



CITY OF BOWLING GREEN, KENTUCKY
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2025



**COMMUNITY LED
SERVICE DRIVEN
POWERED BY GROWTH**

City of Bowling Green

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



COMMUNITY SERVICE GROWTH

Issued by the
Department of Finance

City of Bowling Green, Kentucky

Table of Contents
Year Ended June 30, 2025

PAGE

INTRODUCTORY SECTION

Letter of Transmittal.....	1
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	7
Organizational Chart.....	8
Directory - Principal Officials.....	9

FINANCIAL SECTION

Report of Independent Auditor.....	10
---	-----------

Management's Discussion & Analysis.....	13
--	-----------

Basic Financial Statements

Government Wide Financial Statements

Statement of Net Position.....	23
Statement of Activities.....	25

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet - Governmental Funds.....	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	31

Proprietary Fund Financial Statements

Statement of Net Position - Proprietary Funds.....	32
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	33
Statement of Cash Flows - Proprietary Funds.....	34

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position.....	35
Statement of Changes in Fiduciary Net Position.....	36

Notes to the Financial Statements.....	37
---	-----------

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

General Fund.....	83
Community Development Special Revenue Fund.....	85
Municipal Aid Special Revenue Fund	86
Notes to Required Supplementary Information on Budgetary Accounting and Control.....	87

Pension Schedules

Schedule of Changes in Net Pension Liability - Police and Firefighter's Retirement.....	88
Schedule of City Contributions - Police and Firefighters' Retirement Fund.....	89
Schedule of Investment Returns - Police and Firefighters' Retirement Fund.....	90

City of Bowling Green, Kentucky

Table of Contents Year Ended June 30, 2025

	PAGE
Schedule of Proportionate Share of Net Pension Liability - County Employees Retirement System of the Commonwealth of Kentucky.....	91
Schedule of City Pension Contributions - County Employees Retirement System of the Commonwealth of Kentucky.....	92
Schedule of Proportionate Share of the Net OPEB Liability.....	93
Schedule of City OPEB Contributions - County Employees Retirement System of the Commonwealth of Kentucky.....	94
Modified Approach for City Streets Infrastructure Capital Assets.....	95
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES.....	98
Nonmajor Governmental Funds	
Combining Balance Sheet - Nonmajor Governmental Funds.....	103
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	104
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	106
Combining Balance Sheet - Nonmajor Debt Service Funds.....	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds.....	114
Budgetary Comparison Schedules	
Bluegrass Farms Blvd Capital Project Fund	115
ITA Bond Debt Service Fund.....	116
Debt Service Fund.....	117
TIF District Bond Debt Service Fund.....	118
Fire Improvement Special Revenue Fund.....	119
A Better BGKY Inc Special Revenue Fund.....	120
Job Development Incentive Special Revenue Fund.....	121
Parks Development Special Revenue Fund.....	122
Landfill Closure Special Revenue Fund.....	123
Local Law Enforcement Block Grant Special Revenue Fund.....	124
Radio System Special Revenue Fund.....	125
Police Improvement Special Revenue Fund.....	126
Lampkin Park Trust Special Revenue Fund.....	127
American Rescue Act Plan Special Revenue Fund.....	128
Special Taxing Districts Special Revenue Fund.....	129
Capital Community Grant Projects Capital Projects Fund.....	130
Equipment Replacement Capital Projects Fund.....	131
Road Construction Capital Projects Fund.....	132
Riverfront Park Development Capital Projects Fund.....	133
Sidewalk Improvement Capital Projects Fund.....	134

City of Bowling Green, Kentucky

Table of Contents Year Ended June 30, 2025

	PAGE
Stormwater Infrastructure Improvement Capital Projects Fund.....	135
Municipal Facilities Capital Projects Fund.....	136
Technology Capital Improvement Capital Projects Fund.....	137
Smallhouse Road Construction Capital Projects Fund.....	138
Parks Capital Improvements Capital Projects Fund.....	139
800 Trunking Radio Systems Improvements Capital Projects Fund.....	140
Downtown Development Capital Projects Fund.....	141
Fire Capital Improvements Capital Projects Fund.....	142
Police Capital Improvements Fund.....	143
Internal Service Funds	
Combining Statement of Net Position.....	145
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	146
Combining Statement of Cash Flows.....	147
Fiduciary Funds	
Combining Statement of Fiduciary Net Position.....	149
Combining Statement of Changes in Fiduciary Net Position.....	150
Bowling Green Municipal Utilities	
Combining Statement of Net Position.....	151
Combining Statement of Activities.....	152
Statistical Section	
Net Position by Component.....	154
Changes in Net Position.....	155
Fund Balances, Governmental Funds.....	157
Changes in Fund Balances, Governmental Funds.....	158
Wages, Withholding, Fees & Direct Occupational License Fee Rate, General Fund.....	160
Occupational License Receipts, General Fund.....	161
Real Property Tax Estimated Values, Assessments, Levies and Collections.....	162
Property Tax Rates, Direct and Overlapping Governmental Units.....	163
Principal Occupational Withholdings Fee Payers.....	164
Principal Property Taxpayers.....	165
Ratios of Outstanding Debt by Type.....	166
Indebtedness and Debt Ratios.....	167
General Debt - Governmental Funds.....	168
Inter-Modal Transportation Authority Debt.....	169
Ratios of General Bonded Debt Outstanding.....	170
Direct and Overlapping Governmental Activities Debt.....	171
Legal Debt Margin Information.....	172
Pledged-Revenue Coverage.....	173
Demographic and Economic Statistics.....	174
Principal Employers.....	175
Full-time City Government Employees by Function/Program.....	176

City of Bowling Green, Kentucky

Table of Contents
Year Ended June 30, 2025

	PAGE
Operating Indicators by Function/Program.....	177
Capital Asset Statistics by Function/Program.....	178
 Single Audit	
Single Audit Report Cover Page.....	179
Independent Auditor's Report on Internal Controls.....	180
Independent Auditor's Report on Compliance.....	182
Schedule of Expenditures of Federal Awards.....	185
Notes to SEFA Schedule.....	187
Schedule of Findings and Questioned Costs.....	188
Summary Schedule of Prior Audit Findings.....	190

FINANCE DEPARTMENT



**COMMUNITY LED
SERVICE DRIVEN
POWERED BY GROWTH**

ERIN BALLOU, CMA, CPFO
Chief Financial Officer

SEAN WEEKS, CPFO
Assistant Chief Financial Officer

DAVID L. LYNE
Occupational License Manager

MEGHAN VANMETER, NIGP-CPP
Procurement Manager

November 11, 2025

Honorable Mayor Todd Alcott
Members of the Board of Commissioners
Residents of Bowling Green

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Bowling Green, "the City", for the fiscal year ended June 30, 2025. The ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and the reporting standards of the Governmental Accounting Standards Board (GASB). The ACFR includes all funds of the City and the component units.

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

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

The independent accounting firm of Cherry Bekaert LLP has audited the City's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the City; and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2025, are fairly presented in all material respects in conformity with GAAP. Their report is the first component in the Financial Section of this report.

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

PROFILE OF THE CITY

Bowling Green, the “Park City” of Kentucky, was established in 1798, and is located in the south-central part of Kentucky. The City occupies a land area of approximately 42.6 square miles, has an estimated population of 78,706 according to the World Population Review, and serves as the retail, educational, medical, commercial, and social hub for south-central Kentucky and northern Tennessee. The broader workforce, which measures employable workers that are 18 years and older, is measured at approximately 650,000 for the area encompassing the ten county Barren River Area Development District plus the three closest Tennessee counties along the border.

The City operates under the City Manager form of government, one of the alternative forms of municipal government established under Kentucky Statutes. Under this form of government, a Mayor, who is elected for a term of four years, and four City Commissioners, who serve two years each, are all voted into office in non-partisan elections. The Mayor and the City Commissioners comprise the Board of Commissioners, “the Board”, in which all legislative and executive authority of the City is vested. As such, the Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and ratifying the hiring of most City staff. The Board appoints a City Manager, who serves as the Chief Administrative Officer of the City and enforces City ordinances and policy as well as carrying out day-to-day operations. As of June 30, 2025, the City's workforce comprised 567 authorized full-time positions, 560 of which were occupied, and dedicated 61.0% of the City's full-time workforce to public safety.

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

In accordance with GASB Statement No. 61, “*The Financial Reporting Entity*”, and based on the foregoing criteria, the City has presented the Bowling Green Police and Firefighters’ Retirement Fund as a blended component unit 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, and the component unit is dependent upon the City financially and operationally. Bowling Green Municipal Utilities (BGMU) is included as a discretely presented component unit because the City is financially accountable and is able to impose its will on the organization, or the component unit provides specific financial benefits or imposes specific financial burdens on

the City. The Bowling Green/Warren County Regional Airport, Bowling Green Independent School District, Housing Authority of Bowling Green, and other various related organizations providing services within the City do not meet the financial accountability criteria discussed above and, therefore, are excluded from this report.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager submits a proposed budget to the Board in May or no later than June 1 of each year. Under State statute, this budget must be balanced for each fund and total available funds must equal or exceed total anticipated expenditures. The Board then conducts a public meeting on the proposed budget. Prior to July 1, the budget is legally enacted through passage of an ordinance. During the year, the Assistant City Manager/Chief Financial Officer are authorized to transfer budgeted amounts between departments within any fund. However, the Board must approve revisions that alter the total expenditures of any fund. During this fiscal year, there were four such budget amendments. With respect to procurement, any expense that exceeds \$50,000 also requires approval by the Board.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

The local economy is comprised of a well-balanced blend of service, manufacturing, retail, and other industries that support the City's main revenue source, employee withholding fees. Bowling Green is the home of Western Kentucky University (WKU), the City's second largest employer with approximately 2,218 employees and a prime catalyst for the local economy. The University's total enrollment for the Fall 2025 semester including undergraduate and graduate students was 16,759, a slight increase from 16,293 students the previous year. WKU houses one of the nation's top-rated high schools, the Gatton Academy for Mathematics and Sciences, which *Niche.com* ranks as the second best public high school in Kentucky. Other major employers include the General Motors Corvette assembly plant and Commonwealth Health Corporation, one of two regional hospitals. In addition, countless local businesses prosper in the community proving that the entrepreneurial spirit is alive and growing in the region.

Aggressive cooperative strategies are in place between the local governments, Chamber of Commerce, Economic Development Authority, and Inter-Modal Transportation Authority (ITA) that continue to attract businesses and jobs to the community. The City consistently scores high in national rankings of preferred business locations and favorable environments for creating and developing businesses due to its rich economic, social, and cultural environment. The City was recently named a winner of the Mac Conway award for the fourth time in five years. This award is presented to organizations that have significantly contributed to their locations' investment attraction and job creation. The Bowling Green community continues to be recognized by numerous other print and online publications, including: *National Geographic Magazine*, *Forbes*, *TIME.com*, and *Site Selection Magazine*. Of note, for the second consecutive year, *Site Selection* named Bowling Green as the No. 1 Tier 3 Top Metro by total projects, with a total of 24 economic development projects.

During 2024, twenty-four economic development projects were announced in South Central Kentucky that are estimated to create 610 jobs and generate over \$326.3 million in capital investments. Two economic development projects were announced within the first six months of 2025, bringing an additional \$49.4 million in capital investment and 164 new jobs to the area.

Bowling Green's average unemployment rate of 4.8% during Fiscal Year 2025 increased by 0.3%, compared to Fiscal Year 2024; this is lower than the State, but above the National average. Bowling Green began Fiscal Year 2025 with an unemployment rate of 5.6%, versus 5.8% for the State and 4.2% nationally. By the end of the fiscal twelve months, the City's unemployment rate was 4.8%, versus 4.9% for the State and 4.1% for the Nation. Kentucky's unemployment rate during Fiscal Year 2025 averaged 5.1% versus 4.1% across the United States.

Bowling Green revenue collections grew during Fiscal Year 2025. The payroll tax base posted a gain of approximately \$254.2 million, which increased employee withholding fees and net profit collections by \$4.8 million, or 3.1%, over Fiscal Year 2024. Total withholding and net profit receipts during FY2025 topped \$83.9 million, which was bolstered by a full fiscal year at the rate increase effective January 1, 2024, from 1.85% to 2.0%. The City's second most important revenue source, property taxes, outperformed FY2024 actual collections by \$685,000 or 3.5%, contributing to a total collection of just over \$20.4 million.

The City has various abatement programs consisting of annexation incentives, payments-in-lieu-of-taxes (PILOT), historical moratoriums related to property taxes and a small business tornado relief program, as well as the Job Development Incentive Program (JDIP) related to employee withholdings. An additional abatement program utilized by the City within the WKU Gateway to Downtown Bowling Green Tax Increment Financing (TIF) District may be comprised of property taxes, employee withholdings, and net profits. A long-term benefit and goal of the City's annexation related abatement programs is expansion of the tax base, with an emphasis to commercial and industrial areas. The same is true for programs within the JDIP and the TIF District, these programs focus on job creation and economic development. Each abatement program has been designed with cyclical components to attract businesses and ultimately contribute to population growth, which should accelerate infrastructure development and amenities furthering the appeal of the City.

Management believes the local economy remains strong as the City continues to realize growth with new and expanding business announcements. The City is committed to aggressively competing for jobs and building a skilled workforce by offering incentives to new businesses locating in the area and encouraging the expansion of existing businesses to grow the job base. Additional efforts have been initiated to partner with other organizations to more effectively address workforce development and recruitment efforts. Western Kentucky University continues to be a stabilizing force for the local economy along with the health care and manufacturing sectors.

Long-term Financial Planning

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

Relevant Financial Policies

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

Major Initiatives

The City continues to emphasize delivery of focused public services in a manner that provides maximum efficiency, effectiveness, and value to the residents of Bowling Green. The City's major initiatives slated for the upcoming year and major projects completed during FY2025 are discussed below.

The Public Works Department is committed to improving the City's street, sidewalk, and stormwater infrastructure through several on-going programs. The street overlay program was allocated a budget of \$2.0 million in FY2026 to resurface approximately 11.0 miles of roadway. The sidewalk improvement and reconstruction programs, which has resulted in over 23 miles of new sidewalk construction over nineteen years, was allocated \$1.0 million in the new year budget. The stormwater mitigation and new rehabilitation programs work to address flooding impacts and to rehabilitate the City's storm infrastructure system and received funding totaling \$1.9 million in FY2026.

The Public Works Department also oversees many new and on-going projects. Current projects include the completion of the Public Safety Training Center, rehabilitation of Commerce Street, design of a multi-use path along the highly trafficked Scottsville Road, construction of a new roundabout at Tomblinson Way, and design of a new municipal services building.

The Parks and Recreation Department continued and completed several projects during Fiscal Year 2025, including CrossWinds Golf Course irrigation improvements, design of turf soccer fields at Lovers Lane Soccer Park, and Hobson Golf Course irrigation improvements. Projects underway or slated to begin during FY2026 include the development of a new riverfront park area; reconstruction of Paul Walker Pro-Shop and cart barn; playground surfacing and equipment upgrades at Lover's Lane, Covington Woods, and Roland Blank parks; upgrades to Pedigo and Lampkin parks; and adding synthetic turf fields at Preston Miller Park.

Several pieces of large equipment were acquired and placed into service during FY2025 for the Public Works, Parks, NCS, Police, and Fire departments. The more significant purchases include 24 new and replacement police vehicles, one fire truck, leaf collector, street sweeper, and dump truck were placed into service for a total cost of over \$3.1 million. Other notable projects completed during FY2025 include the renovation of Transit Center building, construction of the Transpark Fire Station, and construction of the West End greenway.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bowling Green for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The GFOA has also given an Award for Outstanding Achievement in Financial Reporting to the City of Bowling Green for its Popular Annual Financial Report for the fiscal year ended June 30, 2024. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

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

Acknowledgments

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 recognition to Sean Weeks, Assistant Chief Financial Officer, and to the staff of Cherry Bekaert LLP.

Respectfully submitted,



Erin Ballou, CMA, CPFO
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bowling Green
Kentucky**

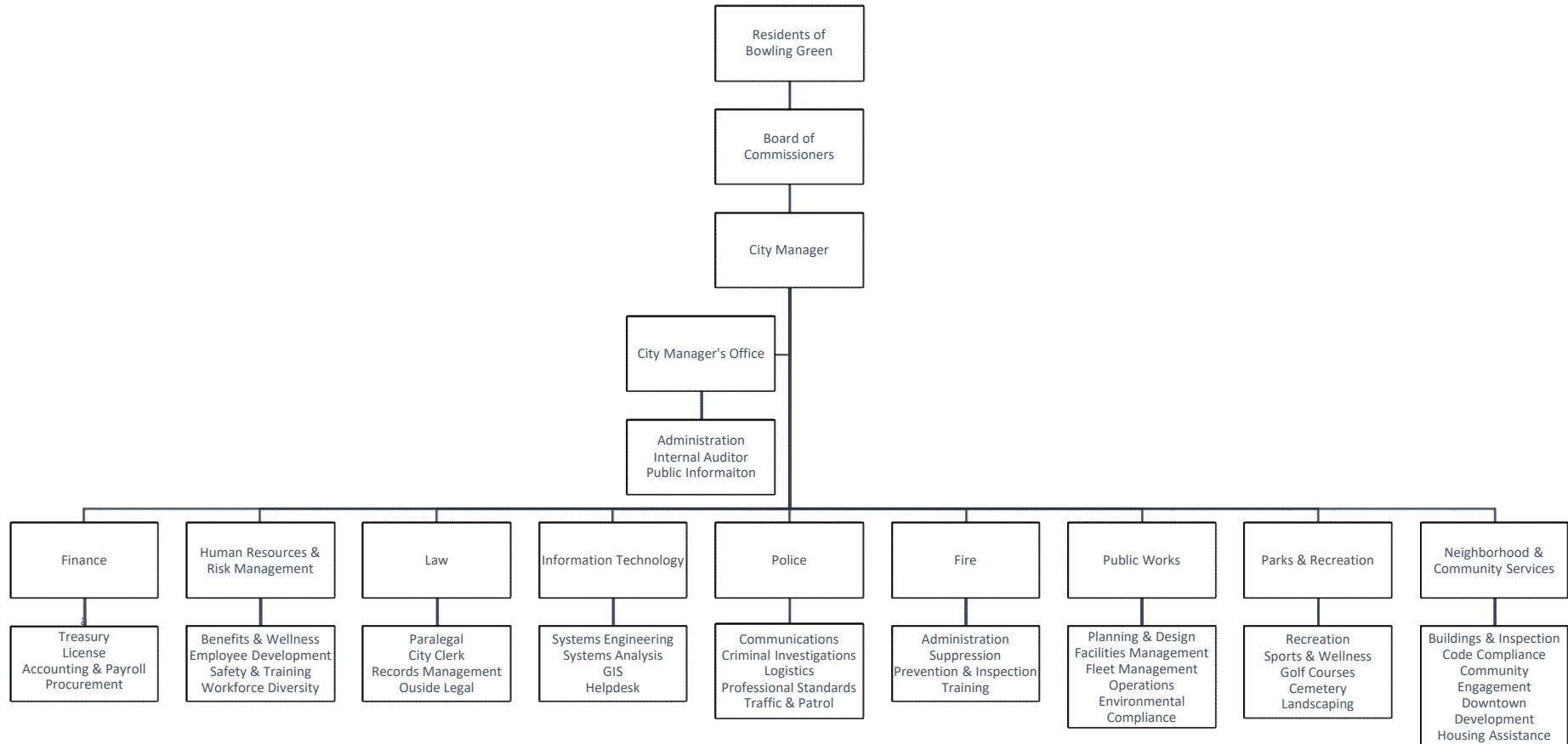
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monill

Executive Director/CEO

CITY OF BOWLING GREEN



**City of Bowling Green, Kentucky
Directory – Principal Officials
As of June 30, 2025**

Mayor and Commissioners

Todd Alcott	Mayor
Carlos Bailey	Commissioner
Dana Beasley-Brown	Commissioner / Mayor Pro Tem
Melinda Hill	Commissioner
Sue Parrigin	Commissioner

JEFF MEISEL, CPA – CITY MANAGER

Administration:

Ashley Jackson	City Clerk
Deborah Jenkins	City Internal Auditor

Finance:

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

Human Resources and Risk Management:

Erin Hulsey	Director
-------------	----------

Law:

Hillary Hightower	City Attorney
-------------------	---------------

Information Technology:

Donnita Weeks	Director
---------------	----------

Public Safety:

Michael Delaney	Police Chief
Justin Brooks	Fire Chief

Public Works:

Andy Souza	Director
------------	----------

Parks and Recreation:

Brent Belcher	Director
---------------	----------

Neighborhood and Community Services:

Brent Childers	Director
----------------	----------

Report of Independent Auditor

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Bowling Green, Kentucky's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police and Firefighters' Retirement Fund, which represent 92% of the assets, 100% of net position, and 4% of revenues of the fiduciary funds. We also did not audit the financial statements of Bowling Green Municipal Utilities, which represent 100% of the assets, net position, and revenues of the discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Police and Firefighters' Retirement Fund and Bowling Green Municipal Utilities, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, the City adopted a new accounting standard, GASB Statement 101, *Compensated Absences* and the July 1, 2024 beginning net position was restated by \$5,471,686, accordingly. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bowling Green, Kentucky's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bowling Green, Kentucky's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2025 on our consideration of the City of Bowling Green, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bowling Green, Kentucky's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bowling Green, Kentucky's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Lexington, Kentucky
November 11, 2025

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, 2025. 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 and deferred outflows exceeded liabilities and deferred inflows at the close of the fiscal year by \$405.2 million (net position). This amount included \$74.3 million of resources restricted to specific projects by laws, regulations or contractual agreements. A deficit total of \$43.2 million of resources is unrestricted principally due to the reporting of pension and OPEB liabilities.
- The City's total net position increased \$72.2 million, net position of governmental activities increased \$71.8 million and net position of business-type activities increased by \$0.4 million. The governmental activities increase is primarily a result of the construction and acquisition of infrastructure assets. The increase in business-type activities is due to the completion of capital projects at the Convention Center, which resulted in a reduction in expenses.
- As of June 30, 2025, the City's governmental funds reported combined ending fund balances of \$188.4 million, an increase of \$1.8 million over the prior year. The increase is the result of increased wage withholdings and net profits due to the occupational fee rate increase of 0.15% effective on January 1, 2024. Of the total fund balances amount, \$11.8 million in the General Fund was unassigned and available for spending. The General Fund committed fund balance total of \$26.8 million represents the minimum balance set by the City's reserve balance policy, which equals the reserve balance as 25% of the adopted revenue budget.
- The City's governmental activities total assets increased by \$62.9 million as a result of current year additions to capital assets for infrastructure and other improvement projects and increased cash from continued wage growth, new and expanded businesses in the region, and an occupational fee rate increase. Governmental activities deferred outflows of resources increased by \$8.6 million due to a net increase of outflows for pensions and OPEB. Business-type activity assets increased by \$0.4 million due to investment earnings and the lack of capital spending in FY2025.
- The City's governmental activities total liabilities and deferred inflows of resources decreased \$0.3 million due to a reduction of the OPEB liability.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources as of June 30, 2025. Net position is the difference between assets and liabilities. Over time, increases or decreases in net position are one indicator of whether financial health is improving or deteriorating. Information on other factors, such as changes in the revenue structure and the condition of the City's assets, is also needed to assess the overall financial situation of the City.

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

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

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

Fund Financial Statements

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

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

The City as Trustee

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

Government-wide Financial Analysis

Net Position

The following table summarizes the City's financial position as of June 30, 2025. The City reported total primary government assets greater than liabilities by \$405.2 million, an increase of \$66.7 million over last year, net of the restatement for GASB Statement No. 101, *Compensated Absences*. The increase in net position is a combination of additions to infrastructure assets and rising wage withholding collections due to new businesses and expansions, local wage growth, and an occupational fee rate increase. Business-type activities increased slightly due to completion of capital projects in the prior year, which reduced current year expenses. A \$71.9 million increase in assets and deferred outflows of resources from the prior year is related to the purchase and donation of capital infrastructure assets primarily related to new streets and sidewalks, which was also a driver of the increase in net position.

Of the \$405.2 million in net position, \$374.1 million, or 92.3%, was the net investment in capital assets and unrestricted net position equaled a deficit balance of \$43.2 million, or -10.7%. The net position of governmental activity funds totaled \$389.7 million, which was comprised of the net investment in capital assets totaling \$367.7 million, or 94.4%, and a deficit balance of \$52.3 million, or -13.4%, as unrestricted. The unrestricted net position of governmental funds included fund balances of the General Fund and various special revenue funds.

Summary of Net Position

June 30, 2025

(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
						Restated
Current and other assets						
Capital assets	\$ 207.8	\$ 203.4	\$ 9.1	\$ 8.5	\$ 216.9	\$ 211.9
Total assets	382.9	324.4	6.4	6.6	389.3	331.0
	590.7	527.8	15.5	15.1	606.2	542.9
Deferred outflows of resources	33.0	24.4	-	-	33.0	24.4
Long-term liabilities	179.6	180.9	-	-	179.6	180.9
Other liabilities	15.4	12.8	-	-	15.4	12.8
Total liabilities	195.0	193.7	-	-	195.0	193.7
Deferred inflows of resources	39.0	40.6	-	-	39.0	40.6
Net position:						
Net investment in capital assets	367.7	307.4	6.4	6.6	374.1	314.0
Restricted for:						
Debt service	7.5	6.2	-	-	7.5	6.2
Capital projects	59.4	51.6	-	-	59.4	51.6
Community development	5.9	13.1	-	-	5.9	13.1
Net pension asset	-	0.5	-	-	-	0.5
Perpetual care	1.5	1.4	-	-	1.5	1.4
Unrestricted	(52.3)	(56.8)	9.1	8.5	(43.2)	(48.3)
Total net position	\$ 389.7	\$ 323.4	\$ 15.5	\$ 15.1	\$ 405.2	\$ 338.5

**Numbers may not total due to rounding*

The net position of the City's business-type activities totaled \$15.5 million. Of the net position total, \$6.4 million (41%) was net investment in capital assets and \$9.1 million (59%) was unrestricted.

Analysis of City Operations

The following table summarizes City operations for the fiscal year ended June 30, 2025. Governmental activities increased the City of Bowling Green's net position by \$71.8 million, accounting for over 98% of the total increase. The increase in net position is a result of capital asset and infrastructure additions from new construction and infrastructure assets donated to the City, which is reflected as capital grants and contributions. Growth in occupational fees resulting from a recent rate increase is shown under general revenues. Business-type activities increased the City's net position by less than \$0.4 million. The increase in Business-type net position is due to the reduction in expenses resulting from the completion of the restroom improvement project in the prior year.

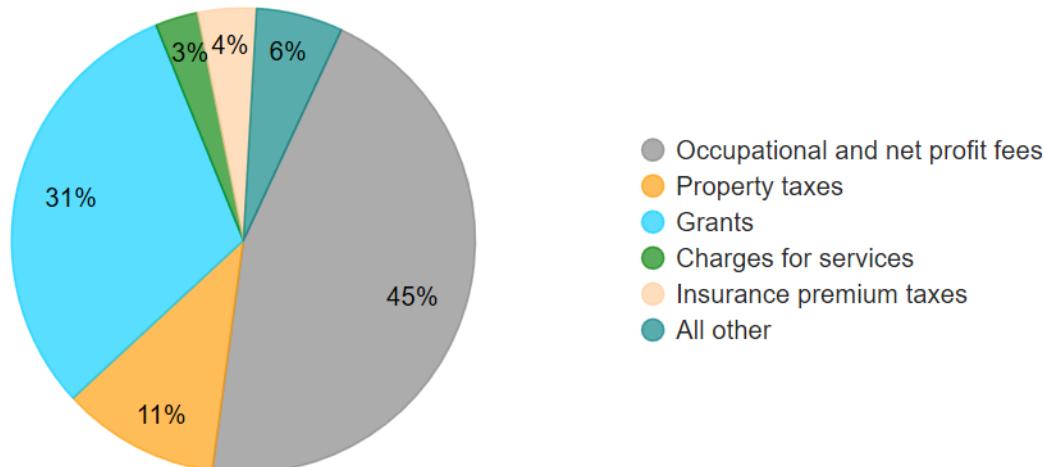
Statement of Activities
June 30, 2025
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 5.5	\$ 5.0	\$ 0.2	\$ 0.2	\$ 5.7	\$ 5.2
Operating grants and contributions	12.6	11.4	-	-	12.6	11.4
Capital grants and contributions	44.4	54.2	-	-	44.4	54.2
General revenues						
Property taxes	20.4	19.7	-	-	20.4	19.7
Insurance premium taxes	7.6	7.6	-	-	7.6	7.6
Transient room taxes	-	-	0.8	0.8	0.8	0.8
Occupational and net profit fees	83.9	79.1	-	-	83.9	79.1
Other general revenues	11.2	7.2	0.2	0.2	11.4	7.4
Total revenues	185.6	184.2	1.2	1.2	186.8	185.4
Program Expenses						
General government	18.2	14.2	-	-	18.2	14.2
Public safety	45.2	42.2	-	-	45.2	42.2
Public works	22.0	16.7	-	-	22.0	16.7
Parks and recreation	10.7	10.3	-	-	10.7	10.3
Neighborhood and community services	11.0	14.1	-	-	11.0	14.1
Agency services	4.8	3.8	-	-	4.8	3.8
Interest expense	1.8	3.2	-	-	1.8	3.2
Convention Center	-	-	0.9	2.0	0.9	2.0
Total program expenses	113.7	104.5	0.9	2.0	114.6	106.5
Increase/decrease in net position before transfers	71.9	79.9	0.3	(0.8)	72.2	79.0
Transfers	(0.1)	(0.1)	0.1	0.1	-	-
Change in net position	71.8	79.8	0.4	(0.7)	72.2	79.0
Net position, beginning of year	323.3	265.5	15.1	15.8	338.4	281.5
Change in accounting principle GASB 101	(5.4)	-	-	-	(5.4)	-
Error Correction	-	(22.0)	-	-	-	(22.0)
Net position, beginning of year restated	317.9	243.5	15.1	15.8	333.0	259.5
Net position, end of year	\$ 389.7	\$ 323.3	\$ 15.5	\$ 15.1	\$ 405.3	\$ 338.5

**Numbers may not total due to rounding*

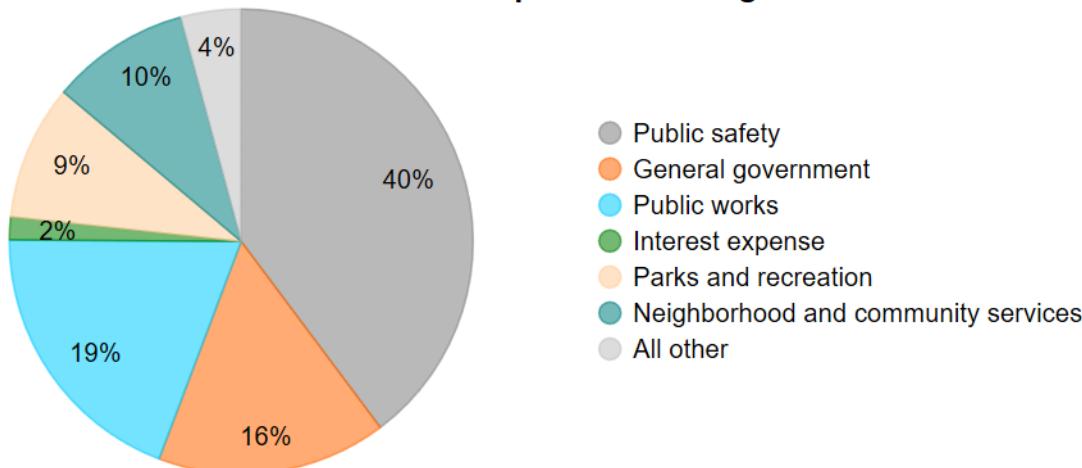
Revenues for the City's governmental activities totaled \$185.6 million at June 30, 2025, compared to \$184.2 million in the prior year. The increase is due to the gains in occupational fees resulting from the recent rate increase in addition to wage growth, job expansions, and investment gains from favorable market rate conditions. The increase in property taxes is due to new home, multi-family, and commercial construction and property value assessment increases. The City's largest source of revenue, occupational and net profit fees, totaled \$83.9 million, or 45.2%, of governmental revenue during FY2025. The second largest category of revenues, operating and capital grants, accounted for \$57.0 million, or 30.7%, of total revenue. Other revenue sources included property taxes (\$20.4 million), charges for services (\$5.5 million) and insurance premium taxes (\$7.6 million).

Governmental Funds Revenue Sources



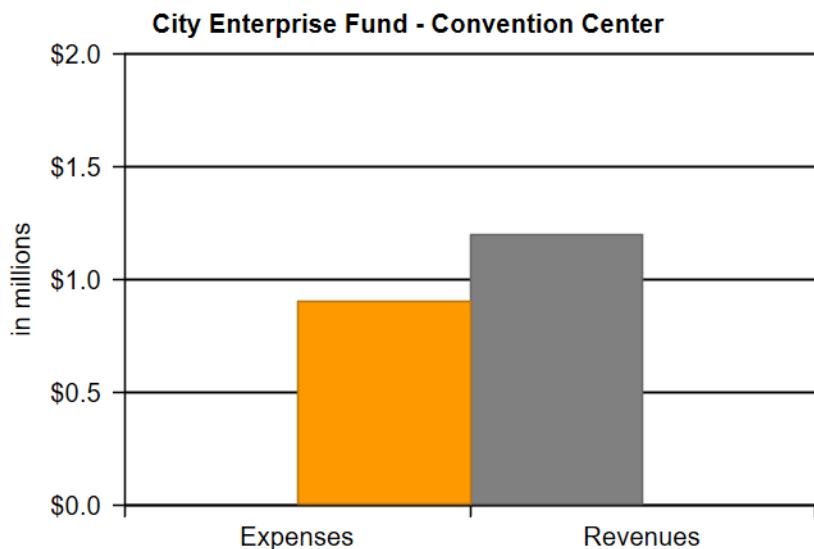
Current year expenses of the City's governmental activities totaled \$113.7 million, compared to \$104.5 million in the prior year. The primary cause for the increase in expenses is due to increased capital spending related to the construction of the Public Safety Training Center, renovation of the Public Transit facility, and construction of the West End greenways. The City's largest category of expenses in the current year was Public Safety, with a total of \$45.2 million, or about 39.8%, of total expenses. The City's second largest expense category, Public Works, ended the fiscal year with expenses totaling \$22.0 million, or 19.3%, of total expenses during FY2025. Other expense categories include Parks and Recreation (\$10.7 million), Neighborhood and Community Services (\$11.0 million), General Government (\$18.2 million), and interest expense (\$1.8 million).

Governmental Funds Expenditure Categories



Business-type Activities

Revenues for business-type activities totaled \$1.2 million during Fiscal Year 2025, compared to \$1.2 million last year. Of the \$1.2 million of revenues, \$0.2 million, or 16.7%, was collected as charges for services fees. The decrease in Convention Center revenue is a result of a slight reduction in interest earnings due to longer term investments with lower interest rates. Expenses for business-type activities totaled \$0.9 million during FY2025, which is a decrease of \$1.1 million from last year due to the completion of an on-going repair project at the Convention Center.



Funds of the City of Bowling Green

The City's governmental funds for the year ended June 30, 2025, reflected a combined ending total fund balance of \$188.4 million, an increase of \$1.8 million from the prior year. The increase in fund balance is a result of gains in non-pooled cash and cash equivalents due to higher than expected revenue collections from the occupational rate increase alongside property tax growth. Of the \$188.4 million total fund balance, \$11.8 million is unassigned in the General Fund and available for spending at the City's discretion. The remaining balance is comprised of non-spendable, assigned, committed, and restricted amounts; indicating that the funds are not available for spending, or that spending is otherwise restricted by State statute or by City ordinance, has been dedicated to pay outstanding contracts or purchase orders, or to fund future debt service payments, or intended to be used for specific purposes.

The total fund balance in the General Fund at June 30, 2025, is \$43.3 million, which represents a decrease of \$3.5 million from the prior year. The decrease in fund balance is mainly due to rising personnel costs from the addition of nearly 60 new full time positions over the past two fiscal years. Of the \$43.3 million total fund balance, unassigned fund balance is \$11.8 million and reflects 10.6% of General Fund revenues, representing residual net resources that have not been restricted, committed, or assigned to specific purposes. Committed fund balance is \$26.8 million and is the General Fund's minimum reserve balance equal to 25% of budgeted revenues. Assigned fund balance totals \$2.8 million, or 2.5%, of General Fund revenues, and non-spendable fund balance is \$1.9 million. The fund balances for these categories represents prepaid items, inventories, loan receivable, spending restricted to specific purposes, and funds reserved to pay contracts and purchase orders outstanding as of June 30, 2025.

The Community Development Fund is used to account for federal grants that fund various community development programs, such as: Community Development Block Grants, Revolving Loan Fund, Housing Choice Vouchers, and Mainstream Vouchers. The reduction of fund balance in the amount of \$849,187 during FY2025 is due to the completion of the small business incubator program, which was funded with grant awards and prior year City contributions.

The Municipal Aid Fund is 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, public transit, and law enforcement special pay programs. The increase of \$669,123 to fund balance in FY2025 is a result of new and increase grant awards, including continued opioid settlement funding and increased federal funding for the transit program.

The Bluegrass Farms Blvd Fund is used to account for revenues and expenditures associated with the expansion of Bluegrass Farms Boulevard. The project has been funded by the private developer and with City contributions. The decrease of \$1,072,852 to fund balance in FY2025 is due the continued construction costs and drawdown of City contributions made in prior years.

The Inter-Modal Transportation Authority, Inc. (ITA) Bond Fund, is used to account for the revenues and expenditures related to the ITA bond issues that funded the acquisition, construction, and expansion of the Kentucky Transpark. Total fund balance of the ITA Bond Fund is \$48.4 million as of June 30, 2025, which is an increase of \$192,949 and is due to investment earnings. Of the \$48.4 million total fund balance, \$3.4 million is assigned fund balance, \$3.0 million is restricted fund balance, and \$42.0 million is nonspendable fund balance. The restricted fund balance represents the remaining unspent bond proceeds dedicated to the 2021 expansion of the Kentucky Transpark and nonspendable fund balance represents a long term note receivable from the ITA related to the 2021 bond proceeds.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net position in the proprietary fund, which consists solely of the Convention Center, equaled \$15.5 million as of June 30, 2025, compared to \$15.1 million last year. The gain in the Convention Center Fund net position is due to the decrease in current year expenses from the completion of prior year capital project for restroom renovations. Of the total net position, \$6.4 million represented the net investment in capital assets and \$9.1 million was unrestricted.

General Fund Budgetary Highlights

Over the course of the Fiscal Year, the Board of Commissioners approved revisions of the General Fund's budget four times to adjust for additional revenues collected for grants and donations not known when the budget was adopted. In all, the revenue budget increased by \$2,680,000, or +2.5%. The changes are summarized below.

Original revenue estimates were changed by the following:

Grants	\$ 2,565,000
Contributions & donations	88,000
Other & miscellaneous	27,000

The comparison of actual revenue to the final amended revenue budget yielded significant budgetary variances for employee withholdings (\$1.0 million), investment income (\$3.3 million), and total taxes (\$-0.8 million). Employee withholding returns reflect continued growth during the fiscal year with increases from new and expanding businesses. This is in conjunction with an occupational fee rate increase effective in January of 2024 and sector-wide wage increases to recruit and retain employees. Total taxes decreased as a result of motor vehicle and boat revenues dipping as a result of a weak resale market and lower sales. Investment income gains are a result of the implementation of a new banking sweep account.

The total expenditure budget was increased by \$13,554,000, or 12.7%, during the fiscal year. The increase was primarily due to the increase in transfers out to other funds to pre-fund future capital projects totaling \$9,852,000. The major changes are shown on the following page.

General Government	\$ (64,000)
Fire	1,271,000
Police	135,000
Parks and Recreation	421,000
Neighborhood & Community Services	1,341,000
Agency Services	(702,000)
Public Works	1,300,000
Transfers out	9,852,000

The comparison of actual expenditures to the final amended expenditure budget resulted in significant budgetary variances in the following activities: Public Works (\$860,000), Parks and Recreation (\$1,349,000), General Government (\$579,000), Public Safety (\$1,070,000), and Neighborhood & Community Services (\$933,000). The positive variances are a result of unspent budgeted projects and under-spending, while the negative variance is due to new subscription-based information technology arrangements (SBITAs) entered into during FY2024.

Capital and Right to Use Assets

The City's investment in capital and right to use assets totaled \$388.9 million as of June 30, 2025, which was an increase of \$58.4 million over the prior year. This investment includes land, buildings, infrastructure, improvements, vehicles, equipment, intangible, and right-to-use assets. For governmental activities, investments totaled \$382.5 million. Comparably, FY2024 had a capital asset investment total of \$323.9 million.

This year's major capital additions are shown below:

Street infrastructure improvements/additions	\$ 25,767,000
Sidewalk infrastructure improvements/additions	13,005,000
Transpark fire station construction	4,455,000
Stormwater infrastructure improvements/additions	2,651,000
Public Safety apparatus and vehicle purchases	2,576,000
Public transit facility renovations	1,857,000
CrossWinds golf course irrigation improvements	1,769,000
West End greenway construction	1,311,000
Public Works vehicle and heavy equipment purchases	802,000
Parks & Recreation vehicle and equipment purchases	908,000

The following table summarizes the changes in net capital and right to use assets:

(Net of Depreciation/Amortization, stated in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 18.5	\$ 18.1	\$ 2.3	\$ 2.3	\$ 20.8	\$ 20.4
Infrastructure	248.1	208.1	-	-	248.1	208.1
Building	35.8	30.9	3.7	4.0	39.5	34.9
Improvements other than buildings	31.9	29.4	0.1	0.2	32.0	29.6
Vehicles, equipment and furniture	17.7	14.6	0.2	0.1	17.9	14.7
Construction in progress	25.6	18.2	-	-	25.6	18.2
Intangibles	4.8	4.5	-	-	4.8	4.5
Property held under financed purchase	0.1	0.1	-	-	0.1	0.1
Total *	\$ 382.5	\$ 323.9	\$ 6.4	\$ 6.6	\$ 388.9	\$ 330.5

**Numbers may not total due to rounding*

The City has elected to apply the Modified Approach to account 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. Street minimum OCI values include: local 67.0, collector 69.0, arterial 72.0, and alley 25.0; while sidewalk OCI is an overall 76.0. The City's most recent assessment in 2025 found that 69% of streets and 89% of sidewalks met or exceeded this goal. The estimated amount needed to maintain City streets and sidewalks at the specified levels for FY2026 was \$2,000,000 and \$400,000, respectively, which was included in the FY2026 budget. Additional information on capital assets activity can be found in Note 3C.

Debt Administration

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

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

At the end of the fiscal year, the City had \$83.3 million in long-term liabilities outstanding, net of discounts and premiums. The following table is a summary of the changes in the City's outstanding long-term obligations, which are further explained in Note 3F.

Outstanding Debt at Year End

June 30, 2025

(in millions)

	Governmental Activities	
	2025	2024
General obligation & revenue bonds	\$ 65.1	\$ 67.4
Notes & financed purchase agreements	4.2	5.0
Compensated absences	9.0	2.7
Landfill post-closure costs	1.7	1.4
Lease and SBITA liabilities	3.3	3.2
Bond premiums, discounts, refunding loss	0.1	0.1
Total	\$ 83.4	\$ 79.8

**Numbers may not total due to rounding*

The City maintains bond ratings of "Aa1" from Moody's and "AA" from Standard & Poor's. Despite the provisions for the issuance of GO debt already discussed, legal limits remain on the total amount of GO indebtedness that may be incurred. The Kentucky Constitution provides that the total principal amount of city net indebtedness, which excludes self-supporting obligations, revenue bonds, special assessment debt, and non-tax supported debt (net debt applicable to limit), cannot exceed 10% of the value of taxable property in the city (\$886,628,856). Therefore, the current debt margin of the City is \$817.2 million (See Statistical Schedule 17).

Next Year's Budget

During the budget planning for FY2026, revenue growth projections grew 8.7% across all funds compared to the FY2025 adopted budget. The FY2026 adopted General Fund budget is balanced without utilization of fund balance.

The FY2026 adopted expenditure budget for all funds increased by 7.8% over the FY2025 original budget and includes a 2.9% cost of living adjustment (COLA) and a merit increase for employees. The Capital Improvement Project (CIP) budget is \$31.9 million, which includes debt service, and is a 10.9% decrease from the \$35.8 million FY2025 CIP budget. The FY2026 budget continues funding the committed fund balance at 25% of the adopted General Fund revenue budget at \$29.2 million. The committed fund balance acts as the City's 'rainy day' account and can be accessed by a majority vote of the Board of Commissioners.

Improvements in community livability, traffic and roads, parks facilities, and technology enhancements are some of the highlights of the FY2026 capital budget. Improving traffic and pedestrian flow are top priorities and are addressed in the budget as various projects, including the rehabilitation of Commerce Street (\$700,000), Sidewalk improvements and reconstruction (\$1.0 million), and street overlay (\$2.0 million). The City also continues investing in the BG Reinvestment/Local Strategy Area by leveraging 80% of the annual CDBG allocation and \$200,000 of local tax revenues to implement improvements in the next target area, which encompasses Census Tract 102.4.

Multi-year parks and recreation capital projects are also on-going in FY2026 and include: Riverfront Park Development (\$4.0 million), Preston Miller Park Turf field construction (\$2.0 million), and playground replacements at Lover's Lane Soccer Complex, Roland Bland Park, and Covington Woods Park (\$860,000).

Other initiatives in the FY2026 budget include funding to enhance public and employee safety related to the completion of the reconstruction of the Northside Fire Station and construction of a Public Safety Training Center, procurement of one fire apparatus, and replacement of public safety radio tower microwave equipment. The FY2026 budget furthers the City's efforts to meet the demands of a growing community.

Request for Information

This financial report was designed to provide a general overview of the City of Bowling Green's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Erin Ballou, Chief Financial Officer, PO Box 430, Bowling Green, Kentucky, 42102-0430 or can be e-mailed to accounting@bgky.org. Questions regarding and/or requests for the City's component unit financial statements should be directed to the Chief Financial Officer at Bowling Green Municipal Utilities, 801 Center Street, PO Box 10300, Bowling Green, Kentucky, 42102-7300.

City of Bowling Green, Kentucky
Statement of Net Position
June 30, 2025

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Pooled cash and cash equivalents	\$ 24,629,799	-	\$ 24,629,799	-
Non-pooled cash and cash equivalents	76,428,576	1,406,204	77,834,780	41,059,182
Investments	53,132,361	5,172,801	58,305,162	-
Receivables (net):				
Accounts	3,807,856	25,993	3,833,849	14,252,319
Leases	130,324	-	130,324	1,342,426
Other	17,963	-	17,963	1,054,773
Due from other governmental units	1,767,603	-	1,767,603	2,781,467
Notes receivable	43,593,090	2,500,000	46,093,090	-
Prepaid items	907,253	-	907,253	508,828
Inventories	347,305	-	347,305	3,581,314
Other assets	-	-	-	8,907,093
Restricted assets:				
Non-pooled cash and cash equivalents	2,991,647	-	2,991,647	-
Restricted cash - TVA	-	-	-	6,727,082
Investments	-	-	-	16,297,768
Net pension asset	379,666	-	379,666	-
Net OPEB asset	-	-	-	1,004,398
Capital assets, net of accumulated depreciation:				
Non-depreciable	271,695,929	2,290,764	273,986,693	20,345,230
Depreciable	110,852,543	4,085,986	114,938,529	252,303,940
Total assets	<u>590,681,915</u>	<u>15,481,748</u>	<u>606,163,663</u>	<u>370,165,820</u>
DEFERRED OUTFLOWS OF RESOURCES				
Outflows for pensions	25,272,938	-	25,272,938	4,620,526
Outflows for OPEB	7,353,362	-	7,353,362	1,384,875
Deferred amounts from refunding debt	366,218	-	366,218	252,565
Total deferred outflows of resources	<u>32,992,518</u>	<u>-</u>	<u>32,992,518</u>	<u>6,257,966</u>
LIABILITIES				
Vouchers and accounts payable	3,085,826	450	3,086,276	10,958,220
Accrued payroll	3,000,182	602	3,000,784	-
Accrued interest payable	397,185	-	397,185	1,273,966
Insurance claims payable	865,027	-	865,027	-
Other current liabilities	-	-	-	2,346,948
Unearned revenue	10,361	-	10,361	-
Deposits	260,816	-	260,816	8,024,334
Due to other governmental units	31,406	-	31,406	-
Non-current liabilities				
Due within one year				
Compensated absences	3,385,175	-	3,385,175	1,019,356
Leases & SBITAs payable	936,429	-	936,429	-
Arbitrage rebate tax payable	165,419	-	165,419	-
Bonds payable	2,350,000	-	2,350,000	6,532,261
Notes and financed purchase obligations	821,736	-	821,736	62,231
Landfill closure and post closure costs	54,218	-	54,218	-
Due in more than one year				
Compensated absences	5,587,139	-	5,587,139	442,059
Leases & SBITAs payable	2,397,364	-	2,397,364	-
Bonds payable, net	62,877,438	-	62,877,438	96,008,185
Notes and financed purchase obligations	3,419,848	-	3,419,848	119,641
Landfill closure and post closure costs	1,500,337	-	1,500,337	-
Net pension liability	101,160,928	-	101,160,928	30,518,284
Net OPEB liability	2,701,174	-	2,701,174	120,805
Total liabilities	<u>195,008,008</u>	<u>1,052</u>	<u>195,009,060</u>	<u>157,426,290</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Net Position
June 30, 2025

Continued from previous page

DEFERRED INFLOWS OF RESOURCES

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Inflows for pensions	12,873,695	-	12,873,695
Inflows for OPEB	25,984,294	-	25,984,294
Inflows for leases	126,920	-	126,920
Total deferred inflows of resources	38,984,909	-	38,984,909
			14,037,485

NET POSITION

Net investment in capital assets	367,741,937	6,376,750	374,118,687	177,768,122
Restricted for				
Debt service	7,497,759	-	7,497,759	14,087,850
Capital projects	59,375,012	-	59,375,012	-
Community development	5,869,134	-	5,869,134	-
Perpetual care - nonexpendable	1,244,147	-	1,244,147	-
Perpetual care - expendable	253,552	-	253,552	-
Unrestricted	(52,300,025)	9,103,946	(43,196,079)	13,104,039
Total net position	\$ 389,681,516	\$ 15,480,696	\$ 405,162,212	\$ 204,960,011

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Activities
For the Year Ended June 30, 2025

Function/Programs	Program Revenues				Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES:								
General government	\$ 18,183,533	\$ 2,258,979	\$ 114,184	\$ 39,685,329	\$ 23,874,959	\$ -	\$ 23,874,959	\$ -
Public safety	45,228,514	283,388	3,258,582	292,477	(41,394,067)	-	(41,394,067)	-
Public works	22,033,876	96,702	2,552,460	2,350,635	(17,034,079)	-	(17,034,079)	-
Parks and recreation	10,656,004	2,903,917	-	812,665	(6,939,422)	-	(6,939,422)	-
Neighborhood and community services	11,040,810	-	6,643,304	1,227,180	(3,170,326)	-	(3,170,326)	-
Agency services	4,774,459	-	-	-	(4,774,459)	-	(4,774,459)	-
Interest expense	1,824,438	-	-	-	(1,824,438)	-	(1,824,438)	-
Total governmental activities	<u>113,741,634</u>	<u>5,542,986</u>	<u>12,568,530</u>	<u>44,368,286</u>	<u>(51,261,832)</u>	<u>-</u>	<u>(51,261,832)</u>	<u>-</u>
Business-type activities:								
Convention Center	847,864	185,195	-	-	-	(662,669)	(662,669)	-
Total business-type activities	<u>847,864</u>	<u>185,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(662,669)</u>	<u>(662,669)</u>	<u>-</u>
Total primary government	<u>\$ 114,589,498</u>	<u>\$ 5,728,181</u>	<u>\$ 12,568,530</u>	<u>\$ 44,368,286</u>	<u>\$ (51,261,832)</u>	<u>\$ (662,669)</u>	<u>\$ (51,924,501)</u>	<u>\$ -</u>
COMPONENT UNIT								
Bowling Green Municipal Utilities	<u>131,732,499</u>	<u>143,810,687</u>	<u>-</u>	<u>3,766,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,844,749</u>
Total component unit	<u>\$ 131,732,499</u>	<u>\$ 143,810,687</u>	<u>\$ -</u>	<u>\$ 3,766,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,844,749</u>
GENERAL REVENUES:								
Property taxes				20,414,112	-	20,414,112	-	
Insurance premium taxes				7,576,616	-	7,576,616	-	
Transient room taxes				-	757,515	757,515	-	
Occupational fees and net profits				83,934,686	-	83,934,686	-	
Investment gains				5,863,277	134,343	5,997,620	2,097,567	
Gain (loss) on disposal of capital assets				234,426	-	234,426	59,349	
Merchandising revenues				-	-	-	133,451	
Miscellaneous				5,126,331	5,000	5,131,331	-	
Total general revenues				<u>123,149,448</u>	<u>896,858</u>	<u>124,046,306</u>	<u>2,290,367</u>	
Transfers				<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	
				<u>123,049,448</u>	<u>996,858</u>	<u>124,046,306</u>	<u>2,290,367</u>	
Change in net position				71,787,616	334,189	72,121,805	18,135,116	
Net position, beginning of year				323,311,586	15,146,507	338,458,093	186,824,895	
Change in accounting principle				<u>(5,417,686)</u>	<u>-</u>	<u>(5,417,686)</u>	<u>-</u>	
Net position, beginning of year, as restated				<u>317,893,900</u>	<u>15,146,507</u>	<u>333,040,407</u>	<u>186,824,895</u>	
Net position, end of year				<u>\$ 389,681,516</u>	<u>\$ 15,480,696</u>	<u>\$ 405,162,212</u>	<u>\$ 204,960,011</u>	

See accompanying notes.

City of Bowling Green, Kentucky
Balance Sheet - Governmental Funds
June 30, 2025

	General Fund	Community Development	Municipal Aid	Bluegrass Farms Blvd
ASSETS				
Pooled cash and cash equivalents	\$ 6,132,673	\$ -	\$ 2,974,933	\$ 443,721
Non-pooled cash and cash equivalents	21,088,415	1,181,380	4,549,211	1,417,271
Restricted cash and investments	-	-	-	-
Investments	16,845,493	-	1,784,549	-
Receivables (net of allowances for uncollectibles):				-
Accounts receivable	517,726	19,842	1,912,907	997,852
Lease receivable	130,324	-	-	-
Due from other governmental units	850,517	232,102	282,112	-
Notes receivable	1,570,968	-	-	-
Prepaid items	250,984	416,244	-	-
Inventories	51,682	-	-	-
Total assets	<u>\$ 47,438,782</u>	<u>\$ 1,849,568</u>	<u>\$ 11,503,712</u>	<u>\$ 2,858,844</u>
LIABILITIES				
Vouchers and accounts payable	845,336	53,183	580,189	787,621
Accrued payroll	2,890,565	28,259	18,827	-
Due to other governments	31,406	-	-	-
Unearned revenue	6,282	1,498	2,581	-
Security deposits	260,816	-	-	-
Total liabilities	<u>4,034,405</u>	<u>82,940</u>	<u>601,597</u>	<u>787,621</u>
DEFERRED INFLOWS OF RESOURCES				
Inflows for leases	126,920	-	-	-
Unavailable revenue	-	-	1,887,907	-
Total deferred inflows of resources	<u>126,920</u>	<u>-</u>	<u>1,887,907</u>	<u>-</u>
FUND BALANCES				
Non-spendable	1,873,634	-	-	-
Restricted	-	1,178,834	5,037,553	-
Committed	26,824,000	587,794	157,888	-
Assigned	2,752,530	-	3,818,767	2,071,223
Unassigned	11,827,293	-	-	-
Total fund balances	<u>43,277,457</u>	<u>1,766,628</u>	<u>9,014,208</u>	<u>2,071,223</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 47,438,782</u>	<u>\$ 1,849,568</u>	<u>\$ 11,503,712</u>	<u>\$ 2,858,844</u>

See accompanying notes.

City of Bowling Green, Kentucky
Balance Sheet - Governmental Funds
June 30, 2025

	ITA Bond	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled cash and cash equivalents	\$ 763,140	\$ 12,481,112	\$ 22,795,579
Non-pooled cash and cash equivalents	2,437,511	39,896,183	70,569,971
Restricted cash and investments	2,991,647	-	2,991,647
Investments	196,500	31,328,358	50,154,900
Receivables (net of allowances for uncollectibles):			
Accounts receivable	-	359,064	3,807,391
Lease receivable	-	-	130,324
Due from other governmental units	-	402,872	1,767,603
Notes receivable	42,022,122	-	43,593,090
Prepaid items	-	-	667,228
Inventories	-	-	51,682
Total assets	<u>\$ 48,410,920</u>	<u>\$ 84,467,589</u>	<u>\$ 196,529,415</u>
LIABILITIES			
Vouchers and accounts payable	-	624,639	2,890,968
Accrued payroll	-	-	2,937,651
Due to other governments	-	-	31,406
Unearned revenue	-	-	10,361
Security deposits	-	-	260,816
Total liabilities	<u>-</u>	<u>624,639</u>	<u>6,131,202</u>
DEFERRED INFLOWS OF RESOURCES			
Inflows for leases	-	-	126,920
Unavailable revenue	-	-	1,887,907
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,014,827</u>
FUND BALANCES			
Non-spendable	42,022,122	-	43,895,756
Restricted	2,991,647	4,172,394	13,380,428
Committed	-	16,800,361	44,370,043
Assigned	3,397,151	62,870,195	74,909,866
Unassigned	-	-	11,827,293
Total fund balances	<u>48,410,920</u>	<u>83,842,950</u>	<u>188,383,386</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 48,410,920</u>	<u>\$ 84,467,589</u>	<u>\$ 196,529,415</u>

See accompanying notes.

City of Bowling Green, Kentucky
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2025

Fund balances - total governmental funds		\$ 188,383,386
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	464,830,908	
Less accumulated depreciation	<u>(86,535,079)</u>	378,295,829
Right to use lease and SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental right to use lease and SBITA assets	3,060,547	
Less accumulated amortization	<u>(1,338,324)</u>	1,722,223
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		10,703,043
Other long term assets, including receivables from a former employee, are not available to pay current period expenditures and, therefore, are deferred in the funds.		17,963
Unavailable revenue is recorded in governmental funds for opioid settlement revenue that has been earned, but is not available, whereas revenue is recognized when earned in the statement of net position.		
		1,887,907
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability	(100,781,262)	
Net OPEB liability	(2,701,174)	
Net deferred inflows and outflows associated with pension	12,399,243	
Net deferred inflows and outflows associated with OPEB	(18,630,932)	
General obligation bonds	(65,110,000)	
Premiums, deferred charges and discounts on bond obligations	248,779	
Notes and financed purchase agreements	(4,241,584)	
Leases & SBITAs payable	(1,669,885)	
Accrued interest payable	(386,328)	
Accrued compensated absences	(8,735,719)	
Landfill postclosure care	(1,554,555)	
Arbitrage tax rebate payable	<u>(165,419)</u>	<u>(191,328,836)</u>
Net position of governmental activities		
		<u>\$ 389,681,516</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2025

	<u>General Fund</u>	<u>Community Development</u>	<u>Municipal Aid</u>	<u>Bluegrass Farms Blvd</u>
REVENUES				
Property taxes	\$ 18,958,775	\$ -	\$ 200,000	\$ -
Insurance premium taxes	3,475,858	-	-	-
Occupational fees and net profits	78,146,945	-	-	-
License and permits	1,356,089	-	-	-
Intergovernmental	1,481,757	6,906,904	6,919,486	-
Investment income	3,762,859	37,751	85,035	-
Charges for services	859,604	-	105,771	-
Parks and recreation	2,872,991	-	-	-
Rent income	-	-	-	-
Miscellaneous	411,075	81,502	353,197	2,000,822
Total revenues	111,325,953	7,026,157	7,663,489	2,000,822
EXPENDITURES				
Current:				
General government	9,224,386	-	8,543	-
Public safety	47,367,036	-	2,397,018	-
Public works	8,514,430	-	4,813,709	3,875
Parks and recreation	11,584,388	-	-	-
Neighborhood and community services	3,787,894	6,953,135	-	-
Agency services	3,512,465	-	-	-
Capital outlay	2,273,613	455,784	2,132,666	4,001,644
Debt service:				
Principal	608,860	-	-	-
Interest expense	38,831	-	-	-
Total expenditures	86,911,903	7,408,919	9,351,936	4,005,519
Excess (deficiency) of revenues over (under) expenditures	24,414,050	(382,762)	(1,688,447)	(2,004,697)
Other financing sources (uses):				
Transfers in	1,162,500	148,438	2,339,102	931,845
Transfers out	(30,184,435)	(614,863)	-	-
Lease and SBITA liabilities issued	1,087,647	-	-	-
Proceeds from sale of capital assets	42,329	-	18,468	-
Total other financing sources (uses)	(27,891,959)	(466,425)	2,357,570	931,845
Net change in fund balances	(3,477,909)	(849,187)	669,123	(1,072,852)
Fund balances, beginning, as previously reported	46,755,366	2,615,815	8,345,085	-
Change within financial reporting entity (Note 11)	-	-	-	3,144,075
Fund balances, beginning, as restated	46,755,366	2,615,815	8,345,085	3,144,075
Fund balances, ending	\$ 43,277,457	\$ 1,766,628	\$ 9,014,208	\$ 2,071,223

See accompanying notes.

City of Bowling Green, Kentucky

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2025

	<u>ITA Bond</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ -	\$ 1,255,337	\$ 20,414,112
Insurance premium taxes	-	4,100,758	7,576,616
Occupational fees and net profits	-	5,787,741	83,934,686
License and permits	-	-	1,356,089
Intergovernmental	-	1,475,567	16,783,714
Investment income	193,849	1,635,978	5,715,472
Charges for services	-	81,181	1,046,556
Parks and recreation	-	-	2,872,991
Rent income	-	800	800
Miscellaneous	-	1,225,434	4,072,030
Total revenues	193,849	15,562,796	143,773,066
EXPENDITURES			
Current:			
General government	900	996,864	10,230,693
Public safety	-	1,668,384	51,432,438
Public works	-	807,208	14,139,222
Parks and recreation	-	1,531,084	13,115,472
Neighborhood and community services	-	923,242	11,664,271
Agency services	-	961,837	4,474,302
Capital outlay	-	17,405,902	26,269,609
Debt service:			
Principal	300,000	2,780,853	3,689,713
Interest expense	895,050	935,921	1,869,802
Total expenditures	1,195,950	28,011,295	136,885,522
Excess (deficiency) of revenues over (under) expenditures	(1,002,101)	(12,448,499)	6,887,544
Other financing sources (uses):			
Transfers in	1,195,050	25,720,961	31,497,896
Transfers out	-	(7,144,413)	(37,943,711)
Lease and SBITA liabilities issued	-	-	1,087,647
Proceeds from sale of capital assets	-	177,509	238,306
Total other financing sources (uses)	1,195,050	18,754,057	(5,119,862)
Net change in fund balances	192,949	6,305,558	1,767,682
Fund balances, beginning, as previously reported	48,217,971	80,681,467	186,615,704
Change within financial reporting entity (Note 11)	-	(3,144,075)	-
Fund balances, beginning, as restated	48,217,971	77,537,392	186,615,704
Fund balances, ending	\$ 48,410,920	\$ 83,842,950	\$ 188,383,386

See accompanying notes.

City of Bowling Green, Kentucky

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities**

Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ 1,767,682

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

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	65,119,003	
Governmental depreciation expense	(6,782,427)	
Net sales and disposals of capital assets	<u>(3,881)</u>	58,332,695
Right to use lease and SBITA asset additions	1,087,647	
Governmental amortization expense	(605,002)	-
Right to use asset disp net	<u>(798,903)</u>	(316,258)

Certain long-term receivables, such as for opioid settlements, are not available for the payment of current expenditures and therefore are not reported in the governmental funds. Payments are recorded as revenue in the governmental funds and reduction of the receivable in the statement of net position.

662,451

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

3,541,885

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. Additionally, the accrual of an arbitrage rebate liability was incurred which will not be recognized in the governmental funds until the liability is due and payable.

(70,295)

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

Compensated absences payable	(877,579)
Landfill postclosure care	<u>(143,551)</u>

The net pension and OPEB liabilities are actuarial calculations, do not require the use of current financial resources, and are excluded as expenditures in governmental funds. Additionally, since the current year contributions to the pension and OPEB plans will be included in the subsequent year's pension and OPEB expense calculations, those contributions should not be considered in the government-wide statements.

7,285,571

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.

1,605,015

Net change in net position - governmental activities

\$ 71,787,616

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Net Position - Proprietary Funds
June 30, 2025

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>	<u>Governmental Activities</u> <u>Internal Service Funds</u>
ASSETS		
Current assets		
Pooled cash and cash equivalents	\$ -	\$ 1,834,220
Non-pooled cash and cash equivalents	1,406,204	5,858,605
Investments	5,172,801	2,977,461
Accounts receivable	25,993	465
Notes receivable	2,500,000	-
Prepaid items	-	240,025
Inventories	-	295,623
Total current assets	<u>9,104,998</u>	<u>11,206,399</u>
Capital and right to use assets		
Land	2,290,764	-
Buildings	11,892,516	797,539
Machinery and equipment	1,299,145	793,813
Improvements other than buildings	238,663	89,776
Right to use lease equipment	-	2,054,732
Less: accumulated depreciation and amortization	<u>15,721,088</u>	<u>3,735,860</u>
Capital and right to use assets, net	<u>(9,344,338)</u>	<u>(1,205,446)</u>
Total noncurrent assets	<u>6,376,750</u>	<u>2,530,414</u>
Total assets	<u><u>6,376,750</u></u>	<u><u>2,530,414</u></u>
	<u><u>\$ 15,481,748</u></u>	<u><u>\$ 13,736,813</u></u>
LIABILITIES		
Current liabilities		
Vouchers and accounts payable	450	194,852
Accrued payroll	602	62,531
Accrued interest payable	-	10,857
Insurance claims payable	-	865,027
Current portion of compensated absences	-	84,445
Current portion of leases payable	-	381,735
Total current liabilities	<u>1,052</u>	<u>1,599,447</u>
Noncurrent liabilities		
Noncurrent portion of compensated absences	-	152,150
Noncurrent portion of leases payable	-	1,282,173
Total noncurrent liabilities	<u>-</u>	<u>1,434,323</u>
Total liabilities	<u><u>1,052</u></u>	<u><u>3,033,770</u></u>
NET POSITION		
Net invested in capital assets	6,376,750	866,506
Unrestricted	<u>9,103,946</u>	<u>9,836,537</u>
Total net position	<u><u>\$ 15,480,696</u></u>	<u><u>\$ 10,703,043</u></u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2025

	<u>Business-Type Activities Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES		
Transient room taxes	\$ 757,515	\$ -
Charges for services	185,195	2,937,860
Insurance premium taxes	-	10,581,370
Judgements and settlements	-	301,661
Contributions and donations	5,000	6,000
Miscellaneous	-	536
Total operating revenues	947,710	13,827,427
OPERATING EXPENSES		
Personnel services	14,351	1,526,599
Contractual services	60,800	1,653,327
Supplies	89,665	1,648,024
Utilities	128	487,768
Repairs and maintenance	234,844	1,149,788
Insurance premiums and claims	25,221	11,709,180
Depreciation	421,617	404,339
Miscellaneous	1,238	18,465
Total operating expenses	847,864	18,597,490
Operating gain (loss)	99,846	(4,770,063)
NONOPERATING REVENUES (EXPENSES)		
Investment income	134,343	147,808
Interest expense	-	(118,545)
Total nonoperating expense	134,343	29,263
Gain (loss) before transfers	234,189	(4,740,800)
Transfers in	100,000	6,495,815
Transfers out	-	(150,000)
Total transfers	100,000	6,345,815
Net income	334,189	1,605,015
Net position, beginning, as previously reported	15,146,507	9,249,823
Change in accounting principle (Note 11)	-	(151,795)
Net position, beginning of year, as restated	15,146,507	9,098,028
Net position, end of year	\$ 15,480,696	\$ 10,703,043

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Convention Center	Internal Service Funds
CASH FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 197,879	\$ 13,827,425
Other cash receipts	757,515	-
Payments to employees	(14,212)	(1,474,462)
Cash payments to suppliers	(449,950)	(5,210,774)
Claims paid	-	(11,991,887)
Net cash used in operating activities	<u>491,232</u>	<u>(4,849,698)</u>
CASH FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	100,000	6,495,815
Transfers out	-	(150,000)
Net cash provided by noncapital financing activities	<u>100,000</u>	<u>6,345,815</u>
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of lease assets	-	(289,627)
Interest paid on lease assets	-	(118,544)
Acquisition and construction of capital assets	(150,000)	(81,964)
Interest payable for lease assets	-	3,796
Net cash used in capital and related financing activities	<u>(150,000)</u>	<u>(486,339)</u>
CASH FROM INVESTING ACTIVITIES		
Interest income	134,343	147,807
Purchase of investments	<u>(130,392)</u>	<u>(128,872)</u>
Net cash provided by investing activities	<u>3,951</u>	<u>18,935</u>
Net increase in cash and cash equivalents	445,183	1,028,713
Cash and cash equivalents at beginning of period	<u>961,021</u>	<u>6,664,112</u>
Cash and cash equivalents at end of period	<u>\$ 1,406,204</u>	<u>\$ 7,692,825</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ 99,846	\$ (4,770,063)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	421,617	404,339
Changes in assets and liabilities:		
Inventories	-	(2,908)
Accounts receivable	7,684	(2)
Accounts payable	(38,055)	(210,294)
Prepaid items	-	(40,204)
Compensated absences	-	39,398
Accrued payroll	139	12,743
Insurance claims payable	-	(282,707)
Net cash used by operating activities:	<u>\$ 491,231</u>	<u>\$ (4,849,698)</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Leases issued	\$ -	\$ 922,083

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Fiduciary Net Position
June 30, 2025

	Pension Trust- Police & Firefighters' Retirement	Custodial Funds
ASSETS		
Pooled cash and cash equivalents	\$ -	\$ 95,949
Non-pooled cash and cash equivalents	128,203	372,658
Accrued interest receivable	13,033	-
Investments		
Corporate securities	1,533,552	-
Mutual funds	3,526,282	-
United States government securities	200,199	-
Kentucky local municipal bonds	282,213	-
Total investments	<u>5,542,246</u>	-
Total assets	<u>\$ 5,683,482</u>	<u>\$ 468,607</u>
LIABILITIES		
Due to other governmental units	- 455,411	
Other liabilities	- 8,808	
Due to other taxing units - School Board	<u>- 4,388</u>	
Total liabilities	<u>- 468,607</u>	
NET POSITION		
Restricted for pensions	5,683,482	-
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>-</u>
Total net position	<u>\$ 5,683,482</u>	<u>\$ -</u>

See accompanying notes.

City of Bowling Green, Kentucky
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	Pension Trust- Police & Firefighters' Retirement	Custodial Funds
ADDITIONS		
Investment income	\$ 736,072	\$ 1,460
Property tax collections for other governments	- 17,024,911	
Tourism tax collections for other organizations	- 2,272,546	
TIF tax collections for other governments	- 90,818	
Miscellaneous	- 46,539	
Total additions	736,072	19,436,274
DEDUCTIONS		
Benefit payments	681,997	-
Payments of property tax to other governments	- 17,024,911	
Payments on behalf of other governments	- 138,817	
Payments of tourism tax to other organizations	- 2,272,546	
Total deductions	681,997	19,436,274
Change in net position	54,075	-
Net position, beginning of year	5,629,407	-
Net position, end of year, restricted for pensions	\$ 5,683,482	\$ -

See accompanying notes.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	38
A. Reporting Entity.....	38
B. Related Organization.....	39
C. Joint Venture.....	39
D. Basic Financial Statements.....	40
E. Basis of Presentation.....	41
F. Assets, Liabilities and Fund Balance.....	42
G. Revenues, Expenditures and Expenses.....	47
Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY.....	48
A. Compliance with Finance Related Legal and Contractual Provisions.....	48
Note 3. DETAIL NOTES ON ALL FUNDS.....	48
A. Cash and Investments.....	48
B. Unrestricted Assets.....	52
C. Capital and Right to Use Assets.....	52
D. Interfund Transfers.....	55
E. Leases and Subscription-Based Information Technology Arrangements (SBITAs).....	56
F. Long-term Debt.....	58
G. Net Position.....	63
Note 4. RISK MANAGEMENT.....	64
Note 5. COMMITMENTS AND CONTINGENCIES.....	64
A. Litigation.....	64
B. Bowling Green Municipal Utilities.....	65
C. Construction and Other Significant Commitments.....	65
D. Contingencies.....	65
E. Liens and Encumbrances.....	66
F. Conduit Debt.....	66
Note 6. THE SINGLE AUDIT ACT.....	66
Note 7. DEFINED BENEFIT PENSION PLANS.....	66
A. The Police and Firefighters' Retirement Fund (PFRF).....	66
B. The County Employees Retirement System (CERS).....	70
Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB).....	74
Note 9. DEFINED CONTRIBUTION PLANS.....	78
Note 10. TAX ABATEMENTS.....	78
Note 11. CHANGES IN ACCOUNTING PRINCIPLE AND TO FINANCIAL REPORTING ENTITY.....	80
Note 12. SUBSEQUENT EVENTS.....	81
Note 13. IMPLEMENTATION OF GASB 101.....	81
Note 14. RECENT PRONOUNCEMENTS.....	81

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

1. Blended Component Units

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

Governmental Fund Type

A Better BGKY, Inc. A Better BGKY, Inc. is a 501(c)3 nonprofit dedicated to promote and stimulate area economic development in Bowling Green, Kentucky; receive, administer, and distribute funds; and advance the interest of the businesses, residents, visitors, and stakeholders of the downtown area. The nonprofit is governed by a board of five directors, three of which are City employees. The nonprofit's financial activity is recorded in a separate special revenue fund.

Fiduciary Fund Type

City of Bowling Green Police and Firefighters' Retirement Fund. Retired or disabled City public safety employees participate in the Police and Firefighters' Retirement Fund. The Fund functions for the benefit of these employees and surviving spouses and is administered by a Board of Trustees consisting of the Mayor, City Chief Financial Officer and retiree representative of the fire department, or active member if no retiree is able to serve.

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

Proprietary Fund Type

The Convention Center Fund. The Convention Center fund is used to account for the daily operations of a municipal convention center and trade show facility. The Convention Center is reported as an enterprise fund and does not issue its own separate financial statements.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

2. Discretely Presented Component Units

The agency described below is included in the City's reporting entity because the City appoints the governing body and the agency is fiscally dependent on the City. The agency is reported as discretely presented component unit because the primary government is financially accountable and is able to impose its will on the organization or the component unit provides specific financial benefits or imposes specific financial burdens on the primary government. The component unit issues its own separate financial statements. Questions regarding and/or requests for the City's component unit financial statements should be directed to the Chief Financial Officer at Bowling Green Municipal Utilities, 801 Center Street, PO Box 10300, Bowling Green, Kentucky, 42102-7300.

Proprietary Fund Type

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

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

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

B. Related Organization

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

C. Joint Venture

The Inter-Modal Transportation Authority, Inc. (ITA) is a non-profit corporation organized for the purpose of acquiring and financing public projects and public facilities as an agent for the City and the County of Warren, Kentucky, jointly. In the year ended June 30, 2008, the City approved the issuance of General Obligation bonds (Series 2007 B&C) in the amount of \$27,415,000 to refinance the ITA's mortgage-backed bonds that were outstanding. The City entered into a ground lease with the Warren County Downtown Economic Development Authority (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 Warren County shall lease back the project from the City in consideration of rental payments to be utilized by the City in support of the payment of principal and interest on the general obligation bonds. The City and Warren County have each pledged to evenly share any shortfalls towards payment of debt service on the outstanding bonds. In 2013, there was a significant land sale to the State for right-of-way use on the I-65 connector road. It generated approximately \$2.3 million that was used for a partial early redemption call on the 2007C bonds through 2018. Subsequently, during FY2016 the outstanding debt of the 2007B and 2007C bonds were partially refunded by General Obligation Refunding Bonds, Series 2016A&B in the total amount of \$15,300,000. In FY2021, the City issued an additional \$43,835,000 in General Obligation Bonds, Series 2021A & 2021B, for an expansion to the existing Kentucky Transpark. The City will be responsible for 100% of the principal and interest payments for the first five years and afterward will share the cost evenly with Warren County.

During FY2025, the City made scheduled debt service contributions in the amount of \$1,195,950 on the Series 2021A&B bonds. The separately audited financial statements of the ITA can be obtained from the City Clerk's office.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Joint Venture

In FY2022, the City entered into a local agreement with Warren County and the ITA where the City and the County would share in the cost to acquire additional real property for the expansion of the Kentucky Transpark. The ITA would then reimburse both the City and County equally as funds become available. In October of 2022, the City transferred funds in the total amount of \$5,879,869 to the ITA. As of June 30, 2025, the remaining amount to be reimbursed is shown as a note receivable in the General Fund (\$1,570,968) and the Convention Center Fund (\$2,500,000).

D. Basic Financial Statements

Government-wide and Fund Financial Statements

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

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

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

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

Basis of Accounting and Financial Statement Presentation

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basic Financial Statements

Basis of Accounting and Financial Statement Presentation

Since the Governmental fund statements are presented on a different measurement focus and basis of accounting than the Government-wide statements' governmental activities 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 activities 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 Fund, Workers' Compensation Fund, Fleet Maintenance Fund, Property and Casualty Fund, and Facilities Maintenance Fund for employer insurance, property and casualty insurance, facility maintenance, 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 custodial). 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 balance, revenues, and expenditures or expenses, as appropriate. The various funds are reported by generic classification within the financial statements.

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

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

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

The **Community Development Fund** is used to account for federal grants that fund various community development programs, such as: Community Development Block Grants, Housing Choice Vouchers, and Mainstream Vouchers.

The **Municipal Aid Fund** is 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, public transit, and law enforcement special pay programs.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Basis of Presentation

The **Bluegrass Farms Blvd Capital Project Fund** is used to account for revenues and expenditures associated with the expansion of Bluegrass Farms Boulevard. The project is funded by the General Fund and by a private developer.

The **ITA Bond Debt Service Fund** is used to account for revenues received from payments made by the ITA and Warren County and expenditures related to bond issues that were used for refinancing the Kentucky Transpark debt in 2016 and expansion of the Kentucky Transpark in 2021.

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

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

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

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

The **City of Bowling Green Police and Firefighters' Retirement Fund**, a closed 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.

Custodial funds generally are used to account for assets that the City holds on behalf of others as their agent and are custodial in nature. The funds could report financial position.

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 fund.

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

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

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

F. Assets, Liabilities and Fund Balance

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.

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.

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Balance

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

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

A note receivable in the amount of \$1,570,968 in the governmental funds and \$2,500,000 in the proprietary fund is recorded to account for an interest free loan made to the Inter-Modal Transportation Authority (ITA). An additional note receivable is also recorded in the governmental funds in the amount of \$42,022,122 to account for a separate agreement with the ITA related to the 2021 General Obligation Bonds.

Lease Receivable - The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Interfund Receivables - In its course of 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, 2025, balances of interfund amounts receivable or payable are recorded as "due to/from other funds". 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.

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

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. Land, building, and improvements expenditures for items having a useful life greater than two years and having a cost greater than \$25,000 are capitalized. Machinery and equipment expenditures for items having a useful life greater than two years and having a cost greater than \$7,500 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value and recorded as donations at the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Balance

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

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

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

Right to Use Assets - The City has recorded right to use lease assets as a result of implementing GASB 87 and 96. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any lease or subscription payments made prior to the term, less incentives, and plus any ancillary charges necessary to place the lease or subscription into service. The right to use assets are amortized on a straight-line basis over the life of the related lease or subscription.

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has three items that meet this criterion: pension deferrals, OPEB deferrals, and deferred amounts from refunding debt.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The City has three items that meet the criterion for this category: pension deferrals, OPEB deferrals, and leases.

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation, sick, personal, and compensatory pay benefits. Vacation, sick, and personal leave is earned based on working days for each month of credited service. For most classified employees, earning rates increase at 5, 10, 15 and 20 years of credited service. Accumulated vacation time shall not exceed the amount of time which an employee may earn in two years. Personal leave may only be used in the calendar year in which it is earned.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Balance

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

Compensatory leave is earned in lieu of overtime with written approval of the respective department head. The maximum amount of compensatory leave an employee may accrue shall not exceed 160 hours or 240 hours for Fire Department personnel.

Compensated absences are defined as leave for which employees may receive cash payments when leave is used for time off and other cash payments such as termination payouts or noncash settlements. A liability for compensated absences is recognized when the employee has rendered services to earn the leave, the leave is accumulated and can be carried over into future reporting periods, and when the leave is more likely than not to be used as time off, paid in cash, or settled through noncash means.

Retirement - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the City's participation in the County Employees' Retirement System (CERS) of the Kentucky Public Pension Authority (KPPA) have been determined on the same basis as reported by the KPPA. Investments are reported at fair value and benefits including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms of the CERS plan. The pension liability was measured at June 30, 2024.

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CERS' Insurance Fund and additions to/deductions from the Insurance Fund's fiduciary net position have been determined on the same basis as reported by the Insurance Fund. The Insurance Fund reports investments at fair value and recognizes benefit payments when due and payable in accordance with benefit terms. The OPEB liability was measured at June 30, 2024.

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

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

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

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Balance

Long-term liabilities include the following:

- Principal outstanding on general obligation bonds, notes and financed purchase obligations.
- Landfill closure and postclosure care liability is the established total current cost to place a final cover on the City's landfill sites and to perform certain maintenance and monitoring functions after closure.
- Compensated absences liability is recorded for accumulated unpaid employee leave.
- Lease liability is recorded for one agreement to lease certain improvements to land and is based on the present value of the lease payments expected to be paid during the lease term.
- Subscription liability is recorded for Subscription-Based Information Technology Arrangements (SBITA) and is based on the present value of the subscription payments expected to be paid during the subscription term.

Unearned Revenues - The City defers revenue recognition in connection with resources that have been received, but not yet earned.

Fund Balance - The following classifications describe constraints placed on the purposes resources can be used:

- **Nonspendable fund balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. The City reports nonspendable fund balance in the General Fund for prepaid items (\$250,984), inventories (\$51,682), and long term note receivables (\$1,570,968). The ITA bond fund also reports a long term note receivable in the amount of \$42,022,122.
- **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or enabling legislation.

Restricted fund balances reported as of June 30, 2025, follows below:

Restricted for:	Municipal Aid Fund	Community Development Fund	ITA Bond Fund	Other Nonmajor Governmental Fund	Total
Cemetery perpetual	\$ -	\$ -	\$ -	\$ 1,244,147	\$ 1,244,147
Community development	2,332,652	1,178,834	-	2,771,401	6,282,887
Debt service	-	-	2,991,647	-	2,991,647
Lampkin park	-	-	-	64,970	64,970
Public safety grants	2,546,044	-	-	91,876	2,637,920
Streets and sidewalks	158,857	-	-	-	158,857
Restricted fund balance	<u>\$ 5,037,553</u>	<u>\$ 1,178,834</u>	<u>\$ 2,991,647</u>	<u>\$ 4,172,394</u>	<u>\$13,380,428</u>

- **Committed fund balance** - amounts constrained to specific purposes by the City itself, by Ordinance approved by the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the City takes action to remove or change the constraint. Stabilization funds in the General Fund are assessed each fiscal year as 25% of the adopted revenue budget and approved by the Board of Commissioners through an Ordinance. Stabilization funds can only be appropriated for any reason approved by the Board through an Ordinance; if stabilization funds are utilized, a plan to replenish the balance to the established funding level must be approved by Ordinance. The following page presents committed fund balances as of June 30, 2025.

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, Liabilities and Fund Balance

Committed to:	General Fund	Municipal Aid Fund	Community Development Fund	Other Nonmajor Governmental Fund	Total
Economic stabilization	\$26,824,000	\$ -	\$ -	\$ -	\$ 26,824,000
Economic development	-	-	587,794	12,002,199	12,589,993
Police and fire improvements	-	157,888	-	3,708,252	3,866,140
Landfill	-	-	-	1,089,910	1,089,910
Committed fund balance	<u><u>\$26,824,000</u></u>	<u><u>\$ 157,888</u></u>	<u><u>\$ 587,794</u></u>	<u><u>\$16,800,361</u></u>	<u><u>\$ 44,370,043</u></u>

- **Assigned fund balance** - amounts the City intends to use for a specific purpose (such as encumbrances); intent can be expressed by the City or the City Manager, Assistant City Manager/Chief Financial Officer, or body to which the City delegates authority as established by the City's Fund Balance Policy included in the City's Financial Policies and Procedures approved by the Board of Commissioners. Assigned fund balance values are presented below:

Assigned to:	General Fund	Municipal Aid Fund	Bluegrass Farms Blvd Fund	ITA Bond Fund	Other Nonmajor Governmental Fund	Total
Debt service	\$ -	\$ -	\$ -	\$ 3,397,151	\$ 4,100,608	\$ 7,497,759
General government services	228,998	-	-	-	4,492,548	4,721,546
Police and fire services	386,848	-	-	-	8,888,365	9,275,213
Parks and recreation	836,421	-	-	-	19,838,535	20,674,956
Neighborhood and community services	353,981	-	-	-	3,271,666	3,625,647
Other purposes	120,000	-	-	-	253,552	373,552
Public works services	826,282	3,818,767	2,071,223	-	22,024,921	28,741,193
Assigned fund balance	<u><u>\$ 2,752,530</u></u>	<u><u>\$ 3,818,767</u></u>	<u><u>\$ 2,071,223</u></u>	<u><u>\$ 3,397,151</u></u>	<u><u>\$ 62,870,195</u></u>	<u><u>\$ 74,909,866</u></u>

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

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

G. Revenues, Expenditures and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues 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 presentation.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance with Finance Related Legal and Contractual Provisions

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

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

The City's bank balances at June 30, 2025, 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, 2025, are summarized and categorized in the table below:

Primary Government (except Fiduciary Funds)		
Investment Type	Fair Value	Weighted Average Maturity in Years
Certificate of deposit	\$ 634,301	0.738
Cash equivalents	5,877,865	N/A
Tax free mutual funds	12,644,552	N/A
U.S. agencies CMO	15,449	0.088
U.S. equity fund	2,915,783	N/A
Taxable bond funds	3,880,057	N/A
U.S. agencies bonds	30,357,814	0.789
Municipal bonds	1,388,172	0.696
U.S. agency treasury bills	499,475	N/A
Foreign equity	91,694	
	<u>\$ 58,305,162</u>	

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

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

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

The City has the following recurring fair value measurements of its investments as of June 30, 2025:

- Cash equivalents, tax free mutual funds, U.S. equity, and foreign equity total \$21,529,894 and are valued using quoted market prices (Level 1 inputs).
- Certificate of deposits, U.S. agency treasury bills, U.S. agencies collateralized mortgage obligation (CMO), U.S. agencies bonds, municipal bonds, and taxable bond funds total \$36,775,268 using quoted prices for similar assets in active markets (Level 2 inputs).

Component Units

Bowling Green Municipal Utilities

The Bowling Green Municipal Utilities may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities, Kentucky bonds and certificates of indebtedness, highly-rated securities issued by a state or local government in the United States, and certain other investments more fully described in the Kentucky Revised Statutes. Investments of each division of the Utility as of June 30, 2025, are summarized and categorized in the tables on the following page.

Bowling Green Municipal Utilities Water-Sewer Division				
Investment Type	Fair Value	Maturities in Years		
		Less than 1	1-5	10+
Fixed income funds	\$ 1,125,955	\$ 259,226	\$ 866,729	
U.S. treasury obligations	878,374	195,313	683,061	
Money market account	14,984,845	14,984,845		-
Foreign fixed income funds	196,609	45,265	151,344	
	<u>\$ 17,185,783</u>	<u>\$ 15,484,649</u>	<u>\$ 1,701,134</u>	

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

Carrying value	
Deposits	\$ 9,633,232
Investments	<u>17,185,783</u>
	<u>\$26,819,015</u>

Included in the following captions:

Cash and cash equivalents	\$ 11,925,801
Noncurrent cash and investments	887,354
Other short-term investments	<u>14,005,860</u>
	<u>\$26,819,015</u>

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

Bowling Green Municipal Utilities Electric Division		
Investment Type	Fair Value	Maturities in Years
		Less than 1
Money market account	\$ 1,304,554	\$ 1,304,554

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

Carrying value	
Deposits	\$ 23,221,551
Investments	1,304,554
	<u>\$ 24,526,105</u>

Included in the following captions:

Cash and cash equivalents	\$ 23,121,551
Investments and restricted funds	1,404,554
	<u>\$ 24,526,105</u>

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

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, Bowling Green Municipal Utilities 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, 2025, Bowling Green Municipal Utilities was not exposed to custodial credit risk.

Concentration of Credit Risk - Bowling Green Municipal Utilities places no limit on the amount that may be invested in any one issuer.

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

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

The Water/Sewer Division had the following assets measured at fair value on a as of June 30, 2025:

Investments by Fair Value Level	June 30, 2025	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. treasury obligations	\$ 878,374	\$ -	\$ 878,374
Fixed income funds	1,125,955	1,125,955	-
Foreign fixed income funds	196,609	196,609	-
Money market accounts	14,984,845	14,984,845	-
Total investment by fair value	<u>\$ 17,185,783</u>	<u>\$ 16,307,409</u>	<u>\$ 878,374</u>

Police and Firefighters' Retirement Fund

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

Level 1 - Investments reflect prices quoted in active markets.

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

Level 3 - Investments reflect prices based upon unobservable sources.

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

Investments by Fair Value Level	June 30, 2025	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Corporate securities	\$ 1,533,552	\$ 258,092	\$ 1,275,460
Mutual funds	3,526,282	3,526,282	-
Kentucky local municipal bonds	282,213	-	282,213
United States government securities	200,199	-	200,199
Total investments by fair value	<u>\$ 5,542,246</u>	<u>\$ 3,784,374</u>	<u>\$ 1,757,872</u>

Approximately 28% of the net assets held in trust for pension benefits are invested in corporate securities and 64% are invested in mutual funds. The fund has the following investments whose market value exceeds 5% of the plan's fiduciary net position: American Fundamental Investors Class A FD#10 (15.87%), American Growth Fund of America Class A FD#05 (13.22%), The Investment Company of America Class A FD#4 (17.37%), and American Funds Washington Mutual Investors Class A (15.59%).

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Component Units

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

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

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1-5	6-10	More than 10
U.S. government securities	\$ 1,533,552	\$ 959,444	\$ 460,410	\$ 66,092	\$ 47,606
Corporate securities	3,526,282	3,526,282	-	-	-
Kentucky municipal bonds	282,213	50,009	146,601	85,603	-
Mutual funds	200,199	99,734	100,465	-	-
Total	\$ 5,542,246	\$ 4,635,469	\$ 707,476	\$ 151,695	\$ 47,606

Rate of Return - For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expense was 13.84%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the financial institution, the fund will not be able to recover the value of its cash equivalents. At June 30, 2025, the Fund's carrying amounts for cash investments were insured by FDIC and held in the name of the Fund by the investment company. The Fund has SIPC coverage and the investment company has an insurance policy to insure investments. The City of Bowling Green has approved to insure the fund in the event of a shortage or loss. The Fund has an investment plan strategy in place that provides guidelines for Fund investments and any changes to the investment plan must be approved by the Board.

B. Unrestricted Assets

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

C. Capital and Right to Use Assets

Capital and right to use asset activity for the year ended June 30, 2025, follows on the next page. The right to use lease and subscription assets are discussed in the Leases and Subscription-Based Information Technology Arrangements (SBITA) sections of this note. The right to use assets are amortized on a straight-line basis over the terms of the related leases and subscriptions.

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

C. Capital and Right to Use Assets

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 18,118,743	\$ 368,634	\$ -	\$ 18,487,377
Infrastructure	189,949,424	38,772,215	(1,106,886)	227,614,753
Construction in progress	18,209,142	21,044,779	(13,660,122)	25,593,799
Total capital assets, not being depreciated	<u>226,277,309</u>	<u>60,185,628</u>	<u>(14,767,008)</u>	<u>271,695,929</u>
Capital assets, being depreciated:				
Stormwater infrastructure	21,772,102	2,650,736	(7,044)	24,415,794
Buildings	57,739,566	6,600,350	-	64,339,916
Improvements other than buildings	56,746,382	4,185,479	(36,855)	60,895,006
Intangible right to use, subscriptions	3,469,490	1,087,647	(1,588,358)	2,968,779
Intangibles	3,711,960	336,820	-	4,048,780
Lease right to use, equipment	1,132,648	922,084	-	2,054,732
Lease right to use, improvements	91,768	-	-	91,768
Vehicles, equipment and furniture	36,910,875	6,014,456	(2,115,349)	40,809,982
Property held under financed purchase	306,633	-	-	306,633
Total capital assets, being depreciated/amortized	<u>181,881,424</u>	<u>21,797,572</u>	<u>(3,747,606)</u>	<u>199,931,390</u>
Less accumulated depreciation/amortization:				
Stormwater infrastructure	(3,592,191)	(366,612)	1,565	(3,957,238)
Buildings	(26,888,535)	(1,530,521)	-	(28,419,056)
Improvements other than buildings	(27,308,478)	(1,708,516)	36,855	(28,980,139)
Intangibles	(2,265,055)	(313,462)	-	(2,578,517)
Intangible right to use, subscriptions	(1,449,364)	(603,010)	789,455	(1,262,919)
Lease right to use, equipment	(122,208)	(332,857)	-	(455,065)
Lease right to use, improvements	(73,413)	(1,992)	-	(75,405)
Vehicles, equipment and furniture	(22,286,895)	(2,928,991)	2,111,469	(23,104,417)
Property held under financed purchase	(240,275)	(5,816)	-	(246,091)
Total accumulated depreciation/amortization	<u>(84,226,414)</u>	<u>(7,791,777)</u>	<u>2,939,344</u>	<u>(89,078,847)</u>
Total capital assets, being depreciated/amortized, net	<u>97,655,010</u>	<u>14,005,795</u>	<u>(808,262)</u>	<u>110,852,543</u>
Governmental activities, capital assets, net	<u>\$ 323,932,319</u>	<u>\$ 74,191,423</u>	<u>\$ (15,575,270)</u>	<u>\$ 382,548,472</u>

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

C. Capital and Right to Use Assets

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,290,764	\$ -	\$ -	\$ 2,290,764
Capital assets, being depreciated:				
Buildings	11,892,516	-	-	11,892,516
Improvements other than buildings	238,663	-	-	238,663
Vehicles, equipment and furniture	1,149,145	150,000	-	1,299,145
Total capital assets, being depreciated	13,280,324	150,000	-	13,430,324
Less accumulated depreciation:				
Buildings	(7,829,916)	(363,266)	-	(8,193,182)
Improvements	(74,944)	(15,426)	-	(90,370)
Vehicles, equipment and furniture	(1,017,861)	(42,925)	-	(1,060,786)
Total accumulated depreciation	(8,922,721)	(421,617)	-	(9,344,338)
Total capital assets, being depreciated, net	4,357,603	(271,617)	-	4,085,986
Business-type activities, capital assets, net	\$ 6,648,367	\$ (271,617)	\$ -	\$ 6,376,750

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

Governmental activities	
General government	\$ 1,136,834
Public safety	2,637,694
Public works	1,606,383
Parks and recreation	1,822,845
Neighborhood and community services	<u>588,021</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 7,791,777</u>
 Business-type activities	
Convention Center	<u>\$ 421,617</u>

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

C. Capital and Right to Use Assets

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Bowling Green Municipal Utilities				
Capital assets, not being depreciated:				
Land	\$ 2,012,653	\$ 14,500	\$ -	\$ 2,027,153
Construction in progress	18,797,955	9,478,816	(9,958,694)	18,318,077
Total capital assets, not being depreciated	<u>20,810,608</u>	<u>9,493,316</u>	<u>(9,958,694)</u>	<u>20,345,230</u>
Capital assets, being depreciated:				
Transmission plant	3,101,737	499,622	(139,707)	3,461,652
Distribution plant	104,776,399	4,175,801	(1,080,683)	107,871,517
Structures and improvements, nodes	538,830	112,190	-	651,020
General plant	16,683,045	1,157,636	(708,699)	17,131,982
Water plant	166,262,995	2,409,512	-	168,672,507
Sewer plant	133,027,378	6,770,132	-	139,797,510
Equipment	10,958,033	318,719	(95)	11,276,657
Overhead conductors and devices	7,461,328	209,596	(18,247)	7,652,677
Trucks and autos	4,924,701	601,534	(273,695)	5,252,540
Office equipment	2,201,716	61,315	-	2,263,031
Office additions	65,716	-	(65,716)	-
Total capital assets, being depreciated	<u>450,001,878</u>	<u>16,316,057</u>	<u>(2,286,842)</u>	<u>464,031,093</u>
Less accumulated depreciation	<u>(200,082,261)</u>	<u>(14,874,412)</u>	<u>3,229,520</u>	<u>(211,727,153)</u>
Total capital assets, being depreciated, net	<u>249,919,617</u>	<u>1,441,645</u>	<u>942,678</u>	<u>252,303,940</u>
Bowling Green Municipal Utilities, capital assets, net	<u>\$ 270,730,225</u>	<u>\$ 10,934,961</u>	<u>\$ (9,016,016)</u>	<u>\$ 272,649,170</u>

D. Interfund Transfers

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

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

	Transfers Out				
	General	Nonmajor Governmental	Community Development	Internal Service	Total
General Fund	\$ -	\$ 1,162,500	\$ -	\$ -	\$ 1,162,500
ITA Bond	-	1,195,050	-	-	1,195,050
Community Development Fund	-	-	148,438	-	148,438
Municipal Aid Fund	2,339,102	-	-	-	2,339,102
Bluegrass Farms Blvd. Fund	931,845	-	-	-	931,845
Convention Center	-	100,000	-	-	100,000
Internal Service Funds	5,850,450	495,365	-	150,000	6,495,815
Nonmajor Governmental Funds	<u>21,063,038</u>	<u>4,191,498</u>	<u>466,425</u>	<u>-</u>	<u>25,720,961</u>
Totals	<u>\$ 30,184,435</u>	<u>\$ 7,144,413</u>	<u>\$ 614,863</u>	<u>\$ 150,000</u>	<u>\$ 38,093,711</u>

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

E. Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Lease Receivable

As of June 30, 2025, the City has five lease receivables in which it is a Lessor. The lease receivables are valued at the present value of the lease payments using individual discount rates. The City's capitalization threshold is \$25,000 for the term of the lease.

The City's leases have receipts that range from \$6,300 to \$44,400 and interest rates that range from 1.95% to 3.09%. As of June 30, 2025, the total combined value of the lease receivable is \$130,324, the total combined value of the short-term lease receivable is \$54,102, and the combined value of the deferred inflow of resources is \$126,920.

Future minimum lease payments and net present value of the lease receivable as of June 30, 2025, are:

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 54,102	\$ 2,897	\$ 56,999
2027	40,874	1,326	42,200
2028	5,611	689	6,300
2029	5,720	580	6,300
2030	5,832	468	6,300
2031-2035	18,185	715	18,900
	<u>\$ 130,324</u>	<u>\$ 6,675</u>	<u>\$ 136,999</u>

Lease Liability

The City, as a lessee, has entered into two agreements to lease certain improvements to land and equipment and recognizes a lease liability and right to use asset for said leases. The lease liabilities are based on the present value of the lease payments expected to be paid during the lease term. The right to use assets are valued at the lease liability in addition to accumulated amortization expense recognized throughout the life of the leases. The City's capitalization threshold is \$25,000 for the term of the lease.

The first agreement was originally executed in 1988 to lease a portion of the CrossWinds Golf Course property from the Bowling Green - Warren County Airport. The lease had a twenty year term and was renewed in July 2008 for an additional twenty year term set to expire in 2028. The lease liability is based on an annual lease payment of \$6,100, which is adjusted every five years based on the Consumer Price Index (CPI) Report for the prior five year period. At the inception of the current lease term in 2008, the CPI rate was 2.88% and is the discount rate used to measure the lease liability. A right to use asset with a net book value of \$18,355 has been recorded.

The second agreement was executed in September 2023 to lease vehicles from Enterprise Fleet Management. A total of 50 vehicles, each with 60 month terms have been leased as of June 30, 2025. The total lease liability of all vehicles is the sum of each vehicle's monthly lease payment, with no variable payment components, and discount rates ranging from 7.55% to 8.37%. Right to use assets with a net book value of \$1,599,667 have been recorded.

The future minimum lease obligations and net present value of the lease payments are below:

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 387,337	\$ 117,191	\$ 504,528
2027	418,698	85,830	504,528
2028	452,624	51,907	504,531
2029	330,419	18,387	348,806
2030	92,126	1,940	94,066
	<u>\$ 1,681,204</u>	<u>\$ 275,255</u>	<u>\$ 1,956,459</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 3. DETAIL NOTES ON ALL FUNDS

E. Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Subscription Liability

The City has entered into various subscription based information technology arrangement (SBITA) agreements and ten qualify under GASB Statement No. 96, which was adopted for the period ending June 30, 2023, and the City's \$25,000 capitalization threshold. The subscription liabilities are based on the present value of the subscription payments expected to be paid during the subscription term. The right to use assets are valued at the subscription liability in addition to accumulated amortization expense recognized throughout the life of the subscriptions.

The agreements have terms from three to ten years with payments made on an annual basis. The agreements have an assumed interest rate of 3.25%. As of June 30, 2025, the value of the subscription assets was \$2,968,779 and had accumulated amortization of \$1,262,919. The right to use asset activity is reflected in the Capital Asset section of this note.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2025, are shown below:

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 549,092	\$ 46,902	\$ 595,994
2027	391,356	31,723	423,079
2028	331,597	21,264	352,861
2029	118,721	12,368	131,089
2030	126,737	8,509	135,246
2031-2035	135,086	4,390	139,476
	<u>\$ 1,652,589</u>	<u>\$ 125,156</u>	<u>\$ 1,777,745</u>

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

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 Position. The table below reports all City long-term debt as of June 30, 2025:

Primary Government:

	Purpose of Issue	Original Issue	Interest Rate	Final Maturity	Amount Outstanding
Governmental Activities					
General obligation and revenue bonds					
General Obligation Bond, Series 2015A	Refinance portion of GO Series 2007A	\$ 9,245,000	2.25%-3.0%	December 1, 2032	\$ 6,205,000
General Obligation Bond, Series 2016C	Refinance portion of Series 2008A & 2008B Kentucky Transpark expansion, construction of infrastructure	24,545,000	3.0%-4.0%	June 1, 2038	16,300,000
General Obligation Bond, Series 2021A	Kentucky Transpark expansion, property acquisition	38,060,000	1.5%-5.0%	September 1, 2046	38,060,000
General Obligation Bond, Series 2021B		5,775,000	1.375%-2.0%	September 1, 2029	4,545,000
					65,110,000
Premiums, deferred charges and discounts on bond obligations					117,438
Total general obligation bonds					\$ 65,227,438
Notes and financed purchases from direct borrowings and placements					
FirstBank	2018 Fire Trucks	\$ 3,531,163	2.99%	March 29, 2028	\$ 1,170,701
JP Morgan Chase	2019 Fire Trucks	1,531,518	1.95%	December 4, 2029	802,702
JP Morgan Chase	2022 Fire Trucks	2,091,238	1.96%	February 28, 2032	1,505,441
Cogent Bank	2023 Fire Trucks	925,105	3.09%	September 15, 2032	762,740
Total notes and financed purchases from direct borrowings and placements					4,241,584
Other Long-Term Liabilities					
Compensated absences					8,972,314
Landfill postclosure care					1,554,555
Subscription liabilities					1,652,589
Lease liabilities					1,681,204
					13,860,662
Total long-term governmental liabilities					\$ 83,329,684

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the primary government for the year ended June 30, 2025, was as follows:

	Restated Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due in One Year
Governmental Activities:					
General obligation and revenue bonds	\$ 67,390,000	\$ -	\$ (2,280,000)	\$ 65,110,000	\$ 2,350,000
Notes and financed purchases from direct borrowings and placements	5,042,989	-	(801,405)	4,241,584	821,736
Adjustments for deferred amounts:					
Discount on bonds payable	(47,707)	5,300	-	(42,407)	-
Premium on bonds payable	179,825	-	(19,980)	159,845	-
Total bonds, notes, leases payable	72,565,107	5,300	(3,101,385)	69,469,022	3,171,736
Subscription liabilities	2,138,710	1,087,647	(1,573,768)	1,652,589	549,092
Lease liabilities	1,054,193	922,084	(295,073)	1,681,204	387,337
Compensated absences	8,055,336	916,978	-	8,972,314	3,385,175
Landfill postclosure care	1,411,003	143,552	-	1,554,555	54,218
Total governmental activities	<u>\$ 85,224,349</u>	<u>\$ 3,075,561</u>	<u>\$ (4,970,226)</u>	<u>\$ 83,329,684</u>	<u>\$ 7,547,558</u>

Landfill postclosure liabilities are liquidated by the Landfill Closure special revenue fund and governmental compensated absences are liquidated by the General Fund.

The City's outstanding note from direct borrowings and placements totaling \$4,241,584 contains a default provision where the financing agreement would be terminated and all related indebtedness would be due and payable. Collateral for this note includes: one 2018 Pierce Rescue Engine with equipment and machinery, one 2018 Pierce 95' Mid-Mount Aerial Platform Engine with machinery and equipment, and four 2018 Pierce Engines with equipment and machinery.

Component Unit

Long-term liability activity for the component unit for the year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due in One Year
Component Unit:					
General obligation and revenue bonds					
Water-Sewer Division					
Revenue bonds payable	\$ 98,407,630	\$ 1,420,896	\$ (5,919,254)	\$ 93,909,272	\$ 5,957,261
Electric Division					
Revenue bonds payable	6,845,000	-	(555,000)	6,290,000	575,000
Less: unamortized bond discount	(19,682)	2,147	-	(17,535)	-
Plus: unamortized bond premium	2,553,204	-	(194,495)	2,358,709	-
	<u>\$ 107,786,152</u>	<u>\$ 1,423,043</u>	<u>\$ (6,668,749)</u>	<u>\$ 102,540,446</u>	<u>\$ 6,532,261</u>

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Changes in Long-term Liabilities

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

Fiscal Year	Governmental Activities			
	General Obligation and Revenue Bonds		Notes and Financed Purchase Agreements	
	Interest	Principal	Interest	Principal
2026	\$ 1,629,857	\$ 2,350,000	\$ 104,310	\$ 821,736
2027	1,546,601	3,105,000	83,182	842,866
2028	1,452,313	3,230,000	61,522	863,308
2029	1,357,828	2,885,000	39,214	472,161
2030	1,284,069	2,980,000	28,911	482,463
2031-2035	4,862,365	17,160,000	32,547	759,050
2036-2040	2,730,141	14,730,000	-	-
2041-2045	1,279,855	12,845,000	-	-
2046-2050	124,897	5,825,000	-	-
	<u>\$ 16,267,926</u>	<u>\$ 65,110,000</u>	<u>\$ 349,686</u>	<u>\$ 4,241,584</u>

Principal and interest requirements for component unit debt is as follows:

Fiscal Year	Bowling Green Municipal Utilities		Bowling Green Municipal Utilities	
	Water-Sewer Division		Electric Division	
	Principal	Interest	Principal	Interest
2026	\$ 5,957,261	\$ 2,637,927	\$ 575,000	\$ 214,535
2027	6,108,728	2,484,311	595,000	195,810
2028	6,275,302	2,323,210	615,000	176,130
2029	6,189,126	2,152,593	635,000	155,318
2030	6,362,049	1,972,295	655,000	133,668
2031-2035	26,710,498	7,505,997	2,840,000	311,149
2036-2040	18,628,403	4,307,973	375,000	11,250
2041-2045	8,448,580	2,305,446	-	-
2046-2050	9,229,325	785,024	-	-
	<u>\$ 93,909,272</u>	<u>\$ 26,474,776</u>	<u>\$ 6,290,000</u>	<u>\$ 1,197,860</u>

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

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

1. \$9,245,000 General Obligation Bonds, Series 2015A, issued for the purpose of refinancing a portion of Series 2007A General Obligation Bonds
2. \$24,545,000 General Obligation Bonds, Series 2016C, issued to refinance a portion of Series 2008A & 2008B General Obligation Bonds. The refunding was completed in FY2016 and resulted in a net present value savings or benefit of \$3,072,159 or about 12.72%. The aggregate difference between the refunding debt and the refunded debt was \$395,000; with \$24,150,000 as the refunded principal.
3. \$38,060,000 General Obligation Bonds, Series 2021A, issued to fund infrastructure costs to complete an expansion at the Kentucky Transpark.
4. \$5,775,000 General Obligation Bonds, Series 2021B, issued to fund property acquisition for the expansion of the Kentucky Transpark.

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 fee, and net profit fee revenues produced within the boundaries of the District to the Warren County Downtown Economic Development Authority (the Authority), a Chapter 58 agency designated to administer and oversee the project. These incremental revenues are dedicated for debt service payments on various projects within the TIF District. The State also pledged 80% of incremental revenues within the District under the condition that the project reach \$200 million in eligible projects, which was later amended to \$150 million by the State General Assembly in June 2009.

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

Title to the ballpark, along with all assets, liabilities, and equity of the Single Purpose Entity (SPE) was transferred to the Authority on June 30, 2017. This transfer occurred after dissolution of the aforementioned SPE, which was initially created to provide and hold new market tax credits in return for additional borrowings to fund other TIF construction. With the achievement of reaching the \$150 million capital investment threshold, the State began distributing 80% of State withholdings, individual, corporate, sales and property taxes generated from within the TIF boundaries to the Authority for further distribution to various block developments for debt service.

Prior Year Defeasance of Debt

In a prior year, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2025, \$22,210,000 of bonds outstanding is considered defeased.

Landfill Closure and Postclosure Care Cost

Landfill closure and post-closure costs are accounted for in the Landfill Closure Special Revenue Fund. As of June 30, 2025, the cash, investments and funds receivable from other governments available totaled \$1,090,222.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Landfill Closure and Postclosure Care Cost

In Fiscal Year 2005, the Kentucky Energy and Environment Cabinet (EEC) announced a program under which the Commonwealth might assume responsibility for many aspects of landfill closure currently funded by local jurisdictions. However, under the provisions of the enabling legislation (HB 174 Kentucky Pride Fund, KRS 224.43-505) it appears that jurisdictions may well retain the bulk of costs to maintain landfill sites (e.g. sampling, pumping, transportation and disposal of leachate, erosion control, mowing, etc). Under current assumptions and projections the Landfill Closure Special Revenue Fund is sufficiently capitalized through 2042, 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 landfill sites as of June 30, 2025, is \$1,554,555. 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. To date, landfill closure cap construction is complete and the City performs annual monitoring, testing and reporting. In 2010, the City entered into a Memorandum of Agreement with the Kentucky Division of Waste Management (KYDWM) and HB174 funds were used for 6.1 acres of improvements at the landfill to decrease the production of leachate. Further, the groundwater monitoring program was deemed compliant and complete.

The City has submitted a closure application for Glen Lily which has not been approved to date, owing to the EEC backlog of active landfill oversight responsibilities. The City continues to monitor and care for the landfill, submit required reports, and assume the City will incur landfill maintenance costs at least through 2055. A two year post-closure care period will follow the date upon which the City receives acceptance of any closure application, if the application is processed in accordance with precedent. A thirty year closure period will commence once the two year post-closure period has been approved. Glen Lily is further categorized as a superfund site.

Butler County Landfill

The City submitted a closure plan for its Butler County landfill in May 1991. The site ceased receiving solid waste in June 1992. The closure plan was approved by the State in 1996. The facility met closure standards for a residential landfill rather than a contained landfill. Drawing upon funds from the Landfill Closure Special Revenue Fund, established from proceeds of the 1991 bond issue, the City added a leachate collection system and a passive methane gas venting system. Construction of the landfill cap was completed in Fiscal Year 1995 and the City received a permit for closure construction in 1996. A quality assurance/quality control report was submitted on November 15, 1996. The original closure permit expired in July 1997, and a new permit extending to 2002 was issued. The City submitted quarterly and annual inspections and reports to the Cabinet. In 2004, consultants Kamp, Dresser and McKee were engaged to assist in development of a plan to effect final closure of the landfill. In 2005, the City completed the third year of a three-year closure care period. However, the State has not granted final closure to date. From 2012-2016, the KYDWM used HB174 funds to design and construct a leachate consolidation system as well as improve the cap to decrease leachate production rates. Beginning in 2017, the City worked with the HB174 program to design and implement a Phase II of landfill improvements to further decrease leachate production as well as provide for permanent low cost leachate disposal options.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 3. DETAIL NOTES ON ALL FUNDS

F. Long-term Debt

Landfill Closure and Postclosure Care Cost

In 2019, Phase II of the landfill improvements were separated into smaller components for construction again. The City secured \$450,000 in reimbursable costs for construction of only the force main sewer component of Phase II. The work was completed in June 2020 at an actual cost of around \$250,000. The City continues to monitor and care for the landfill, submit required reports, and dispose of the leachate generated. It is assumed that the City will incur landfill maintenance costs at least through 2055.

Old Louisville Road

Landfill closure cap construction is complete and the City performs annual monitoring, testing and reporting. The City is considering a project for some compatible recreational use of the landfill area.

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. In 2010, the Cabinet, through HB174, deemed the groundwater monitoring program at the landfill compliant and complete and removed the groundwater monitoring wells at the site. In order to move the closure process forward, the City must restrict the deed for the property that remains with the Kentucky Transportation Cabinet. In 2016, the City delivered a new survey to the Kentucky Transportation Cabinet and a decision to restrict the deed appropriately and transfer the property to the City was fulfilled in 2019. The City continues to monitor and care for the landfill, submit required reports, and assume that maintenance costs will be incurred at least through 2055. A two year post-closure and thirty year closure period will follow the date upon which the State should grant closure if the application is processed in accordance with precedent.

Hobson Grove

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

When the landfill responsibilities were given over to the staff that is now the Environmental Compliance Division, there were no paper records associated with the site and the oral records indicated that the site was a pre-regulatory town dump and was not associated with any permits. A Stage 1 Study was conducted in 2018 by Neel Schaffer Engineering for the KYDWM. That report determined that the site was permitted and is a closed pre-RCRA subtitle D site. The requirements for closure mirror those of the Butler County site. Currently, the KYDWM has indicated to City staff to take no action regarding the site until further notice from their agency. It is unknown at this time what the City's ongoing liabilities for this site are, if any; however, it should be assumed to continue through 2055 at minimum.

G. Net Position

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

The Net Investment in Capital Assets is intended to reflect the portion of net position which is 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.

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 4. RISK MANAGEMENT

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

In July 1996, the City established the Workers' Compensation Fund (WCF) (an internal service fund) to account for and finance its participation in the Kentucky League of Cities Workers' Compensation Trust (The "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for Kentucky cities, municipal boards, agencies and authorities. The City pays an annual premium to the Trust for its workers' compensation, general liability and auto insurance coverages. The Trust Participation Agreement provides that the Trust will be self-sustaining through member premiums. The Trust reinsures through commercial companies at various limits, depending on the type of coverage. The WCF provides coverage of up to \$10,000 for each worker's compensation occurrence.

Beginning Fiscal Year 2012, the City established the Property & Casualty (P&C) Fund to account for and finance participation in the Kentucky League of Cities Insurance Services (KLCIS) General Insurance Trust. The P&C Fund provides payment for premiums for all insurance coverage types except workers' compensation. The P&C fund also makes payment on any claim that falls within a City selected per occurrence deductible. KLCIS provides coverage for losses exceeding the chosen deductible level and reinsures through commercial companies at various higher limits. The City's current deductibles are: \$50,000 for General Liability, \$15,000 for Law Enforcement Liability, for Buildings and Contents Coverage, and \$0 for Public Officials Liability and Auto Liability. Additionally, the City has chosen to self-insure a portion of its fleet for collision coverage.

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

Changes in the balances of claims liabilities during Fiscal Years 2025 and 2024 follows:

	Health Care	Workers' Compensation	Property and Casualty
Liability at June 30, 2023	\$ 928,564	\$ 28,032	\$ 53,933
Claims and changes in estimates FY2024	7,233,665	72,898	335,941
Claims paid FY2024	(7,139,489)	(74,685)	(291,125)
Liability at June 30, 2024	1,022,740	26,245	98,749
Claims and changes in estimates FY2025	8,435,558	202,156	499,981
Claims paid FY2025	(8,770,805)	(153,095)	(496,502)
Liability at June 30, 2025	\$ 687,493	\$ 75,306	\$ 102,228

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.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 5. COMMITMENTS AND CONTINGENCIES

B. Bowling Green Municipal Utilities

Bowling Green Municipal Utilities has erected various street lighting systems for the City, which represents a total unamortized investment at June 30, 2025, of \$5,611,858. 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 \$617,304 per year on a recurring basis. One-twelfth of the annual charge is billed to the City monthly along with the charge for electric service. Similar arrangements have been in effect in prior years.

C. Construction and Other Significant Commitments

The City has active construction projects as of June 30, 2025. At year end, the City had the following commitments on construction contracts:

Project	Remaining Commitment
Road construction projects	\$ 3,380,696
Fire station construction projects	2,514,116
Capital equipment purchases	2,849,261
Parks construction projects	2,069,735
Stormwater improvement projects	1,169,277
Sidewalk and greenway construction projects	826,043
Street resurfacing construction project	186,496
Downtown transit center rehabilitation project	69,613

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, 2025, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

The City agreed to sublease parking facilities in the structure connected to the above-referenced project from the sub-developer, who in-turn subleases the parking garage from Warren County. In May 2012, an Agreement on Sharing of Revenues was executed between the City, County, and the Warren County Downtown Economic Development Authority that outlined the revenue streams from the TIF District pledged to cover the IRB debt. The City's parking sublease agreement is the final line of revenue pledged, following: (1) lease revenues from the building, (2) 80% of State TIF revenues from Blocks 4A, 5, 8, and 10 in the TIF District, (3) 80% of TIF revenues generated by the key tenant of the building, and (4) any debt service reserve funds available from the permanent financing issue scheduled each December. Due to the performance related aspect of the sublease, this agreement does not qualify as a reportable lease under GASB 87.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 5. COMMITMENTS AND CONTINGENCIES

D. Contingencies

In March 2015, the City agreed to assign all State TIF revenues to the County and to adjust City base revenues in specific blocks within the TIF District. In exchange for the adjusted base revenues, the County will provide an annual, renewable lease to fund City debt service shortfalls. The City also agreed to convert the annual, renewable parking sublease to a General Obligation (G.O.) sublease as part of the permanent bond issue that closed in January 2016. The City considers the previous risk of funding debt shortfalls eliminated with the reassignment of the City's share of State TIF revenues to the County, and the County's pledge to reimburse the City for any shortfalls on debt service of the IRB financing. Furthermore, an agreement between the City, Warren County, and the Warren County Downtown Development Authority is in place where the County will convey Weldon Peete Park to the Authority, the Authority will lease the Park to the City, and the City will sublease the Park to the County with the lease payments equal to any lease payments made by the City for its sublease of the Block 6 parking garage. At the end of the bond term (30 years), the County will receive title to the ballpark.

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 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. No commitments beyond the collateral, the payments from the private sector entity, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the City.

As of June 30, 2025, there were five series of special assessment bonds outstanding with an aggregate principal balance of \$457,000.

Note 6. THE SINGLE AUDIT ACT

The U.S. Office of Management and Budget's Uniform Administrative Requirements (2 CFR 200.501), Cost Principles, and Audit Requirements for Federal Awards requires non-federal entities that expend \$750,000 or more a year in federal awards to have an audit performed in accordance with the provisions of the guidance. The Single Audit report is issued in the Annual Comprehensive Financial Report after the Statistical Section beginning on page 179.

Note 7. DEFINED BENEFIT PENSION PLANS

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

Plan description. The PFRF is a single-employer defined benefit pension plan administered by a Board of Trustees consisting of the Mayor, Assistant City Manager/CFO, and one retiree or active member if no retirees are available to serve from the Fire Department. PFRF was established to provide retirement and disability benefits for retiring, disabled, or deceased personnel and their surviving spouse. Benefits are determined by Kentucky Revised Statutes Sections 95.851 to 95.884. On August 1, 1988, the plan was closed to new entrants and current active duty police and firemen of the City were given the choice of remaining in this plan or transferring into the County Employees Retirement System (CERS). The PFRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the City Clerk's Office, Bowling Green, Kentucky.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 7. DEFINED BENEFIT PENSION PLANS

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

Plan membership. As of June 30, 2025, the plan consisted of the following:

Active employees	0
Retirees and disabled participants	7
Widow participants	15
Terminated vested employees	0

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

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

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

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

There are seven retiree participants receiving annuities and fifteen participants receiving widows' annuities.

Contributions. The Retirement Fund's funding policy provided for employee contributions of eight percent of their annual salary. A member reserve was established for member contributions and earnings allocations. As there are no longer any active members, members made no contribution for the year ended June 30, 2025.

The City of Bowling Green (City) only contributes amounts required to fund current service costs and interest on unfunded past service costs as determined by actuarial valuations in compliance with Kentucky Revised Statutes. The City is not required to make an annual contribution. For Fiscal Year 2025, the City made no contribution and the Board of Trustees approved a cost-of-living adjustment (COLA) of 5.0%. The City's General Fund covers the administrative costs of the Plan, approximately \$20,000 during Fiscal Year 2025. There are no assets legally reserved for purposes other than the payment of Plan member benefits.

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 7. DEFINED BENEFIT PENSION PLANS

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

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

Net Pension Liability

The City's net pension liability (asset) was measured as of July 1, 2025, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date. The components of net pension liability (asset) at June 30, 2025, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at 7/1/2024	\$ 5,166,344	\$ 5,629,407	\$ (463,063)
Changes for the Year			
Interest	287,816	-	287,816
Benefit changes	97,411	-	97,411
Liability losses	147,067	-	147,067
Changes of assumptions	287,170	-	287,170
Contributions - employee	-	-	-
Contributions - members	-	-	-
Net investment income	-	736,067	(736,067)
Benefits paid	(681,997)	(681,997)	-
Net change	137,467	54,070	83,397
Balances at 6/30/2025	\$ 5,303,811	\$ 5,683,477	\$ (379,666)

Actuarial assumptions. The total pension liability as of July 1, 2025, actuarial valuation was determined using the following actuarial assumptions and applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Asset valuation method	Market value adjusted for accruals
Inflation	None
COLAs	Average of the cost-of-living adjustments made over the prior five years, rounded to the nearest 1.0%. For July 1, 2025 valuation, this result is 4.0% per annum.
Investment rate of return	6.0% per annum
Low-Default-Risk Obligation Method	4.81% per annum, S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2025
Mortality	Non-Disabled Lives: 2025 IRS generational mortality tables (Post Commencement Rates only) with mortality improvements after year 2006 under Project Scale MP-2021 (male and female scales). Disabled Lives: Rates published in IRS Revenue Ruling 96-7 (Disablement prior to 1/1/1995).

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 7. DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability

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

Asset Class	Long Term Expected Real Rate of Return
Inflation (CPI)	2.15%
US equity	3.78%
Non-US equity	4.06%
Fixed income	2.67%
Cash	0.65%

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

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

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
<i>City of Bowling Green's net pension liability (asset)</i>	\$ (44,631)	\$ (379,666)	\$ (678,785)

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

Pension expense. For the year ended June 30, 2025, the City recognized pension expense of \$261,810 for the Police and Firefighter's Retirement Plan. The City also recognized a pension expense of \$9,637,418 for the County Employees Retirement Systems (CERS), for total net pension expense of \$9,899,228.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Police and Firefighter's Retirement Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (583,175)
Total	\$ -	\$ (583,175)

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 7. DEFINED BENEFIT PENSION PLANS

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

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

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

Year Ended June 30th:		
2026	\$	(53,100)
2027		(255,394)
2028		(190,588)
2029		(84,093)
	<hr/>	<hr/>
	\$	(583,175)

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

B. The County Employees Retirement System (CERS)

General Information about the Pension Plan

Plan description. Employees of the City of Bowling Green are provided a defined benefit pension plan through the County Employees Retirement System (CERS), a cost-sharing multiple-employer defined pension plan administered by the Kentucky Public Pensions Authority (KPPA). The CERS pension plan has two categories: Non-Hazardous for general employees and Hazardous for sworn police and fire employees. The KPPA is the successor to Kentucky Retirement Systems and was created by State statute under Kentucky Revised Statute Section 61.645 as amended by House Bill 484 and House Bill 9 of the 2020 and 2021 regular sessions, respectively, of the Kentucky General Assembly. These amendments transferred governance of the CERS to a separate nine member board of trustees. The CERS Board of Trustees is responsible for the proper operation and administration of the CERS. The KPPA issues a publicly available financial report that can be obtained by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at (502)564-4646.

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

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

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

General Information about the Pension Plan

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

Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. Effective July 1, 2009, the COLAs were limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. No COLA has been granted since July 1, 2011.

Contributions. Contributions for employees are established in the statutes governing the KPPA and may only be changed by the Kentucky General Assembly. Non-Hazardous employees contribute 5% and Hazardous employees contribute 8% of salary if they were plan members prior to September 1, 2008. Non-Hazardous and Hazardous employees that entered the plan after September 1, 2008, are required to contribute 6% and 9%, respectively, of their annual creditable compensation. The additional 1% is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, total employer contributions for the City were \$12,748,049 based on a rate of 19.71% for Non-Hazardous and 38.61% for Hazardous members through covered payroll. The contribution rate of 19.71% for Non-Hazardous is comprised of amounts for pension and insurance benefits, 19.71% or \$3,466,367 was dedicated to pensions and 0% was allocated to insurance. The total contribution rate of 38.61% for Hazardous consists of 36.49% or \$8,772,043 toward pension benefits and 2.12% or \$509,639 for insurance benefits. The total City contribution in FY2025 for the pension benefits portion only was \$12,238,411.

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

Net Pension Liability

The City's net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the measurement date using generally accepted actuarial principles.

Actuarial assumptions. The total pension liability as of the measurement date of June 30, 2024, was determined using the actuarial assumptions on the next page and applied to all periods included in the measurement.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

Net Pension Liability

Inflation	2.30 percent
Salary increases	3.30 percent to 10.30 percent for CERS non-hazardous; 3.55 percent to 19.05 percent for CERS hazardous
Payroll Growth Rate	2.0 percent
Investment rate of return	6.50 percent

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023, and included a change in the investment return assumption from 6.25% to 6.50%. The KRS Board of Trustees adopted the new actuarial assumptions on June 5, 2023. These assumptions are documented in the report titled "2022 Actuarial Experience Study for the Period Ending June 30, 2022." The Total Pension Liability as of June 30, 2024, is determined using these updated assumptions.

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Equity		
Public equity	50.00%	4.15%
Private equity	10.00%	9.10%
Fixed Income		
Core fixed income	10.00%	2.85%
Cash	0.00%	1.70%
Specialty credit	10.00%	3.82%
Inflation Protected		
Real estate	7.00%	4.90%
Real Return	13.00%	5.35%
Expected Real Return	100.00%	4.69%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		7.19%

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

Net Pension Liability

Discount rate. The projection of cash flows used to determine the discount rate of 6.50 percent for CERS Non-hazardous and CERS Hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute, as amended by House Bill 362, (passed in 2018) over the remaining 28 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KPPA financial report.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following table presents the net pension liability of the City calculated using the discount rate of 6.50 percent, as well as the net pension liability if calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	Current Discount		
	1% Decrease (5.50%)	Rate (6.50%)	1% Increase (7.50%)
<i>City of Bowling Green's net pension liability</i>			
Hazardous	\$ 95,238,393	\$ 73,977,570	\$ 56,619,273
Nonhazardous	35,043,791	27,183,358	20,661,271
Total	\$ 130,282,184	\$ 101,160,928	\$ 77,280,544

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

Pension expense. For the year ended June 30, 2025, the City recognized pension expense of \$9,637,417 for CERS. City also recognized a pension expense of \$261,810 for the Police and Firefighter's Retirement Plan, for total net pension expense of \$9,899,228.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to CERS pensions from the sources on the following table:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	(5,696,108)
Net difference between expected and actual experience	6,122,592	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,911,935	(1,191,098)
Change of assumptions	-	(5,403,314)
Contributions subsequent to the measurement date of June 30, 2024	12,238,411	-
Total	\$ 25,272,938	(12,290,520)

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 7. DEFINED BENEFIT PENSION PLANS

B. The County Employees Retirement System (CERS)

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

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2024," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30th:	
2026	\$ (975,528)
2027	2,531,185
2028	220,594
2029	<u>(1,032,244)</u>
	<u>\$ 744,007</u>

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

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description. City employees are provided medical insurance through the Kentucky Public Pensions Authority's County Employees' Retirement Insurance Fund (Insurance Fund), a cost-sharing multiple-employer defined benefit OPEB plan. The KPPA was created by State statute under Kentucky Revised Statute Section 61.645. The CERS Board of Trustees is responsible for operation and administration of CERS. The KPPA issues a publicly available financial report that can be obtained by writing to Kentucky Public Pension Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or by telephone at (502)564-4646.

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

Contributions. Contribution requirements of the participating employers are established and may be amended by the CERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2025, was 6.85% of covered payroll. Contributions to the Insurance Fund from the City were \$703,466, including an implicit subsidy of \$193,827, for the year ended June 30, 2025. Employees that entered the plan prior to September 1, 2008, are not required to contribute to the Insurance Fund. Employees that entered the plan after September 1, 2008, are required to contribute 1% of their annual creditable compensation which is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E).

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

The City's proportion of the collective net OPEB liability and OPEB expense was determined using the employers' actual contributions for Fiscal Year 2025. This method is expected to be reflective of the employers' long-term contribution effort. At June 30, 2025, the City's proportion was 0.4548% of the Non-hazardous plan and 2.8753% of the Hazardous plan.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date to the measurement date using generally accepted actuarial principles.

Actuarial assumptions. The total OPEB liability as of June 30, 2024, was determined using the following assumptions:

Inflation	2.50 percent
Payroll growth rate	2.00 percent
Salary increases	3.30 percent to 10.30 percent, varies by service for CERS non-hazardous; 3.55 percent to 19.05 percent, varies by service for CERS hazardous
Investment rate of return	6.50 percent
Healthcare cost trend rates (Pre-65)	Initial trend starting at 6.20 percent at January 1, 2024, and gradually decreasing to ultimate trend rate of 4.05 percent over a period of 12 years.
Healthcare cost trend rates (Post-65)	Initial trend starting at 9.0 percent at January 1, 2024, then gradually decreasing to an ultimate trend rate of 4.05 percent over a period of 12 years.

The Board of Trustees adopted new actuarial assumptions on May 9, 2023. These assumptions are documented in the report titled "2022 Actuarial Experiences Study for the Period Ending June 30, 2022". Additionally, the discount rate used to calculate the total OPEB liability increased from 5.70% to 5.93% for the CERS non-hazardous insurance plan and from 5.61% to 5.97% for the CERS hazardous insurance plan (see information regarding the calculation of the single discount rate later in this section of the report).

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year 2010.

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

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Net OPEB Liability

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public equity	50.00%	4.15%
Private equity	10.00%	9.10%
Fixed Income		
Core fixed income	10.00%	2.85%
Speciality credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected		
Real estate	7.00%	4.90%
Real return	13.00%	5.35%
Expected Real Return	100.00%	4.69%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		7.19%

Discount rate. Single discount rates of 5.99% for the CERS non-hazardous insurance plan and 6.02% for the CERS hazardous insurance plan were used to measure the total OPEB liability as of June 30, 2024. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

Changes in the Net OPEB Liability

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

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Changes in the Net OPEB Liability

	1% Decrease (4.99%)	Discount Rate (5.99%)	1% Increase (6.99%)
<i>City of Bowling Green's net OPEB liability (asset) Non-hazardous</i>	\$ 1,063,758	\$ (786,738)	\$ (2,342,639)
<i>City of Bowling Green's net OPEB liability (asset) Hazardous</i>	1% Decrease (5.02%)	Discount Rate (6.02%)	1% Increase (7.02%)
Total net OPEB liability (asset)	<u>9,638,957</u>	<u>3,487,912</u>	<u>(1,652,480)</u>
	<u>\$ 10,702,715</u>	<u>\$ 2,701,174</u>	<u>\$ (3,995,119)</u>

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

	Current Healthcare Cost Trend Rates		
	1% Decrease		1% Increase
<i>City of Bowling Green's net OPEB liability (asset)</i>			
Non-hazardous	\$ (1,892,796)	\$ (786,738)	\$ 501,742
Hazardous	(540,697)	3,487,912	8,196,477
Total	<u>\$ (2,433,493)</u>	<u>\$ 2,701,174</u>	<u>\$ 8,698,219</u>

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

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

For the year ended June 30, 2025, the City recognized an OPEB credit of \$4,256,660. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between expected and actual experience	\$ 1,380,978	\$ (18,956,630)
Changes of assumptions	3,078,697	(3,624,714)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,909,704)
Changes in proportion and difference between employer contributions and proportionate share of contributions	2,190,221	(493,246)
Contributions subsequent to the measurement date of June 30, 2024	703,466	-
Total	<u>\$ 7,353,362</u>	<u>\$ (25,984,294)</u>

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2024", will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year ended June 30th:	
2026	\$ (6,278,253)
2027	(4,826,647)
2028	(5,976,444)
2029	(2,727,122)
2030	474,068
	<u>\$ (19,334,398)</u>

Note 9. DEFINED CONTRIBUTION PLANS

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

Investments are managed by MissionSquare Retirement, plan administrator, with various investment options. The choice of investment option(s) is made by the participants. Participating employees can contribute to the Plan based on either a percentage of compensation or a fixed dollar amount per pay period. The limits for the 457 plan are up to \$23,500 per year for regular contributions and \$7,500 for catch-up contributions. The limits for the Roth plan are up to \$7,000 per year for regular contributions and \$1,000 for catch-up contributions. During the fiscal year ended June 30, 2025, employee contributions for both plans totaled \$204,924.

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

Participating employees can defer a maximum of \$23,500 for regular contributions and \$7,500 for catch-up contributions for the 401(k) plan. The Roth plan has a maximum of \$7,500 for regular contributions and \$1,000 dollars for the catchup contributions. Benefits are available upon termination of employment, retirement, death or for hardship withdrawal. Employee contributions for all Kentucky Deferred Compensation 401(k) and 457 plans totaled \$863,019 for the fiscal year ended June 30, 2025. The City does not provide an employer match to defined contribution plans.

Note 10. TAX ABATEMENTS

As of June 30, 2025, the City provides tax abatement through six programs: Job Development Incentive Program, Property Tax Annexation Program, TIF Occupational and Property Tax Program, Historical Moratorium Property Tax Program, Payments-in-Lieu-of-Taxes (PILOT) Program, and Tornado Relief Program.

**City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025**

Note 10. TAX ABATEMENTS

Job Development Incentive Program (JDIP) provides a credit of 1% of employee withholding fees from gross wages generated from new and/or expanded businesses for a period of 10 years. The credit is offered to businesses engaged in one or more of the following activities: manufacturing, agribusiness, regional and national headquarters (regardless of the underlying business activity), or nonretail service or technology activities. To qualify for the incentive, a business must create at least 10 new, full-time jobs for Kentucky residents, incur eligible costs of at least \$100,000, pay minimum wages defined by market, and provide minimum employee benefits. The abatement is equal to 1% of employee withholding fees and is reported on a monthly basis. Abated taxes of participating companies can be recaptured for a number of reasons, including: failure to report or pay employee tax withholdings; failure to satisfy projected schedule of withholdings; failure to pay any tax, license fee, penalty or other charge or obligation to the City; failure to comply with any terms or conditions per Chapter 18 and Chapter 11 of City Code of Ordinances and/or incentive program agreement; material misrepresentation of any statement or fact on incentive application; abandoning or closing of business for a period of 30 days; or default declared by the State Economic Development Cabinet on Kentucky Business Incentive (KBI) agreement.

Property Tax Annexation Program provides a rebate of City property taxes paid on annexed property for a period not to exceed five years to aid in covering development costs. The rebate period shall begin no later than 10 years from the date of annexation. To be eligible for the property tax abatement program, the proposed property to be annexed must be: 1) adjacent or contiguous to the City limits and is urban in character and suitable for development for urban purposes without unreasonable delay; 2) adjacent to City limits, particularly in areas likely to result in job creation; and 3) in nine specific target areas to the current City limits or close to such area(s). Abated taxes may be recaptured if a participating company: fails to comply with City ordinances, rules, or regulations, or any terms of the Economic Development Annexation Incentive Agreement; or abandons or closes any businesses constructed on the property being annexed for a period of thirty (30) consecutive days.

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

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

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

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 10. TAX ABATEMENTS

Small Business Tornado Relief Program provides up to 100% rebate of the City only portion of property taxes and/or City net profit to provide relief to small businesses negatively affected by the December 2021 tornados for a period of five years. Eligible property must be: 1) located within the City limits; 2) a commercial property registered with the City on or before December 11, 2021; 3) current on all taxes and fees owed; 4) in the designated area as prescribed by GIS mapping; 5) have no more than 50 full-time equivalent (FTE) employees; and 6) not in receipt of other City incentive payments. Abated taxes of the participating entities may be recaptured if the business moves outside of the designated area and all future rebates would be reduced by 50%. The other instance in which abated taxes may be recaptured is if a company is delinquent on a given tax year within the five year rebate period, then that specific delinquent year would be ineligible for rebate.

A ten year summary of tax abatements is presented below:

Fiscal Year	JDIP withholdings	Annexed property taxes	TIF		Moratoriums	Payments-in-lieu-of-taxes (PILOT)	Tornado relief abatement	Amount of taxes abated
			occupational & property taxes	Moratoriums				
2016	\$ 1,591,215	\$ -	\$ 45,038	\$ 7,775	\$ 114,279	\$ -	\$ 1,758,307	
2017	1,685,886	-	156,496	7,775	179,684	-	2,029,841	
2018	2,196,373	216	148,483	10,917	184,107	-	2,540,096	
2019	2,372,874	215	180,956	13,377	210,121	-	2,777,543	
2020	1,478,600	625	241,660	3,399	231,369	-	1,955,653	
2021	1,391,245	27,986	248,358	2,011	283,695	-	1,953,295	
2022	1,605,770	71,528	328,582	138	605,324	-	2,611,342	
2023	1,756,724	74,306	403,745	2,885	342,132	53,195	2,632,987	
2024	2,096,483	76,091	453,814	-	341,005	420,281	3,387,674	
2025	3,036,496	84,034	630,706	23,664	553,219	256,026	4,584,145	
Total	\$ 19,211,666	\$ 335,001	\$ 2,837,838	\$ 71,941	\$ 3,044,935	\$ 729,502	\$ 26,230,883	

Note 11. CHANGES IN ACCOUNTING PRINCIPLE AND TO FINANCIAL REPORTING ENTITY

Changes to or within the Financial Reporting Entity

The City of Bowling Green formerly classified the Bluegrass Farms Blvd Fund as a nonmajor fund, it is being reclassified as a major fund in fiscal year ending June 30, 2025. The effect of the change to government fund balance is shown in the table on the following page.

During fiscal year 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. The City provides multiple types of employee leave (vacation, sick, personal, and compensatory), but previously only accrued vacation leave. The City examined its past experience with all leave types and determined that sick, personal, and compensatory leave types meet the criteria of Statement No. 101. The City's past experience with the leave types was examined and the accumulated leave that was more likely than not to be used by employees was estimated. This estimate is not reported as a liability in the governmental and internal service fund financial statements. The portion of this liability that existed at the beginning of the current year is recognized as a decrease in beginning net position resulting from the adoption of a new accounting standard.

City of Bowling Green, Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 11. CHANGES IN ACCOUNTING PRINCIPLE AND TO FINANCIAL REPORTING ENTITY

Changes to or within the Financial Reporting Entity

	6/30/2024 Fund Balance As Previously Reported	Change in Accounting Principle (GASB 101)	Change to or within the Financial Reporting Entity	6/30/2024 Fund Balance As Restated
Government-Wide				
Governmental Activities	\$ 323,311,586	\$ (5,417,686)	-	\$ 317,893,900
Business-Type Activities	15,146,507	-	-	15,146,507
Total Primary Government	<u>\$ 338,458,093</u>	<u>\$ (5,417,686)</u>	<u>-</u>	<u>\$ 333,040,407</u>
Governmental Funds				
Major Funds:				
General Fund	\$ 46,755,366	\$ -	- \$	\$ 46,755,366
Community Development	2,615,815	-	-	2,615,815
Municipal Aid	8,345,085	-	-	8,345,085
Bluegrass Farms Blvd	-	-	3,144,075	3,144,075
ITA Bond	48,217,971	-	-	48,217,971
Nonmajor Funds	80,681,467	-	(3,144,075)	77,537,392
Total Governmental Funds	<u>\$ 186,615,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,615,704</u>
Proprietary Funds				
Fleet Maintenance	\$ 1,552,707	\$ (108,297)	- \$	\$ 1,444,410
Facilities Mainenance	613,695	(43,498)	-	570,197
Employee Health Care	3,764,179	-	-	3,764,179
Workers' Compensation	1,851,396	-	-	1,851,396
Property and Casualty	1,467,846	-	-	1,467,846
Total Proprietary Funds	<u>\$ 9,249,823</u>	<u>\$ (151,795)</u>	<u>\$ -</u>	<u>\$ 9,098,028</u>

Note 12. SUBSEQUENT EVENTS

The City has evaluated subsequent events and determined there are none to report.

Note 13. IMPLEMENTATION OF GASB 101

The City implemented GASB Statement No. 101, *Compensated Absences*, for the period ending June 30, 2025. The City's financial position was impacted with the adoption of this pronouncement due to the expanded calculation of the compensated absence liability and resulted in a restatement of net position in the total amount of \$5,417,686. More information can be found in Note 11.

Note 14. RECENT PRONOUNCEMENTS

In April of 2024, GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued. The requirements of this Statement are effective for financial statements starting with the fiscal year beginning after June 15, 2025. The Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The City is currently evaluating the impact that will result from adopting this Statement.

In September of 2024, GASB Statement No. 104, *Disclosure of Certain Capital Assets*, was issued. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. It also establishes requirements for capital assets held for resale, including additional disclosures for those capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact of this Statement.

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

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Real estate	\$ 13,698,000	\$ 13,698,000	\$ 13,630,608	\$ (67,392)
Personal property	2,340,000	2,340,000	2,512,773	172,773
Insurance premium	3,600,000	3,600,000	3,475,858	(124,142)
Motor vehicle and boat	1,582,000	1,582,000	1,070,220	(511,780)
Payment in lieu of taxes	348,000	348,000	243,266	(104,734)
Franchise	1,508,000	1,508,000	1,348,363	(159,637)
Other taxes	16,150	16,150	16,151	1
Penalties and interest	150,000	150,000	137,394	(12,606)
Total taxes	23,242,150	23,242,150	22,434,633	(807,517)
Licenses and permits				
Occupational:				
Employees' withholding	63,306,000	63,306,000	64,318,825	1,012,825
Net profits	12,805,000	12,805,000	13,051,404	246,404
Other fees	550,000	550,000	776,716	226,716
Special licenses	265,000	265,000	275,850	10,850
Permits	1,403,000	1,403,000	1,080,239	(322,761)
Total licenses and permits	78,329,000	78,329,000	79,503,034	1,174,034
Intergovernmental				
Federal grants	-	2,437,703	1,251,424	(1,186,279)
State grants	-	100,000	100,000	-
Local grants	-	27,333	130,333	103,000
Total intergovernmental	-	2,565,036	1,481,757	(1,083,279)
Charges for services				
School tax collection fees	370,000	370,000	337,096	(32,904)
Other general government fees	5,750	5,750	6,497	747
Public safety fees	130,850	130,850	149,588	18,738
Cemetery lot sales	83,700	83,700	80,506	(3,194)
Cemetery fees	186,500	186,500	191,460	4,960
Other	102,000	102,000	112,227	10,227
Total charges for services	878,800	878,800	877,374	(1,426)
Parks and recreation	2,559,003	2,559,003	2,858,818	299,815
Miscellaneous				
Investment income	431,797	431,797	3,762,859	3,331,062
Parking violations fees	2,000	2,000	1,750	(250)
Contributions and donations	31,500	120,011	130,766	10,755
Judgements and settlements	23,250	23,250	18,167	(5,083)
Other	222,500	249,386	256,795	7,409
Total miscellaneous	711,047	826,444	4,170,337	3,343,893
Total revenues	\$ 105,720,000	\$ 108,400,433	\$ 111,325,953	\$ 2,925,520

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
General government				
Legislative	\$ 314,549	\$ 327,296	\$ 326,503	\$ 793
Executive	1,356,987	1,372,683	1,343,678	29,005
Finance	2,393,020	2,346,098	2,329,721	16,377
Human resources	1,662,619	1,451,450	1,426,610	24,840
Law	546,183	570,482	514,800	55,682
Information technology	3,456,306	3,636,674	4,383,333	(746,659)
Administrative services	746,675	707,010	666,487	40,523
Total general government	<u>10,476,339</u>	<u>10,411,693</u>	<u>10,991,132</u>	<u>(579,439)</u>
Public safety				
Police	25,495,731	25,630,796	24,629,254	1,001,542
Fire	21,535,021	22,806,320	22,737,782	68,538
Total public safety	<u>47,030,752</u>	<u>48,437,116</u>	<u>47,367,036</u>	<u>1,070,080</u>
Public works				
Public works administration	1,935,575	3,163,841	2,596,061	567,780
Highway and streets	3,987,148	4,071,853	3,819,376	252,477
Building and plant	1,427,000	1,356,754	1,353,903	2,851
Environmental Compliance	856,886	914,458	877,341	37,117
Total public works	<u>8,206,609</u>	<u>9,506,906</u>	<u>8,646,681</u>	<u>860,225</u>
Parks and recreation				
Parks	4,509,770	4,848,883	4,235,952	612,931
Recreation	2,091,646	2,178,472	1,913,994	264,478
Athletics	804,705	580,514	635,858	(55,344)
Community centers	1,808,193	1,858,971	1,825,649	33,322
Golf Courses	2,475,514	2,536,973	2,162,191	374,782
Other parks	1,844,433	1,951,890	1,833,051	118,839
Total parks and recreation	<u>13,534,261</u>	<u>13,955,703</u>	<u>12,606,695</u>	<u>1,349,008</u>
Neighborhood & Community Services				
	<u>3,380,065</u>	<u>4,721,064</u>	<u>3,787,894</u>	<u>933,170</u>
Agency services				
Agency services	1,309,522	1,315,442	1,295,386	20,056
Intergovernmental	3,025,000	2,317,079	2,217,079	100,000
Total agency services	<u>4,334,522</u>	<u>3,632,521</u>	<u>3,512,465</u>	<u>120,056</u>
Total expenditures	<u>86,962,548</u>	<u>90,665,003</u>	<u>86,911,903</u>	<u>3,753,100</u>
Excess of revenues over expenditures	<u>18,757,452</u>	<u>17,735,430</u>	<u>24,414,050</u>	<u>6,678,620</u>
Other financing sources (uses)				
Transfers in	1,426,000	1,426,000	1,162,500	(263,500)
Transfers out	(20,333,452)	(30,185,297)	(30,184,435)	862
Proceeds from sale of capital assets	150,000	150,000	42,329	(107,671)
Lease & SBITA liabilities issued	-	-	1,087,647	1,087,647
Total other financing sources (uses)	<u>(18,757,452)</u>	<u>(28,609,297)</u>	<u>(27,891,959)</u>	<u>(717,338)</u>
Net change in budgetary fund balances	<u>-</u>	<u>(10,873,867)</u>	<u>(3,477,909)</u>	<u>7,395,958</u>
Fund balances, beginning of year	<u>46,755,366</u>	<u>46,755,366</u>	<u>46,755,366</u>	<u>-</u>
Fund balances, end of year	<u>\$ 46,755,366</u>	<u>\$ 35,881,499</u>	<u>\$ 43,277,457</u>	<u>\$ 7,395,958</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Community Development Special Revenue Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 6,125,300	\$ 15,488,939	\$ 6,906,904	\$ (8,582,035)
Investment income	38,750	38,750	37,751	(999)
Miscellaneous	38,000	38,000	81,502	43,502
Total revenues	<u>6,202,050</u>	<u>15,565,689</u>	<u>7,026,157</u>	<u>(8,539,532)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	5,644,574	10,786,753	6,953,135	3,833,618
Capital outlay	560,000	5,523,544	455,784	5,067,760
Total expenditures	<u>6,204,574</u>	<u>16,310,297</u>	<u>7,408,919</u>	<u>8,901,378</u>
Excess (deficiency) of revenues over (under) expenses	<u>(2,524)</u>	<u>(744,608)</u>	<u>(382,762)</u>	<u>361,846</u>
Other financing sources (uses)				
Transfers in	-	148,438	148,438	-
Transfers out	-	(708,460)	(614,863)	93,597
Total other financing sources (uses)	<u>-</u>	<u>(560,022)</u>	<u>(466,425)</u>	<u>93,597</u>
Net change in fund balances	<u>(2,524)</u>	<u>(1,304,630)</u>	<u>(849,187)</u>	<u>455,443</u>
Fund balances, beginning	<u>2,615,815</u>	<u>2,615,815</u>	<u>2,615,815</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,613,291</u>	<u>\$ 1,311,185</u>	<u>\$ 1,766,628</u>	<u>\$ 455,443</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Municipal Aid Special Revenue Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Intergovernmental	4,002,170	13,567,049	6,919,486	(6,647,563)
Investment income	22,300	22,300	85,035	62,735
Charges for services	104,000	104,000	105,771	1,771
Contributions and donations	-	112,500	112,500	-
Miscellaneous	100,800	100,800	240,697	139,897
Total revenues	<u>4,429,270</u>	<u>14,106,649</u>	<u>7,663,489</u>	<u>(6,443,160)</u>
EXPENDITURES				
Current:				
General government	-	8,535	8,543	8
Public safety	2,566,504	3,433,197	2,397,018	(1,036,179)
Public works	2,699,800	9,136,397	4,813,709	(4,322,688)
Capital outlay	962,685	8,008,675	2,132,666	(5,876,009)
Total expenditures	<u>6,228,989</u>	<u>20,586,804</u>	<u>9,351,936</u>	<u>(11,234,868)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,799,719)</u>	<u>(6,480,155)</u>	<u>(1,688,447)</u>	<u>4,791,708</u>
Other financing sources (Uses)				
Transfers in	2,339,602	2,339,602	2,339,102	(500)
Proceeds from sale of capital assets	-	-	18,468	18,468
Total other financing sources (uses)	<u>2,339,602</u>	<u>2,339,602</u>	<u>2,357,570</u>	<u>17,968</u>
Net change in budgetary fund balances	539,883	(4,140,553)	669,123	4,809,676
Fund balances, beginning of year	<u>8,345,085</u>	<u>8,345,085</u>	<u>8,345,085</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,884,968</u>	<u>\$ 4,204,532</u>	<u>\$ 9,014,208</u>	<u>\$ 4,809,676</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky

Notes to Required Supplementary Information on Budgetary Accounting and Control
Year Ended June 30, 2025

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

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

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

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

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

The following funds had purchase orders outstanding at June 30, 2025, as follows:

General fund	\$ 1,874,673
Convention center	10,800
Community development	1,189,578
Municipal aid	3,558,797
Bluegrass Farms Blvd	3,070,398
Nonmajor governmental	10,541,151
Internal service	516,894
Permanent fund	29,891
	<hr/>
	\$ 20,792,182

See accompanying report of the independent auditor.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Interest on TPL	\$ 287,816	\$ 281,633	\$ 304,225	\$ 292,866	\$ 315,148	\$ 352,806	\$ 391,233	\$ 395,370	\$ 440,360	\$ 490,156
Change of benefit terms	97,411	143,797	49,647	203,614	52,002	-	-	-	-	(82,559)
Differences between expected & actual experience in measurement of the TPL	147,067	192,853	(60,177)	123,692	(21,228)	(261,919)	(226,371)	60,187	(359,520)	170,136
Changes of assumptions about future economic or demographic factors or other inputs	287,170	167,387	16,091	256,823	(29,273)	(11,659)	(59,933)	263,562	-	(536,108)
Benefit payments	(681,997)	(683,360)	(689,825)	(685,129)	(691,450)	(725,077)	(769,371)	(810,168)	(854,877)	(891,272)
Net change in total pension liability	137,467	102,310	(380,039)	191,866	(374,801)	(645,849)	(664,442)	(91,049)	(774,037)	(849,647)
Total pension liability - beginning	<u>\$ 5,166,344</u>	<u>\$ 5,064,034</u>	<u>\$ 5,444,073</u>	<u>\$ 5,252,207</u>	<u>\$ 5,627,008</u>	<u>\$ 6,272,857</u>	<u>\$ 6,937,299</u>	<u>\$ 7,028,348</u>	<u>\$ 7,802,385</u>	<u>\$ 8,652,032</u>
Total pension liability - ending (a)	<u>\$ 5,303,811</u>	<u>\$ 5,166,344</u>	<u>\$ 5,064,034</u>	<u>\$ 5,444,073</u>	<u>\$ 5,252,207</u>	<u>\$ 5,627,008</u>	<u>\$ 6,272,857</u>	<u>\$ 6,937,299</u>	<u>\$ 7,028,348</u>	<u>\$ 7,802,385</u>
PLAN FIDUCIARY NET PENSION										
Contributions from City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,500	\$ 400,000
Plan net investment income	736,067	838,700	633,455	(623,408)	1,296,377	410,937	373,726	583,269	633,921	359,902
Benefit payments	(681,997)	(683,360)	(689,825)	(685,129)	(691,450)	(725,077)	(769,371)	(810,168)	(854,877)	(891,272)
Plan administrative expense	-	-	-	-	(1,340)	-	-	-	-	-
Net change in plan fiduciary net position	54,070	155,340	(56,370)	(1,308,537)	603,587	(314,140)	(395,645)	(226,899)	(38,456)	(131,370)
Plan fiduciary net position - beginning	<u>\$ 5,629,407</u>	<u>\$ 5,474,067</u>	<u>\$ 5,530,437</u>	<u>\$ 6,838,974</u>	<u>\$ 6,235,387</u>	<u>\$ 6,549,527</u>	<u>\$ 6,945,172</u>	<u>\$ 7,172,071</u>	<u>\$ 7,210,527</u>	<u>\$ 7,341,897</u>
Plan fiduciary net position - ending (b)	<u>\$ 5,683,477</u>	<u>\$ 5,629,407</u>	<u>\$ 5,474,067</u>	<u>\$ 5,530,437</u>	<u>\$ 6,838,974</u>	<u>\$ 6,235,387</u>	<u>\$ 6,549,527</u>	<u>\$ 6,945,172</u>	<u>\$ 7,172,071</u>	<u>\$ 7,210,527</u>
City net pension (asset) liability (a)-(b)	\$ (379,666)	\$ (463,063)	\$ (410,033)	\$ (86,364)	\$ (1,586,767)	\$ (608,379)	\$ (276,670)	\$ (7,873)	\$ (143,723)	\$ 591,858
Plan fiduciary net position as a percentage of the total pension liability	107.16 %	108.96 %	108.10 %	101.59 %	130.21 %	110.81 %	104.41 %	100.11 %	102.04 %	92.41 %
Covered payroll	-	-	-	-	-	-	-	-	-	-
NPL as % of covered payroll	N/A									

See accompanying independent auditor's report

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,415	\$ 311,021
Contributions in relation to the actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,500	\$ 400,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (102,085)	\$ (88,979)
Contributions as a percentage of covered payroll	N/A	N/A								

Notes to Schedule

Valuation date: July 1, 2025

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Asset valuation method Market value adjusted for accruals

Salary scale Not applicable

Disability, withdrawal, & retirement rates Not applicable

Rate of investment return 6.0% per annum

Cost of living adjustment Average cost of living adjustments made over the last five years, rounded to the nearest 1.00%. For July 1, 2024, this is equal to 4.00%.

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

Mortality Non-disabled lives: 2025 IRS Generational Mortality tables (Post Commencement Rates only) with projected mortality improvements after year 2006 under Projection Scale MP-2021 (male & female scales).

Disabled Lives: Rates published in IRS Revenue Ruling 96-7 (Disablement prior to 1/1/1995).

See accompanying report of the independent auditor.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return	13.84 %	16.18 %	12.15 %	(9.57)%	21.88 %	6.60 %	5.67 %	8.57 %	9.15 %	5.02 %

See accompanying independent auditor's report

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total net pension liability for county employees retirement systems	\$ 8,552,429,000	\$ 9,112,465,000	\$ 10,280,470,000	\$ 9,037,944,000	\$ 10,684,945,000	\$ 9,795,753,000	\$ 8,508,761,726	\$ 8,090,585,976	\$ 6,639,559,678	\$ 5,834,631,445
City's proportion of the net pension liability (asset)	1.1828 %	1.0760 %	1.1008 %	1.0760 %	1.0374 %	1.0138 %	0.9974 %	1.0106 %	0.9421 %	0.9646 %
City's proportionate share of the net pension liability (asset)	\$ 101,160,928	\$ 98,052,404	\$ 113,171,381	\$ 97,251,312	\$ 110,845,575	\$ 99,305,777	\$ 84,867,783	\$ 81,761,120	\$ 62,552,116	\$ 56,301,098
City's covered payroll	\$ 35,846,096	\$ 30,974,188	\$ 29,676,795	\$ 26,850,219	\$ 26,180,855	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227	\$ 22,635,432	\$ 22,529,147
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	282.21 %	316.56 %	381.35 %	362.20 %	423.38 %	394.85 %	352.33 %	335.36 %	276.35 %	249.00 %
Total pension plan's fiduciary net position	\$13,013,141,000	\$11,707,789,000	\$10,681,820,000	\$11,480,060,000	\$ 9,407,031,000	\$ 9,573,629,000	\$ 9,367,300,000	\$ 8,905,233,231	\$ 8,151,568,466	\$ 8,519,001,523
Total pension plan's pension liability	\$21,565,570,000	\$20,820,854,000	\$20,962,290,000	\$20,518,004,000	\$20,091,976,000	\$19,368,969,000	\$17,876,062,000	\$16,995,819,207	\$14,791,128,144	\$14,353,632,968
Total pension plan's fiduciary net position as a percentage of the total pension liability	60.34 %	56.23 %	50.96 %	55.95 %	46.82 %	49.43 %	52.40 %	52.40 %	55.11 %	59.35 %

Note: The County Employees Retirement System measurement date is 12 months prior to the City's Financial Statements; the 2025 measurement date is 6/30/2024.

See accompanying report of the independent auditor.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined pension contribution	\$ 12,238,411	\$ 12,223,247	\$ 10,782,950	\$ 8,471,567	\$ 6,850,497	\$ 6,673,673	\$ 5,321,680	\$ 4,555,520	\$ 4,497,839	\$ 3,837,246
Contributions in relation to the actuarially determined pension contribution	<u>12,238,411</u>	<u>12,223,247</u>	<u>10,782,950</u>	<u>8,471,567</u>	<u>6,850,497</u>	<u>6,673,673</u>	<u>5,321,680</u>	<u>4,555,520</u>	<u>4,497,839</u>	<u>3,837,246</u>
Pension contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 40,402,488	\$ 35,846,096	\$ 30,974,188	\$ 29,676,795	\$ 26,850,219	\$ 26,180,855	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227	\$ 22,635,432
Pension Contributions as a percentage of covered payroll	30.29 %	34.10 %	34.81 %	28.55 %	25.00 %	25.00 %	21.16 %	18.91 %	18.45 %	16.95 %

Notes:

Valuation Date	Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022, actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining amortization period	30 years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30 to 19.05%, varies by service.
Investment Rate of Return	6.50%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

See accompanying report of the independent auditor.

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total net OPEB liability (asset) for county employees retirement systems	\$ (51,677,000)	\$ (1,244,000)	\$ 2,825,300,000	\$ 2,723,009,000	\$ 3,338,801,000	\$ 2,421,815,000	\$ 2,488,439,571	\$ 2,837,013,635
City's proportion of the net OPEB liability	(5.227033)%	(235.501800)%	1.110704 %	1.081083 %	1.025541 %	1.000000 %	1.002143 %	1.042340 %
City's proportionate share of the net OPEB liability	\$ 2,701,174	\$ 2,929,642	\$ 31,380,711	\$ 29,437,971	\$ 34,240,768	\$ 25,735,785	\$ 24,937,728	\$ 29,571,323
City's covered payroll	\$ 35,346,096	\$ 30,974,188	\$ 29,676,795	\$ 26,850,219	\$ 26,180,855	\$ 25,150,361	\$ 24,087,904	\$ 24,380,227
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	7.64 %	9.46 %	105.74 %	109.46 %	130.79 %	102.33 %	103.53 %	121.29 %
Total pension plan's fiduciary net position	\$ 5,469,643,000	\$ 5,032,567,000	\$ 4,602,655,000	\$ 4,874,625,000	\$ 3,902,730,000	\$ 3,910,225,000	\$ 3,695,108,000	\$ 3,401,537,049
Total pension plan's OPEB liability	\$ 5,407,966,000	\$ 5,031,323,000	\$ 7,427,955,000	\$ 7,597,634,000	\$ 7,241,531,000	\$ 6,332,040,000	\$ 6,183,547,000	\$ 6,238,550,680
Total pension plan's fiduciary net position as a percentage of the total OPEB liability	100.96 %	100.02 %	61.96 %	64.16 %	53.89 %	61.75 %	59.76 %	54.52 %

Note: This schedule is intended to present a 10-year trend per GASB 75. Additional Years will be reported as incurred.

Note: The County Employer's Retirement System measurement date is 12 months prior to the City's Financial Statements; the 2025 measurement date is 6/30/2024.

See accompanying report of the independent auditor.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined OPEB contribution	\$ 703,466	\$ 732,232	\$ 2,123,028	\$ 2,370,685	\$ 2,278,766	\$ 2,041,342	\$ 2,119,645	\$ 1,805,316	\$ 1,664,002
Contributions in relation to the actuarially determined OPEB contribution	<u>703,466</u>	<u>732,232</u>	<u>2,123,028</u>	<u>2,370,685</u>	<u>2,278,766</u>	<u>2,041,342</u>	<u>2,119,645</u>	<u>1,805,316</u>	<u>1,664,002</u>

City's covered payroll	\$ 40,402,488	\$ 35,346,096	\$ 30,974,188	\$ 29,676,795	\$ 26,850,219	\$ 26,180,855	\$ 25,150,362	\$ 24,087,904	\$ 24,380,227
OPEB contributions as a percentage of covered payroll	1.74 %	2.07 %	6.85 %	7.99 %	8.49 %	7.80 %	8.43 %	7.49 %	6.83 %

Notes:

Valuation Date	Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022, actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Amortization Period	30 Years, Closed at June 30, 2019; gains/losses incurring after June 30, 2019 will be amortized over separate closed 20-year amortization bases.
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30% to 19.05%, varies by service.
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Healthcare Rate Trends	
Pre-65	Initial trend starting at 6.20% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years. The 2023 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial Trend starting at 9.0% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years. The 2023 premiums were known at the time of the valuation and were incorporated into the liability measurement.

Note: This schedule is intended to present a 10-year trend per GASB 75. Additional Years will be reported as incurred.

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Modified Approach for City Streets Infrastructure Capital Assets
Year Ended June 30, 2025

Modified Approach for City Streets Infrastructure Capital Assets

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

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

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

Roads

The City began using its computerized pavement management system in 1997. Surface distress and ride comfort assessments are conducted on all segments. Street assessments are conducted annually, and all segments are assessed within a three-year cycle. The most recent assessment was conducted in March of 2024.

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 values. These values are as follows:

Functional Classification	Minimum OCI
Local	67.0
Collector	69.0
Arterial	72.0
Alley	25.0

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

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky**Modified Approach for City Streets Infrastructure Capital Assets (Continued)****Year Ended June 30, 2025****Assessed Conditions**

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

Year	Percentage
2025	69%
2024	69%
2023	67%
2022	71%
2021	74%
2020	74%
2019	72%
2018	79%
2017	87%
2016	97%

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

Budgeted and Estimated Costs to Maintain

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

Fiscal Year	Estimated Spending	Actual Spending
2025-2026	\$ 2,000,000	\$ -
2024-2025	\$ 2,000,000	\$ 2,484,436
2023-2024	\$ 2,000,000	\$ 1,787,334
2022-2023	\$ 2,000,000	\$ 1,932,991
2021-2022	\$ 1,500,000	\$ 1,627,643
2020-2021	\$ 1,500,000	\$ 1,460,603
2019-2020	\$ 2,000,000	\$ 2,308,049
2018-2019	\$ 2,000,000	\$ 1,969,625
2017-2018	\$ 2,350,000	\$ 2,390,174
2016-2017	\$ 2,000,000	\$ 2,696,980

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

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky

Modified Approach for City Streets Infrastructure Capital Assets (Continued)

Year Ended June 30, 2025

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 currently conducted on the entire sidewalk network on a three-year cycle.

In 2020, the City revised its sidewalk inspection and condition assessment approach due to the concrete sidewalk's inherent longevity and ability to retain structural integrity in the presence of aesthetic defects. The condition calculation was revised to focus the assessment on the presence of potential trip hazards rather than aesthetic defects. The purpose of this approach is to emphasize the detection and elimination of potential pedestrian hazards based upon the annual inspection of a representative sample of City maintained sidewalks. The most recent assessment was completed in February of 2025.

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

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

Assessed conditions

The sidewalk management system indicates that 89% of city-maintained sidewalks had an OCI value greater than or equal to the minimum rating of 76.0 as of June 30, 2025.

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:

Fiscal Year	Estimated Spending	Actual Spending
2025-2026	\$ 400,000	\$ -
2024-2025	\$ 200,000	\$ 235,680
2023-2024	\$ 200,000	\$ 205,900
2022-2023	\$ 100,000	\$ 141,398
2021-2022	\$ 100,000	\$ 21,460
2020-2021	\$ 100,000	\$ 118,779
2019-2020	\$ 100,000	\$ 310,903
2018-2019	\$ 100,000	\$ 28,200
2017-2018	\$ 100,000	\$ 20,130
2016-2017	\$ 100,000	\$ 94,463

The budgeting process utilized by the City results in spending in one fiscal year from amounts budgeted in a prior year. Therefore, the timing difference may not allow a true comparison of amounts annually budgeted and spent.

See accompanying report of the independent auditor.

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.

Fire Improvement Fund

This fund is used to account for non-capital outlays of the Fire Department. Funding is provided by insurance premium taxes related to in-land marine, fire and allied perils, all other risks, and multiple policies with indivisible premium.

Job Development Incentive Fund

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

Parks Development Fund

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

Landfill Closure Fund

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

Local Law Enforcement Fund

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

Radio System Fund

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

Police Improvement Fund

This fund is used to account for revenue received from citations, which are 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.

A Better BGKY Inc Fund

This fund is used to account for sponsorship and donation revenues and the dedicated expenditures associated with the City's nonprofit "A Better BGKY Inc."

Special Taxing District Fund

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

American Rescue Plan Act Fund

This fund is used to account for federal grant revenue and expenditures funded through the American Rescue Plan Act of 2021.

See accompanying report of the independent auditor.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

Capital Community Grant Projects Fund

This fund is used to account for the award and expenditure of capital grants. Funding is provided through grants and General Fund support.

Equipment Replacement Fund

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

Road Construction Fund

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

Riverfront Park Development Fund

This fund is used to account for the development of existing riverfront park area with funding provided by the General Fund.

Sidewalk Improvement Fund

This fund is used to account for costs associated with the improvement and construction of sidewalks and multi-use greenway paths. Funding has been provided by the General Fund.

Stormwater Infrastructure Improvement Fund

This fund tracks expenditures related to the improvement of existing and new storm drainage infrastructure. Funding has been provided from the General Fund.

Municipal Facilities Fund

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

Technology Capital Improvement Fund

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

Smallhouse Road Construction Fund

This fund tracks revenues and expenditures associated with improvements to Smallhouse and Cavemill roads. Funding has been primarily supplied through the General Fund and state appropriations.

Parks Capital Improvement Fund

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

800 Trunking Radio Systems Improvement Fund

This fund is used to account for the improvement of the existing Radio System. Funding has been provided from the General Fund and other local governments.

Downtown Development Fund

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

Fire Capital Improvements Fund

This fund is used to account for Fire Department capital projects and equipment costs. These projects are funded by the General Fund and Fire Improvement Fund.

Police Capital Improvements Fund

This fund is used to account for Police Department capital projects and equipment costs. These projects are funded by the General Fund and Special Revenue Funds.

See accompanying report of the independent auditor.

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt Service Fund

This fund is used to account for the accumulation of resources and payments made for principal and interest on long-term debt in the governmental funds.

TIF District Fund

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

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

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

Cemetery Perpetual Trust Fund

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

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Nonmajor Permanent Fund- Cemetery Perpetual	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and cash equivalents	\$ 2,723,340	\$ 9,443,041	\$ 265,989	\$ 48,742	\$ 12,481,112
Non-pooled cash and cash equivalents	7,890,415	31,000,502	849,582	155,684	39,896,183
Investments	10,138,830	16,911,218	2,985,037	1,293,273	31,328,358
Receivables (net of allowances for uncollectibles):					
Accounts receivable	261,656	97,408	-	-	359,064
Due from other governmental units	15,734	387,138	-	-	402,872
Total assets	\$ 21,029,975	\$ 57,839,307	\$ 4,100,608	\$ 1,497,699	\$ 84,467,589
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers and accounts payable	\$ 89,718	\$ 534,921	\$ -	\$ -	\$ 624,639
Total liabilities	\$ 89,718	\$ 534,921	\$ -	\$ -	\$ 624,639
Fund balances					
Restricted	2,928,247	-	-	1,244,147	4,172,394
Committed	16,800,361	-	-	-	16,800,361
Assigned	1,211,649	57,304,386	4,100,608	253,552	62,870,195
Total fund balances	20,940,257	57,304,386	4,100,608	1,497,699	83,842,950
Total liabilities and fund balances	\$ 21,029,975	\$ 57,839,307	\$ 4,100,608	\$ 1,497,699	\$ 84,467,589

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2025

	Fire Improvement	A Better BGKY Inc	Job Development Incentive	Parks Development	Landfill Closure
ASSETS					
Pooled cash and cash equivalents	\$ 553,298	\$ -	\$ 1,293,320	\$ 1,845	\$ 15,126
Non-pooled cash and cash equivalents	1,940,675	34,400	3,115,084	5,892	48,314
Investments	786,734	-	5,091,692	-	1,026,782
Receivables (net of allowances for uncollectibles):					
Accounts receivable	-	5,600	-	-	-
Due from other governmental units	-	-	-	-	-
Total assets	\$ 3,280,707	\$ 40,000	\$ 9,500,096	\$ 7,737	\$ 1,090,222
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers and accounts payable	\$ 7,711	\$ -	\$ 6,997	\$ 7,737	\$ 312
Total liabilities	\$ 7,711	\$ -	\$ 6,997	\$ 7,737	\$ 312
Fund balances					
Restricted	13,914	40,000	3,214	-	-
Committed	3,259,082	-	9,028,547	-	1,089,910
Assigned	-	-	461,338	-	-
Total fund balances	3,272,996	40,000	9,493,099	-	1,089,910
Total liabilities and fund balances	\$ 3,280,707	\$ 40,000	\$ 9,500,096	\$ 7,737	\$ 1,090,222

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
June 30, 2025

	Local Law Enforcement	Radio System	Police Improvement	Lampkin Park Trust	American Rescue Plan Act	Special Taxing Districts	Total Nonmajor Special Revenue Funds
ASSETS							
Pooled cash and cash equivalents	\$ -	\$ 7,729	\$ 79,927	\$ 15,491	\$ 233,091	\$ 523,513	\$ 2,723,340
Non-pooled cash and cash equivalents	-	24,686	255,247	49,479	744,507	1,672,131	7,890,415
Investments	-	-	98,262	-	2,558,637	576,723	10,138,830
Receivables (net of allowances for uncollectibles):							
Accounts receivable	-	54,771	-	-	-	201,285	261,656
Due from other governmental units	-	-	15,734	-	-	-	15,734
Total assets	\$ -	\$ 87,186	\$ 449,170	\$ 64,970	\$ 3,536,235	\$ 2,973,652	\$ 21,029,975
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	\$ -	\$ 9,224	\$ -	\$ -	\$ 57,737	\$ -	\$ 89,718
Total liabilities	-	9,224	-	-	57,737	-	89,718
Fund balances							
Restricted	-	77,962	-	64,970	2,728,187	-	2,928,247
Committed	-	-	449,170	-	-	2,973,652	16,800,361
Assigned	-	-	-	-	750,311	-	1,211,649
Total fund balances	-	77,962	449,170	64,970	3,478,498	2,973,652	20,940,257
Total liabilities and fund balances	\$ -	\$ 87,186	\$ 449,170	\$ 64,970	\$ 3,536,235	\$ 2,973,652	\$ 21,029,975

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2025

	Capital Community Grant Projects	Equipment Replacement	Road Construction	Riverfront Park Development	Sidewalk Improvement	Stormwater Infrastructure Improvement	Municipal Facilities	Technology Capital Improvement
ASSETS								
Pooled cash and cash equivalents	\$ 148,171	\$ 952,301	\$ 249,350	\$ 887,703	\$ 780,177	\$ 892,333	\$ 1,017,699	\$ 517,327
Non-pooled cash and cash equivalents	473,268	3,041,703	796,439	2,835,374	2,491,929	2,850,161	3,250,588	1,652,371
Investments	-	490,575	2,143,520	4,235,409	98,115	196,230	1,283,250	1,189,366
Receivables, net of allowance for uncollectible								
Accounts receivable	-	-	-	-	-	-	89,670	-
Due from other governmental units	122,854	-	-	-	-	-	-	-
Total assets	\$ 744,293	\$ 4,484,579	\$ 3,189,309	\$ 7,958,486	\$ 3,370,221	\$ 4,028,394	\$ 5,551,537	\$ 3,359,064
LIABILITIES AND FUND BALANCES								
Liabilities								
Vouchers and accounts payable	\$ 33,544	\$ 106,921	\$ -	\$ 78,234	\$ 10,000	\$ 400	\$ -	\$ 78,165
Total liabilities	33,544	106,921	-	78,234	10,000	400	-	78,165
Fund balances								
Assigned	710,749	4,377,658	3,189,309	7,880,252	3,360,221	4,027,994	5,551,537	3,280,899
Total fund balances	710,749	4,377,658	3,189,309	7,880,252	3,360,221	4,027,994	5,551,537	3,280,899
Total liabilities and fund balances	\$ 744,293	\$ 4,484,579	\$ 3,189,309	\$ 7,958,486	\$ 3,370,221	\$ 4,028,394	\$ 5,551,537	\$ 3,359,064

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Capital Projects Funds (Continued)
June 30, 2025

	Smallhouse Road Construction	Parks Capital Improvements	800 Trunking Radio Systems Improvements	Downtown Development	Fire Capital Improvements	Police Capital Improvements	Total Nonmajor Capital Projects Funds
ASSETS							
Pooled cash and cash equivalents	\$ 309,504	\$ 1,521,190	\$ 380,209	\$ 232,315	\$ 1,035,791	\$ 518,971	\$ 9,443,041
Non-pooled cash and cash equivalents	988,572	5,697,665	1,214,408	742,027	3,308,374	1,657,623	31,000,502
Investments	98,115	4,936,820	653,243	1,586,575	-	-	16,911,218
Receivables, net of allowance for uncollectible							
Accounts receivable	-	7,738	-	-	-	-	97,408
Due from other governmental units	129,508	-	-	-	134,776	-	387,138
Total assets	<u>\$ 1,525,699</u>	<u>\$ 12,163,413</u>	<u>\$ 2,247,860</u>	<u>\$ 2,560,917</u>	<u>\$ 4,478,941</u>	<u>\$ 2,176,594</u>	<u>\$ 57,839,307</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	\$ 7,497	\$ 205,130	\$ -	\$ -	\$ 2,889	\$ 12,141	\$ 534,921
Total liabilities	<u>\$ 7,497</u>	<u>\$ 205,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,889</u>	<u>\$ 12,141</u>	<u>\$ 534,921</u>
Fund balances							
Assigned	1,518,202	11,958,283	2,247,860	2,560,917	4,476,052	2,164,453	57,304,386
Total fund balances	<u>1,518,202</u>	<u>11,958,283</u>	<u>2,247,860</u>	<u>2,560,917</u>	<u>4,476,052</u>	<u>2,164,453</u>	<u>57,304,386</u>
Total liabilities and fund balances	<u>\$ 1,525,699</u>	<u>\$ 12,163,413</u>	<u>\$ 2,247,860</u>	<u>\$ 2,560,917</u>	<u>\$ 4,478,941</u>	<u>\$ 2,176,594</u>	<u>\$ 57,839,307</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2025

	Debt Service	TIF District	Total Nonmajor Debt Service Funds
ASSETS			
Pooled cash and cash equivalents	\$ -	\$ 265,989	\$ 265,989
Non-pooled cash and cash equivalents	-	849,582	849,582
Investments	-	2,985,037	2,985,037
Total assets	\$ -	\$ 4,100,608	\$ 4,100,608

LIABILITIES AND FUND BALANCES

Fund balances			
Assigned			
Total fund balances	-	4,100,608	4,100,608
Total liabilities and fund balances	-	4,100,608	4,100,608
	\$ -	\$ 4,100,608	\$ 4,100,608

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Nonmajor Permanent Fund- Cemetery Perpetual	Total Nonmajor Governmental Funds
REVENUES					
Property taxes	\$ 1,255,337	\$ -	\$ -	\$ -	\$ 1,255,337
Insurance premium taxes	4,100,758	-	-	-	4,100,758
Occupational fees and net profits	5,787,741	-	-	-	5,787,741
Intergovernmental	31,533	1,444,034	-	-	1,475,567
Investment income	638,124	765,812	149,868	82,174	1,635,978
Charges for services	81,181	-	-	-	81,181
Rent income	800	-	-	-	800
Contributions and donations	465,507	690,668	-	-	1,156,175
Miscellaneous	17,126	33,000	-	19,133	69,259
Total revenues	<u>12,378,107</u>	<u>2,933,514</u>	<u>149,868</u>	<u>101,307</u>	<u>15,562,796</u>
EXPENDITURES					
Current:					
General government	55,592	941,272	-	-	996,864
Public safety	1,219,839	448,545	-	-	1,668,384
Public works	37,430	769,778	-	-	807,208
Parks and recreation	-	1,524,116	-	6,968	1,531,084
Neighborhood and community services	300,157	623,085	-	-	923,242
Agency services	881,189	80,648	-	-	961,837
Capital outlay	5,826,076	11,579,826	-	-	17,405,902
Debt service:					
Principal	-	-	2,780,853	-	2,780,853
Interest expense	-	-	935,921	-	935,921
Total expenditures	<u>8,320,283</u>	<u>15,967,270</u>	<u>3,716,774</u>	<u>6,968</u>	<u>28,011,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,057,824</u>	<u>(13,033,756)</u>	<u>(3,566,906)</u>	<u>94,339</u>	<u>(12,448,499)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	41,716	135,793	-	-	177,509
Transfers in	264,556	21,775,519	3,680,886	-	25,720,961
Transfers out	(7,144,413)	-	-	-	(7,144,413)
Total other financing sources (uses)	<u>(6,838,141)</u>	<u>21,911,312</u>	<u>3,680,886</u>	<u>-</u>	<u>18,754,057</u>
Net change in fund balances	(2,780,317)	8,877,556	113,980	94,339	6,305,558
Fund balances, beginning	23,720,574	51,570,905	3,986,628	1,403,360	80,681,467
Change within financial reporting entity (Note 11)	-	(3,144,075)	-	-	(3,144,075)
Fund balances, beginning as restated	<u>23,720,574</u>	<u>48,426,830</u>	<u>3,986,628</u>	<u>1,403,360</u>	<u>77,537,392</u>
Fund balances, ending	<u>\$ 20,940,257</u>	<u>\$ 57,304,386</u>	<u>\$ 4,100,608</u>	<u>\$ 1,497,699</u>	<u>\$ 83,842,950</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	Fire Improvement	A Better BGKY Inc	Job Development Incentive	Parks Development	Landfill Closure
REVENUES					
Property taxes	\$ -	\$ -	\$ 168,931	\$ 566,534	\$ -
Insurance premium taxes	4,100,758	-	-	-	-
Occupational fees and net profits	-	-	3,219,064	1,349,701	-
Intergovernmental	-	-	-	-	-
Investment income	31,724	-	303,582	-	51,693
Charges for services	-	-	-	-	-
Rent income	-	-	-	-	800
Contributions and donations	-	94,992	-	-	-
Miscellaneous	17,126	-	-	-	-
Total revenues	4,149,608	94,992	3,691,577	1,916,235	52,493
EXPENDITURES					
Current:					
General government	-	55,592	-	-	-
Public safety	586,797	-	-	-	-
Public works	-	-	-	-	37,430
Neighborhood and community services	-	-	300,157	-	-
Agency services	-	-	-	-	-
Capital outlay	24,785	-	-	-	39,990
Total expenditures	611,582	55,592	300,157	-	77,420
Excess (deficiency) of revenues over (under) expenditures	3,538,026	39,400	3,391,420	1,916,235	(24,927)
Other financing sources (uses):					
Transfers in	-	600	-	-	-
Transfers out	(4,033,128)	-	(1,195,050)	(1,916,235)	-
Proceeds from sale of capital assets	41,716	-	-	-	-
Total other financing sources (uses)	(3,991,412)	600	(1,195,050)	(1,916,235)	-
Net change in fund balances	(453,386)	40,000	2,196,370	-	(24,927)
Fund balances, beginning	3,726,382	-	7,296,729	-	1,114,837
Fund balances, ending	\$ 3,272,996	\$ 40,000	\$ 9,493,099	\$ -	\$ 1,089,910

See accompanying independent auditor's report

City of Bowling Green, Kentucky

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds (Continued)

Year Ended June 30, 2025

	Local Law Enforcement	Radio System	Police Improvement	Lampkin Park Trust	American Rescue Plan Act Fund	Special Taxing Districts	Total Nonmajor Special Revenue Funds
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 519,872	\$ 519,872	\$ 1,255,337
Insurance premium taxes	-	-	-	-	-	-	4,100,758
Occupational fees and net profits	-	-	-	-	-	1,218,976	5,787,741
Intergovernmental	31,533	-	-	-	-	-	31,533
Investment income	-	-	5,027	47	224,678	21,373	638,124
Charges for services	-	-	81,181	-	-	-	81,181
Rent income	-	-	-	-	-	-	800
Contributions and donations	-	362,789	-	7,726	-	-	465,507
Miscellaneous	-	-	-	-	-	-	17,126
Total revenues	<u>31,533</u>	<u>362,789</u>	<u>86,208</u>	<u>7,773</u>	<u>224,678</u>	<u>1,760,221</u>	<u>12,378,107</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	55,592
Public safety	31,533	601,509	-	-	-	-	1,219,839
Public works	-	-	-	-	-	-	37,430
Neighborhood and community services	-	-	-	-	-	-	300,157
Agency services	-	-	-	-	881,189	-	881,189
Capital outlay	-	-	-	-	5,761,301	-	5,826,076
Total expenditures	<u>31,533</u>	<u>601,509</u>	<u>-</u>	<u>7,773</u>	<u>6,642,490</u>	<u>-</u>	<u>8,320,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(238,720)</u>	<u>86,208</u>	<u>7,773</u>	<u>(6,417,812)</u>	<u>1,760,221</u>	<u>4,057,824</u>
Other financing sources (uses):							
Transfers in	-	263,956	-	-	-	-	264,556
Transfers out	-	-	-	-	-	-	(7,144,413)
Proceeds from sale of capital assets	-	-	-	-	-	-	41,716
Total other financing sources (uses)	<u>-</u>	<u>263,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,838,141)</u>
Net change in fund balances	-	25,236	86,208	7,773	(6,417,812)	1,760,221	(2,780,317)
Fund balances, beginning	-	52,726	362,962	57,197	9,896,310	1,213,431	23,720,574
Fund balances, ending	<u>\$ -</u>	<u>\$ 77,962</u>	<u>\$ 449,170</u>	<u>\$ 64,970</u>	<u>\$ 3,478,498</u>	<u>\$ 2,973,652</u>	<u>\$ 20,940,257</u>

See accompanying independent auditor's report

City of Bowling Green, Kentucky

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds

Year Ended June 30, 2025

	Capital Community Grant Projects	Equipment Replacement	Road Construction	Riverfront Park Development	Sidewalk Improvement	Stormwater Infrastructure Improvement	Municipal Facilities	Technology Capital Improvement	Smallhouse Road Construction
REVENUES									
Intergovernmental	\$ 1,309,259	\$ -	\$ 88,679	\$ 189,847	\$ 5,013	\$ 10,026	\$ 22,661	\$ 60,157	\$ -
Investment income	-	25,065	-	-	-	89,670	-	-	5,013
Contributions and donations	-	-	-	-	-	-	-	-	600,998
Miscellaneous	-	-	-	-	-	-	-	33,000	-
Total revenues	1,309,259	25,065	88,679	189,847	5,013	99,696	22,661	93,157	606,011
EXPENDITURES									
CURRENT:									
General government	-	-	-	-	-	-	-	941,272	-
Public safety	-	1,667	-	-	-	-	-	-	-
Public works	-	4,149	36,285	-	28,000	6,266	94,080	-	600,998
Parks and recreation	-	10,038	-	587,166	-	-	-	-	-
Neighborhood and community services	403,085	-	-	170,000	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Capital outlay	1,233,241	2,976,002	790,352	-	887,473	399,729	147,713	740,227	-
Total expenditures	1,636,326	2,991,856	826,637	757,166	915,473	405,995	241,793	1,681,499	600,998
Excess (deficiency) of revenues over (under) expenditures	(327,067)	(2,966,791)	(737,958)	(567,319)	(910,460)	(306,299)	(219,132)	(1,588,342)	5,013
Other financing sources (uses):									
Transfers in	-	3,872,500	900,000	2,000,000	1,900,000	2,800,000	3,400,000	525,000	-
Proceeds from sale of capital assets	-	135,793	-	-	-	-	-	-	-
Total other financing sources (uses)	-	4,008,293	900,000	2,000,000	1,900,000	2,800,000	3,400,000	525,000	-
Net change in fund balances	(327,067)	1,041,502	162,042	1,432,681	989,540	2,493,701	3,180,868	(1,063,342)	5,013
Fund balances, beginning	1,037,816	3,336,156	3,027,267	6,447,571	2,370,681	1,534,293	2,370,669	4,344,241	1,513,189
Change within financial reporting entity (Note 11)	-	-	-	-	-	-	-	-	-
Fund balances, beginning as restated	1,037,816	3,336,156	3,027,267	6,447,571	2,370,681	1,534,293	2,370,669	4,344,241	1,513,189
Fund balances, ending	\$ 710,749	\$ 4,377,658	\$ 3,189,309	\$ 7,880,252	\$ 3,360,221	\$ 4,027,994	\$ 5,551,537	\$ 3,280,899	\$ 1,518,202

See accompanying independent auditor's report

City of Bowling Green, Kentucky

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds (Continued)

Year Ended June 30, 2025

	Parks Capital Improvements	800 Trunking Radio Systems Improvements	Downtown Development	Fire Capital Improvements	Bluegrass Farms Blvd	Police Capital Improvements	Total Nonmajor Capital Projects Funds
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 134,775	\$ -	\$ -	\$ 1,444,034
Investment income	250,657	36,251	72,443	-	-	-	765,812
Contributions and donations	-	-	-	-	-	-	690,668
Miscellaneous	-	-	-	-	-	-	33,000
Total revenues	250,657	36,251	72,443	134,775	-	-	2,933,514
EXPENDITURES							
CURRENT:							
General government	-	-	-	-	-	-	941,272
Public safety	-	-	-	245,831	-	201,047	448,545
Public works	-	-	-	-	-	-	769,778
Parks and recreation	926,912	-	-	-	-	-	1,524,116
Neighborhood and community services	-	-	50,000	-	-	-	623,085
Agency services	-	-	80,648	-	-	-	80,648
Capital outlay	651,030	-	86,077	3,667,982	-	-	11,579,826
Total expenditures	1,577,942	-	216,725	3,913,813	-	201,047	15,967,270
Excess (deficiency) of revenues over (under) expenditures	(1,327,285)	36,251	(144,282)	(3,779,038)	-	(201,047)	(13,033,756)
Other financing sources (uses):							
Transfers in	3,416,235	592,444	-	1,503,840	-	865,500	21,775,519
Proceeds from sale of capital assets	-	-	-	-	-	-	135,793
Total other financing sources (uses)	3,416,235	592,444	-	1,503,840	-	865,500	21,911,312
Net change in fund balances	2,088,950	628,695	(144,282)	(2,275,198)	-	664,453	8,877,556
Fund balances, beginning	9,869,333	1,619,165	2,705,199	6,751,250	3,144,075	1,500,000	51,570,905
Change within financial reporting entity (Note 11)	-	-	-	-	(3,144,075)	-	(3,144,075)
Fund balances, beginning as restated	9,869,333	1,619,165	2,705,199	6,751,250	-	1,500,000	48,426,830
Fund balances, ending	\$ 11,958,283	\$ 2,247,860	\$ 2,560,917	\$ 4,476,052	\$ -	\$ 2,164,453	\$ 57,304,386

See accompanying independent auditor's report

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2025

	<u>Debt Service</u>	<u>TIF District</u>	<u>Total</u> <u>Nonmajor</u> <u>Debt Service</u> <u>Funds</u>
REVENUES			
Investment income	\$ -	\$ 149,868	\$ 149,868
Total revenues	-	149,868	149,868
EXPENDITURES			
Debt service:			
Principal	1,890,853	890,000	2,780,853
Interest expense	372,033	563,888	935,921
Total expenditures	2,262,886	1,453,888	3,716,774
Excess (deficiency) of revenues over (under) expenditures	(2,262,886)	(1,304,020)	(3,566,906)
Other financing sources (uses):			
Transfers in	2,262,886	1,418,000	3,680,886
Total other financing sources (uses)	2,262,886	1,418,000	3,680,886
Net change in fund balances	-	113,980	113,980
Fund balances, beginning	-	3,986,628	3,986,628
Fund balances, ending	\$ -	\$ 4,100,608	\$ 4,100,608

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Bluegrass Farms Blvd Capital Project Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Contributions and donations	\$ -	\$ 3,000,000	\$ 2,000,822	\$ (999,178)
Total revenues		- 3,000,000	2,000,822	(999,178)
EXPENDITURES				
Current:				
Public works	-	3,875	3,875	-
Capital outlay	80,000	7,072,045	4,001,644	(3,070,401)
Debt service				
Total expenditures	80,000	7,075,920	4,005,519	(3,070,401)
Excess (deficiency) of revenues over (under) expenses	(80,000)	(4,075,920)	(2,004,697)	2,071,223
Other financing sources (Uses)				
Transfers in	80,000	931,845	931,845	-
Net change in budgetary fund balances	-	(3,144,075)	(1,072,852)	2,071,223
Fund balances, beginning of year	3,144,075	3,144,075	3,144,075	-
Fund balances, end of year	<u>\$ 3,144,075</u>	<u>\$ -</u>	<u>\$ 2,071,223</u>	<u>\$ 2,071,223</u>

See accompanying independent auditor's report

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
ITA Bond Debt Service Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 193,849	\$ 188,849
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>193,849</u>	<u>188,849</u>
EXPENDITURES				
Current:				
General government	1,500	2,187,140	900	(2,186,240)
Debt service				
Principal	300,000	300,000	300,000	-
Interest expense	<u>896,000</u>	<u>896,000</u>	<u>895,050</u>	<u>(950)</u>
Total expenditures	<u>1,197,500</u>	<u>3,383,140</u>	<u>1,195,950</u>	<u>(2,187,190)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,192,500)</u>	<u>(3,378,140)</u>	<u>(1,002,101)</u>	<u>2,376,039</u>
Other financing sources (uses)				
Transfers in	<u>1,196,000</u>	<u>1,196,000</u>	<u>1,195,050</u>	<u>(950)</u>
Total other financing sources (uses)	<u>1,196,000</u>	<u>1,196,000</u>	<u>1,195,050</u>	<u>(950)</u>
Net change in budgetary fund balances	3,500	(2,182,140)	192,949	2,375,089
Fund balances, beginning of year	<u>48,217,971</u>	<u>48,217,971</u>	<u>48,217,971</u>	<u>-</u>
Fund balances, end of year	<u>\$ 48,221,471</u>	<u>\$ 46,035,831</u>	<u>\$ 48,410,920</u>	<u>\$ 2,375,089</u>

See accompanying independent auditor's report

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Debt Service Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
Debt service				
Principal	\$ 1,892,000	\$ 1,892,120	\$ 1,890,853	\$ 1,267
Interest expense	375,000	374,880	372,033	2,847
Total expenditures	<u>2,267,000</u>	<u>2,267,000</u>	<u>2,262,886</u>	<u>4,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,267,000)</u>	<u>(2,267,000)</u>	<u>(2,262,886)</u>	<u>4,114</u>
Other financing sources (uses)				
Transfers in	<u>2,267,000</u>	<u>2,267,000</u>	<u>2,262,886</u>	<u>(4,114)</u>
Total other financing sources (uses)	<u>2,267,000</u>	<u>2,267,000</u>	<u>2,262,886</u>	<u>(4,114)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
TIF District Debt Service Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 49,250	\$ 49,250	\$ 149,868	\$ 100,618
Total revenues	<u>49,250</u>	<u>49,250</u>	<u>149,868</u>	<u>100,618</u>
EXPENDITURES				
Debt service				
Principal	890,000	890,000	890,000	-
Interest expense	<u>564,000</u>	<u>564,000</u>	<u>563,888</u>	<u>112</u>
Total expenditures	<u>1,454,000</u>	<u>1,454,000</u>	<u>1,453,888</u>	<u>112</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,404,750)</u>	<u>(1,404,750)</u>	<u>(1,304,020)</u>	<u>100,730</u>
Other financing sources (uses)				
Transfers in	1,418,000	1,418,000	1,418,000	-
Total other financing sources (uses)	<u>1,418,000</u>	<u>1,418,000</u>	<u>1,418,000</u>	<u>-</u>
Net change in fund balances	13,250	13,250	113,980	100,730
Fund balances, beginning	<u>3,986,628</u>	<u>3,986,628</u>	<u>3,986,628</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,999,878</u>	<u>\$ 3,999,878</u>	<u>\$ 4,100,608</u>	<u>\$ 100,730</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Fire Improvement Special Revenue Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Insurance premium taxes	\$ 3,940,000	\$ 3,940,000	\$ 4,100,758	\$ 160,758
Investment income	27,300	27,300	31,724	4,424
Miscellaneous	22,250	22,250	17,126	(5,124)
Total revenues	<u>3,989,550</u>	<u>3,989,550</u>	<u>4,149,608</u>	<u>160,058</u>
EXPENDITURES				
Current:				
Public safety	687,960	759,528	586,797	172,731
Capital outlay	69,400	44,759	24,785	19,974
Total expenditures	<u>757,360</u>	<u>804,287</u>	<u>611,582</u>	<u>192,705</u>
Excess (deficiency) of revenues over (under) expenses	<u>3,232,190</u>	<u>3,185,263</u>	<u>3,538,026</u>	<u>352,763</u>
Other financing sources (uses)				
Transfers out	(4,036,280)	(4,036,280)	(4,033,128)	3,152
Proceeds from sale of capital assets	-	-	41,716	41,716
Total other financing sources (uses)	<u>(4,036,280)</u>	<u>(4,036,280)</u>	<u>(3,991,412)</u>	<u>44,868</u>
Net change in fund balances	(804,090)	(851,017)	(453,386)	397,631
Fund balances, beginning	<u>3,726,382</u>	<u>3,726,382</u>	<u>3,726,382</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,922,292</u>	<u>\$ 2,875,365</u>	<u>\$ 3,272,996</u>	<u>\$ 397,631</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
A Better BGKY Inc Special Revenue Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
REVENUES					
Contributions and donations	\$ -	\$ 94,992	\$ 94,992	\$ -	
Miscellaneous		- 1,500		-	(1,500)
Total revenues		- 96,492	94,992		(1,500)
EXPENDITURES					
Current:					
General government		- 96,492	55,592		(40,900)
Total expenditures		- 96,492	55,592		(40,900)
Excess (deficiency) of revenues over (under) expenses		-	39,400		39,400
Other financing sources (Uses)					
Transfers in		-	600		600
Total other financing sources (uses)		-	600		600
Net change in fund balances		-	40,000		40,000
Fund balances, beginning		-	-		-
Fund balances, ending	\$ -	\$ 40,000	\$ 40,000		

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Job Development Incentive Special Revenue Fund
 Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 264,000	\$ 264,000	\$ 168,931	\$ (95,069)
Occupational fees and net profits	1,877,000	1,877,000	3,219,064	1,342,064
Investment income	103,700	103,700	303,582	199,882
Total revenues	<u>2,244,700</u>	<u>2,244,700</u>	<u>3,691,577</u>	<u>1,446,877</u>
EXPENDITURES				
Current:				
Neighborhood and community services	435,100	786,128	300,157	485,971
Total expenditures	<u>435,100</u>	<u>786,128</u>	<u>300,157</u>	<u>485,971</u>
Excess (deficiency) of revenues over (under) expenses	<u>1,809,600</u>	<u>1,458,572</u>	<u>3,391,420</u>	<u>1,932,848</u>
Other financing sources (uses)				
Transfers out	(1,196,000)	(1,196,000)	(1,195,050)	950
Total other financing sources (uses)	<u>(1,196,000)</u>	<u>(1,196,000)</u>	<u>(1,195,050)</u>	<u>950</u>
Net change in fund balances	613,600	262,572	2,196,370	1,933,798
Fund balances, beginning	<u>7,296,729</u>	<u>7,296,729</u>	<u>7,296,729</u>	<u>-</u>
Fund balances, ending	<u>\$ 7,910,329</u>	<u>\$ 7,559,301</u>	<u>\$ 9,493,099</u>	<u>\$ 1,933,798</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Parks Development Special Revenue Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 655,500	\$ 655,500	\$ 566,534	\$ (88,966)
Occupational fees and net profits	<u>1,746,500</u>	<u>1,946,500</u>	<u>1,349,701</u>	<u>(596,799)</u>
Total revenues	<u>2,402,000</u>	<u>2,602,000</u>	<u>1,916,235</u>	<u>(685,765)</u>
Excess (deficiency) of revenues over (under) expenses	<u>2,402,000</u>	<u>2,602,000</u>	<u>1,916,235</u>	<u>(685,765)</u>
Other financing sources (uses)				
Transfers out	<u>(2,402,000)</u>	<u>(2,602,000)</u>	<u>(1,916,235)</u>	<u>685,765</u>
Total other financing sources (uses)	<u>(2,402,000)</u>	<u>(2,602,000)</u>	<u>(1,916,235)</u>	<u>685,765</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Landfill Closure Special Revenue Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 21,725	\$ 21,725	\$ 51,693	\$ 29,968
Rent income	800	800	800	-
Total revenues	<u>22,525</u>	<u>22,525</u>	<u>52,493</u>	<u>29,968</u>
EXPENDITURES				
Current:				
Public works	49,025	51,025	37,430	13,595
Capital outlay	75,000	73,000	39,990	33,010
Total expenditures	<u>124,025</u>	<u>124,025</u>	<u>77,420</u>	<u>46,605</u>
Excess (deficiency) of revenues over (under) expenses	<u>(101,500)</u>	<u>(101,500)</u>	<u>(24,927)</u>	<u>76,573</u>
Net change in fund balances	<u>(101,500)</u>	<u>(101,500)</u>	<u>(24,927)</u>	<u>76,573</u>
Fund balances, beginning	<u>1,114,837</u>	<u>1,114,837</u>	<u>1,114,837</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,013,337</u>	<u>\$ 1,013,337</u>	<u>\$ 1,089,910</u>	<u>\$ 76,573</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Local Law Enforcement Special Revenue Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
REVENUES					
Intergovernmental	\$ -	\$ 45,973	\$ 31,533	\$ (14,440)	
Total revenues	-	45,973	31,533	(14,440)	
EXPENDITURES					
Current:					
Public safety	-	45,973	31,533	14,440	
Total expenditures	-	45,973	31,533	14,440	
Excess (deficiency) of revenues over (under) expenses	-	-	-	-	-
Net change in fund balances	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	-

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Radio System Special Revenue Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Contributions and donations	\$ 359,956	\$ 359,956	\$ 362,789	\$ 2,833
Total revenues	<u>359,956</u>	<u>359,956</u>	<u>362,789</u>	<u>2,833</u>
EXPENDITURES				
Current:				
Public safety	<u>623,912</u>	<u>636,814</u>	<u>601,509</u>	<u>35,305</u>
Total expenditures	<u>623,912</u>	<u>636,814</u>	<u>601,509</u>	<u>35,305</u>
Excess (deficiency) of revenues over (under) expenses	<u>(263,956)</u>	<u>(276,858)</u>	<u>(238,720)</u>	<u>38,138</u>
Other financing sources (uses)				
Transfers in	<u>263,956</u>	<u>263,956</u>	<u>263,956</u>	<u>-</u>
Total other financing sources (uses)	<u>263,956</u>	<u>263,956</u>	<u>263,956</u>	<u>-</u>
Net change in fund balances		- (12,902)	25,236	38,138
Fund balances, beginning	<u>52,726</u>	<u>52,726</u>	<u>52,726</u>	<u>-</u>
Fund balances, ending	<u>\$ 52,726</u>	<u>\$ 39,824</u>	<u>\$ 77,962</u>	<u>\$ 38,138</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Police Improvement Special Revenue Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
REVENUES					
Investment income	\$ 2,000	\$ 2,000	\$ 5,027	\$ 3,027	
Charges for services	<u>76,000</u>	<u>76,000</u>	<u>81,181</u>	<u>5,181</u>	
Total revenues	<u>78,000</u>	<u>78,000</u>	<u>86,208</u>	<u>8,208</u>	
EXPENDITURES					
Current:					
Capital outlay	<u>130,500</u>	<u>163,950</u>	<u>-</u>	<u>163,950</u>	
Total expenditures	<u>130,500</u>	<u>163,950</u>	<u>-</u>	<u>163,950</u>	
Excess (deficiency) of revenues over (under) expenses	<u>(52,500)</u>	<u>(85,950)</u>	<u>86,208</u>	<u>172,158</u>	
Net change in fund balances	<u>(52,500)</u>	<u>(85,950)</u>	<u>86,208</u>	<u>172,158</u>	
Fund balances, beginning	<u>362,962</u>	<u>362,962</u>	<u>362,962</u>	<u>-</u>	
Fund balances, ending	<u>\$ 310,462</u>	<u>\$ 277,012</u>	<u>\$ 449,170</u>	<u>\$ 172,158</u>	

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Lampkin Park Trust Special Revenue Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
REVENUES					
Investment income	\$ -	\$ -	\$ 47	\$ 47	
Contributions and donations	<u>8,500</u>	<u>8,500</u>	<u>7,726</u>	<u>(774)</u>	
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>7,773</u>	<u>(727)</u>	
Excess (deficiency) of revenues over (under) expenses	<u>8,500</u>	<u>8,500</u>	<u>7,773</u>	<u>(727)</u>	
Net change in fund balances	8,500	8,500	7,773	(727)	
Fund balances, beginning	<u>57,197</u>	<u>57,197</u>	<u>57,197</u>	<u>-</u>	
Fund balances, ending	<u>\$ 65,697</u>	<u>\$ 65,697</u>	<u>\$ 64,970</u>	<u>\$ (727)</u>	

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 American Rescue Plan Act Fund Special Revenue Fund
 Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment income	\$ 100,000	\$ 100,000	\$ 224,678	\$ 124,678	
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>224,678</u>	<u>124,678</u>	
EXPENDITURES					
Current:					
Neighborhood and community services	-	2,000,000	-	2,000,000	
Agency services	-	1,601,050	881,189	719,861	
Capital outlay	-	5,761,301	5,761,301	-	
Total expenditures	-	<u>9,362,351</u>	<u>6,642,490</u>	<u>2,719,861</u>	
Excess (deficiency) of revenues over (under) expenses	<u>100,000</u>	<u>(9,262,351)</u>	<u>(6,417,812)</u>	<u>2,844,539</u>	
Net change in fund balances	100,000	(9,262,351)	(6,417,812)	2,844,539	
Fund balances, beginning	<u>9,896,310</u>	<u>9,896,310</u>	<u>9,896,310</u>	<u>-</u>	
Fund balances, ending	<u>\$ 9,996,310</u>	<u>\$ 633,959</u>	<u>\$ 3,478,498</u>	<u>\$ 2,844,539</u>	

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 Special Taxing Districts Special Revenue Fund
 Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Property taxes	\$ 335,500	\$ 335,500	\$ 519,872	\$ 184,372	
Occupational fees and net profits	1,004,750	1,004,750	1,218,976	214,226	
Investment income	7,550	7,550	21,373	13,823	
Total revenues	<u>1,347,800</u>	<u>1,347,800</u>	<u>1,760,221</u>	<u>412,421</u>	
Excess (deficiency) of revenues over (under) expenses	<u>1,347,800</u>	<u>1,347,800</u>	<u>1,760,221</u>	<u>412,421</u>	
Net change in fund balances	1,347,800	1,347,800	1,760,221	412,421	
Fund balances, beginning	<u>1,213,431</u>	<u>1,213,431</u>	<u>1,213,431</u>	<u>-</u>	
Fund balances, ending	<u>\$ 2,561,231</u>	<u>\$ 2,561,231</u>	<u>\$ 2,973,652</u>	<u>\$ 412,421</u>	

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Capital Community Grant Projects Capital Projects Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 1,959,511	\$ 1,309,259	\$ (650,252)
Total revenues	<u>-</u>	<u>1,959,511</u>	<u>1,309,259</u>	<u>(650,252)</u>
EXPENDITURES				
Current:				
Neighborhood and community services	-	994,128	403,085	591,043
Capital outlay	-	1,525,205	1,233,241	291,964
Total expenditures	<u>-</u>	<u>2,519,333</u>	<u>1,636,326</u>	<u>883,007</u>
Excess (deficiency) of revenues over (under) expenses	<u>-</u>	<u>(559,822)</u>	<u>(327,067)</u>	<u>232,755</u>
Net change in fund balances	<u>-</u>	<u>(559,822)</u>	<u>(327,067)</u>	<u>232,755</u>
Fund balances, beginning	<u>1,037,816</u>	<u>1,037,816</u>	<u>1,037,816</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,037,816</u>	<u>\$ 477,994</u>	<u>\$ 710,749</u>	<u>\$ 232,755</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Equipment Replacement Capital Projects Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 9,750	\$ 9,750	\$ 25,065	\$ 15,315
Total revenues	<u>9,750</u>	<u>9,750</u>	<u>25,065</u>	<u>15,315</u>
EXPENDITURES				
Current:				
Public safety	-	1,667	1,667	-
Public works	-	4,677	4,149	528
Parks and recreation	-	430,038	10,038	420,000
Capital outlay	<u>3,511,500</u>	<u>3,344,714</u>	<u>2,976,002</u>	<u>368,712</u>
Total expenditures	<u>3,511,500</u>	<u>3,781,096</u>	<u>2,991,856</u>	<u>789,240</u>
Excess (deficiency) of revenues over (under) expenses	<u>(3,501,750)</u>	<u>(3,771,346)</u>	<u>(2,966,791)</u>	<u>804,555</u>
Other financing sources (uses)				
Transfers in	2,372,500	3,872,500	3,872,500	-
Proceeds from sale of capital assets	-	-	135,793	135,793
Total other financing sources (uses)	<u>2,372,500</u>	<u>3,872,500</u>	<u>4,008,293</u>	<u>135,793</u>
Net change in fund balances	(1,129,250)	101,154	1,041,502	940,348
Fund balances, beginning	<u>3,336,156</u>	<u>3,336,156</u>	<u>3,336,156</u>	-
Fund balances, ending	<u>\$ 2,206,906</u>	<u>\$ 3,437,310</u>	<u>\$ 4,377,658</u>	<u>\$ 940,348</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Road Construction Capital Projects Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 78,000	\$ 78,000	\$ 88,679	\$ 10,679
Total revenues	<u>78,000</u>	<u>78,000</u>	<u>88,679</u>	<u>10,679</u>
EXPENDITURES				
Current:				
Public works	-	101,797	36,285	65,512
Capital outlay	-	955,427	790,352	165,075
Total expenditures	<u>-</u>	<u>1,057,224</u>	<u>826,637</u>	<u>230,587</u>
Excess (deficiency) of revenues over (under) expenses	<u>78,000</u>	<u>(979,224)</u>	<u>(737,958)</u>	<u>241,266</u>
Other financing sources (uses)				
Transfers in	-	900,000	900,000	-
Total other financing sources (uses)	<u>-</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net change in fund balances	78,000	(79,224)	162,042	241,266
Fund balances, beginning	<u>3,027,267</u>	<u>3,027,267</u>	<u>3,027,267</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,105,267</u>	<u>\$ 2,948,043</u>	<u>\$ 3,189,309</u>	<u>\$ 241,266</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Riverfront Park Development Capital Projects Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 750,000	\$ -	\$ (750,000)
Investment income	<u>84,500</u>	<u>84,500</u>	<u>189,847</u>	<u>105,347</u>
Total revenues	<u>84,500</u>	<u>834,500</u>	<u>189,847</u>	<u>(644,653)</u>
EXPENDITURES				
Current:				
Parks and recreation	4,000,000	6,554,522	587,166	5,967,356
Neighborhood and community services	-	180,000	170,000	10,000
Capital outlay	-	2,250,000	-	2,250,000
Total expenditures	<u>4,000,000</u>	<u>8,984,522</u>	<u>757,166</u>	<u>8,227,356</u>
Excess (deficiency) of revenues over (under) expenses	<u>(3,915,500)</u>	<u>(8,150,022)</u>	<u>(567,319)</u>	<u>7,582,703</u>
Other financing sources (uses)				
Transfers in	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balances	<u>(1,915,500)</u>	<u>(6,150,022)</u>	<u>1,432,681</u>	<u>7,582,703</u>
Fund balances, beginning	<u>6,447,571</u>	<u>6,447,571</u>	<u>6,447,571</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,532,071</u>	<u>\$ 297,549</u>	<u>\$ 7,880,252</u>	<u>\$ 7,582,703</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Sidewalk Improvement Capital Projects Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 2,000	\$ 2,000	\$ 5,013	\$ 3,013
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>5,013</u>	<u>3,013</u>
EXPENDITURES				
Current:				
Public works	-	81,641	28,000	53,641
Capital outlay	<u>1,900,000</u>	<u>3,986,096</u>	<u>887,473</u>	<u>3,098,623</u>
Total expenditures	<u>1,900,000</u>	<u>4,067,737</u>	<u>915,473</u>	<u>3,152,264</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,898,000)</u>	<u>(4,065,737)</u>	<u>(910,460)</u>	<u>3,155,277</u>
Other financing sources (uses)				
Transfers in	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>
Net change in fund balances	2,000	(2,165,737)	989,540	3,155,277
Fund balances, beginning	<u>2,370,681</u>	<u>2,370,681</u>	<u>2,370,681</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,372,681</u>	<u>\$ 204,944</u>	<u>\$ 3,360,221</u>	<u>\$ 3,155,277</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Stormwater Infrastructure Improvement Capital Projects Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 4,000	\$ 4,000	\$ 10,026	\$ 6,026
Contributions and donations	-	89,670	89,670	-
Total revenues	<u>4,000</u>	<u>93,670</u>	<u>99,696</u>	<u>6,026</u>
EXPENDITURES				
Current:				
Public works	-	672,631	6,266	666,365
Capital outlay	1,700,000	3,391,848	399,729	2,992,119
Total expenditures	<u>1,700,000</u>	<u>4,064,479</u>	<u>405,995</u>	<u>3,658,484</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,696,000)</u>	<u>(3,970,809)</u>	<u>(306,299)</u>	<u>3,664,510</u>
Other financing sources (uses)				
Transfers in	1,700,000	2,800,000	2,800,000	-
Total other financing sources (uses)	<u>1,700,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>-</u>
Net change in fund balances	4,000	(1,170,809)	2,493,701	3,664,510
Fund balances, beginning	1,534,293	1,534,293	1,534,293	-
Fund balances, ending	<u>\$ 1,538,293</u>	<u>\$ 363,484</u>	<u>\$ 4,027,994</u>	<u>\$ 3,664,510</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Municipal Facilities Capital Projects Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 24,750	\$ 24,750	\$ 22,661	\$ (2,089)
Total revenues	<u>24,750</u>	<u>24,750</u>	<u>22,661</u>	<u>(2,089)</u>
EXPENDITURES				
Current:				
Public works	850,000	1,037,694	94,080	943,614
Capital outlay	<u>80,000</u>	<u>3,192,713</u>	<u>147,713</u>	<u>3,045,000</u>
Total expenditures	<u>930,000</u>	<u>4,230,407</u>	<u>241,793</u>	<u>3,988,614</u>
Excess (deficiency) of revenues over (under) expenses	<u>(905,250)</u>	<u>(4,205,657)</u>	<u>(219,132)</u>	<u>3,986,525</u>
Other financing sources (uses)				
Transfers in	400,000	3,400,000	3,400,000	-
Total other financing sources (uses)	<u>400,000</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>-</u>
Net change in fund balances	(505,250)	(805,657)	3,180,868	3,986,525
Fund balances, beginning	<u>2,370,669</u>	<u>2,370,669</u>	<u>2,370,669</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,865,419</u>	<u>\$ 1,565,012</u>	<u>\$ 5,551,537</u>	<u>\$ 3,986,525</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Technology Capital Improvement Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 8,000	\$ 8,000	\$ 60,157	\$ 52,157
Miscellaneous	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total revenues	<u>41,000</u>	<u>41,000</u>	<u>93,157</u>	<u>52,157</u>
EXPENDITURES				
Current:				
General government	1,889,860	2,268,702	941,272	1,327,430
Capital outlay	<u>915,000</u>	<u>1,033,146</u>	<u>740,227</u>	<u>292,919</u>
Total expenditures	<u>2,804,860</u>	<u>3,301,848</u>	<u>1,681,499</u>	<u>1,620,349</u>
Excess (deficiency) of revenues over (under) expenses	<u>(2,763,860)</u>	<u>(3,260,848)</u>	<u>(1,588,342)</u>	<u>1,672,506</u>
Other financing sources (uses)				
Transfers in	525,000	525,000	525,000	-
Total other financing sources (uses)	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
Net change in fund balances	(2,238,860)	(2,735,848)	(1,063,342)	1,672,506
Fund balances, beginning	<u>4,344,241</u>	<u>4,344,241</u>	<u>4,344,241</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,105,381</u>	<u>\$ 1,608,393</u>	<u>\$ 3,280,899</u>	<u>\$ 1,672,506</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Smallhouse Road Construction Capital Projects Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 2,000	\$ 2,000	\$ 5,013	\$ 3,013
Contributions and donations	-	1,510,271	600,998	(909,273)
Total revenues	<u>2,000</u>	<u>1,512,271</u>	<u>606,011</u>	<u>(906,260)</u>
EXPENDITURES				
Current:				
Public works	-	1,510,271	600,998	909,273
Total expenditures	-	1,510,271	600,998	909,273
Excess (deficiency) of revenues over (under) expenses	<u>2,000</u>	<u>2,000</u>	<u>5,013</u>	<u>3,013</u>
Net change in fund balances	2,000	2,000	5,013	3,013
Fund balances, beginning	1,513,189	1,513,189	1,513,189	-
Fund balances, ending	<u>\$ 1,515,189</u>	<u>\$ 1,515,189</u>	<u>\$ 1,518,202</u>	<u>\$ 3,013</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Parks Capital Improvements Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 97,000	\$ 97,000	\$ 250,657	\$ 153,657
Total revenues	<u>97,000</u>	<u>97,000</u>	<u>250,657</u>	<u>153,657</u>
EXPENDITURES				
Current:				
Parks and recreation	825,000	2,429,244	926,912	1,502,332
Capital outlay	<u>2,373,270</u>	<u>4,197,689</u>	<u>651,030</u>	<u>3,546,659</u>
Total expenditures	<u>3,198,270</u>	<u>6,626,933</u>	<u>1,577,942</u>	<u>5,048,991</u>
Excess (deficiency) of revenues over (under) expenses	<u>(3,101,270)</u>	<u>(6,529,933)</u>	<u>(1,327,285)</u>	<u>5,202,648</u>
Other financing sources (uses)				
Transfers in	3,638,500	3,638,500	3,416,235	(222,265)
Total other financing sources (uses)	<u>3,638,500</u>	<u>3,638,500</u>	<u>3,416,235</u>	<u>(222,265)</u>
Net change in fund balances	537,230	(2,891,433)	2,088,950	4,980,383
Fund balances, beginning	<u>9,869,333</u>	<u>9,869,333</u>	<u>9,869,333</u>	<u>-</u>
Fund balances, ending	<u>\$ 10,406,563</u>	<u>\$ 6,977,900</u>	<u>\$ 11,958,283</u>	<u>\$ 4,980,383</u>

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
 Budgetary Comparison Schedule
 800 Trunking Radio Systems Improvements Capital Projects Fund
 Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ 28,000	\$ 28,000	\$ 36,251	\$ 8,251
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>36,251</u>	<u>8,251</u>
EXPENDITURES				
Current:				
Public safety	-	25,000	-	25,000
Capital outlay	-	33,200	-	33,200
Total expenditures	<u>-</u>	<u>58,200</u>	<u>-</u>	<u>58,200</u>
Excess (deficiency) of revenues over (under) expenses	<u>28,000</u>	<u>(30,200)</u>	<u>36,251</u>	<u>66,451</u>
Other financing sources (uses)				
Transfers in	<u>92,444</u>	<u>592,444</u>	<u>592,444</u>	<u>-</u>
Total other financing sources (uses)	<u>92,444</u>	<u>592,444</u>	<u>592,444</u>	<u>-</u>
Net change in fund balances	120,444	562,244	628,695	66,451
Fund balances, beginning	<u>1,619,165</u>	<u>1,619,165</u>	<u>1,619,165</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,739,609</u>	<u>\$ 2,181,409</u>	<u>\$ 2,247,860</u>	<u>\$ 66,451</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Downtown Development Capital Projects Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
REVENUES					
Investment income	\$ 15,500	\$ 15,500	\$ 72,443	\$ 56,943	
Total revenues	<u>15,500</u>	<u>15,500</u>	<u>72,443</u>	<u>56,943</u>	
EXPENDITURES					
Neighborhood and community services	-	50,000	50,000		-
Agency services	-	210,000	80,648	129,352	
Capital outlay	-	<u>2,428,910</u>	<u>86,077</u>	<u>2,342,833</u>	
Total expenditures	-	<u>2,688,910</u>	<u>216,725</u>	<u>2,472,185</u>	
Excess (deficiency) of revenues over (under) expenses	<u>15,500</u>	<u>(2,673,410)</u>	<u>(144,282)</u>	<u>2,529,128</u>	
Net change in fund balances	15,500	(2,673,410)	(144,282)	2,529,128	
Fund balances, beginning	<u>2,705,199</u>	<u>2,705,199</u>	<u>2,705,199</u>		-
Fund balances, ending	<u>\$ 2,720,699</u>	<u>\$ 31,789</u>	<u>\$ 2,560,917</u>	<u>\$ 2,529,128</u>	

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Fire Capital Improvements Capital Projects Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ 135,720	\$ 134,775	\$ (945)
Total revenues		- 135,720	134,775	(945)
EXPENDITURES				
Current:				
Public safety	55,415	478,708	245,831	(232,877)
Capital outlay	3,488,000	9,402,409	3,667,982	(5,734,427)
Total expenditures	3,543,415	9,881,117	3,913,813	(5,967,304)
Excess (deficiency) of revenues over (under) expenses	(3,543,415)	(9,745,397)	(3,779,038)	5,966,359
Other financing sources (Uses)				
Transfers in	1,037,415	1,597,437	1,503,840	(93,597)
Issuance of debt	2,506,000	2,849,261	-	(2,849,261)
Total other financing sources (uses)	3,543,415	4,446,698	1,503,840	(2,942,858)
Net change in fund balances		- (5,298,699)	(2,275,198)	3,023,501
Fund balances, beginning	12,199,153	12,199,153	6,751,250	(5,447,903)
Fund balances, ending	\$ 12,199,153	\$ 6,900,454	\$ 4,476,052	\$ (2,424,402)

See accompanying report of the independent auditor.

**City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Police Capital Improvements Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
EXPENDITURES					
Current:					
Public safety	\$ 790,500	\$ 790,500	\$ 201,047	\$ 589,453	
Capital outlay	75,000	75,000	-	75,000	
Total expenditures	<u>865,500</u>	<u>865,500</u>	<u>201,047</u>	<u>664,453</u>	
Excess (deficiency) of revenues over (under) expenses	<u>(865,500)</u>	<u>(865,500)</u>	<u>(201,047)</u>	<u>664,453</u>	
Other financing sources (Uses)					
Transfers in	865,500	865,500	865,500		-
Total other financing sources (uses)	<u>865,500</u>	<u>865,500</u>	<u>865,500</u>	<u>865,500</u>	
Net change in fund balances	-	-	664,453	664,453	
Fund balances, beginning	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	
Fund balances, ending	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,164,453</u>	<u>\$ 664,453</u>	

See accompanying report of the independent auditor.

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

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

Fleet Maintenance Fund

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

Employee Health Care Fund

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

Workers' Compensation Fund

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

Facilities Maintenance Fund

This fund is used to account for the operating costs of centralized maintenance of City facilities related to the general government, public works, public safety, and neighborhood and community services functions.

Property and Casualty Fund

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

City of Bowling Green, Kentucky
Combining Statement of Net Position - Internal Service Funds
June 30, 2025

	Fleet Maintenance	Employee Health Care	Workers' Compensation	Facilities Maintenance	Property and Casualty	Total Internal Service Funds
ASSETS						
Current assets						
Pooled cash and cash equivalents	\$ 268,673	\$ 815,431	\$ 200,493	\$ 232,400	\$ 317,223	\$ 1,834,220
Non-pooled cash and cash equivalents	858,157	2,604,533	640,387	742,300	1,013,228	5,858,605
Investments	196,526	1,510,396	1,270,539	-	-	2,977,461
Accounts receivable	-	465	-	-	-	465
Prepaid items	-	240,025	-	-	-	240,025
Inventories	295,623	-	-	-	-	295,623
Total current assets	1,618,979	5,170,850	2,111,419	974,700	1,330,451	11,206,399
Noncurrent assets						
Capital and right to use assets						
Buildings	236,392	198,701	-	-	362,446	797,539
Improvements other than buildings	89,776	-	-	-	-	89,776
Machinery and equipment	322,837	-	210,559	68,385	192,032	793,813
Right to use lease equipment	2,054,732	-	-	-	-	2,054,732
	2,703,737	198,701	210,559	68,385	554,478	3,735,860
Less: accumulated depreciation and amortization	(796,852)	(47,191)	(210,559)	(2,442)	(148,402)	(1,205,446)
Total noncurrent assets	1,906,885	151,510	-	65,943	406,076	2,530,414
Total assets	\$ 3,525,864	\$ 5,322,360	\$ 2,111,419	\$ 1,040,643	\$ 1,736,527	\$ 13,736,813
LIABILITIES						
Current liabilities						
Vouchers and accounts payable	\$ 52,907	\$ 47,071	\$ 8,900	\$ 33,419	\$ 52,555	\$ 194,852
Accrued payroll	45,447	-	3,276	12,085	1,723	62,531
Accrued interest payable	10,857	-	-	-	-	10,857
Insurance claims payable	-	687,493	75,306	-	102,228	865,027
Current portion of compensated absences	67,487	-	-	16,958	-	84,445
Current portion of leases payable	381,735	-	-	-	-	381,735
Total current liabilities	558,433	734,564	87,482	62,462	156,506	1,599,447
Noncurrent liabilities						
Noncurrent portion of compensated absences	116,831	-	-	35,319	-	152,150
Noncurrent portion of leases payable	1,282,173	-	-	-	-	1,282,173
Total noncurrent liabilities	1,399,004	-	-	35,319	-	1,434,323
Total liabilities	1,957,437	734,564	87,482	97,781	156,506	3,033,770
NET POSITION						
Net invested in capital assets	242,977	151,510	-	65,943	406,076	866,506
Unrestricted	1,325,450	4,436,286	2,023,937	876,919	1,173,945	9,836,537
Total net position	\$ 1,568,427	\$ 4,587,796	\$ 2,023,937	\$ 942,862	\$ 1,580,021	\$ 10,703,043

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds
Year Ended June 30, 2025

	<u>Fleet Maintenance</u>	<u>Employee Health Care</u>	<u>Workers' Compensation</u>	<u>Facilities Maintenance</u>	<u>Property and Casualty</u>	<u>Total</u>
OPERATING REVENUES						
Charges for services	\$ 2,937,860	\$ -	\$ -	\$ -	\$ -	\$ 2,937,860
Insurance premiums	-	9,499,077	1,082,293	-	-	10,581,370
Judgements and settlements	-	-	4,817	-	296,844	301,661
Contributions and donations	-	-	3,000	-	3,000	6,000
Miscellaneous	493	-	-	-	43	536
Total operating revenues	<u>2,938,353</u>	<u>9,499,077</u>	<u>1,090,110</u>	<u>-</u>	<u>299,887</u>	<u>13,827,427</u>
OPERATING EXPENSES						
Personnel services	1,111,245	-	76,727	297,543	41,084	1,526,599
Contractual services	129,476	1,079,603	84,464	281,233	78,551	1,653,327
Supplies	1,195,420	121,030	95,089	157,733	78,752	1,648,024
Utilities	-	-	-	487,768	-	487,768
Repairs and maintenance	185,047	-	-	961,923	2,818	1,149,788
Insurance premiums and claims	-	9,533,984	575,223	-	1,599,973	11,709,180
Depreciation	357,029	4,968	5,508	2,442	34,392	404,339
Miscellaneous	9,950	1,395	2,820	2,158	2,142	18,465
Total operating expenses	<u>2,988,167</u>	<u>10,740,980</u>	<u>839,831</u>	<u>2,190,800</u>	<u>1,837,712</u>	<u>18,597,490</u>
Operating income (loss)	<u>(49,814)</u>	<u>(1,241,903)</u>	<u>250,279</u>	<u>(2,190,800)</u>	<u>(1,537,825)</u>	<u>(4,770,063)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment income	10,026	65,520	72,262	-	-	147,808
Interest expense	(118,545)	-	-	-	-	(118,545)
Total nonoperating revenues (expenses)	<u>(108,519)</u>	<u>65,520</u>	<u>72,262</u>	<u>-</u>	<u>-</u>	<u>29,263</u>
Income (loss) before transfers	(158,333)	(1,176,383)	322,541	(2,190,800)	(1,537,825)	(4,740,800)
Transfers in	282,350	2,000,000	-	2,563,465	1,650,000	6,495,815
Transfers out	-	-	(150,000)	-	-	(150,000)
Change in accounting principle	282,350	2,000,000	(150,000)	2,563,465	1,650,000	6,345,815
Change in net position	124,017	823,617	172,541	372,665	112,175	1,605,015
Net position, beginning	1,552,707	3,764,179	1,851,396	613,695	1,467,846	9,249,823
Change in accounting principle	(108,297)	-	-	(43,498)	-	(151,795)
Net position, beginning of year restated	<u>1,444,410</u>	<u>3,764,179</u>	<u>1,851,396</u>	<u>570,197</u>	<u>1,467,846</u>	<u>9,098,028</u>
Net position, ending	<u>\$ 1,568,427</u>	<u>\$ 4,587,796</u>	<u>\$ 2,023,937</u>	<u>\$ 942,862</u>	<u>\$ 1,580,021</u>	<u>\$ 10,703,043</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2025

	Fleet Maintenance	Workers' Compensation	Employee Health Care	Property and Casualty	Facilities Maintenance	Total
CASH FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 2,938,353	\$ 1,090,110	\$ 9,499,075	\$ 299,887	\$ -	\$ 13,827,425
Payments to employees	(1,071,247)	(76,129)	-	(40,770)	(286,316)	(1,474,462)
Cash payments to suppliers	(1,519,715)	(183,918)	(1,257,610)	(157,139)	(2,092,392)	(5,210,774)
Claims paid	-	(526,162)	(9,869,231)	(1,596,494)	-	11,991,887
Net cash (used in) provided by operating activities	347,391	303,901	(1,627,766)	(1,494,516)	(2,378,708)	(4,849,698)
CASH FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	282,350	-	2,000,000	1,650,000	2,563,465	6,495,815
Transfers to other funds	-	(150,000)	-	-	-	(150,000)
Net cash provided by (used in) noncapital financing activities	282,350	(150,000)	2,000,000	1,650,000	2,563,465	6,345,815
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of lease assets	(289,627)	-	-	-	-	(289,627)
Interest paid on lease assets	(118,545)	-	-	-	-	(118,545)
Acquisition and construction of capital assets	-	-	-	(13,579)	(68,385)	(81,964)
Interest payable for lease assets	3,796	-	-	-	-	3,796
Net cash (used in) capital and related financing activities	(404,376)	-	-	(13,579)	(68,385)	(486,340)
CASH FROM INVESTING ACTIVITIES						
Interest income	10,026	72,262	65,519	-	-	147,807
Purchase of investments	(1,946)	(68,798)	(58,128)	-	-	(128,872)
Net cash provided by investing activities	8,080	3,464	7,391	-	-	18,935
Net cash increase (decreases) in cash and cash equivalents	233,445	157,365	379,625	141,905	116,372	1,028,712
Cash and cash equivalents at beginning of period	893,385	683,514	3,040,339	1,188,546	858,328	6,664,112
Cash and cash equivalents at end of period	\$ 1,126,830	\$ 840,879	\$ 3,419,964	\$ 1,330,451	\$ 974,700	\$ 7,692,824
Reconciliation of operating income to net cash used in operating activities						
Operating income (loss)	\$ (49,814)	\$ 250,279	\$ (1,241,903)	\$ (1,537,825)	\$ (2,190,800)	\$ (4,770,063)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	357,029	5,508	4,968	34,392	2,442	404,339
Changes in assets and liabilities:						
Inventories	(2,908)	-	-	-	-	(2,908)
Accounts receivable	-	-	(2)	-	-	(2)
Prepaid items	-	-	(40,204)	-	-	(40,204)
Accounts payable	3,086	(1,545)	(15,378)	5,124	(201,581)	(210,294)
Compensated absences	30,619	-	-	-	8,779	39,398
Accrued payroll	9,379	598	-	314	2,452	12,743
Insurance claims payable	-	49,061	(335,247)	3,479	-	(282,707)
Net cash provided by (used in) operating activities	\$ 347,391	\$ 303,901	\$ (1,627,766)	\$ (1,494,516)	\$ (2,378,708)	\$ (4,849,698)
NONCASH INVESTING AND FINANCING ACTIVITIES						
Leases issued	\$ 922,083	\$ -	\$ -	\$ -	\$ -	\$ 922,083

See accompanying report of the independent auditor.

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City on behalf of others as their agent and are custodial in nature.

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 Convention Center.

Tax Distribution Fund

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

Evidence Storage Fund

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

Bowling Green/Warren County Adjusted TIF Incremental Fund

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

City of Bowling Green, Kentucky
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Tourist and Convention Fund	Tax Distribution Fund	Adjusted TIF Fund	Bowling Green Warren County	Evidence Storage Fund	Total Custodial Funds
ASSETS						
Pooled cash and cash equivalents	\$ 8,337	\$ 1,046	\$ -	\$ 86,566	\$ 95,949	
Non-pooled cash and cash equivalents	471	3,342	92,348	276,497	372,658	
Total assets	\$ 8,808	\$ 4,388	\$ 92,348	\$ 363,063	\$ 468,607	
LIABILITIES						
Due to other governmental units	-	-	92,348	363,063	455,411	
Other liabilities	8,808	-	-	-	8,808	
Due to other taxing units - School Board	-	4,388	-	-	4,388	
Total liabilities	8,808	4,388	92,348	363,063	468,607	
NET POSITION						
Restricted for individuals, organizations, and other governments	-	-	-	-	-	-
Total net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2025

	Tourist and Convention Fund	Tax Distribution Fund	Bowling Green Warren County Adjusted TIF Fund	Evidence Storage Fund	Total Custodial Funds
ADDITIONS:					
Property tax collections for other governments	\$ -	\$ 17,024,911	\$ -	\$ -	\$ 17,024,911
Tourism tax collections for other organizations	2,272,546	-	-	-	2,272,546
TIF tax collections for other governments	-	-	90,818	-	90,818
Miscellaneous	-	-	-	46,539	46,539
Investment income	-	-	1,460	-	1,460
Total additions	<u>2,272,546</u>	<u>17,024,911</u>	<u>92,278</u>	<u>46,539</u>	<u>19,436,274</u>
DEDUCTIONS:					
Payments of property tax to other governments	-	17,024,911	-	-	17,024,911
Payments on behalf of other governments	-	-	92,278	46,539	138,817
Payments of tourism tax to other organizations	<u>2,272,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272,546</u>
Total deductions	<u>2,272,546</u>	<u>17,024,911</u>	<u>92,278</u>	<u>46,539</u>	<u>19,436,274</u>
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky

Combining Statement of Net Position - Component Unit - Bowling Green Municipal Utilities
June 30, 2025

	Bowling Green Municipal Utilities			
	Electric Division	Water-Sewer Division	General Services Division	Total
ASSETS				
Non-pooled cash and cash equivalents	\$ 23,121,551	\$ 11,925,801	\$ 6,011,830	\$ 41,059,182
Receivables (net of allowances for uncollectibles):				
Accounts	11,859,723	2,331,980	60,616	14,252,319
Leases	96,394	808,861	437,171	1,342,426
Other receivables	399,936	112,149	-	512,085
Inventories	1,680,526	1,792,307	108,481	3,581,314
Due from other governments	663,496	2,117,971	-	2,781,467
Prepaid items	237,841	182,009	88,978	508,828
Prepayment to TVA	6,727,082	-	-	6,727,082
Investments and restricted funds	1,404,554	14,893,214	-	16,297,768
Other assets	97,128	8,616,949	193,016	8,907,093
Due from component units	188,688	321,842	32,158	542,688
Net opeb asset	-	757,300	247,098	1,004,398
Capital assets, net of accumulated depreciation				
Non-depreciable	336,909	19,931,802	76,519	20,345,230
Depreciable	63,692,621	183,875,893	4,735,426	252,303,940
Total assets	<u>110,506,449</u>	<u>247,668,078</u>	<u>11,991,293</u>	<u>370,165,820</u>
DEFERRED OUTFLOWS				
Outflows for pensions	1,915,911	2,368,564	336,051	4,620,526
Outflows for OPEB	770,353	555,899	58,623	1,384,875
Deferred amounts from refunding debt	57,708	194,857	-	252,565
Total deferred outflows	<u>2,743,972</u>	<u>3,119,320</u>	<u>394,674</u>	<u>6,257,966</u>
LIABILITIES				
Vouchers and accounts payable	9,433,565	1,236,301	288,354	10,958,220
Compensated absences payable	610,041	409,315	-	1,019,356
Accrued interest payable	1,186,149	87,817	-	1,273,966
Due to component units	345,574	189,572	-	535,146
Customer deposits	8,023,734	600	-	8,024,334
Other current liabilities	1,112,875	499,725	199,202	1,811,802
Net pension liability	14,114,228	14,472,424	1,931,632	30,518,284
Compensated absences payable, noncurrent	236,080	205,979	-	442,059
Net OPEB liability	120,805	-	-	120,805
Noncurrent liabilities				
Due within one year	575,000	5,957,261	62,231	6,594,492
Due in more than one year	5,826,596	90,181,589	119,641	96,127,826
Total liabilities	<u>41,584,647</u>	<u>113,240,583</u>	<u>2,601,060</u>	<u>157,426,290</u>
DEFERRED INFLOWS OF RESOURCES				
Inflows for pension	1,845,924	1,816,054	428,262	4,090,240
Inflows for OPEB	3,667,671	4,275,914	716,286	8,659,871
Inflows for leases	93,564	769,954	423,856	1,287,374
Total deferred inflows of resources	<u>5,607,159</u>	<u>6,861,922</u>	<u>1,568,404</u>	<u>14,037,485</u>
NET POSITION				
Net investment in capital assets	57,685,642	115,270,535	4,811,945	177,768,122
Restricted	1,404,554	12,683,296	-	14,087,850
Unrestricted	6,968,419	2,731,062	3,404,558	13,104,039
Total net position	<u>\$ 66,058,615</u>	<u>\$ 130,684,893</u>	<u>\$ 8,216,503</u>	<u>\$ 204,960,011</u>

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Statement of Activities - Component Unit - Bowling Green Municipal Utilities
June 30, 2025

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for services	Operating Contributions	Capital Contributions	Electric System	Water and Sewer System	General Services	Totals
Electric Division	\$ 95,310,842	\$ 99,604,983	\$ -	\$ -	\$ 4,294,141	\$ -	\$ -	\$ 4,294,141
Water-Sewer Division	32,451,484	38,664,451	-	3,766,561	-	9,979,528	-	9,979,528
General Services Division	3,970,173	5,541,253	-	-	-	-	1,571,080	1,571,080
Total component units	\$ 131,732,499	\$ 143,810,687	\$ -	\$ 3,766,561	\$ 4,294,141	\$ 9,979,528	\$ 1,571,080	\$ 15,844,749
GENERAL REVENUES								
Investment income				1,116,020	981,547	-	2,097,567	
Merchandising revenues				127,253	-	6,198	133,451	
Gain on sale of assets				-	59,349	-	59,349	
Total general revenues				1,243,273	1,040,896	6,198	2,290,367	
Change in net position				5,537,414	11,020,424	1,577,278	18,135,116	
Net position, beginning of year				60,521,201	119,664,469	6,639,225	186,824,895	
Net position, end of year				\$ 66,058,615	\$ 130,684,893	\$ 8,216,503	\$ 204,960,011	

See accompanying independent auditor's report

STATISTICAL SECTION

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

Financial Trends: Schedules 1 - 4

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

Revenue Capacity: Schedules 5 - 10

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

Debt Capacity: Schedules 11 - 18

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

Demographic and Economic Information: Schedules 19 - 20

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

Operating Information: Schedules 21 - 23

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

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 367,741,937	\$ 307,406,298	\$ 244,405,119	\$ 198,393,575	\$ 214,414,497	\$ 210,484,781	\$ 194,988,348	\$ 190,037,852	\$ 176,973,806	\$ 164,964,407
Restricted	74,239,604	72,717,038	73,896,526	93,637,265	87,104,283	21,822,445	33,016,893	27,832,630	29,267,444	27,174,588
Unrestricted	(52,300,025)	(62,229,436) ^(d)	(74,774,144) ^(c)	(57,994,409)	(107,510,818)	(44,714,549) ^(b)	(48,596,491)	(46,835,736)	(43,014,659) ^(a)	(31,716,893)
Total governmental activities net position	<u>\$ 389,681,516</u>	<u>\$ 317,893,900</u>	<u>\$ 243,527,501</u>	<u>\$ 234,036,431</u>	<u>\$ 194,007,962</u>	<u>\$ 187,592,677</u>	<u>\$ 179,408,750</u>	<u>\$ 171,034,746</u>	<u>\$ 163,226,591</u>	<u>\$ 160,422,102</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 6,376,750	\$ 6,648,367	\$ 7,023,509	\$ 6,764,092	\$ 7,050,841	\$ 6,807,096	\$ 6,885,053	\$ 6,422,149	\$ 5,103,874	\$ 4,524,334
Unrestricted	9,103,946	8,498,140	8,811,893	9,673,584	9,413,903	9,437,150	8,893,007	8,172,717	8,202,715	7,840,586
Total business-type activities net position	<u>\$ 15,480,696</u>	<u>\$ 15,146,507</u>	<u>\$ 15,835,402</u>	<u>\$ 16,437,676</u>	<u>\$ 16,464,744</u>	<u>\$ 16,244,246</u>	<u>\$ 15,778,060</u>	<u>\$ 14,594,866</u>	<u>\$ 13,306,589</u>	<u>\$ 12,364,920</u>
Primary government										
Net investment in capital assets	\$ 374,118,687	\$ 314,054,665	\$ 251,428,628	\$ 205,157,667	\$ 221,465,338	\$ 217,291,877	\$ 201,873,401	\$ 196,460,001	\$ 182,077,680	\$ 169,488,741
Restricted	74,239,604	72,717,038	73,896,526	93,637,265	87,104,283	21,822,445	33,016,893	27,832,630	29,267,444	27,174,588
Unrestricted	(43,196,079)	(53,731,296) ^(d)	(65,962,251) ^(c)	(48,320,825)	(98,096,915)	(35,277,399) ^(b)	(39,703,484)	(38,663,019)	(34,811,944) ^(a)	(23,876,307)
Total primary government net position	<u>\$ 405,162,212</u>	<u>\$ 333,040,407</u>	<u>\$ 259,362,903</u>	<u>\$ 250,474,107</u>	<u>\$ 210,472,706</u>	<u>\$ 203,836,923</u>	<u>\$ 195,186,810</u>	<u>\$ 185,629,612</u>	<u>\$ 176,533,180</u>	<u>\$ 172,787,022</u>

Notes:

- (a) The City implemented GASB 75 effective for period ending June 30, 2018, which resulted in a restatement of the FY2017 ending balances.
- (b) The City implemented GASB 84 effective for period ending June 30, 2021, which resulted in a restatement of the FY2020 ending balances.
- (c) The City implemented GASB 100 effective for period ending June 30, 2024, which resulted in a restatement of the FY2023 ending balances due to an error correction.
- (d) The City implemented GASB 101 effective for period ending June 30, 2025, which resulted in a restatement of the FY2024 ending balances.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities:										
General government	\$ 18,183,533	\$ 14,170,270	\$ 15,308,476	\$ 18,021,958	\$ 33,661,006	\$ 33,240,486	\$ 28,296,834	\$ 29,613,361	\$ 36,558,180 ^(a)	\$ 19,038,235
Public safety	45,228,514	42,169,240	38,106,362	32,017,168	29,241,929	27,383,455	26,264,868	24,490,523	24,581,788	23,723,294
Public works	22,033,876	16,706,026	14,470,184	13,825,870	14,913,296	14,839,341	12,669,001	12,284,494	10,619,939	9,547,794
Parks and recreation	10,656,004	10,283,717	11,216,954	8,786,484	7,803,142	4,889,698	6,808,361	7,256,246	7,623,720	7,751,367
Neighborhood and community services	11,040,810	14,097,954	7,917,093	8,337,116	9,452,333	6,382,391	5,278,766	6,203,076	5,436,759	5,014,886
Agency services ^(b)	4,774,459	3,798,124	3,546,785	2,457,531	3,033,680	2,673,446	2,494,955	2,231,558	2,028,787	1,950,663
Interest expense	1,824,438	3,185,766	16,557,934	9,360,819	13,606,611	4,616,856	5,100,598	3,206,275	2,828,885	3,999,109
Total governmental activities	<u>113,741,634</u>	<u>104,411,097</u>	<u>107,123,788</u>	<u>92,806,946</u>	<u>111,711,997</u>	<u>94,025,673</u>	<u>86,913,383</u>	<u>85,285,533</u>	<u>89,678,058</u>	<u>71,025,348</u>
Business-type activities:										
Convention Center	847,864	1,935,533	1,733,726	572,825	472,796	371,054	759,492	522,084	975,317	471,616
Total business-type activities	<u>847,864</u>	<u>1,935,533</u>	<u>1,733,726</u>	<u>572,825</u>	<u>472,796</u>	<u>371,054</u>	<u>759,492</u>	<u>522,084</u>	<u>975,317</u>	<u>471,616</u>
Total primary government expenses	<u>\$ 114,589,498</u>	<u>\$ 106,346,630</u>	<u>\$ 108,857,514</u>	<u>\$ 93,379,771</u>	<u>\$ 112,184,793</u>	<u>\$ 94,396,727</u>	<u>\$ 87,672,875</u>	<u>\$ 85,807,617</u>	<u>\$ 90,653,375</u>	<u>\$ 71,496,964</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,258,979	\$ 1,852,091	\$ 3,824,759	\$ 1,497,164	\$ 1,230,222	\$ 745,125	\$ 2,321,805	\$ 2,505,897	\$ 2,529,394	\$ 2,865,512
Public Safety	283,388	288,485	261,176	216,234	212,071	219,791	203,395	212,534	268,958	244,291
Public works	96,702	89,170	86,513	107,518	67,595	-	-	-	-	-
Parks and recreation	2,903,917	2,800,926	2,563,482	2,359,258	1,882,310	1,451,062	1,984,074	2,064,862	2,013,933	2,257,783
Operating grants and contributions	12,568,530	11,427,664	19,958,839	19,946,152	16,190,796	16,965,893	11,337,808	11,533,016	11,268,936	10,084,318
Capital grants and contributions	44,368,286	54,170,172	12,167,662	18,651,647	16,335,912	6,142,963	4,634,679	4,501,727	4,898,262	1,844,479
Total governmental activities program revenues	<u>62,479,802</u>	<u>70,628,508</u>	<u>38,862,431</u>	<u>42,777,973</u>	<u>35,918,906</u>	<u>25,524,834</u>	<u>20,481,761</u>	<u>20,818,036</u>	<u>20,979,483</u>	<u>17,296,383</u>
Business-type activities:										
Charges for services										
Convention center	185,195	191,576	187,497	133,623	54,544	102,041	173,447	162,997	160,600	201,378
Total business-type activities program revenues	<u>185,195</u>	<u>191,576</u>	<u>187,497</u>	<u>133,623</u>	<u>54,544</u>	<u>102,041</u>	<u>173,447</u>	<u>162,997</u>	<u>160,600</u>	<u>201,378</u>
Total primary government program revenues	<u>\$ 62,664,997</u>	<u>\$ 70,820,084</u>	<u>\$ 39,049,928</u>	<u>\$ 42,911,596</u>	<u>\$ 35,973,450</u>	<u>\$ 25,626,875</u>	<u>\$ 20,655,208</u>	<u>\$ 20,981,033</u>	<u>\$ 21,140,083</u>	<u>\$ 17,497,761</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (51,261,832)	\$ (33,782,589)	\$ (68,261,357)	\$ (50,028,973)	\$ (75,793,091)	\$ (68,500,839)	\$ (66,431,622)	\$ (64,467,497)	\$ (68,698,575)	\$ (53,728,965)
Business-type activities	(662,669)	(1,743,957)	(1,546,229)	(439,202)	(418,252)	(269,013)	(586,045)	(359,087)	(814,717)	(270,238)
Total primary government net expense	<u>\$ (51,924,501)</u>	<u>\$ (35,526,546)</u>	<u>\$ (69,807,586)</u>	<u>\$ (50,468,175)</u>	<u>\$ (76,211,343)</u>	<u>\$ (68,769,852)</u>	<u>\$ (67,017,667)</u>	<u>\$ (64,826,584)</u>	<u>\$ (69,513,292)</u>	<u>\$ (53,999,203)</u>

See accompanying independent auditor's report.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
General revenues										
Property taxes	\$ 20,414,112	\$ 19,729,156	\$ 18,601,804	\$ 17,538,685	\$ 16,974,489	\$ 15,811,675	\$ 14,963,337	\$ 14,289,761	\$ 13,342,889	\$ 12,988,729
Insurance premium taxes	7,576,616	7,567,760	6,185,188	5,579,436	4,887,145	4,667,114	4,477,026	4,239,887	4,096,944	3,839,322
Occupational fees and net profits	83,934,686	79,133,447	70,300,741	66,281,309	57,556,440	54,608,120	53,636,444	53,488,756	53,840,825	48,670,998
Investment income	5,863,277	4,264,918	2,125,395	(2,349,157)	299,971	851,895	850,604	101,498	125,424	462,415
Gain (loss) on disposal of capital assets	234,426	263,713	124,337	-	118,196	(1,879,514)	539,129	(21,381)	165,492	368,040
Miscellaneous	5,126,331	2,707,680	2,530,562	3,107,169	2,472,135	2,450,476	1,282,594	1,135,708	941,112	1,262,660
Transfers	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(943,508)	(958,577)	(1,009,622)	(987,080)
Total governmental activities	<u>\$ 123,049,448</u>	<u>\$ 113,566,674</u>	<u>\$ 99,768,027</u>	<u>\$ 90,057,442</u>	<u>\$ 82,208,376</u>	<u>\$ 76,409,766</u>	<u>\$ 74,805,626</u>	<u>\$ 72,275,652</u>	<u>\$ 71,503,064</u>	<u>\$ 66,605,084</u>
Business-type activities:										
General revenues										
Property tax	-	-	-	-	-	-	-	112,987	111,542	114,542
Transient room tax	757,515	755,220	752,808	706,193	418,494	475,577	544,642	564,518	590,019	559,040
Loss on sale of capital assets	-	(10,667)	-	-	-	(45,575)	-	-	-	-
Investment earnings	134,343	205,509	81,147	(394,059)	120,256	197,464	276,089	11,282	21,327	177,491
Miscellaneous	5,000	5,000	10,000	-	-	7,733	5,000	-	23,877	20,000
Transfers	100,000	100,000	100,000	100,000	100,000	100,000	943,508	958,577	1,009,622	987,080
Total business-type activities	<u>\$ 996,858</u>	<u>\$ 1,055,062</u>	<u>\$ 943,955</u>	<u>\$ 412,134</u>	<u>\$ 638,750</u>	<u>\$ 735,199</u>	<u>\$ 1,769,239</u>	<u>\$ 1,647,364</u>	<u>\$ 1,756,387</u>	<u>\$ 1,858,153</u>
Total primary government	<u>\$ 124,046,306</u>	<u>\$ 114,621,736</u>	<u>\$ 100,711,982</u>	<u>\$ 90,469,576</u>	<u>\$ 82,847,126</u>	<u>\$ 77,144,965</u>	<u>\$ 76,574,865</u>	<u>\$ 73,923,016</u>	<u>\$ 73,259,451</u>	<u>\$ 68,463,237</u>
CHANGES IN NET POSITION										
Governmental activities	\$ 71,787,616	\$ 79,784,085	\$ 31,506,670	\$ 40,028,469	\$ 6,415,285	\$ 7,908,927	\$ 8,374,004	\$ 7,808,155	\$ 2,804,489	\$ 12,876,119
Business-type activities	334,189	(688,895)	(602,274)	(27,068)	220,498	466,186	1,183,194	1,288,277	941,670	1,587,915
Total primary government	<u>\$ 72,121,805</u>	<u>\$ 79,095,190</u>	<u>\$ 30,904,396</u>	<u>\$ 40,001,401</u>	<u>\$ 6,635,783</u>	<u>\$ 8,375,113</u>	<u>\$ 9,557,198</u>	<u>\$ 9,096,432</u>	<u>\$ 3,746,159</u>	<u>\$ 14,464,034</u>

Notes:

(a) Implementation of GASB 75 resulted in the restatement of FY2017 balances.
 (b) Agency services was previously listed as Community Services prior to FY2018.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL FUND										
Nonspendable	\$ 1,873,634	\$ 2,182,314	\$ 3,658,179	\$ 263,342	\$ 286,536	\$ 298,345	\$ 293,526	\$ 209,367	\$ 200,384	\$ 223,820
Restricted	-	-	416,165	449,999	-	67,000	-	-	-	9,838
Committed	26,824,000	24,033,000	21,500,000	18,908,250	16,729,000	18,063,000	18,517,250	17,378,000	16,268,250	12,052,100
Assigned	2,752,530	2,591,275	2,764,836	6,843,038	2,204,470	1,745,941	1,664,918	2,714,255	2,986,496	3,236,165
Unassigned	11,827,293	17,948,777	12,088,827	12,698,634	9,883,588	13,467,237	7,522,491	7,274,446	5,915,385	5,763,288
Total general fund	<u>\$ 43,277,457</u>	<u>\$ 46,755,366</u>	<u>\$ 40,428,007</u>	<u>\$ 39,163,263</u>	<u>\$ 29,103,594</u>	<u>\$ 33,641,523</u>	<u>\$ 27,998,185</u>	<u>\$ 27,576,068</u>	<u>\$ 25,370,515</u>	<u>\$ 21,285,211</u>
All Other Governmental Funds										
Nonspendable ^(a)	\$ 42,022,122	\$ 41,213,696	\$ 21,184,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	13,380,428	21,526,419	45,010,027	47,944,586	48,396,800	4,315,865	5,068,565	5,380,045	5,620,593	6,625,289
Committed	17,546,043	14,573,649	12,199,079	11,349,554	10,941,661	8,820,854	8,364,297	7,061,227	5,664,499	5,314,947
Assigned	72,157,336	62,546,574	58,847,511	53,247,162	45,201,542	30,842,370	32,166,811	26,823,810	27,265,386	24,482,158
Total all other governmental funds	<u>\$145,105,929</u>	<u>\$139,860,338</u>	<u>\$137,241,017</u>	<u>\$112,541,302</u>	<u>\$104,540,003</u>	<u>\$ 43,979,089</u>	<u>\$ 45,599,673</u>	<u>\$ 39,265,082</u>	<u>\$ 38,550,478</u>	<u>\$ 36,422,394</u>

Notes:

(a) Other governmental funds nonspendable net position for FY2023 was restated during FY2024 due to an error correction.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Taxes	\$ 20,414,112	\$ 19,729,156	\$ 18,601,804	\$ 17,538,684	\$ 16,974,489	\$ 15,811,674	\$ 14,963,337	\$ 14,289,500	\$ 13,342,888	\$ 12,988,729
Insurance premium taxes	7,576,616	7,567,760	6,185,188	5,579,436	4,887,145	4,667,113	4,477,026	4,239,886	4,096,944	3,839,322
Occupational fees and net profits	83,934,686	79,133,447	70,300,741	66,281,308	57,556,440	53,959,377	53,299,530	53,166,070	53,531,170	48,503,596
License and permits	1,356,089	1,604,631	2,233,844	1,861,084	1,552,863	1,756,461	1,651,384	1,701,660	1,751,842	1,877,089
Intergovernmental	16,783,714	17,702,135	23,162,205	28,643,050	23,873,481	17,820,248	12,304,712	11,057,249	10,396,702	9,753,351
Investment income	5,715,472	4,060,248	2,006,941	(2,193,725)	261,929	773,529	767,820	105,612	97,235	400,194
Charges for services	1,046,556	1,001,861	1,042,331	936,325	862,124	764,149	704,966	734,205	768,490	680,960
Parks and recreation	2,872,991	2,768,431	2,528,156	2,316,775	1,833,100	1,419,098	1,969,355	1,995,776	1,939,935	2,125,466
Rent income	800	689,751	800	1,377,190	1,646,049	93,485	448,653	1,026,513	1,342,225	1,814,788
Miscellaneous	736,581	857,452	836,344	1,188,938	1,376,565	1,623,084	1,282,984 (a)	2,266,979	1,829,821	1,396,401
Judgements and settlements	-	343,996	331,480	27,993	47,459	30,983	20,128 (a)	-	-	-
Contributions and donations	3,335,449	710,687	515,956	400,374	3,186,545	1,271,161	672,940 (a)	-	-	-
Total revenues	<u>143,773,066</u>	<u>136,169,555</u>	<u>127,745,790</u>	<u>123,957,432</u>	<u>114,058,189</u>	<u>99,990,362</u>	<u>92,562,835</u>	<u>90,583,450</u>	<u>89,097,252</u>	<u>83,379,896</u>
EXPENDITURES										
General government	10,230,693	7,994,793	12,626,551	14,220,571	16,974,602	7,678,690	6,692,053	6,769,970	5,934,999	6,119,394
Public safety	51,432,438	46,906,887	42,463,402	38,061,127	34,803,004	33,740,180	30,774,254	27,778,478	27,700,034	26,783,559
Public works	14,139,222	11,766,525	13,353,228	15,152,810	10,240,385	11,943,646	11,228,476	11,128,150	11,199,847	9,667,731
Parks and recreation	13,115,472	12,178,736	10,572,573	8,941,052	7,512,784	7,486,079	7,399,742	7,989,232	8,901,111	7,388,710
Neighborhood and community services	11,664,271	11,910,092	9,070,546	8,753,295	9,198,553	5,977,154	5,752,833	5,763,596	5,526,287	5,079,148
Agency services ^(b)	4,474,302	3,471,861	3,286,580	2,335,826	2,993,180	2,632,446	2,453,955	2,383,078	2,434,543	2,344,663
Capital outlay	26,269,609	22,183,953	14,992,469	7,655,588	8,991,912	16,052,642	7,424,050	14,486,238	5,989,737	4,100,590
Debt service										
Principal	3,689,713	5,673,297	15,273,608	8,881,547	9,278,922	8,870,594	8,924,715	9,369,543	9,834,543	8,332,286
Interest expense	1,869,802	2,100,069	2,271,946	2,597,101	2,143,284	2,276,066	2,551,342	2,736,324	3,028,788	3,992,515
Total expenditures	<u>136,885,522</u>	<u>124,186,213</u>	<u>123,910,903</u>	<u>106,598,917</u>	<u>102,136,626</u>	<u>96,657,497</u>	<u>83,201,420</u>	<u>88,404,609</u>	<u>80,549,889</u>	<u>73,808,596</u>
Excess (deficiency) of revenues over (under) expenditures	6,887,544	11,983,342	3,834,887	17,358,515	11,921,563	3,332,865	9,361,415	2,178,841	8,547,363	9,571,300

See accompanying independent auditor's report.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OTHER FINANCING SOURCES (USES)										
Transfers in	31,497,896	28,290,117	32,745,216	23,099,394	32,654,147	22,320,604	21,845,937	19,007,257	19,092,756	21,421,164
Transfers out	(37,943,711)	(33,338,117)	(34,560,217)	(24,739,394)	(33,391,085)	(23,222,106)	(24,989,445)	(21,915,834)	(21,652,377)	(23,630,744)
Premium on bond issuance	-	-	-	-	820,466	-	-	-	-	-
Discount on bond issuance	-	-	-	-	(312,948)	-	-	-	-	-
Financed purchase proceeds	-	-	-	-	-	1,531,518	-	3,531,021	-	-
Issuance of debt	-	-	925,105	2,091,238	43,835,000	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	39,845,000
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	(42,259,385)
Premium from bond refunding	-	-	-	-	-	-	-	-	-	2,085,795
Lease and SBITA liabilities issued ^(c)	1,087,647	1,846,963	1,730,480	150,677	-	-	-	-	-	-
Proceeds from sale of capital assets	<u>238,306</u>	<u>164,375</u>	<u>104,588</u>	<u>100,538</u>	<u>220,841</u>	<u>59,874</u>	<u>538,801</u>	<u>118,872</u>	<u>225,645</u>	<u>440,429</u>
Total other financing sources (uses)	<u>(5,119,862)</u>	<u>(3,036,662)</u>	<u>945,172</u>	<u>702,453</u>	<u>43,826,421</u>	<u>689,890</u>	<u>(2,604,707)</u>	<u>741,316</u>	<u>(2,333,976)</u>	<u>(2,097,741)</u>
Net change in fund balances	<u><u>\$ 1,767,682</u></u>	<u><u>\$ 8,946,680</u></u>	<u><u>\$ 4,780,059</u></u>	<u><u>\$ 18,060,968</u></u>	<u><u>\$ 55,747,984</u></u>	<u><u>\$ 4,022,755</u></u>	<u><u>\$ 6,756,708</u></u>	<u><u>\$ 2,920,157</u></u>	<u><u>\$ 6,213,387</u></u>	<u><u>\$ 7,473,559</u></u>
Debt service as a percentage of noncapital expenditures	7.75 % ^(d)	10.05 %	17.33 %	12.83 %	12.02 %	14.71 %	15.73 %	17.01 %	18.76 %	17.59 %

Note:

- (a) Prior to FY2019, Judgements and settlements and Contributions and donations were previously listed as Miscellaneous.
- (b) Agency services was previously listed as Community services prior to FY2018.
- (c) The City implemented GASB 87 effective for period ending June 30, 2022, which resulted in an other financing source for lease liabilities issued.
- (d) The debt service as a percentage of noncapital expenditures calculation subtracts capital asset additions presented in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance from total expenditures; which is then calculated as a percentage of debt service payments.

See accompanying independent auditor's report.

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

Fiscal Year Ended June 30,	Total Gross Wages	Occupational License Fees ^(a)	City of Bowling Green Direct Rate	Total Direct Tax Rate
2016	\$ 2,033,197,759	\$ 37,614,159	1.85 %	1.85 %
2017	2,149,233,565	39,760,821	1.85 %	1.85 %
2018	2,216,711,705	41,009,167	1.85 %	1.85 %
2019	2,257,604,386	41,765,681	1.85 %	1.85 %
2020	2,319,192,084	42,905,054	1.85 %	1.85 %
2021	2,385,399,988	44,129,900	1.85 %	1.85 %
2022	2,651,661,963	49,055,746	1.85 %	1.85 %
2023	2,882,971,692	53,334,976	1.85 %	1.85 %
2024	3,068,620,862	59,234,356	2.00 % ^(b)	2.00 %
2025	3,215,941,261	64,318,825	2.00 %	2.00 %

Source: City of Bowling Green, Department of Finance

Notes:

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

(b) The occupational withholding fee increased from 1.85% to 2.0% effective January 1, 2024. The first six months of FY2024 reflect the previous rate of 1.85%, while the final six months reflect the new rate of 2.0%.

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

Fiscal Year Ended June 30,	Occupational Withholdings Fees	Occupational Net Profit Fees	Other Occupational Fees ^(a)	Total	Percentage Growth
2016	\$ 37,614,159	\$ 8,112,119	\$ 320,002	\$ 46,046,280	3.7 %
2017	39,760,821	10,866,714	371,052	50,998,587	10.8 %
2018	41,009,167	8,915,833	322,947	50,247,947	(1.5)%
2019	41,765,681	8,176,009	336,915	50,278,605	0.1 %
2020	42,905,054	8,423,114	364,682	51,692,850	2.8 %
2021	44,129,900	10,079,423	346,828	54,556,151	5.5 %
2022	49,055,746	12,712,420	1,064,434 ^(b)	62,832,600	15.2 %
2023	53,334,976	12,741,691	535,639	66,612,306	6.0 %
2024	59,234,356	14,284,678	754,859	74,273,893 ^(c)	11.5 %
2025	64,318,825	13,051,404	776,716	78,146,945	5.2 %

Notes:

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

(b) A change was made to Chapter 18 of the City's Code of Ordinances to place a two year cap on the request of business registration bond refunds. All current bond payers were notified of the change and refunded if eligibility requirements were met. All bonds exceeding two years were deemed ineligible for a refund. These refunds were considered forfeited and booked as revenue, which resulted in an increase in the Other Occupational Fees category. This process will be performed annually going forward.

(c) The occupational fee rate was increased from 1.85% to 2.0% effective January 1, 2024. The withholding fees collected from January through June 2024 do reflect this change; however, the first reporting period for net profit collections was for fiscal years beginning on or after January 1, 2024, and reflected in FY2025 collections.

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

Fiscal Year	Estimated Actual Value ^(a)	Total Real and Personal Property Assessment ^(b)	Franchise	PILOT	Total Assessment Including Franchise & PILOT	Total Current Levy ^(c)	Current Year Taxes Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Delinquent Taxes Receivable
2016	\$ 5,520,063,044	\$ 5,327,488,265	\$ 138,865,602	\$ 75,763,490	\$ 5,542,117,357	\$ 11,624,663	\$ 11,098,513	95.47 %	\$ 458,973	\$ 371,907
2017	6,035,826,966	5,636,975,792	109,197,680	77,836,602	5,824,010,074	11,718,014	11,413,472	97.40 %	115,798	459,847
2018	6,376,495,461	5,894,237,333	177,998,932	78,156,277	6,150,392,542	12,324,304	12,228,506	99.22 %	211,049	363,786
2019	6,746,693,070	6,295,517,545	129,476,820	73,237,185	6,498,231,550	13,011,226	12,920,449	99.30 %	165,022	408,623
2020	6,880,203,774	6,603,627,466	76,366,946	80,442,180	6,760,436,592	13,542,330	13,515,522	99.80 %	167,953	481,990
2021	7,099,546,655	7,060,379,804	174,155,590	79,325,698	7,313,861,092	14,608,177	14,655,475	100.32 %	308,970	369,221
2022	9,133,009,311	7,503,515,420	188,152,859	79,470,424	7,771,138,703	15,254,180	15,063,987	98.75 %	213,783	505,243
2023	9,415,603,458	7,790,083,942	131,134,815	110,676,171	8,031,894,928	16,009,076	16,108,970	100.62 %	247,514	483,047
2024	10,856,904,222	8,388,979,817	161,446,971	103,365,624	8,653,792,412	17,161,828	17,154,729	99.96 %	313,842	665,210
2025	11,710,982,732	8,866,288,556	152,933,951	119,247,902	9,138,470,409	18,412,450	17,157,744	93.19 %	348,842	655,453

Sources: City of Bowling Green, Department of Finance

Warren County Property Value Administrator

Notes:

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

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

(c) Original levy, Warren County Property Valuation Administration Office plus franchise and PILOT taxes. Property taxes attach as an enforceable lien on property annually each January 1. The total current levy amounts were restated to include franchise and PILOT levies to match the current taxes collected and has been reported for the prior years presented above.

See accompanying independent auditor's report.

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

Fiscal Year	REAL ESTATE									
	City Proper					City Annex				
	City	County	City School	State	Total	City	County	County School	State	Total
2016	0.2060	0.2160	0.7680	0.1220	1.3120	0.2060	0.2160	0.4350	0.1220	0.9790
2017	0.2060	0.2146	0.7810	0.1220	1.3236	0.2060	0.2146	0.4400	0.1220	0.9826
2018	0.2060	0.2146	0.8280	0.1220	1.3706	0.2060	0.2146	0.4490	0.1220	0.9916
2019	0.2050	0.2166	0.8280	0.1220	1.3716	0.2050	0.2166	0.4560	0.1220	0.9996
2020	0.2050	0.2155	0.8450	0.1220	1.3875	0.2050	0.2155	0.4610	0.1220	1.0035
2021	0.2050	0.2174	0.8450	0.1220	1.3894	0.2050	0.2174	0.4610	0.1220	1.0054
2022	0.2050	0.2175	0.8420	0.1190	1.3835	0.2050	0.2175	0.4610	0.1190	1.0025
2023	0.2050	0.2215	0.8420	0.1150	1.3835	0.2050	0.2215	0.4640	0.1150	1.0055
2024	0.2050	0.2215	0.8480	0.1140	1.3885	0.2050	0.2215	0.5220	0.1140	1.0625
2025	0.2040	0.2195	0.8480	0.1090	1.3805	0.2040	0.2195	0.5220	0.1090	1.0545

Fiscal Year	PERSONAL PROPERTY									
	City Proper					City Annex				
	City	County	City School	State	Total	City	County	County School	State	Total
2016	0.2600	0.2714	0.7680	0.4500	1.7494	0.2600	0.2714	0.4350	0.4500	1.4164
2017	0.2600	0.2587	0.7810	0.4500	1.7497	0.2600	0.2587	0.4400	0.4500	1.4087
2018	0.2600	0.2587	0.8280	0.4500	1.7967	0.2600	0.2587	0.4490	0.4500	1.4177
2019	0.2600	0.2673	0.8280	0.4500	1.8053	0.2600	0.2673	0.4560	0.4500	1.4333
2020	0.2600	0.2669	0.8450	0.4500	1.8219	0.2600	0.2669	0.4610	0.4500	1.4379
2021	0.2600	0.2681	0.8450	0.4500	1.8231	0.2600	0.2681	0.4610	0.4500	1.4391
2022	0.2600	0.2687	0.8450	0.4500	1.8237	0.2600	0.2687	0.4610	0.4500	1.4397
2023	0.2600	0.2704	0.8450	0.4500	1.8254	0.2600	0.2704	0.4640	0.4500	1.4444
2024	0.2600	0.2529	0.8480	0.4500	1.8109	0.2600	0.2529	0.5220	0.4500	1.4849
2025	0.2600	0.2469	0.8480	0.4500	1.8049	0.2600	0.2469	0.5220	0.4500	1.4789

Source: City of Bowling Green, Department of Finance

Notes:

- City proper and City annex are terms used to designate in which school system the property is located. All City residents pay both the City and County taxes, but are required to pay tax to only the one appropriate school system.
- Tax rates relate to the Fiscal Year period of July 1 - June 30. For example, Tax Year 2023 rates are collected in Fiscal Year 2024.

See accompanying report of the independent auditor.

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

Taxpayer	
2025	2016
Bowling Green Metalforming LLC	Bowling Green Metalforming LLC
Commonwealth Health Corporation	Commonwealth Health Corporation
General Motors Corporation	Country Oven Bakery
Graves-Gilbert Clinic PSC	General Motors Corporation
Henkel Corporation	Graves-Gilbert Clinic PSC
Kobelco Aluminum Automotive Products LLC	Sun Products Corporation
Tyson Processing Services	The Medical Center at BG
Union Underwear Co. LLC	Union Underwear Co. LLC
Warren County Board of Education	Warren County Board of Education
Western Kentucky University	Western Kentucky University

Source: City of Bowling Green, Department of Finance

Notes:

- Taxpayer information is listed alphabetically.
- General Motors was previously listed as NAO Comp Oper-North American Oper.
- Commonwealth Health Corporation was previously listed as The Medical Center at BG.
- Henkel Corporation was previously listed as Huish & Sun Products Corporation.

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

Taxpayer	Type of Business	Rank	2025		Percent of Total Assessment ^(a)	2016		Percent of Total Assessment ^(b)
			Assessed Value	Assessed Vale		Rank	Assessed Vale	
Hub Multifamily LLC	Residential & Commercial Complex	1	\$ 75,049,000	\$	0.85 %	-	\$	-
Chandler Drive Partners LLC ^(d)	Apartment Complex	2	47,970,000	28,284,949	0.54 %	8	0.53 %	
Henkel US Operations Corporation ^(c)	Factory	3	47,237,500	-	0.53 %	-	-	
A Himalaya USA Properties LLC	Real Estate Holding Company	4	46,706,020	-	0.53 %	-	-	
Greenwood Mall Realty Holdings LLC ^(e)	Retail Mall	5	46,653,396	51,090,000	0.53 %	2	0.96 %	
Fairways at Hartland XV LLC & Fairways at Hartland	Apartment Complex	6	43,000,000	-	0.48 %	-	-	
Drake Apartments Partners LLC	Apartment Complex	7	40,886,190	-	0.46 %	-	-	
Pontus Imb Portfolio LLC	Distribution Warehouse	8	35,000,000	-	0.39 %	-	-	
Cave Springs Property LLC & Abiete Real Estate LLC	Apartment Complex	9	32,451,846	-	0.37 %	-	-	
BG Fee Owner (KY) LLC	Real Estate Holding Company	10	32,140,000	-	0.36 %	-	-	
Union Underwear Co. Inc	Clothing Manufacturer	-	-	1	68,543,208	1.29 %		
Bowling Green Municipal Utilities	Utilities	-	-	3	46,447,376	0.87 %		
Wal-Mart	Retail	-	-	4	38,500,304	0.72 %		
Greenview Hospital, Inc	Healthcare Facility	-	-	5	38,222,957	0.72 %		
General Motors LLC	Factory	-	-	6	37,837,889	0.71 %		
Kroger Limited Partnership I & II	Retail Facility	-	-	7	32,035,738	0.60 %		
NHK Associated Spring	Automobile Suspension Mfg	-	-	9	20,860,691	0.39 %		
The Registry at Western	Apartment Complex	-	-	10	16,742,171	0.31 %		

Source: City of Bowling Green, Department of Finance

Notes:

- (a) Percent of total assessed value for real property of \$8,866,288,556 (January 1, 2024).
- (b) Percent of total assessed value for real property of \$5,327,488,265 (January 1, 2015).
- (c) Henkel US Operations Corporation was previously listed as Sun Products Corp/Huish Detergents Inc.
- (d) Chandler Drive Partners LLC previously listed as Chandler Park Apartments LLC.
- (e) Greenwood Mall Realty Holdings LLC was previously listed as Greenwood Mall LLC.

See accompanying report of the independent auditor.

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

Fiscal Year	Governmental Activities			Business-Type Activities				Percentage of Personal Income ^(a)	Debt per Capita
	General Obligation Bonds		Leases & Subscriptions	Notes and Financed Purchases from Direct Borrowings and Placements	General Obligation Bonds		Total Primary Government		
	General Obligation Bonds	Leases & Subscriptions	Notes and Financed Purchases from Direct Borrowings and Placements	General Obligation Bonds	Total Primary Government				
2016	\$ 96,522,378	\$ -	\$ 1,755,421	\$ 2,202,371	\$ 100,480,170			2.43 %	\$ 1,580
2017	87,575,068	-	794,217	1,498,248	89,867,533			2.03 %	1,377
2018	78,269,251	-	4,018,748	754,122	83,042,121			1.81 %	1,238
2019	69,731,975	-	3,513,596	-	73,245,571			1.54 %	1,071
2020	61,126,049	-	4,585,310	-	65,711,359			1.32 %	931
2021	96,063,190	-	3,970,596	-	100,033,786			1.97 %	1,384
2022	87,480,320	-	5,582,460	-	93,062,780			1.70 %	1,266
2023	73,102,450	1,357,687	5,823,905	-	78,926,355			1.34 %	1,072
2024	67,522,118	3,192,903	5,042,989	-	75,758,010			1.17 %	994
2025	65,227,438	3,333,793	4,241,584	-	72,802,815			1.05 %	925

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

(a) See Schedule 19 for personal income and population data. The ratios are calculated using personal income and population for the prior calendar year.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TAX SUPPORTED										
General bonds and notes ^(a)	\$ 44,985,230	\$ 48,222,204	\$ 57,411,355	\$ 53,380,000	\$ 57,880,000	\$ 48,030,569	\$ 55,565,571	\$ 62,422,999	\$ 59,409,285	\$ 66,095,299
REVENUE SUPPORTED										
Revenue supported debt & financed purchases ^(b)	24,483,793	24,342,903	21,515,000	37,767,460	40,045,596	19,165,000	22,467,500	29,258,748	30,458,248	34,384,871
TOTAL DEBT	69,469,023	72,565,107	78,926,355	91,147,460	97,925,596	67,195,569	78,033,071	91,681,747	89,867,533	100,480,170
Less: revenue supported debt	(24,483,793)	(24,342,903)	(21,515,000)	(37,767,460)	(40,045,596)	(19,165,000)	(22,467,500)	(29,258,748)	(30,458,248)	(34,384,871)
NET DIRECT DEBT	44,985,230	48,222,204	57,411,355	53,380,000	57,880,000	48,030,569	55,565,571	62,422,999	59,409,285	66,095,299
Overlapping debt ^(c)	478,852,983	403,484,996	393,242,507	372,715,829	366,862,033	389,520,967	320,516,959	237,915,697	232,154,034	246,190,489
NET DIRECT & OVERLAPPING DEBT	523,838,213	451,707,200	450,653,862	426,095,829	424,742,033	437,551,536	376,082,530	300,338,696	291,563,319	312,285,788
PROPERTY TAX BASE										
Estimated actual value	\$ 8,866,288,556	\$ 8,388,979,817	\$ 7,790,083,942	\$ 7,503,515,420	\$ 7,060,379,804	\$ 6,603,627,466	\$ 6,295,517,545	\$ 5,894,237,333	\$ 5,636,975,792	\$ 5,327,488,265

Source: City of Bowling Green, Department of Finance

Notes:

(a) Does not include leases, subscriptions, compensated absences, contingent liabilities, landfill post closure, bond premiums, deferred charges and discounts, or debt service paid by WKU or ITA debt obligations. See the Notes to the Financial Statements located in the Annual Comprehensive Financial Report (ACFR).

(b) Includes portion of the ITA debt which is the responsibility of the City (50%). Also includes debt issued for WKU that is self-supporting.

(c) Overlapping debt includes the City's portion of the debt of Bowling Green Independent Schools, Warren County, Warren County Schools, and Bowling Green Municipal Utilities.

See accompanying independent auditor's report.

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

Fiscal Year	Principal	Interest	Total ^(a)
2026	\$ 2,350,000	\$ 1,629,857	\$ 3,979,857
2027	3,105,000	1,546,601	4,651,601
2028	3,230,000	1,452,312	4,682,312
2029	2,885,000	1,357,828	4,242,828
2030	2,980,000	1,284,069	4,264,069
2031	3,505,000	1,174,418	4,679,418
2032	3,650,000	1,064,268	4,714,268
2033	3,785,000	963,293	4,748,293
2034	3,055,000	867,293	3,922,293
2035	3,165,000	793,093	3,958,093
2036	3,280,000	716,343	3,996,343
2037	3,410,000	623,743	4,033,743
2038	3,535,000	537,743	4,072,743
2039	2,210,000	448,681	2,658,681
2040	2,295,000	403,631	2,698,631
2041	2,385,000	356,831	2,741,831
2042	2,475,000	308,231	2,783,231
2043	2,565,000	257,831	2,822,831
2044	2,660,000	205,581	2,865,581
2045	2,760,000	151,381	2,911,381
2046	2,860,000	93,394	2,953,394
2047	2,965,000	31,503	2,996,503

Source: City of Bowling Green, Department of Finance

Note:

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

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

Fiscal Year	Principal ^(a)			Interest			
	2021A Bonds	2021B Bonds	Total Principal ^(b)	2021A Bonds	2021B Bonds	Total Interest	Total Debt Service
2026	\$ -	\$ 305,000	\$ 305,000	\$ 807,931	\$ 81,069	\$ 889,000	\$ 1,194,000
2027	-	990,000	990,000	807,931	68,119	876,050	1,866,050
2028	-	1,035,000	1,035,000	807,931	47,869	855,800	1,890,800
2029	-	1,085,000	1,085,000	807,931	30,059	837,990	1,922,990
2030	-	1,130,000	1,130,000	807,931	11,300	819,231	1,949,231
2031	1,595,000	-	1,595,000	768,056	-	768,056	2,363,056
2032	1,680,000	-	1,680,000	715,581	-	715,581	2,395,581
2033	1,745,000	-	1,745,000	685,531	-	685,531	2,430,531
2034	1,820,000	-	1,820,000	649,881	-	649,881	2,469,881
2035	1,895,000	-	1,895,000	612,731	-	612,731	2,507,731
2036	1,970,000	-	1,970,000	574,081	-	574,081	2,544,081
2037	2,050,000	-	2,050,000	533,881	-	533,881	2,583,881
2038	2,130,000	-	2,130,000	492,081	-	492,081	2,622,081
2039	2,210,000	-	2,210,000	448,681	-	448,681	2,658,681
2040	2,295,000	-	2,295,000	403,631	-	403,631	2,698,631
2041	2,385,000	-	2,385,000	356,831	-	356,831	2,741,831
2042	2,475,000	-	2,475,000	308,231	-	308,231	2,783,231
2043	2,565,000	-	2,565,000	257,831	-	257,831	2,822,831
2044	2,660,000	-	2,660,000	205,581	-	205,581	2,865,581
2045	2,760,000	-	2,760,000	151,381	-	151,381	2,911,381
2046	2,860,000	-	2,860,000	93,394	-	93,394	2,953,394
2047	2,965,000	-	2,965,000	31,503	-	31,503	2,996,503

Source: City of Bowling Green, Department of Finance

Notes:

(a) This debt is a general obligation of the City, but payable from revenues received from ITA transactions. The City is jointly responsible with Warren County for debt service on the bonds on a 50%-50% basis. The gross amount is displayed since the City is the issuer of the bonds.

(b) Does not include compensated absences, contingent liabilities, landfill post closure, bond premiums, deferred charges and discounts.

Schedule 15
City of Bowling Green, Kentucky
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
General obligation bonds	\$ 65,227,438	\$ 67,522,118	\$ 73,102,450	\$ 87,480,320	\$ 96,063,190	\$ 61,126,049	\$ 69,731,975	\$ 78,269,251	\$ 87,575,068	\$ 96,522,378
Financed purchases	4,241,584	5,042,989	5,823,905	5,582,460	3,970,596	4,585,310	3,513,596	4,018,748	794,217	1,755,421
Net general bonded debt	\$ 69,469,022	\$ 72,565,107	\$ 78,926,355	\$ 93,062,780	\$ 100,033,786	\$ 65,711,359	\$ 73,245,571	\$ 82,287,999	\$ 88,369,285	\$ 98,277,799
Property values	\$ 8,866,288,556	\$ 8,388,979,817	\$ 7,790,083,942	\$ 7,503,515,420	\$ 7,060,379,804	\$ 6,603,627,466	\$ 6,295,517,545	\$ 5,894,237,333	\$ 5,636,975,792	\$ 5,327,488,265
Percentage of estimated actual taxable value of property	0.78 %	0.87 %	1.01 %	1.24 %	1.42 %	1.00 %	1.16 %	1.40 %	1.57 %	1.84 %
Per capita ^(a)	883	951	1,053	1,266	1,384	931	1,071	1,226	1,354	1,545

Notes:

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

(a) Population data can be found in Schedule 19.

Schedule 16
City of Bowling Green, Kentucky
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding^(a)</u>	<u>Estimated Percentage Applicable^(b)</u>	<u>Estimated Share of Overlapping Debt</u>
Bowling Green Independent Schools	\$ 76,555,000	100.00 %	\$ 76,555,000
Warren County	69,960,608	56.39 %	39,450,787
Warren County Schools	524,600,463	49.62 %	260,306,750
Bowling Green Municipal Utilities	102,540,446	100.00 %	<u>102,540,446</u>
Subtotal, overlapping debt			478,852,983
City direct debt			<u>72,802,815</u>
Total direct and overlapping debt			<u><u>\$ 551,655,798</u></u>

Sources:

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

Notes:

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

See accompanying report of the independent auditor.

Schedule 17
City of Bowling Green, Kentucky
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2025										
Assessed value										\$ 8,866,288,556
Debt limit, 10% of assessed value ^(a)										886,628,856
Debt applicable to limit:										
General obligation bonds										65,227,438
Notes and financed purchases from direct borrowings and placements										4,241,584
Total net debt applicable to limit										69,469,022
Legal debt margin										\$ 817,159,834
Fiscal Year										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	\$ 886,628,856	\$ 838,897,982	\$ 779,008,394	\$ 750,351,542	\$ 706,037,980	\$ 660,362,747	\$ 629,551,755	\$ 589,423,733	\$ 563,697,579	\$ 532,748,827
Less: Total net debt applicable to limit	69,469,022	72,565,107	78,926,355	93,062,780	100,033,786	65,711,359	73,245,571	83,042,121	89,867,533	100,480,170
Legal debt margin	\$ 817,159,834	\$ 766,332,875	\$ 700,082,039	\$ 657,288,762	\$ 806,071,766	\$ 594,651,388	\$ 556,306,184	\$ 506,381,612	\$ 473,830,046	\$ 432,268,657
Total net debt applicable to the limit as a percentage of debt limit	7.84 %	8.65 %	10.13 %	12.40 %	14.17 %	9.95 %	11.63 %	14.09 %	15.94 %	18.86 %

Note:

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

Schedule 18
City of Bowling Green, Kentucky
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Stonehenge Sections I-V ^(a)					Cedar Grove Section IX ^(c)					Lovers Lane ^(b)				
	Special Assessment Collections		Debt Service			Special Assessment Collections		Debt Service			Special Assessment Collections		Debt Service		
	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest	Coverage
2016	\$ 121,669	\$ 50,000	\$ 68,639	1.03	\$ 29,032	\$ 15,000	\$ 13,813	1.01	\$ 16,151	\$ 9,157	\$ 6,994	1.00			
2017	117,646	51,000	66,675	1.00	29,288	15,000	12,800	1.05	16,151	9,601	6,550	1.00			
2018	119,332	53,000	64,113	1.02	25,796	15,000	11,788	0.96	16,151	10,066	6,085	1.00			
2019	121,852	61,000	60,893	1.00	31,216	20,000	10,775	1.01	16,151	10,553	5,598	1.00			
2020	121,947	63,000	57,373	1.01	28,280	20,000	9,425	0.96	16,151	11,064	5,087	1.01			
2021	122,692	66,000	53,710	1.02	29,957	20,000	8,075	1.07	16,151	11,600	4,551	1.00			
2022	115,273	69,000	49,910	0.97	26,778	20,000	6,725	1.00	16,151	12,161	3,990	1.00			
2023	119,144	78,000	45,910	0.96	1,911	50,000	5,375	0.03	16,151	12,750	3,401	1.00			
2024	122,227	81,000	41,548	1.00	(5,338)	-	-	-	16,151	13,368	2,783	1.00			
2025	120,952	84,000	36,823	1.00	-	-	-	-	16,151	14,015	2,136	1.00			

Notes:

- (a) The Stonehenge Sections I-V and Cedar Grove Sections IX special assessment revenues are collected from property owners in each district to fund the development of the subdivisions and to provide amenities such as sidewalk infrastructure.
- (b) Lovers Lane special assessment revenues are collected from property owners to fund the development of underground utilities. This special assessment was new for fiscal year 2008.
- (c) The debt service structure for the Cedar Grove special assessments was setup to allow for the early payoff of the bonds. In FY2023, the amount required to payoff the bonds in advance was available and the debt retired. Remaining special assessment collections were refunded to taxpayers during FY2024.

Schedule 19
City of Bowling Green, Kentucky
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ^(a)	Personal Income ^(b)	Per Capita Personal Income ^(c)	Median Age ^(d)	School Enrollment ^(e)	Unemployment Rate ^(f)
2016	63,600	\$ 4,138,310,000	\$ 34,354	28	20,682	4.7 %
2017	65,250	4,418,499,000	35,966	27	20,814	4.1 %
2018	67,100	4,582,488,000	36,505	28	21,037	4.0 %
2019	68,400	4,761,667,000	36,957	27	21,607	3.9 %
2020	70,550	4,993,967,000	38,045	27	21,470	6.2 %
2021	72,294	5,085,624,000	38,268	27	22,725	4.9 %
2022	73,529	5,475,272,000	40,705	28	23,766	3.8 %
2023	74,926	6,011,596,000	43,812	28	23,868	3.8 %
2024	76,212	6,449,072,000	46,117	28	23,957	4.5 %
2025	78,706	6,904,633,000	48,546	28	24,725	4.8 %

Sources:

- (a) Estimated population statistics obtained from 2025 estimate from World Population review (<https://worldpopulationreview.com/us-cities/kentucky/bowling-green>).
- (b) Personal income data obtained from www.bea.gov (Bureau of Economic Analysis).
- (c) Income per capita obtained from www.bea.gov (Bureau of Economic Analysis).
- (d) Median Age statistics obtained from the World Population Review (<https://worldpopulationreview.com/us-cities/bowling-green>).
- (e) Refer to both Board of Education for public school information (<https://education.ky.gov>) and www.privateschoolreview.com/kentucky/bowling-green for private school information. Schools included are Bowling Green Board of Education, Warren County Board of Education, and private schools. Western Kentucky University is excluded.
- (f) Bureau of Labor Statistics (www.bls.gov), figures not seasonally adjusted, average for fiscal year.

Note:

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

Schedule 20
City of Bowling Green, Kentucky
Principal Employers
Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Commonwealth Health Corporation	3,453	1	4.10 %	2,222	2	2.93 %
Western Kentucky University	2,218	2	2.63 %	4,646	1	6.13 %
General Motors Corporation	1,458	3	1.73 %	950	7	1.25 %
BG Metalforming LLC	1,363	4	1.62 %	1,498	3	1.98 %
Graves-Gilbert Clinic PSC	1,287	5	1.53 %	794	8	1.05 %
Warren County Board of Education	1,255	6	1.49 %	1,031	5	1.36 %
Kentucky State Treasurer	930	7	1.10 %	-	-	-
City of Bowling Green	819	8	0.97 %	661	10	0.87 %
Kobelco Aluminum Automotive Products LLC	795	9	0.94 %	-	-	-
Houchens Food Group	718	10	0.85 %	720	9	0.95 %
Union Underwear Co. LLC	-	-	-	1,410	4	1.86 %
Henkel Corporation	-	-	-	994	6	1.31 %
Total	<u>14,296</u>		<u>16.96 %</u>	<u>14,926</u>		<u>19.69 %</u>

Sources:

City Bowling Green, Department of Finance

www.gmauthority.com

Bureau of Labor and Statistics (www.bls.gov)

Notes:

- Commonwealth Health Corporation was previously listed as The Medical Center at BG.
- Henkel Corporation was previously listed as Sun Products Corporation.
- Kobelco Aluminum Automotive Products LLC was previously listed as Kobe Aluminum Auto Product LLC.
- Kentucky State Treasurer was previously listed Commonwealth of Kentucky.

Schedule 21
City of Bowling Green, Kentucky
Full-time City Government Employees by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	54	52	49	45	44	46	43	40	42	42
Administration	5	8	8	8	7	8	8	8	9	8
Finance	20	19	18	18	18	18	16	14	16	16
Human Resources	9	8	8	7	7	7	7	6	6	7
Legal	6	3	2	2	2	3	2	2	2	2
Information Technology	14	14	13	10	10	10	10	10	9	9
Public Safety	349	331	306	285	303	296	283	268	269	270
Police										
Officers	139	135	127	118	124	125	116	109	112	115
Civilians	40	36	34	31	40	36	35	32	31	30
Fire										
Firefighters and Officers	162	154	139	131	134	132	129	124	123	122
Civilians	8	6	6	5	5	3	3	3	3	3
Public Works	63	59	57	59	60	60	59	55	56	55
Parks and Recreation	62	59	55	53	51	54	54	54	53	52
Neighborhood & Community Services	32	30	26	28	23	25	26	25	26	26
Total	560	531	493	470	481	481	465	442	446	445

Source: City of Bowling Green Department of Finance

Notes:

Chart reflects number of full-time positions as of June 30 each fiscal year.

Schedule 22
City of Bowling Green, Kentucky
Operating Indicators by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Finance										
Tax bills sent	23,845	23,408	23,314	22,900	22,608	22,691	22,587	22,487	22,356	22,352
Business registrations received	1,118	1,160	1,281	1,162	1,103	949	1,105	915	848	829
Human Resources										
Job applicants	2,623	2,708	2,132	2,044	1,929	3,746	3,688	2,435	2,168	2,488
Position filled	259	185	228	221	382	240	370	329	299	234
Police										
911 service calls	70,723	63,367	68,220	74,048	70,235	69,474	66,314	64,822	78,052	81,072
Traffic stops	4,373	3,297	1,172	5,280	3,074	4,385	6,512	6,901	4,490	8,594
Fire										
Accident runs	9,207	8,783	8,207	6,504	5,375	6,639	7,519	7,298	7,251	6,786
Fire runs	277	223	295	300	244	207	218	221	262	236
Fires investigated	93	81	132	114	97	37	41	34	30	36
Public Works										
Street resurfacing (miles)	10	11	13	17	15	25	18	18	15	8
Potholes repaired	135	289	108	125	222	538	329	598	668	575
Parks and Recreation										
Fitness & athletic participants	1,638,336	1,381,752	897,641	853,709	646,239	747,175	940,997	995,538	885,472	902,073
Visits to Community Center	149,751	116,594	113,720	86,162	50,029	107,687	161,710	159,047	156,913	156,811
Neighborhood & Community Services										
Neighborhood meetings conducted ^(b)	8	10	11	- ^(b)	20	30	36	40	69	69
Households receiving asst	897	889	894	798	761	738	743	762	698	695
Bldg/electrical & code inspections	32,617	26,680 ^(c)	25,077	20,033	10,199	11,993	13,816	12,731	13,236	13,360
Animal control calls	2,040	2,396	2,034	1,654	1,654	1,947	2,698	2,542	2,489 ^(a)	2,489

Source: Various City of Bowling Green departments.

Notes:

(a) Effective 2017, Animal Control moved to the Neighborhood and Community Services Department from the Police Department.

(b) Due to the pandemic, neighborhood meetings were not tracked nor able to be held in 2022.

(c) Added Animal Protection inspections to reported figure in 2023.

See accompanying independent auditor's report.

Schedule 23
City of Bowling Green, Kentucky
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	8	8	7	7	7	6	6	6	6	6
Training centers	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	289	286	280	274	273	269	266	266	264	262
Sidewalks (miles)	211	204	201 ^(c)	239	236 ^(b)	147	140	136 ^(a)	119	114
Alleys (miles)	16	16	16	16	16	15	15	15	15	15
Parks and Recreation										
Number of parks	25	25	24	24	24	21	21	22	22	22
Number of facilities	28	28 ^(e)	7	7	7	7	7	7	7	7
Acreage	1,000	1,000	1,000	1,000	1,000	970	970	970	970	970
Playgrounds	16	16	15	15	15 ^(d)	22	22	22	22	22
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccerfields	21	21	21	21	21	19	19	19	14	14
Community centers	3	3	3	3	3	3	3	3	3	3
Neighborhood & Community Services										
Building permits issued	1,815	2,196	2,654	3,787	2,460	2,060	2,284	2,155	2,296	2,193

Sources: Various City of Bowling Green departments.

Notes:

- (a) The increase in sidewalk miles is due to the recalculation of miles reported in FY2018.
- (b) The FY2021 increase in sidewalk miles is due to the acceptance of maintenance of sidewalks previously maintained by the State.
- (c) The FY2023 decrease in sidewalk miles is due to a review and recalculation of miles reported.
- (d) The decrease in Parks and Recreation playgrounds is to reflect the number of parks with playgrounds rather than the total number of playgrounds.
- (e) Updated figure to include any facility available for public use.

See accompanying independent auditor's report.

City of Bowling Green, Kentucky

Single Audit Reports Under

Uniform Guidance

Year Ended June 30, 2025



COMMUNITY SERVICE GROWTH

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 11, 2025. Our report includes a reference to other auditors who audited the financial statements of the Police and Firefighters' Retirement Fund and Bowling Green Municipal Utilities as described in our report on the City of Bowling Green, Kentucky's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Cherry Bekaert LLP

Lexington, Kentucky

November 11, 2025

Report of Independent Auditor on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Bowling Green, Kentucky's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 11, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Cherry Bekaert LLP

Lexington, Kentucky
December 1, 2025

CITY OF BOWLING GREEN, KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass-through to Sub-Recipients	Total Federal Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Direct programs</i>				
Climate Pollution Reduction Grants	66.046	N/A	\$ -	\$ 466,986
Total U.S. Environmental Protection Agency			<u>-</u>	<u>466,986</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct programs</i>				
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	N/A	-	2,552,460
Bus and Bus Facilities Formula, Competitive, and Low or no Emissions Programs	20.526	N/A	<u>-</u>	<u>98,112</u>
Total Federal Transit Cluster			<u>-</u>	<u>2,650,572</u>
Transit Services Program Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	-	138,318
<i>Pass through Kentucky Transportation Cabinet</i>				
State and Community Highway Safety	20.600	PT-2024-107	-	20,570
<i>Pass through Kentucky Transportation Cabinet</i>				
Highway Planning and Construction	20.205	03-03206	<u>-</u>	<u>1,054,053</u>
Total U.S. Department of Transportation			<u>-</u>	<u>3,863,513</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct programs</i>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers Administrative	14.871	N/A	-	694,528
Section 8 Housing Choice Vouchers	14.871	N/A	-	4,374,082
Mainstream Vouchers Administrative	14.879	N/A	-	86,526
Mainstream Vouchers	14.879	N/A	<u>-</u>	<u>530,280</u>
Total Housing Voucher Cluster			<u>-</u>	<u>5,685,416</u>
Hurricane Sandy Community Development Block Grant				
Disaster Recovery Grants (CDBG-DR)	14.269	N/A	-	220,886
<i>CDBG - Entitlement Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	656,425
<i>Pass through Department for Local Government</i>				
CDBG - Entitlement Cluster				
Community Development Block Grants/Entitlement Grants	14.218	20C-176	<u>98,154</u>	<u>509,700</u>
Total U.S. Department of Housing and Urban Development			<u>98,154</u>	<u>7,072,427</u>

CITY OF BOWLING GREEN, KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass-through to Sub-Recipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct programs</i>				
Assistance to Firefighters Grant	97.044	N/A	\$ -	\$ 199,409
<i>Pass through KY Division of Emergency Management</i>				
State and Local Cybersecurity Grant Program	97.137	SLCGP-032-2022	-	144,847
Tribal Cybersecurity Grant Program				
<i>Pass through KY Division of Emergency Management</i>				
Hazard Mitigation Grant	97.039	KY-4630-001 KY-4630-002 KY-4630-003	-	206,836
Total U.S. Department of Homeland Security			-	551,092
U.S. DEPARTMENT OF JUSTICE				
<i>Direct programs</i>				
Bulletproof Vest Partnership Program	16.607	N/A	-	23,772
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	342,959
PREA Program: Strategic Support for PREA Implementation	16.735	N/A	-	31,533
Total U.S. Department of Justice			-	398,264
OFFICE OF NATIONAL DRUG CONTROL POLICY				
<i>Pass through Appalachia HIDTA</i>				
High Intensity Drug Trafficking Areas Program	95.001	G12AP001A	-	54,713
Total Office of National Drug Control Policy			-	54,713
U.S. DEPARTMENT OF THE TREASURY				
<i>Direct programs</i>				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	6,642,491
<i>Passthrough Homeland Security Investigations</i>				
Equitable Sharing	21.016	1140100	-	4,147
Total U.S. Department of the Treasury			-	6,646,638
U.S. DEPARTMENT OF Energy				
<i>Direct programs</i>				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	-	134,775
Total U.S. Department of Energy			-	134,775
Total Expenditures of Federal Awards			\$ 98,154	\$ 19,188,408

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Bowling Green, Kentucky (the “City”), under programs of the federal government for the year ended June 30, 2025, in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards* (“Uniform Guidance”). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2—Summary of significant accounting policies

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

Note 3—Indirect cost rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF BOWLING GREEN, KENTUCKY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

A. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued whether the financial statements are prepared in accordance with U.S. GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards:

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over compliance:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?

No

Identification of major federal programs:

Name of Program	Assistance Listing #
Department of Transportation:	
Federal Transit Cluster	20.500
Highway Planning and Construction	20.205
Department of the Treasury:	
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold to distinguish between Types A and B Programs:	\$750,000
The Authority was qualified as a low risk auditee in?	
Accordance with Section 200.520 of the Uniform Guidance?	No

CITY OF BOWLING GREEN, KENTUCKY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

B. Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

None reported.

C. Findings and Questioned Costs for Federal Awards

None reported.

CITY OF BOWLING GREEN, KENTUCKY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

A. Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

2024-001 – Material Weakness – Correction of an Error

This finding has been resolved

B. Findings and Questioned Costs for Federal Awards

None reported.