	-	-	-	-	-	-
Sale of capital assets	66,383	344,027	95,100	466,807	1,146,475	199,236	213,637	110,366	-	134,250
Total other financing sources (uses)	(2,121,700)	29,554,542	13,834,696	12,699,294	(1,099,526)	1,980,971	15,542,187	837,169	30,301,953	2,127,044
Net Change in fund balances	$ (4,859,215)	$ (1,063,764)	$ 7,547,899	$ 12,037,511	$ 4,027,396	$ 4,328,483	$ 15,709,549	$ (2,087,781)	$ 469,640	$ (7,894,195)
Debt service as a percentage of noncapital expenditures	19.66%	14.81%	17.02%	16.68%	13.41%	12.75%	12.04%	18.76%	6.15%	9.09%

Note: (a) Insurance Premium Taxes were previously reported as Property Tax Revenue.

(b) Licenses and Permits were previously reported under Wage and Net Profit Taxes.

(c) Investment Income was previously reported as Miscellaneous Revenue.

See accompanying independent auditor's report

Schedule 5
City of Bowling Green
Wage Withholding Fees
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Gross Wages	Occupational Withholding Fees	Total Direct Tax Rate
2001	$ 1,010,869,933	$ 15,163,049	1.50%
2002	1,074,751,800	16,121,277	1.50%
2003	1,105,090,333	16,576,355	1.50%
2004	1,128,756,300	22,575,126	2.00%
2005	1,271,473,750	25,429,475	2.00%
2006	1,369,273,450	27,385,469	2.00%
2007	1,437,833,982	28,103,464	1.85% [1]
2008	1,528,058,865	28,269,089	1.85%
2009	1,506,249,500	27,865,616	1.85%
2010	1,517,902,824	28,081,202	1.85%

Source: City of Bowling Green, Department of Finance

Note: Prior to fiscal year 1997, all businesses paid the occupational withholding fees to the City on a quarterly basis. Due to a change in City code, large employers began paying employee withholdings to the City on a monthly basis.

[1] The new tax rate of 1.85% began on January 1, 2007, returns were based on this rate beginning in February 2007.

Schedule 6
City of Bowling Green
Direct Occupational License Tax Rates,
Last Ten Fiscal Years

Fiscal Year	City of Bowling Green Direct Rate	Total Direct
2001	1.50%	1.50%
2002	1.50%	1.50%
2003	1.50%	1.50%
2004	2.00%	2.00%
2005	2.00%	2.00%
2006	2.00%	2.00%
2007	1.85%	1.85%
2008	1.85%	1.85%
2009	1.85%	1.85%
2010	1.85%	1.85%

Source: City of Bowling Green, Department of Finance

Note: (a) Occupational License Tax Rates include the Net Profit Fees and Wage Withholding fees.

(b) The new tax rate of 1.85% began January 1, 2007, returns were based on this rate beginning in February 2007.

Schedule 7
City of Bowling Green
Principal Occupational Withholdings Fees Payers
Current Year and Nine Years Ago

Taxpayer	
2010	**2001**
Bowling Green Independent Schools	Bowling Green Independent Schools
Bowling Green Metalforming LLC	Commonwealth of Kentucky
Commonwealth of Kentucky	Country Oven Bakery
Houchens Food Group Inc	DESA International Inc
NAO Comp Oper-North American Oper	Georgia Pacific Consumer LP
Sun Products Corporation	NAO Comp Oper-North American Oper
The Medical Center at BG	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

Note: Taxpayer information is listed alphabetically only.

Schedule 8
City of Bowling Green
Ratios of Oustanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities					
Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Special Assessment Bonds (a)	Notes Payable and Capital Leases	General Obligation Bonds	Lease Revenue Bonds	Notes Payable and Capital Leases	Total Primary Government	Percentage of Personal Income (b)	Per Capita (b)
2001	$ 14,577,000	$ 9,989,284	$ -	$ 8,256,987	$ 7,290,376	$ 20,716	$ 454,450	$ 40,588,813	1.79%	812
2002	52,762,000	4,050,000	-	7,286,937	7,043,394	-	367,541	71,509,872	3.18%	1,430
2003	52,317,000	3,660,000	-	6,847,891	14,736,250	-	987,263	78,548,404	3.34%	1,511
2004	66,537,320	3,240,000	160,241	7,542,796	15,969,295	-	405,894	93,855,546	3.77%	1,805
2005	65,738,223	2,805,000	153,331	9,630,041	14,408,408	-	318,668	93,053,671	3.52%	1,789
2006	64,175,565	2,350,000	148,250	8,129,023	13,427,668	-	233,686	88,464,192	3.25%	1,701
2007	77,134,277	1,350,000	143,167	6,106,234	13,385,722	-	153,352	98,272,752	3.34%	1,890
2008	102,042,174	1,230,000	136,590	5,577,154	12,287,828	-	98,893	121,372,639	3.98%	2,248
2009	132,181,377	-	131,906	4,510,477	11,288,624	-	60,698	148,173,082	4.64%	2,694
2010	128,561,433	-	125,229	3,241,585	10,073,575	-	47,544	142,049,366	4.17%	2,492

Note: 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 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Schedule 9
City of Bowling Green
Ratios of General Bonded Debt Outstanding
Last 10 Fiscal Years

	Fiscal Year									
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
General bonded debt outstanding										
General obligation bonds	$ 128,561,433	$ 132,181,377	$ 102,042,174	$ 77,134,277	$ 64,175,565	$ 65,738,223	$ 66,537,320	$ 52,317,000	$ 52,762,000	$ 14,577,000
Lease revenue bonds	-	-	1,230,000	1,350,000	2,350,000	2,805,000	3,240,000	3,660,000	4,050,000	9,989,284
Special Assessment bonds	125,229	131,906	136,590	143,167	148,250	153,331	160,241	-	-	-
Total	128,686,662	132,313,283	103,408,764	78,627,444	66,673,815	68,696,554	69,937,561	55,977,000	56,812,000	24,566,284
Less: Amounts set aside to repay general debt	-	-	(47,702)	(104,610)	(105,116)	(105,482)	(106,397)	(100,325)	(1,475,212)	(47,606)
Net general bonded debt	$ 128,686,662	$ 132,313,283	$ 103,361,062	$ 78,522,834	$ 66,568,699	$ 68,591,072	$ 69,831,164	$ 55,876,675	$ 55,336,788	$ 24,518,678
Property Values	$ 4,551,808,439	$ 4,489,771,784	$ 4,394,868,241	$ 4,094,335,746	$ 3,394,130,088	$ 3,117,333,952	$ 2,942,526,746	$ 2,841,283,564	$ 2,769,203,146	$ 2,608,629,648
Percentage of estimated actual taxable value of property	2.83%	2.95%	2.35%	1.92%	1.96%	2.20%	2.37%	1.97%	2.00%	0.94%
Per capita (a)	2,258	2,406	1,914	1,510	1,280	1,319	1,343	1,075	1,107	490

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

(a) Population data can be found in Schedule 13.

See accompanying independent auditor's report

Schedule 10
City of Bowling Green
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Bowling Green Independent Schools	$ 30,035,000	100.00%	$ 30,035,000
Warren County	45,130,000	58.03%	26,189,650
Warren County Schools	137,227,404	50.06%	68,689,434
Bowling Green Municipal Utilities	48,052,222	100.00%	48,052,222
Subtotal, overlapping debt			172,966,306
City direct debt			140,594,298
Total direct and overlapping debt			$ 313,560,604

Notes:

(1) Gross debt, less reserves.

(2) 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)

Sources:

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

Schedule 11
City of Bowling Green

Legal Debt Margin Information
Last 10 Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value			4,551,808,439
Debt Limit (10% of assessed value)	(a)		455,180,844
Debt applicable to limit:			
General Obligation bonds		138,760,237	
Notes and Capital Leases payable		3,289,129	
Less: Amount set aside for repayment of general obligation debt		-	
Less: Non tax-supported debt		(1,455,061)	
Total net debt applicable to limit			140,594,305
Legal debt margin			$ 314,586,539

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	$ 455,180,844	$ 448,977,178	$ 439,486,824	$ 409,433,575	$ 339,413,009	$ 311,733,395	$ 321,124,611	$ 306,400,447	$ 303,272,181	$ 285,902,804
Total net debt applicable to limit	140,594,305	145,580,339	117,768,696	94,166,847	80,217,030	85,646,789	93,892,441	81,334,054	70,875,508	41,548,886
Legal Debt Margin	$ 314,586,539	$ 303,396,839	$ 321,718,128	$ 315,266,728	$ 259,195,979	$ 226,086,606	$ 227,232,170	$ 225,066,393	$ 232,396,673	$ 244,353,918
Total net debt applicable to limit as a percentage of debt limit	30.89%	32.42%	26.80%	23.00%	23.63%	27.47%	29.24%	26.55%	23.37%	14.53%

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

See accompanying independent auditor's report

Schedule 12
City of Bowling Green
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Stonehenge Sections I-V (a)				Cedar Grove Section IX (a)				Lovers Lane (b)			
	Special Assessment	Debt Service			Special Assessment	Debt Service			Special Assessment	Debt Service		
Fiscal Year	Collections	Principal	Interest	Coverage	Collections	Principal	Interest	Coverage	Collections	Principal	Interest	Coverage
2001	$ 65,774	$ 10,000	$ 50,805	1.08	$ 27,588	$ 5,000	$ 20,588	1.08				
2002	93,659	15,000	73,691	1.06	27,250	5,000	20,250	1.08				
2003	93,540	16,000	72,571	1.06	26,913	5,000	19,913	1.08				
2004	92,565	16,000	71,596	1.06	26,575	5,000	19,575	1.08				
2005	115,120	24,000	86,151	1.05	26,238	5,000	19,238	1.08				
2006	114,776	25,000	84,808	1.05	25,900	5,000	18,900	1.08				
2007	112,572	29,000	81,468	1.02	29,997	10,000	18,563	1.05				
2008	111,571	29,000	83,125	1.00	29,513	10,000	17,888	1.06	16,150	6,273	9,877	1.00
2009	117,482	33,000	85,712	0.99	29,238	10,000	19,213	1.00	16,150	6,577	9,574	1.00
2010	126,701	34,000	83,840	1.08	29,632	10,000	18,538	1.04	15,581	6,896	9,255	0.96

Notes: (a) The Stonehenge Sections I-V and Cedar Grove Section IX Special Assessment revenues are collected from property owners in each district to fund the development of the subdivisions and to provide amentities 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.

See accompanying independent auditor's report

Schedule 13
City of Bowling Green
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Median Age (d)	School Enrollment (e)	Percentage of Workforce Unemployed (f)
2001	50,000	$ 2,270,047,000	$ 24,463	29	17,410	3.8%
2002	50,000	2,252,222,000	24,133	29	20,257	4.5%
2003	52,000	2,350,211,000	24,957	29	15,514	4.5%
2004	52,000	2,489,642,000	26,056	29	15,944	4.3%
2005	52,000	2,644,620,000	27,218	29	15,469	5.5%
2006	52,000	2,723,959,000	28,035	29	15,791	5.2%
2007	52,000	2,941,885,397	29,737	29	16,502	4.6%
2008	54,000	3,051,745,000	29,849	29	16,251	4.6%
2009	55,000	3,195,505,000	30,802	29	16,107	8.0%
2010	57,000	3,410,173,000	31,993	29	17,917	9.9%

Sources: (a) Estimated population statistics obtained from the Kentucky Cabinet for Economic Development (www.thinkkentucky.com).

(b) Personal Income Numbers were obtained from www.workforcekentucky.ky.gov

(c) Income Per Capita obtained from www.workforcekentucky.ky.gov

(d) U.S. Department of the Census (2000 Census)

(e) For public schools used www.education.ky.gov and for private schools used www.greatschools.org. Bowling Green Board of Education, Warren County Board of Education, and all private schools. Western Kentucky University is not included.

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

Note: (1) Personal Income, and Per Capita Income are for the full calendar year before fiscal year end.

Schedule 14
City of Bowling Green
Principal Employers
Current Year and Nine Years Ago

	2010			2001		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Western Kentucky University	4,614	1	11.29%	3,767	1	7.78%
The Medical Center at BG	1,905	2	4.66%	1,630	2	3.36%
Union Underwear Co. LLC	1,537	3	3.76%	935	4	1.93%
Wal-Mart Associates Inc.	1,026	4	2.51%	----	----	----
Warren County Board of Education	1,015	5	2.48%	783	5	1.62%
Sun Products	959	6	2.35%	----	----	----
BG Metalforming LLC	750	7	1.84%	----	----	----
Houchens Food Group Inc.	710	8	1.74%	----	----	----
City of Bowling Green	635	9	1.55%	612	8	1.26%
Bowling Green Independent Schools	606	10	1.48%	----	----	----
NAO Comp Oper-North America Oper	----	----	----	1,626	3	3.36%
Desa International Inc.	----	----	----	576	9	1.19%
Eagle Industries LLC & Subs	----	----	----	687	6	1.42%
Express Services Inc	----	----	----	657	7	1.36%
Commonwealth of Kentucky	----	----	----	541	10	1.12%
Total	13,757		33.68%	11,814		24.39%

Source: City of Bowling Green, Department of Finance, southcentralky.com (Business & Industry), or call Chamber of Commerce (781-3200)

See accompanying independent auditor's report

Schedule 15
City of Bowling Green
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
General government	**41**	**45**	**45**	**44**	**44**	**46**	**46**	**41**	**43**	**42**
Administration	7	6	6	6	4	4	4	4	4	4
Citizen's Assistance	-	6	7	7	9	9	9	7	9	9
Finance	18	18	17	17	17	19	20	20	20	20
Human Resources	6	5	6	6	6	6	6	5	5	5
Legal	2	2	2	2	2	2	2	-	-	-
Information Technology	8	8	7	6	6	6	5	5	5	4
Public Safety	**263**	**276**	**265**	**260**	**257**	**247**	**239**	**234**	**224**	**220**
Police										
Officers	104	114	111	107	103	97	95	90	90	88
Civilians	38	40	38	35	35	34	31	34	33	31
Fire										
Firefighters and officers	117	118	112	115	115	112	109	106	97	97
Civilians	4	4	4	3	4	4	4	4	4	4
Public Works	**51**	**57**	**58**	**60**	**60**	**57**	**58**	**53**	**49**	**59**
Parks and Recreation	**61**	**60**	**60**	**58**	**60**	**60**	**58**	**57**	**57**	**60**
Community Development	**21**	**22**	**22**	**26**	**24**	**22**	**23**	**21**	**20**	**20**
Total	**437**	**460**	**450**	**448**	**445**	**432**	**424**	**406**	**393**	**401**

Source: City of Bowling Green Department of Finance

See accompanying independent auditor's report

Schedule 16
City of Bowling Green
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Citizen's Information										
Anti-Litter presentations/events	8	7	28	50	23	10 [a]	-	-	-	-
Neighborhood Meetings conducted	72	91	97	84	91	70	65	65	47	60
Finance										
Tax bills sent	21,372	21,238	20,946	20,444	20,330	19,714	19,555	19,453	19,465	18,921
Business registrations received	819	776	967	1,072	1,134	1,351	1,193	1,141	1,083	1,204
Human Resources										
Job applicants	1,137	1,938	1,567	2,505	1,386	942	611	1,631	873	942
Position filled	178	204	224	147	185	132	122	111	116	130
Police										
911 Service calls	54,754	60,013	59,041	54,294	55,730	53,226	50,789	49,138	46,510 [b]	29,776
Animal control calls	3,202	3,283	3,615	3,990	4,900	4,867 [c]	524	501	451	198
Traffic stops	15,777	17,356	13,021	14,066	3,237	3,367	3,281	3,568	3,575	3,607
Fire										
Accident runs	4,517	4,586	4,552	2,475	2,292	2,741	3,161	4,231	4,223	4,032
Fire runs	258	294	499	534	405	578	648	497	404	607
Inspections	3,373	3,838	2,761	937	134	2,183	1,136	1,219	811	1,627
Public Works										
Street resurfacing (miles)	5	4	5	18	17	14	14	11	8	9
Potholes repaired	466	385	408	294	349	625	567	755	521	748
Parks and Recreation										
Fitness & Athletic participants	878,035	871,724	842,043	845,618	821,759	729,967	705,271	636,122	620,339	573,774
Visits to Community Center	214,184	223,628	176,998	298,315	110,929	109,599	120,000	126,998 [d]	192,383	174,669
Community Development										
Households receiving asst	765	791	688	579	663	616	628	602	600	569
Bldg/Electrical & Code inspections*	15,631	12,302	13,038	15,460	16,001	13,935	9,032	7,561	7,670	5,933

Notes:

(a) The Anti-Litter program was established in 2005.

(b) Beginning in 2002, Public Safety became the answering point for both landline and cell phone 911 calls in Warren County.

(c) Animal Control Program was developed in 2005, calls had previously been forwarded to the Sheriff's Department.

(d) Community Action volume is no longer tracked at the Bowling Green Community Center.

* Records of Building, Electrical and Code inspections are unrecoverable prior to 2001.

Source: Citizens Information & Assistance department compliled info from various City of Bowling Green departments

See accompanying independent auditor's report

Schedule 17
City of Bowling Green
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Police										
Police Stations	1	1	1	1	1	1	3	3	3	7
Substations	2	2	2	2	2	2	-	-	-	-
Fire										
Fire stations	7	6	5	5	5	5	5	5	5	5
Training centers	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	257	247	242	241	235	230	221	408	307	221
Sidewalks (miles)	95	94	90	88	106	106	207	207	207	64
Alleys (miles)	17	17	15	4	4	4	3	8	8	3
Parks and recreation										
Number of Parks	25	25	25	25	25	24	24	24	24	23
Acreage	970	970	970	970	944	886	886	886	881	881
Playgrounds	22	22	22	19	19	17	17	17	17	17
Baseball/Softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccer fields	13	13	13	13	13	13	13	13	13	13
Community Centers	3	3	2	2	2	2	2	2	2	2
Community Development										
Building Permits Issued	1,571	1,523	2,082	2,400	2,787	2,765	2,488	2,331	2,061	2,252

Source: Various City of Bowling Green Departments