



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



ON THE COVER

Photographs by Laura Tucker

Bowling Green Ballpark, home of the Bowling Green Hot Rods, is a Single A affiliate of the Tampa Bay Rays. In its first season, the Hot Rods drew over 230,000 fans. The ballpark was constructed with the assistance of \$25 million of general obligations bonds issued by the City of Bowling Green.

City of Bowling Green

Comprehensive Annual Financial Report

for the

Fiscal Year Ended June 30, 2009



Issued by the
Department of Finance

CITY OF BOWLING GREEN

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JEFFERY B. MEISEL, CPA
Chief Financial Officer
jeff.meisel@bgky.org

WILMA B. BROWN
Comptroller
wilma.brown@bgky.org



DAVID L. LYNE
Occupational License Manager
david.lyne@bgky.org

DEPARTMENT OF FINANCE
Web Site: www.bgky.org

Phone: 270-393-3000

Fax: 270-393-3047

December 3, 2009

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

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Bowling Green (City) for the fiscal year ended June 30, 2009. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and the reporting standards of the Governmental Accounting Standards Board (GASB). The CAFR includes all funds of the City and the component units.

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

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

The independent accounting firm of Mountjoy & Bressler, LLP, Certified Public Accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009 are free of any material misstatement.

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

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the City; and evaluating the overall financial statement presentation. The independent auditor rendered an unqualified (“clean”) opinion that the City’s financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformity with GAAP. Their report is the first component in the Financial Section of this report.

Additionally, Mountjoy & Bressler included an audit of federal grants in order to meet the requirements of federal grantor agencies as outlined by the federal Single Audit Act of 1984, the Single Audit Act Amendment of 1996, and related OMB Circular A-133. These standards require the auditor to report not only on the fairness of the representation of the financial statements, but also on the internal controls and compliance with legal requirements of the federal awards. These reports are published separately. Those wishing to receive the Single Audit Report should direct their request to the City’s Chief Financial Officer.

PROFILE OF THE CITY

Bowling Green, the “Park City” of Kentucky, was established in 1798, and is located in the south-central part of the state. The City occupies a land area of 38.5 square miles, has a population estimated at 55,000 and serves as the retail, educational, medical, commercial, and social hub for south-central Kentucky and northern Tennessee. The labor market area, which measures employable workers that are 18 years and older, is measured at approximately 451,500 for the area encompassing a sixty minute drive from the City.

The City operates under the City Manager form of government, one of the alternative forms of municipal government established under Kentucky Statutes. Under this form of government, a Mayor, who is elected for a term of four years, and four City Commissioners, who serve two years each, are all voted into office in non-partisan elections. The Mayor and the City Commissioners comprise the Board of Commissioners (Board), in which all legislative and executive authority of the City is vested. As such, the Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring all City staff. The Board appoints a City Manager, who serves as the Chief Administrative Officer of the City and enforces City ordinances and policy as well as carrying out day-to-day operations. The City has 460 authorized full-time positions, with 60% of employees being public safety related.

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

In accordance with GASB Statement No. 39, “*The Financial Reporting Entity*”, and based on the

foregoing criteria, the City has presented the Bowling Green Police and Firefighters' Retirement Fund, the Convention Center Corporation and the Bowling Green Municipal Projects Corporation as blended component units within the City's basic financial statements because the component unit's governing body is substantially the same as the governing body of the City, or the component unit provides services almost entirely to the City. Bowling Green Municipal Utilities and the Bowling Green Enterprise Community, Inc. are included as discretely presented component units because the City is financially accountable and is able to impose its will on the organization or the component unit provides specific financial benefits or imposes specific financial burdens on the City. The Bowling Green - Warren County Airport, Bowling Green City School System, Housing Authority of Bowling Green, and other various related organizations providing services within the City do not meet the financial accountability criteria discussed above and, therefore, are not included in this report.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager submits a proposed budget to the City Commission in June. Under state statute, this budget must be balanced for each fund and total available funds must equal or exceed total anticipated expenditures. The Commission then conducts a series of public hearings on the proposed budget. Prior to July 1, the budget is legally enacted through passage of an ordinance. The Chief Financial Officer is authorized to transfer budgeted amounts between departments within any fund; however, the City Commission must approve any revisions that alter the total expenditures of any fund. During this fiscal year, there were five such budget amendments.

FACTORS AFFECTING FINANCIAL CONDITION

The local economy is a well-balanced blend of service, manufacturing, retail and financial industries. With a rich economic, social, and cultural environment, the City consistently scores high in national rankings of preferred business location and favorable environments for the creation and development of businesses. According to the US Bureau of Economic Analysis, from December 2007 to December 2008, the Bowling Green Metropolitan Statistical Area (MSA) saw a 2% positive growth in real GDP and ranked in the top 25th percentile out of 368 MSAs in the nation. Bowling Green also ranked 19th out of 179 for the "Best Small Places for Business and Careers"; the overall ranking is comprised of a rating of 22nd in job growth, 34th in cost of living, and 48th for cost of doing business according to Forbes.com.

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

Economic Performance. The local economy experienced the effect of the national recession, particularly in the manufacturing, retail, and construction sectors. There were several significant layoffs that occurred as well as some business closures. In many other firms, cutbacks in hours worked also contributed to the decline in the City's main revenue source. Only five of the ten major Standard Industry Code (SIC) groups of businesses posted increases in payroll, which included the largest group – Services (+1.6%). The second and third largest SIC groups posted declines – Manufacturing (-11.6%) and Retail (-1.5%) respectively. Overall, business payrolls in Bowling Green contracted by approximately \$20.5 million (-1.3%) this year.

Business profits were up over the previous fiscal year by approximately \$11.7 million, resulting in a Net Profit Tax collection increase of \$176,000 (+3.8%) over FY08. This fiscal year's increase comes after a decline in FY08 for this revenue source. A total of 864 new business licenses were issued this fiscal year, which is down from 967 the previous year.

Employment Opportunities. Bowling Green's unemployment rate increased dramatically during FY09, reflecting the downturn in the economy, and ended the year above the state and national unemployment rates. The City of Bowling Green began the year in July 2008 with an unemployment rate of 6.3%, versus 6.4% for the state and 5.8% nationally. In June 2009, Bowling Green was at 11.5% versus 10.9% for the state and 9.5 % for the nation.

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

During the fiscal year ending June 30, 2009, approximately \$31,000 in withholding tax credits was awarded to two new or expanding companies. This investment in the future by the City should result in the creation of 50 new jobs which are expected to generate an additional \$131,000 in occupational taxes to the City over the next five years.

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

SIGNIFICANT EVENTS AND INITIATIVES

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

Roads and Transportation. The City issued \$14.8 million of general obligation bonds in FY07 and continued to use the proceeds for constructing new roads and improving traffic flow. During FY09, the City completed several of the projects that were funded with these bond proceeds, which include the downtown traffic signalization project and the extension of Fields Patton Drive. The two (2) remaining road projects of the FY07 bond issue are underway and include the realignment of Greenwood Lane and the widening of Old Morgantown Road.

Sidewalks and Greenways. The City completed the third year of funding for the sidewalk program in FY09. The sidewalk program is designed to construct over 1.8 miles of new sidewalks and improve existing sidewalks. The program was funded with available reserves on a year-to-year basis with no debt being issued. No funding was budgeted in FY10 for this program and the remaining

carryover funding from FY09 is still being utilized. The City has also received funds to construct greenways or shared use paths. The paths are designed to connect and eventually circle the City. During FY09, the construction of four greenway paths was underway; three of which were completed with one still in progress at June 30, 2009.

Downtown Revitalization. The City issued over \$24.8 million in general obligation bonds to fund the construction of a minor league baseball park in downtown Bowling Green, which was completed in April 2009 for the inaugural season for the Bowling Green Hot Rods Single A team. The baseball park is part of the Tax Increment Financing (TIF) District that was established for approximately 50 blocks in the downtown area. The City pledged 80% of the incremental growth in City property taxes, employee withholding fees, and net profit fees within the TIF District. The TIF District will also include a parking garage, hotel, performing arts center and mixed-use development consisting of retail, professional and residential occupants.

In FY09, the City also issued over \$6.5 million in general obligation bonds to construct the Greenwood Fire Station and a new administrative building at the Fire Headquarters station, as well as renovate the existing Headquarters station. Construction of the Greenwood Station was completed in FY09 and projects at the Headquarters Fire Station are expected to be completed during FY10. Funding for the debt service on these bonds will be covered by the Fire Improvement fund.

Refinancing of Public Project Bonds. During FY09, the City refinanced three previous bond issues (1995, 1998A, and 2000 series) at a lower interest rate while not extending the maturity dates. The estimated savings through 2020 is expected to be approximately \$765,000. The savings in debt service will mostly benefit the General Fund and Fire Improvement Fund. In addition, the City elected to terminate three (3) interest rate swap agreements that were tied to the 2000 G.O. bonds. The termination transactions closed in August 2008 resulting in net proceeds of \$426,000.

FINANCIAL INFORMATION

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

Cash Management and Investment Policy. The Department of Finance is responsible for the custody, investment and disbursement of all funds of the City in accordance with the procedures adopted by the City Commission. It is the City's policy to invest funds in a manner that will provide the highest investment return with the maximum security of principal, while meeting the City's daily cash flow demands. The City's investments are governed by Kentucky Revised Statute (KRS) 66.480 and an investment policy approved by the City Commission. All funds were invested in either obligations of the United States or its agencies, or collateralized certificates of deposit. Interest income totaling approximately \$2.5 million was earned in all funds during this fiscal year.

Long-term Financial Planning. The City's budget team, which is composed of the City Manager,

Assistant City Manager, Comptroller, Citizens Information & Assistance Director, and Chief Financial Officer, is charged with the task of long-term financial planning. A multi-year financial projection (5-year) is prepared each year during the budget process that considers the effects of major policy decisions (i.e. capital projects, issuance of debt, and personnel changes, etc). Revenue projections are matched to anticipated expenditures in order to analyze and monitor fund balance in the General Fund and other major funds of the City. Great emphasis is placed on maintaining the 15% reserve policy in the General Fund.

Self -Insurance and Risk Management. Bowling Green has been self-insured for health insurance since 1992. The Employee Health Insurance Fund is overseen by the City's Department of Human Resources and is administered by a third party. The City reduces its financial risks in providing health insurance by purchasing various types of reinsurance policies. As of June 30, 2009, the Employee Health Insurance Fund had net assets of approximately \$4.3 million. Since the inception of the City's Loss Management Program in 1990, the City has reduced Workers Compensation expenditures dramatically. The City uses various risk control techniques to minimize accident-related losses, with our major emphasis concentrated in injury and accident prevention training.

Pension Trust Funds. All active City employees are covered by the County Employees' Retirement System (CERS), which is a multiple-employer, cost-sharing, defined benefit plan and is administered by the Kentucky Retirement System. The City contributed 13.5% for non-hazardous and 29.5% for hazardous employees during this fiscal year.

The City of Bowling Green Police and Firefighters' Retirement Fund is a single-employer, defined benefit plan created by ordinance and under state statute. On August 1, 1988, the fund was closed to new entrants. Police officers and firefighters on active duty on that date were given a choice of remaining in the fund or transferring their accounts into the CERS. As of June 30, 2009, there were no active employees, 28 retirees and 22 surviving spouses and children in the plan. The actuarial study conducted as of January 1, 2009, projected the plan's liabilities to exceed the plan's assets by \$2,369,000, assuming no future cost-of-living increases. The City plans to continue the funding recommended by the actuary each fiscal year to keep the fund solvent and provide for cost-of-living adjustments, if fiscally able.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bowling for the comprehensive annual financial report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements. The preparation of this report could not have been accomplished without the dedicated services of the entire staff in the Department of Finance. We wish to express our sincere appreciation to all members of the department for their assistance, with special thanks to Wilma Brown, Comptroller; and to the staff of Mountjoy & Bressler, LLP, CPA's.

Respectfully submitted,

A handwritten signature in cursive script, reading "Jeff Meisel".

Jeff Meisel, CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bowling Green
Kentucky

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



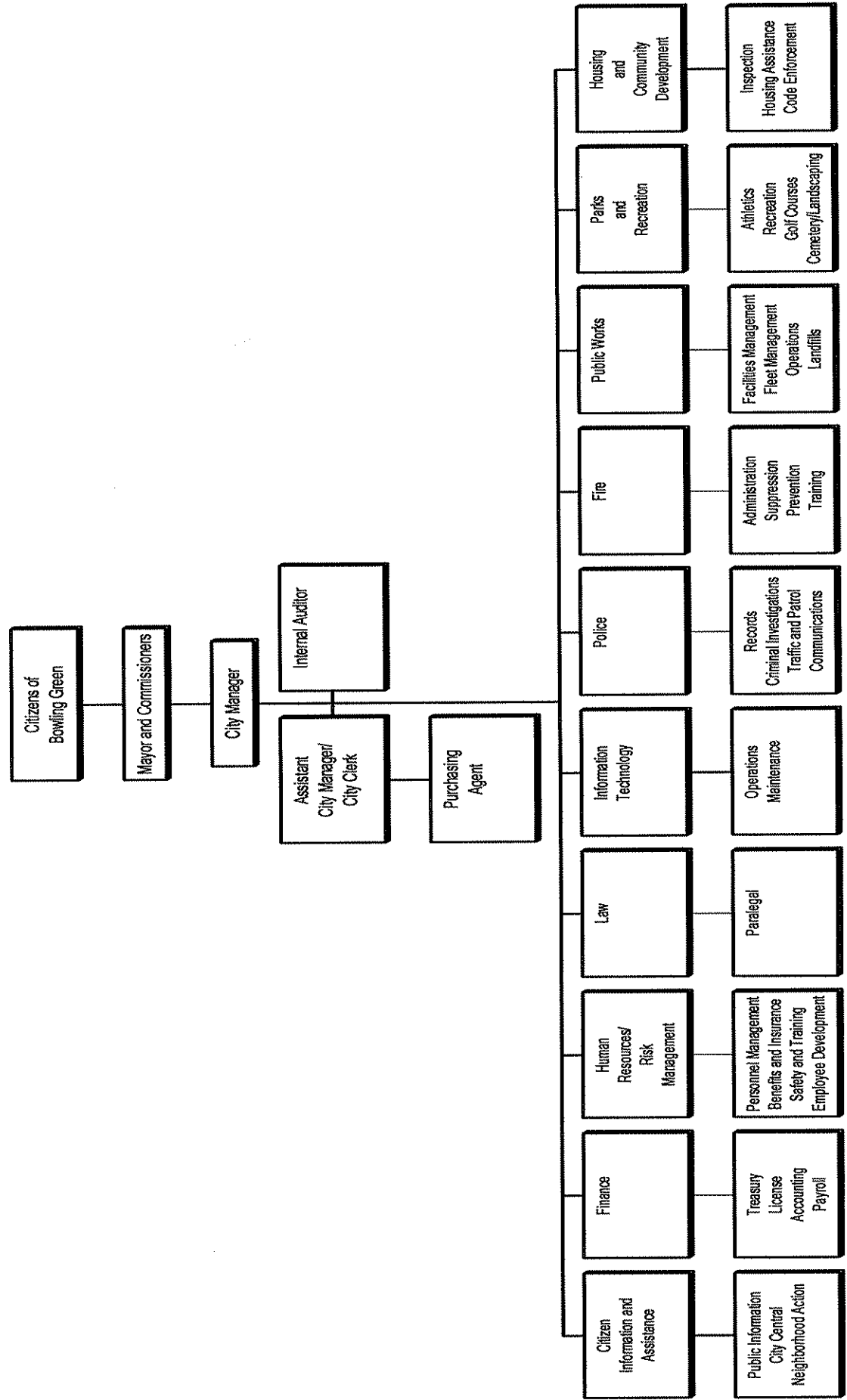
A handwritten signature in black ink, appearing to read "K. L. R. +".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

CITY OF BOWLING GREEN



CITY OF BOWLING GREEN, KENTUCKY
Directory – Principal Officials

Mayor and Commissioners

Elaine Walker
Catherine Hamilton
Joe Denning
Brian (Slim) Nash
Bruce Wilkerson

Mayor
Mayor Pro Tem
Commissioner
Commissioner
Commissioner

Kevin D. DeFebbo – City Manager

Administration:

Katie Schaller

**Assistant City Manager/
City Clerk**
Purchasing Agent
Internal Auditor

Jennifer Portmann
Deborah Jenkins

Citizen Information & Assistance:

J. Michael Grubbs

Director

Finance:

Jeff Meisel, CPA
Wilma Brown

Chief Financial Officer
Comptroller

Human Resources:

Michael Grubbs

Interim Director

Law:

H. Eugene Harmon

City Attorney

Information Technology:

Lynn Hartley

Chief Information Officer

Public Safety:

Doug Hawkins
Greg Johnson

Police Chief
Fire Chief

Public Works:

Emmett Wood, Jr., PE
Jeff Lashlee

Director
City Engineer

Parks and Recreation:

Ernie Gouvas

Director

Housing and Community Development:

Alice Burks

Director

Report of Independent Accountants

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Bowling Green, Kentucky (the Government) as of and for the year ended June 30, 2009, which collectively comprise the Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Policemen and Firemen's Retirement Fund which reflects total assets of \$6,941,292 and total additions of \$(162,203) for the year ended June 30, 2009. We did not audit the financial statements of Bowling Green Municipal Utilities which represents substantially all of the assets and the revenues as of and for the year ended June 30, 2009 of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Policemen and Firemen's Retirement Fund and Bowling Green Municipal Utilities is based solely on the reports of the other auditors.

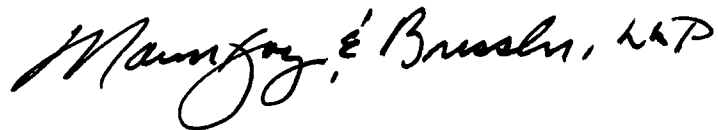
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2009 on our consideration of the Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 13 through 24 and 70 through 76 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements. The introductory section on pages 1 through 7, combining and individual funds statements and schedules on pages 87 through 139, and the statistical section on pages 140 through 159 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Maunfry & Brunsen, LLP". The signature is written in a cursive, flowing style.

Lexington, Kentucky
December 3, 2009

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, 2009. The information presented here should be read in conjunction with the Letter of Transmittal and the financial statements immediately following this analysis.

Financial Highlights

- The City’s assets exceeded liabilities at the close of the fiscal year by \$136.0 million (net assets). This amount includes \$12.6 million of resources that are restricted to specific projects by laws, regulations or contractual agreements. A total of \$7.6 million of resources are unrestricted and are available to fund the City’s outstanding obligations and future programs.
- The City’s total net assets decreased \$11.6 million this year. Net assets of governmental activities decreased \$13.1 million and net assets of business-type activities increased by \$1.6 million.
- As of June 30, 2009, the City’s governmental funds reported combined ending fund balances of \$55.8 million, a decrease of \$1.1 million from the prior year. Of this amount, \$5.4 million in the General Fund was unreserved, undesignated, and available for spending. The City has a minimum reserve retention policy of 15% of revenues, which was \$7.8 million for FY09. An additional \$0.7 million was reserved for debt service on the FY07 General Obligation bonds bringing the total to \$8.5 million designated.
- The City’s governmental activities total debt increased by \$26.9 million due to the issuance of new general obligation debt and the refunding of existing debt. Business-type activity debt decreased by \$1.3 million due to the payment of principal on outstanding debt.

Overview of Financial Statements

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

The GASB 34 reporting model is designed to provide improved information to the reader. The statements present a financial picture of the City as a whole through the use of a consolidated statement of all funds, eliminating interfund transfers. In addition, the

values of fixed assets of governmental-type operations are presented. Under prior reporting standards, the infrastructure assets for governmental type funds were not reported nor depreciated.

Government-Wide Financial Statements

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

The Statement of Net Assets presents information on all the City's assets and liabilities as of June 30, 2009. Net assets are the difference between assets and liabilities. Over time, increases or decreases in net assets are one indicator of whether financial health is improving or deteriorating. Information on other factors, such as changes in the revenue structure and the condition of the City's assets, is also needed to assess the overall financial situation of the City.

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

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

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

Fund Financial Statements

Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Some funds are required to be established by local law or by bond covenants. However, many

other funds are established to help control and manage money for a particular purpose. Two types of funds are presented in the fund financial statements: governmental funds and proprietary funds.

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

The City as Trustee

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

Government-wide Financial Analysis

Net Assets

The following table summarizes the City's financial position as of June 30, 2009. The City as a whole had assets greater than liabilities by \$136.0 million, a decrease of \$11.6 million over last year. Of the \$136.0 million, \$115.8 million or 85.1% was invested in capital assets, and \$7.6 million or 5.6% was unrestricted. Net assets of governmental activity funds total \$126.6 million, with \$110.1 million or 87.0% invested in capital assets and \$3.8 million or 3.0% unrestricted. The unrestricted net assets of governmental funds include fund balances of the General Fund and various special

revenue funds. Unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors in the future.

**Net Assets
June 30, 2009
(In Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$110.1	\$110.1	\$4.0	\$3.2	\$114.1	\$113.3
Capital assets	<u>160.5</u>	<u>146.7</u>	<u>16.2</u>	<u>16.8</u>	<u>176.7</u>	<u>163.5</u>
Total assets	<u>270.6</u>	<u>256.8</u>	<u>20.2</u>	<u>20.0</u>	<u>290.8</u>	<u>276.8</u>
Long-term liabilities	133.6	107.3	9.3	10.5	142.9	117.8
Other liabilities	<u>10.4</u>	<u>9.7</u>	<u>1.5</u>	<u>1.6</u>	<u>11.9</u>	<u>11.3</u>
Total liabilities	<u>144.0</u>	<u>117.0</u>	<u>10.8</u>	<u>12.1</u>	<u>154.8</u>	<u>129.1</u>
Net assets:						
Invested in capital assets, net of related debt	110.1	95.3	5.7	4.9	115.8	100.2
Restricted for:						
Capital Projects	11.1	11.7	0.0	0.0	11.1	11.7
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
Community Development	0.8	1.3	0.0	0.0	0.8	1.3
Perpetual Care	0.7	0.7	0.0	0.0	0.7	0.7
Unrestricted	<u>3.8</u>	<u>30.7</u>	<u>3.8</u>	<u>3.0</u>	<u>7.6</u>	<u>33.7</u>
Total net assets	<u>\$126.5</u>	<u>\$139.7</u>	<u>\$9.5</u>	<u>\$7.9</u>	<u>\$136.0</u>	<u>\$147.6</u>

*Numbers may not total due to rounding.

The net assets of the City's business-type activities total \$9.5 million. Of the net assets total, \$5.7 million (60%) was invested in capital assets with an unrestricted fund balance of \$3.8 million (40%).

Analysis of City Operations

The following table summarizes City operations for the fiscal year ended June 30, 2009. Governmental activities decreased the City of Bowling Green's net assets by \$13.2 million, accounting for 114% of the decline in the net assets. Business-type activities increased the City's net assets by \$1.6 million, which was -14% of the total decrease.

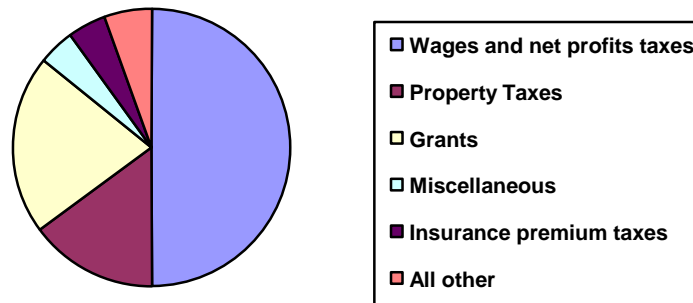
Statement of Activities
For the Year Ended June 30, 2009
(In millions)

	Governmental Activities		Business- type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program Revenues:						
Charges for services	\$4.2	\$2.9	\$2.2	\$2.1	\$6.4	\$5.0
Operating grants and contributions	7.3	7.5	0.0	0.0	7.3	7.5
Capital grants and contributions	7.7	14.6	0.0	0.0	7.7	14.6
General revenue:						
Property taxes	10.8	11.9	0.0	0.0	10.8	11.9
Insurance premium taxes	3.1	3.2	0.0	0.0	3.1	3.2
Transient room taxes	0.0	0.0	0.4	0.4	0.4	0.4
Wages and net profits taxes	36.0	36.5	0.0	0.0	36.0	36.5
Other general revenues	<u>3.1</u>	<u>2.7</u>	<u>0.0</u>	<u>0.1</u>	<u>3.1</u>	<u>2.8</u>
Total revenues	<u>72.2</u>	<u>79.3</u>	<u>2.6</u>	<u>2.6</u>	<u>74.8</u>	<u>81.9</u>
Program expenses						
General government	14.2	15.0	0.0	0.0	14.2	15.0
Public safety	20.6	20.9	0.0	0.0	20.6	20.9
Public works	6.3	6.5	0.0	0.0	6.3	6.5
Parks and recreation	4.7	4.6	0.0	0.0	4.7	4.6
Housing and community development	5.6	4.5	0.0	0.0	5.6	4.5
Community services	24.1	4.1	0.0	0.0	24.1	4.1
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
Interest on long-term debt	7.0	4.4	0.0	0.0	7.0	4.4
Golf	0.0	0.0	2.3	2.4	2.3	2.4
Aquatics	0.0	0.0	0.9	1.2	0.9	1.2
Convention Center	<u>0.0</u>	<u>0.0</u>	<u>0.7</u>	<u>0.9</u>	<u>0.7</u>	<u>0.9</u>
Total expenses	82.5	60.0	3.9	4.5	86.4	64.5
Increase/decrease in net assets before transfers	(10.3)	19.3	(1.3)	(1.9)	(11.6)	17.4
Transfers	<u>(2.9)</u>	<u>(2.5)</u>	<u>2.9</u>	<u>2.5</u>	<u>0.0</u>	<u>0.0</u>
Change in net assets	(13.2)	16.8	1.6	0.6	(11.6)	17.4
Net assets, beginning of year,	<u>139.7</u>	<u>122.9</u>	<u>7.9</u>	<u>7.3</u>	<u>147.6</u>	<u>130.2</u>
Net assets end of year	<u>\$126.5</u>	<u>\$139.7</u>	<u>\$9.5</u>	<u>\$7.9</u>	<u>\$136.0</u>	<u>\$147.6</u>

*Numbers may not total due to rounding

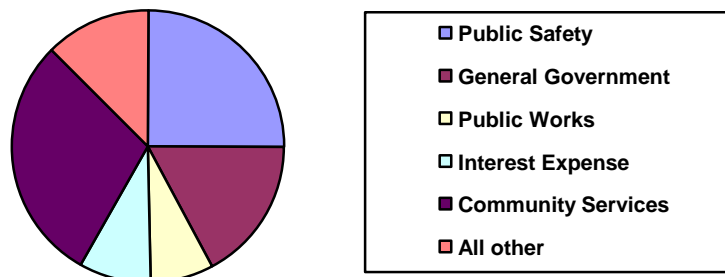
Total revenues for the City's governmental activities total \$72.2 million at June 30, 2009, compared to \$79.3 million last year. Wage and net profits taxes total \$36.0 million or 50.0% of revenue and include other related occupational license fees. The second largest category of governmental revenues, operating and capital grants and contributions, accounts for \$15.0 million, or 20.8% of total revenue. Property taxes total \$10.8 million and account for 15.0% of total revenues. Insurance premium taxes total \$3.1 million or 4.3% of the total collections. Miscellaneous sources account for \$3.1 million, or 4.3%.

Governmental Funds Revenue Sources



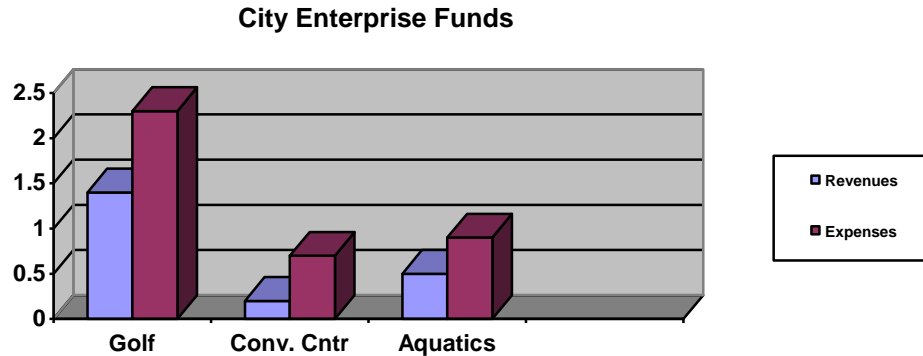
Current year total expenses of the City's governmental activities total \$82.5 million, compared to \$60.0 million last year. The increase is primarily a result of Community Development expenditures related to the construction of the Baseball Park located within the Tax Increment Financing District. Community Service expenses total \$24.1 million and account for 29.2% of total expenses. The second largest category of expenses, Public Safety, totals \$20.6 million and accounts for 25.0% of expenses. General Government was third and totals \$14.2 million, or 17.2%. Interest expense totals \$7.0 million, or 8.5%. The last major expenditure category, Public Works totals \$6.3 million, or 7.6% of expenses.

Governmental Funds Expenditure Categories



Business-type Activities

Revenues for business-type activities total \$2.6 million this fiscal year compared to \$2.6 million last year. Of this, \$2.2 million, or 84.6% was from charges for services. Expenses for business-type activities total \$3.9 million. The largest program in the business type-activity was the operation of three municipal golf courses, which accounts for 59.0% of business-type expenses. The Russell Sims Aquatic Center accounts for 23.1% of business-type expenses and the operation of the Sloan Convention Center accounts for the remaining 17.9% of expenses in business-type activities.



Funds of the City of Bowling Green

The City's governmental funds for the year ended June 30, 2009 reflected a combined ending fund balance of \$55.8 million, a decrease of \$1.1 million from the prior year. The decrease in fund balances was due to the negative effect the weak economy had on the City's revenue collections. Of the \$55.8 million total fund balance, \$5.4 million was unreserved and available for spending at the City's discretion. The remainder was reserved or designated; this indicates that the funds were not available for spending, but had been committed to pay outstanding contracts or purchase orders, to make future debt service payments, or whose spending was otherwise restricted by state statute or by City ordinance.

At the end of the fiscal year, the total fund balance in the General Fund was \$15.7 million, which represents a decrease of \$1.8 million from the prior year. Of this total, unreserved, undesignated fund balance was \$5.4 million and reflected 10.9% of General Fund revenues. Included in the \$5.4 million was \$1.0 million in project carryovers to be spent in FY10. Reserved and designated fund balances total \$10.3 million, or 20.8% of General Fund revenues. The funds were reserved for debt service, minimum reserve requirements, prepaid expenses and to pay contracts and purchase orders outstanding as of June 30, 2009. The City has a policy of segregating and maintaining reserved fund balance in the General Fund equal to 15% of budgeted revenues.

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

The Job Development Special Revenue Fund is used to account for job development incentive credits to business prospects within City boundaries. The incentive credits are utilized to stimulate the creation of new jobs with the employee withholdings generated by the new jobs being deposited into this fund. Total fund balance in the Job Development fund was \$1.5 million compared to \$2.0 million last fiscal year.

The Inter-Modal Transportation Authority, Inc. (ITA) Bond Special Revenue Fund is used to account for the revenues and expenditures related to the refinancing of the ITA mortgage-backed bond issues, the original issues funded the acquisition and construction of the Kentucky Transpark. Total fund balance in the ITA Bond Fund was \$15.3 million as of June 30, 2009, compared to \$14.9 million in the prior fiscal year.

The final major governmental fund, the Tax Increment Financing (TIF) District Special Revenue Fund, is used to account for the costs associated with the construction of the downtown Baseball Park. Funding for the construction project was provided by the 2008A General Obligation Bond issue. Additionally, Tax Incremental Revenues from the district will be recorded in this fund and 80% of the revenue collected will be paid to the Warren County Downtown Development Authority. Total fund balance in the TIF District Fund was \$3.5 million compared to \$0.0 million last fiscal year.

The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net assets in the proprietary funds equal \$9.4 million as of June 30, 2009, compared to \$7.9 million last year.

The Golf Fund had total net assets of \$3.7 million, an increase of \$0.6 million over the prior year. Of the total net assets, \$3.4 million was invested in capital assets, net of related debt. Unrestricted net assets were \$0.3 million.

The Aquatics Fund ended the year with total net assets of \$0.6 million, representing an increase of \$0.1 million over last year. Of the total net assets, \$(0.2) million was invested in capital assets and unrestricted net assets were \$0.8 million.

The Convention Center Fund had total net assets of \$5.1 million, representing an increase of \$0.8 million over last year. Of the total net assets, \$2.5 million was invested in capital assets and \$2.6 million was unrestricted.

General Fund Budgetary Highlights

Over the course of the fiscal year, the City Commission approved revisions of the General Fund's budget five times in order to make adjustments in revenue projections and to add projects that were not anticipated when the budget was first adopted. In all, the revenue budget was increased by \$1,402,000 or 2.7%. The changes can be briefly summarized as follows:

Original revenue estimates were changed by the following:

Grants	\$1,313,000
Employee Withholdings	11,500
Contributions & Donations	95,000
Parks and Recreation	13,000
Judgments and Settlements	4,000
Charges for Services	(34,500)

In comparing actual revenue to final amended budget, the significant budgetary variances included employee withholdings (-\$1.8 million), net profits (-\$0.7 million), and interest earnings (+\$0.2 million). Growth in the employee withholdings and net profits was overestimated based on optimistic revenue projections. Interest income was higher than expected due to some maturities of investments purchased with longer terms and higher rates during a previous year.

The total expenditure budget was increased by \$2.6 million or 5.8% during the year. The major increases in total expenditures consisted of increases in public works related to grant funding for the purchase of new transit buses and for costs related to the renovation of a maintenance facility totaling \$1,140,000. Other major changes were due to the following:

General Government	\$664,000
Police	71,000
Fire	33,000
Parks and Recreation	338,000
Housing and Community Development	(5,000)
Community Services	65,000
Other Public Works	584,000
Other	(281,000)

In comparing actual expenditures to final amended budget, the significant budgetary variances are all positive and found in General Government (\$1.3 million), Police (\$0.7 million) and Public Works (\$2.0 million). The positive variances are mostly a result of projects carried over to fiscal year 2010, disciplined under-spending and budget cuts made during fiscal year 2009.

Capital Assets

The City's total investment in capital assets totaled \$176.7 million as of June 30, 2009, which represented an increase of \$13.2 million over last year. This investment includes land, buildings, infrastructure, improvements, vehicles, and equipment. For governmental activities, investments totaled \$160.5 million, an increase of \$13.8 million over FY08.

This year's major capital additions included the following:

Greenwood Fire Station construction	\$ 2,937,721
Downtown Intersection signalization	2,021,157
Kereiakes Park Tennis Court construction	521,410
Lampkin Park Restroom construction	145,190
Main to South Campus Shared Use Path construction	488,684
Weldon Peete Parks Shared Use Path construction	195,376
Kereiakes Park Trail Connector construction	189,442
SKyPAC Property acquisition	1,749,446
L&N Train Depot Land & Building conveyance	1,803,500

Fire Pumper Truck purchases

1,162,651

The following table summarizes the changes in net capital assets:

**Capital Assets at Year-end
(Net of Depreciation, Stated in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land (including Restricted Land)	\$20.2	\$16.9	\$2.7	\$2.7	\$22.9	\$19.6
Infrastructure	84.5	81.4	0.0	0.0	84.5	81.4
Buildings	28.1	25.4	7.5	7.8	35.6	33.2
Improvements other than buildings	15.9	12.2	5.4	5.8	21.3	18.0
Vehicles, equipment, and furniture	7.1	6.6	0.3	0.3	7.4	6.9
Construction in progress	4.7	4.2	0.1	0.0	4.8	4.2
Intangibles	0.0	0.0	0.0	0.0	0.0	0.0
Property held under capital lease	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
Total*	<u>\$160.5</u>	<u>\$146.7</u>	<u>\$16.2</u>	<u>\$16.7</u>	<u>\$176.7</u>	<u>\$163.5</u>

*Numbers may not total due to rounding.

The City has elected to apply the Modified Approach to accounting for street and sidewalk infrastructure systems as set forth in GASB 34. With this approach, the City uses an overall condition index (OCI) to assess the surface condition of individual pavement segments. The City's policy is to consider streets and sidewalks in need when the OCI rating falls below minimum functional classification values. The City's most recent assessment in 2009 found that 90% of streets and 96% of sidewalks met or exceeded this goal, which is 0% and 1% higher than FY08, respectfully. The estimated amount needed to maintain City streets at the specified levels for FY10 is \$850,000 and \$100,000 for sidewalks, which is included in the upcoming budget. Additional information on the City's capital assets activity can be found in note 3D.

Debt Administration

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

Prior to the issuance of G.O. bonds, mortgage revenue bonds were issued through various public corporations in order to finance public projects. For mortgage revenue bonds, the City entered into automatically annually renewable lease agreements with the corporations whereby lease payments from the City, combined with revenues generated by the operation of the facilities, were sufficient to meet debt service obligations. The

underlying security for the bonds was the annually renewable lease agreements and the underlying mortgages on the property. Revenue bonds, where only the revenues from the operation of the facilities are pledged as security for the bonds, are now issued primarily to finance improvements to the sanitary sewer system. For additional detail on the City's debt transactions, please refer to note 3F of this report.

At the end of the Fiscal Year, the City had \$149.8 million in bonds and notes outstanding net of bond discounts and premiums. There was \$43.5 million (including discount on bonds payable) in debt issued and refinanced during this fiscal year.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation & revenue bonds	\$132.3	\$103.4	\$11.3	\$12.3	\$143.6	\$115.7
Notes & lease purchase agreements	4.5	5.6	0.1	0.1	4.6	5.7
Compensated absences	1.4	1.3	0.0	0.0	1.4	1.3
Landfill post-closure costs	1.0	1.6	0.0	0.0	1.0	1.6
Bond discount and refunding loss	<u>(0.1)</u>	<u>0.1</u>	<u>(0.8)</u>	<u>(0.7)</u>	<u>(0.9)</u>	<u>(0.7)</u>
Total	<u>\$139.1</u>	<u>\$112.0</u>	<u>\$10.6</u>	<u>\$11.7</u>	<u>\$149.7</u>	<u>\$123.7</u>

*Numbers may not total due to rounding.

The City maintains bond ratings of "Aa3" from Moody's and "AA-" from Standard & Poors. Despite the relatively recent legal changes that provide for the issuance of G.O. debt discussed on the previous page, legal limits remain on the total amount of G.O. indebtedness that may be incurred. The Kentucky Constitution provides that the total principal amount of City net indebtedness, which excludes self-supporting obligations, revenue bonds, special assessment debt, and non-tax supported debt, cannot exceed 10% of the value of taxable property in the City. Therefore, the City's debt margin is \$303.4 million.

Next Year's Budget

For FY10, the adopted budget for all funds was reduced by 3.8% from the FY09 original budget. During the budget planning, General Fund revenues in FY09 were a concern and appeared to be on the path to finish below FY08 revenue collections. Therefore, revenue projections for FY10 were adjusted downward to better align with the likely outcome for FY09 and the anticipation of slower growth in FY10. Budget cuts to General Fund expenditures were made across the board during FY09 and continued to be the theme in preparing the FY10 budget.

The FY10 adopted General Fund revenue and expenditure budgets are balanced and exclude the use of reserves. There is \$15.4 million budgeted for Capital Improvement projects, which includes debt service. This is an 18.1% reduction from the \$18.8 million CIP budget in FY09. Improvements in community livability, traffic and roads, continued investment in technology and fire station renovations/expansions are some of the highlights of the capital budget in FY10. The City also plans to continue to honor existing commitments in FY10, including: funding existing programs, providing financial assistance to contract agencies that provide community services, paying debt service, and providing a fair and equitable pay structure to City employees.

Requests for Information

This financial report is designed to provide a general overview of the City of Bowling Green's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Jeffery B. Meisel, Chief Financial Officer, P.O. Box 430, Bowling Green, Kentucky, 42102-0430 or can be e-mailed to jeff.meisel@bgky.org.

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
ASSETS				
Pooled cash and cash equivalents	\$ 14,831,529	\$ -	\$ 14,831,529	\$ -
Non-pooled cash and cash equivalents	907,933	2,484,655	3,392,588	11,099,104
Investments	21,139,117	1,348,952	22,488,069	100,000
Receivables (net):				
Accounts	78,252	17,054	95,306	3,498,645
Loans	544,473	-	544,473	-
Other	345,458	-	345,458	7,238,184
Accrued interest	202,077	-	202,077	825,000
Due from Western Kentucky University	31,055,000	-	31,055,000	-
Due from other governmental units	831,621	-	831,621	-
Deferred charges	1,006,464	-	1,006,464	224,367
Prepaid items	1,527,164	43,696	1,570,860	1,026,534
Prepaid rent	12,077,339	-	12,077,339	-
Inventories	118,430	120,179	238,609	1,041,833
Other assets	6,050	-	6,050	197,132
Restricted assets:				
Non-pooled cash and cash equivalents	25,418,226	601	25,418,827	-
Restricted cash - TVA	-	-	-	1,370,188
Investments	-	-	-	5,955,667
Capital assets, net of accumulated depreciation:				
Non-depreciable	95,453,338	2,861,643	98,314,981	7,296,615
Restricted land	2,980,889	-	2,980,889	-
Depreciable	62,036,881	13,322,340	75,359,221	128,520,647
Total assets	270,560,241	20,199,120	290,759,361	168,393,916
Vouchers and accounts payable	876,447	104,782	981,229	8,562,090
Accrued payroll	665,018	54,698	719,716	-
Accrued interest payable	911,008	47,342	958,350	1,358,810
Insurance claims payable	232,235	-	232,235	-
Other current liabilities	-	-	-	1,727,550
Unearned revenue	1,743,038	-	1,743,038	6,141
Deposits	368,421	-	368,421	2,341,075
Noncurrent liabilities:				
Due within one year				
Compensated absences	941,061	32,423	973,484	736,387
Bonds payable	3,629,941	1,211,736	4,841,677	2,446,477
Notes and capital lease obligations	1,027,129	36,050	1,063,179	-
Landfill closure and post closure costs	37,868	-	37,868	-
Due in more than one year				
Bonds payable	128,578,315	9,237,673	137,815,988	38,775,063
Notes and capital lease obligations	3,483,348	24,648	3,507,996	-
Compensated absences	495,891	12,416	508,307	272,363
Landfill closure and post closure costs	1,005,244	-	1,005,244	-
Advances from customers and TVA	-	-	-	113,223
Total liabilities	143,994,964	10,761,768	154,756,732	56,339,179
NET ASSETS				
Invested in capital assets, net of related debt	110,124,978	5,673,876	115,798,854	95,783,115
Restricted for:				
Debt service	-	-	-	6,055,667
Capital projects	11,071,223	-	11,071,223	-
Community development	839,628	-	839,628	-
Perpetual care (nonexpendable)	738,127	-	738,127	-
Unrestricted	3,791,321	3,763,476	7,554,797	10,215,955
Total net assets	\$ 126,565,277	\$ 9,437,352	\$ 136,002,629	\$ 112,054,737

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

		Program Revenues			Changes in Net Assets			
					Primary Government			
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 14,240,674	\$ 3,545,304	\$ 2,733,986	\$ 5,239,079	\$ (2,722,305)	\$ -	\$ (2,722,305)	\$ -
Public safety	20,629,290	250,696	1,163,406	1,163,424	(18,051,764)	-	(18,051,764)	-
Public works	6,276,210	-	-	31,022	(6,245,188)	-	(6,245,188)	-
Parks and recreation	4,715,430	390,693	-	-	(4,324,737)	-	(4,324,737)	-
Housing and community development	5,562,852	-	3,414,018	1,255,745	(893,089)	-	(893,089)	-
Community services	24,078,708	-	-	-	(24,078,708)	-	(24,078,708)	-
Interest expense	7,033,869	-	-	-	(7,033,869)	-	(7,033,869)	-
Total governmental activities	82,537,033	4,186,693	7,311,410	7,689,270	(63,349,660)	-	(63,349,660)	-
Business-type activities:								
Golf course	2,342,624	1,429,946	-	-	-	(912,678)	(912,678)	-
Aquatics	848,501	511,395	-	-	-	(337,106)	(337,106)	-
Convention center	742,829	223,958	-	-	-	(518,871)	(518,871)	-
Total business-type activities	3,933,954	2,165,299	-	-	-	(1,768,655)	(1,768,655)	-
Total primary government	86,470,987	6,351,992	7,311,410	7,689,270	(63,349,660)	(1,768,655)	(65,118,315)	-
COMPONENT UNITS								
Bowling Green Municipal Utilities	96,432,968	94,412,993	-	1,909,544	-	-	-	(110,431)
Bowling Green Enterprise Community	257,479	-	294,959	-	-	-	-	37,480
Total component units	\$ 96,690,447	\$ 94,412,993	\$ 294,959	\$ 1,909,544	-	-	-	(72,951)
General revenues:								
Property taxes					10,824,938	-	10,824,938	-
Insurance premium taxes					3,100,377	-	3,100,377	-
Transient room taxes					-	396,518	396,518	-
Wages and net profits taxes					36,016,500	-	36,016,500	-
Investment income					2,435,228	72,356	2,507,584	469,493
Miscellaneous					696,997	-	696,997	316,615
Total general revenues					53,074,040	468,874	53,542,914	786,108
Transfers					(2,868,586)	2,868,586	-	-
					50,205,454	3,337,460	53,542,914	786,108
Change in net assets					(13,144,206)	1,568,805	(11,575,401)	713,157
Net assets, beginning of year, restated					139,709,483	7,868,547	147,578,030	111,341,580
Net assets, end of year					\$ 126,565,277	\$ 9,437,352	\$ 136,002,629	\$ 112,054,737

CITY OF BOWLING GREEN, KENTUCKY

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	General	WKU Athletics	Debt Service	Job Development	ITA Bond	TIF District	Other Governmental Funds	Total Governmental Funds
ASSETS								
Pooled cash and cash equivalents	\$ 3,963,215	\$ -	\$ -	\$ 103,882	\$ 805,000	\$ 1,600,000	\$ 6,668,877	\$ 13,140,974
Non-pooled cash and cash equivalents	68,101	-	-	-	-	-	839,832	907,933
Investments	11,570,077	-	-	1,391,067	-	-	3,364,396	16,325,540
Receivables (net of allowances for uncollectibles):								
Accounts	23,364	-	-	-	-	-	49,564	72,928
Loans	-	-	-	-	-	-	544,473	544,473
Western Kentucky University	-	31,055,000	-	-	-	-	-	31,055,000
Interest	147,823	-	-	-	-	-	26,465	174,288
Due from other funds	220,000	-	-	-	-	-	-	220,000
Due from other governmental units	216,691	-	-	-	-	-	614,930	831,621
Prepaid items	1,006,871	-	-	-	-	-	-	1,006,871
Restricted assets:								
Non-pooled cash and cash equivalents	2,652	-	-	7,761	14,537,351	1,953,604	8,911,858	25,413,226
Other assets	-	-	-	-	-	-	6,050	6,050
Total assets	<u>\$ 17,218,794</u>	<u>\$ 31,055,000</u>	<u>\$ -</u>	<u>\$ 1,502,710</u>	<u>\$ 15,342,351</u>	<u>\$ 3,553,604</u>	<u>\$ 21,026,445</u>	<u>\$ 89,698,904</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Vouchers and accounts payable	\$ 274,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544,893	\$ 819,773
Accrued payroll	644,930	-	-	-	-	-	8,627	653,557
Due to other funds	-	-	-	-	-	-	220,000	220,000
Unearned revenue	198,565	31,055,000	-	-	-	-	544,473	31,798,038
Security deposits	368,421	-	-	-	-	-	-	368,421
Total liabilities	<u>1,486,796</u>	<u>31,055,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,317,993</u>	<u>33,859,789</u>
Fund Balances								
Reserved for encumbrances	836,388	-	-	-	-	-	3,027,670	3,864,058
Reserved for perpetual care	-	-	-	-	-	-	644,391	644,391
Reserved for prepaid expenses	1,006,871	-	-	-	-	-	-	1,006,871
Unreserved								
Designated	8,481,703	-	-	-	-	-	-	8,481,703
Undesignated, reported in special revenue funds	-	-	-	1,502,710	15,342,351	3,553,604	7,164,029	27,562,694
Undesignated, reported in capital projects funds	-	-	-	-	-	-	8,778,626	8,778,626
Undesignated, reported in permanent funds	-	-	-	-	-	-	93,736	93,736
Undesignated	5,407,036	-	-	-	-	-	-	5,407,036
Total fund balances	<u>15,731,998</u>	<u>-</u>	<u>-</u>	<u>1,502,710</u>	<u>15,342,351</u>	<u>3,553,604</u>	<u>19,708,452</u>	<u>55,839,115</u>
Total liabilities and fund balances	<u>\$ 17,218,794</u>	<u>\$ 31,055,000</u>	<u>\$ -</u>	<u>\$ 1,502,710</u>	<u>\$ 15,342,351</u>	<u>\$ 3,553,604</u>	<u>\$ 21,026,445</u>	<u>\$ 89,698,904</u>

CITY OF BOWLING GREEN, KENTUCKY

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

June 30, 2009

Fund balances - total governmental funds \$ 55,839,115

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

Governmental capital assets	185,735,637	
Less accumulated depreciation	<u>(25,467,425)</u>	160,268,212

Internal service funds are used by management to charge the costs of
certain activities, such as insurance and fleet maintenance, to
individual funds. The assets and liabilities of the internal service
funds are included in governmental activities in the
statement of net assets.

7,069,526

Other long term assets, including the City's receivables from
a former employee and WKU, are not available to pay for
current period expenditures and, therefore, are deferred
in the funds.

31,400,458

Prepaid rent, which represents amounts due from the Industrial
Transit Authority, is a noncurrent asset which is not available to pay
current period expenditures.

12,077,339

Long-term liabilities, including bonds payable and accrued interest
payable, are not due and payable in the current period and, therefore,
are not reported in the funds.

General obligation and revenue bonds	(132,313,283)	
Premiums, deferred charges and discounts on bond obligations	105,027	
Deferred charges for issuance costs (to be amortized over the life of debt)	1,006,464	
Notes and lease purchase agreements	(4,510,477)	
Deferred revenue	(1,000,000)	
Accrued interest payable	(911,008)	
Accrued compensated absences	(1,422,984)	
Landfill postclosure care	<u>(1,043,112)</u>	<u>(140,089,373)</u>

\$ 126,565,277

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

	General	WKU Athletics	Debt Service	Job Development	ITA Bond	TIF District	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 10,163,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 470,000	\$ 10,633,642
Insurance premium taxes	1,365,431	-	-	-	-	-	1,734,946	3,100,377
Wages and net profits taxes	33,969,643	-	-	1,136,226	-	-	1,005,412	36,111,281
Licenses and permits	898,603	-	-	-	-	-	-	898,603
Intergovernmental	813,496	1,967,563	-	-	-	-	7,055,115	9,836,174
Investment income	903,310	-	-	74,639	523,085	337,864	397,657	2,236,555
Charges for services	481,491	-	-	-	-	-	-	481,491
Parks and recreation	380,317	-	-	-	-	-	-	380,317
Rent income	-	-	-	-	1,685,901	-	-	1,685,901
Miscellaneous	604,600	-	-	-	-	-	349,932	954,532
Total Revenues	49,580,533	1,967,563	-	1,210,865	2,208,986	337,864	11,013,062	66,318,873
EXPENDITURES								
Current:								
General government	6,813,059	-	-	-	-	-	86,290	6,899,349
Public safety	21,500,928	-	-	-	-	-	1,699,732	23,200,660
Public works	6,503,243	-	-	-	-	-	1,359,510	7,862,753
Parks and recreation	5,396,939	-	-	-	-	-	16,015	5,412,954
Housing and community development	1,510,949	-	-	-	-	-	4,147,899	5,658,848
Community services	1,066,412	-	-	-	-	22,141,315	-	23,207,727
Capital Outlay	-	-	-	-	-	-	12,407,497	12,407,497
Debt Service:								
Principal	-	-	4,167,494	267,112	575,000	-	-	5,009,606
Interest and fiscal charges	-	-	5,170,154	225,702	564,369	1,244,480	73,080	7,277,785
Total Expenditures	42,791,530	-	9,337,648	492,814	1,139,369	23,385,795	19,790,023	96,937,179
Excess (deficiency) of revenues over (under) expenditures	6,789,003	1,967,563	(9,337,648)	718,051	1,069,617	(23,047,931)	(8,776,961)	(30,618,306)
Other financing sources (uses):								
Transfers in	95,600	-	9,289,946	-	805,000	1,600,000	7,484,886	19,275,432
Transfers out	(9,000,532)	(1,967,563)	-	(1,674,753)	(1,430,826)	-	(8,070,344)	(22,144,018)
Issuance of debt	-	-	-	-	-	24,835,000	6,585,000	31,420,000
Issuance of refunding debt	-	-	-	12,119,800	-	-	-	12,119,800
Premium on bonds	-	-	-	500,575	-	166,535	-	667,110
Discount on bonds	-	-	-	-	-	-	(8,009)	(8,009)
Payment to refunded bonds redeemed	-	-	-	(2,147,888)	-	-	-	(2,147,888)
Payment to refunded debt escrow agent	-	-	-	(9,971,912)	-	-	-	(9,971,912)
Proceeds from the sale of capital assets	344,027	-	-	-	-	-	-	344,027
Total other financing sources (uses)	(8,560,905)	(1,967,563)	9,289,946	(1,174,178)	(625,826)	26,601,535	5,991,533	29,554,542
Net change in fund balances	(1,771,902)	-	(47,702)	(456,127)	443,791	3,553,604	(2,785,428)	(1,063,764)
Fund balances, beginning	17,503,900	-	47,702	1,958,837	14,898,560	-	22,493,880	56,902,879
Fund balances, ending	\$ 15,731,998	\$ -	\$ -	\$ 1,502,710	\$ 15,342,351	\$ 3,553,604	\$ 19,708,452	\$ 55,839,115

CITY OF BOWLING GREEN, KENTTUCKY

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

June 30, 2009

Net change in fund balances - total governmental funds \$ (1,063,764)

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

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

Capital asset additions	17,926,510	
Depreciation expense	(3,371,409)	
Sales of capital assets	(746,063)	13,809,038

Certain long term receivables are not available for the payment of current expenditures and therefore are not reported in the governmental funds. Payments on these receivables are recorded as revenue in the governmental funds and reduction of the receivable in the statement of net assets. 14,065

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term and related items. (27,632,634)

Principal and interest payments made in relation to refunded ITA debt are current expenditures in the governmental funds. These items are recorded as prepaids in the statement of activities as they represent a long term lease agreement. 688,463

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. (378,901)

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

Compensated absences payable	(84,117)
Landfill postclosure care	546,338

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. 957,306

Change in net assets of governmental activities \$ (13,144,206)

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2009

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Golf	Aquatics	Convention Center	Total	
ASSETS					
Current Assets					
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,690,555
Non-pooled cash and cash equivalents	561,920	617,575	1,305,160	2,484,655	-
Investments	-	290,337	1,058,615	1,348,952	4,813,577
Accounts receivable	-	-	17,054	17,054	5,324
Interest receivable	-	-	-	-	27,789
Current portion of lease receivable from component unit	-	-	15,388	15,388	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories	120,179	-	-	120,179	118,430
Prepaid items	-	-	43,696	43,696	520,293
	<u>-</u>	<u>-</u>	<u>43,696</u>	<u>43,696</u>	<u>520,293</u>
Total current assets	<u>682,099</u>	<u>907,912</u>	<u>2,439,913</u>	<u>4,029,924</u>	<u>7,175,968</u>
Noncurrent assets					
Restricted assets:					
Non-pooled cash and cash equivalents	-	-	601	601	5,000
Noncurrent portion of lease receivable from component unit	-	-	225,421	225,421	-
Capital assets					
Land	248,543	200,991	2,290,764	2,740,298	-
Construction in progress	-	-	121,345	121,345	-
Buildings	1,734,994	155,062	10,102,182	11,992,238	200,986
Improvements other than buildings	-	5,647,802	-	5,647,802	-
Golf course improvements	4,770,939	-	-	4,770,939	-
Machinery and equipment	975,576	47,349	1,168,861	2,191,786	225,477
Property held under capital lease	306,633	-	-	306,633	-
	<u>8,036,685</u>	<u>6,051,204</u>	<u>13,683,152</u>	<u>27,771,041</u>	<u>426,463</u>
Less accumulated depreciation	<u>(3,640,305)</u>	<u>(2,618,634)</u>	<u>(5,328,119)</u>	<u>(11,587,058)</u>	<u>(223,567)</u>
Capital assets, net	<u>4,396,380</u>	<u>3,432,570</u>	<u>8,355,033</u>	<u>16,183,983</u>	<u>202,896</u>
Total noncurrent assets	<u>4,396,380</u>	<u>3,432,570</u>	<u>8,581,055</u>	<u>16,410,005</u>	<u>207,896</u>
Total assets	<u>\$ 5,078,479</u>	<u>\$ 4,340,482</u>	<u>\$ 11,020,968</u>	<u>\$ 20,439,929</u>	<u>\$ 7,383,864</u>
LIABILITIES					
Current liabilities					
Vouchers and accounts payable	\$ 62,414	\$ 19,485	\$ 22,883	\$ 104,782	\$ 56,674
Accrued payroll	31,788	22,910	-	54,698	11,461
Accrued interest payable	6,596	23,044	17,702	47,342	-
Insurance claims payable	-	-	-	-	232,235
Due to other funds	-	-	-	-	-
Current portion of compensated absences	31,098	1,325	-	32,423	13,863
Current portion of capital lease obligations	36,050	-	-	36,050	-
Current portion of capital lease due to component unit	15,388	-	-	15,388	-
Current portion of bond obligations	396,360	345,376	470,000	1,211,736	-
	<u>579,694</u>	<u>412,140</u>	<u>510,585</u>	<u>1,502,419</u>	<u>314,233</u>
Total current liabilities	<u>579,694</u>	<u>412,140</u>	<u>510,585</u>	<u>1,502,419</u>	<u>314,233</u>
Noncurrent liabilities					
Noncurrent portion of compensated absences	11,592	824	-	12,416	105
Noncurrent portion of capital lease obligations	24,648	-	-	24,648	-
Noncurrent portion of capital lease due to component units	225,421	-	-	225,421	-
Noncurrent portion of bond obligations	587,416	3,278,738	5,371,519	9,237,673	-
	<u>849,077</u>	<u>3,279,562</u>	<u>5,371,519</u>	<u>9,500,158</u>	<u>105</u>
Total noncurrent liabilities	<u>849,077</u>	<u>3,279,562</u>	<u>5,371,519</u>	<u>9,500,158</u>	<u>105</u>
Total liabilities	<u>1,428,771</u>	<u>3,691,702</u>	<u>5,882,104</u>	<u>11,002,577</u>	<u>314,338</u>
NET ASSETS					
Invested in capital assets, net of related debt	3,351,906	(191,544)	2,513,514	5,673,876	202,896
Unrestricted	<u>297,802</u>	<u>840,324</u>	<u>2,625,350</u>	<u>3,763,476</u>	<u>6,866,630</u>
Total net assets	<u>\$ 3,649,708</u>	<u>\$ 648,780</u>	<u>\$ 5,138,864</u>	<u>\$ 9,437,352</u>	<u>\$ 7,069,526</u>

CITY OF BOWLING GREEN, KENTUCKY

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

For the year ended June 30, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Golf	Aquatics	Convention Center	Total
OPERATING REVENUES				
Transient room taxes	\$ -	\$ -	\$ 396,518	\$ 396,518
Charges for services	1,167,514	397,903	223,958	1,789,375
Sales of merchandise and concessions	262,412	113,492	-	375,904
Insurance premiums	-	-	-	-
Judgements and settlements	20	-	-	20
Miscellaneous	-	-	-	-
Total operating revenues	1,429,946	511,395	620,476	2,561,817
OPERATING EXPENSES				
Cost of sales	188,002	59,067	-	247,069
Personnel services	1,111,769	172,912	-	1,284,681
Contractual services	188,891	13,896	58,876	261,663
Supplies	299,543	74,443	-	373,986
Utilities	79,899	50,845	-	130,744
Repairs and maintenance	113,424	39,862	55,060	208,346
Insurance premiums and claims	-	-	-	-
Depreciation	268,727	292,329	336,837	897,893
Miscellaneous	31,748	523	-	32,271
Total operating expenses	2,282,003	703,877	450,773	3,436,653
Operating income (loss)	(852,057)	(192,482)	169,703	(874,836)
NONOPERATING REVENUES (EXPENSES)				
Interest income	3,053	18,106	51,197	72,356
Gain/(loss) on disposal of assets	-	-	-	-
Interest expense	(59,017)	(140,975)	(223,192)	(423,184)
Amortization	(1,604)	(3,649)	(68,864)	(74,117)
Total nonoperating revenues (expenses)	(57,568)	(126,518)	(240,859)	(424,945)
Income (loss) before transfers	(909,625)	(319,000)	(71,156)	(1,299,781)
Transfers in	1,483,266	504,098	881,222	2,868,586
Transfers out	-	-	-	-
Change in net assets	573,641	185,098	810,066	1,568,805
Net assets, beginning	3,076,067	463,682	4,328,798	7,868,547
Net assets, ending	\$ 3,649,708	\$ 648,780	\$ 5,138,864	\$ 9,437,352

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended June 30, 2009

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Golf	Aquatics	Convention Center		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 1,445,908	\$ 511,395	\$ 258,366	\$ 2,215,669	\$ 6,621,917
Other cash receipts	-	-	396,518	396,518	-
Cash payments to employees	(1,292,303)	(219,621)	-	(1,511,924)	(456,796)
Cash payments to suppliers	(694,827)	(194,923)	(91,533)	(981,283)	(1,107,943)
Claims paid	-	-	-	-	(4,604,986)
Net cash provided by (used in) operating activities	(541,222)	96,851	563,351	118,980	452,192
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	1,283,266	504,098	881,222	2,668,586	-
Transfers out	-	-	-	-	-
Net cash provided by noncapital financing activities	1,283,266	504,098	881,222	2,668,586	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(89,925)	-	(179,524)	(269,449)	(7,986)
Proceeds from sales of capital assets	-	-	-	-	-
Principal paid on bond obligations	(385,856)	(298,017)	(480,000)	(1,163,873)	-
Principal paid on component unit lease	(19,235)	-	-	(19,235)	-
Principal paid on capital leases	(37,995)	-	-	(37,995)	-
Interest paid on debt obligations	(62,267)	(135,380)	(224,171)	(421,818)	-
Net cash used in capital and related financing activities	(595,278)	(433,397)	(883,695)	(1,912,370)	(7,986)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	3,053	18,106	51,197	72,356	212,959
Purchase of investments	-	(579)	(503,578)	(504,157)	(51,059)
Cash received from lease property	-	-	19,235	19,235	-
Net cash provided by (used in) investing activities	3,053	17,527	(433,146)	(412,566)	161,900
Net increase in cash and cash equivalents	149,819	185,079	127,732	462,630	606,106
Cash and cash equivalents, beginning of year	412,101	432,496	1,178,029	2,022,626	1,089,449
Cash and cash equivalents, end of year	\$ 561,920	\$ 617,575	\$ 1,305,761	\$ 2,485,256	\$ 1,695,555
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (852,057)	\$ (192,482)	\$ 169,703	\$ (874,836)	\$ 751,693
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	268,727	292,329	336,837	897,893	31,784
Change in assets and liabilities					
Accounts receivable	12,864	-	34,407	47,271	22,855
Due from other funds	3,100	-	-	3,100	-
Inventories	(7,186)	-	-	(7,186)	(23,509)
Prepaid items	-	-	145	145	52,495
Accounts payable	25,864	(15,354)	22,259	32,769	(32,802)
Compensated absences	1,291	2,149	-	3,440	(198)
Accrued payroll	6,175	10,209	-	16,384	4,411
Insurance claims payable	-	-	-	-	(354,537)
Net cash provided by (used in) operating activities	\$ (541,222)	\$ 96,851	\$ 563,351	\$ 118,980	\$ 452,192

CITY OF BOWLING GREEN, KENTUCKY**STATEMENT OF FIDUCIARY NET ASSETS**

June 30, 2009

	Pension Trust - Police & Firemen's Retirement	Agency Funds
ASSETS		
Pooled cash and cash equivalents	\$ -	\$ 173,216
Non-pooled cash and cash equivalents	541,911	174,540
Accrued interest receivable	36,048	-
Investments		
Corporate securities	2,191,750	-
Mutual funds	2,184,109	-
United States government securities	1,987,474	-
Total investments at fair value	<u>6,363,333</u>	<u>-</u>
Total assets	<u>\$ 6,941,292</u>	<u>\$ 347,756</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,965	\$ -
Due to other governmental units	-	145,077
Due to employees	-	28,139
Other liabilities	<u>-</u>	<u>174,540</u>
Total liabilities	<u>1,965</u>	<u>\$ 347,756</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 6,939,327</u>	

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the year ended June 30, 2009

	Pension Trust - Police & Firemen's Retirement
ADDITIONS	
Contributions	
Employer	\$ 384,000
Investment income	
Net depreciation in fair value of investments	(826,957)
Interest	218,281
Dividends	62,473
	<hr/>
Total investment earnings	(546,203)
	<hr/>
Total additions	(162,203)
	<hr/>
DEDUCTIONS	
Benefit payments	988,432
Administrative expenses	18,969
	<hr/>
Total deductions	1,007,401
	<hr/>
Change in net assets	(1,169,604)
Net assets, beginning of year	8,108,931
	<hr/>
Net assets, end of year	<u><u>\$ 6,939,327</u></u>

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF NET ASSETS

COMPONENT UNITS

June 30, 2009

	Bowling Green Municipal Utilities	Bowling Green Enterprise Community	Total
ASSETS			
Non-pooled cash and cash equivalents	\$ 11,027,863	\$ 71,241	\$ 11,099,104
Investments	100,000	-	100,000
Receivables (net):			
Accounts	3,498,645	-	3,498,645
Other	7,238,184	-	7,238,184
Accrued interest	825,000	-	825,000
Inventories	1,041,833	-	1,041,833
Prepaid items	1,026,534	-	1,026,534
Deferred charges	224,367	-	224,367
Restricted assets:			
Non-pooled cash and cash equivalents	-	-	-
Restricted cash - TVA	1,370,188	-	1,370,188
Investments	5,955,667	-	5,955,667
Other assets	197,132	-	197,132
Capital assets, net of accumulated depreciation:			
Non-depreciable	7,296,615	-	7,296,615
Depreciable	128,520,647	-	128,520,647
Total assets	168,322,675	71,241	168,393,916
LIABILITIES			
Vouchers and accounts payable	8,562,090	-	8,562,090
Grants payable	-	-	-
Compensated absences payable	736,387	-	736,387
Accrued interest payable	1,358,810	-	1,358,810
Other current liabilities	1,727,550	-	1,727,550
Advances from TVA - conservation program	6,141	-	6,141
Customer advances	113,223	-	113,223
Security deposits	2,341,075	-	2,341,075
Compensated absences payable, noncurrent	272,363	-	272,363
Noncurrent liabilities			
Due within one year	2,446,477	-	2,446,477
Due in more than one year	38,775,063	-	38,775,063
Total liabilities	56,339,179	-	56,339,179
NET ASSETS			
Invested in capital assets, net of related debt	95,783,115	-	95,783,115
Restricted for capital activities and debt service	6,055,667	-	6,055,667
Unrestricted	10,144,714	71,241	10,215,955
Total net assets	\$ 111,983,496	\$ 71,241	\$ 112,054,737

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF ACTIVITIES

COMPONENT UNITS

For the Year Ended June 30, 2009

Function/Programs	Expenses	Program Revenues			Net (expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Contributions	Capital Contributions	Bowling Green Municipal Utilities	Bowling Green Enterprise Community	Totals
Bowling Green Municipal Utilities	\$ 96,432,968	\$ 94,412,993	\$ -	\$ 1,909,544	\$ (110,431)	\$ -	\$ (110,431)
Bowling Green Enterprise Community	<u>257,479</u>	<u>-</u>	<u>294,959</u>	<u>-</u>	<u>-</u>	<u>37,480</u>	<u>37,480</u>
Total component units	<u>\$ 96,690,447</u>	<u>\$ 94,412,993</u>	<u>\$ 294,959</u>	<u>\$ 1,909,544</u>	<u>(110,431)</u>	<u>37,480</u>	<u>(72,951)</u>
General revenues:							
Investment income					469,493	-	469,493
Miscellaneous					<u>316,615</u>	<u>-</u>	<u>316,615</u>
Total general revenues					<u>786,108</u>	<u>-</u>	<u>786,108</u>
Change in net assets					675,677	37,480	713,157
Net assets, beginning of year, restated					<u>111,307,819</u>	<u>33,761</u>	<u>111,341,580</u>
Net assets, end of year					<u>\$ 111,983,496</u>	<u>\$ 71,241</u>	<u>\$ 112,054,737</u>

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS

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CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bowling Green (the City) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for government accounting and financial reporting. In accordance with GASB Statement No. 20, all applicable GASB pronouncements as well as Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements, have been selected in accounting for proprietary funds. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

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

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

Governmental Fund Type

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

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

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

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

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

Proprietary Fund Type

The Convention Center Corporation. The non-profit corporation was organized as an agency, instrumentality and constituted authority of the City for the express purpose of planning, financing and constructing a municipal convention center and trade show facility and Crosswinds golf course pro shop facility.

The Board of Directors consists of the Mayor, City Commissioners and Warren County Judge-Executive. Special taxing districts have been created by the City and County in the Hartland Planned Community for Convention Center Corporation operations. Bond issuance is approved by the City Commission. The Corporation is reported as an enterprise fund.

- 2. Discretely Presented Component Units** - The agencies described below are included in the City's reporting entity because the City appoints the governing body and the agencies are fiscally dependent on the City. All of these agencies are reported as discretely presented component units because the primary government is financially accountable and is able to impose its will on the organization or the component unit provides specific financial benefits or imposes specific financial burdens on the primary government.

Governmental Fund Type

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

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

Combining financial statements for the discretely presented component unit is included in the City's basic financial statements. Complete financial statements of the individual component unit can be requested from the City's Chief Financial Officer.

Proprietary Fund Type

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

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

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

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

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

C. Joint Venture - The Inter-Modal Transportation Authority, Inc. (ITA) is a non-profit corporation organized for the purpose of acquiring and financing public projects and public facilities as an agent for the City and the County of Warren, Kentucky, jointly. In the year ended June 30, 2008, the City approved the issuance of General Obligation bonds (Series 2007 B & C) in the amount of \$27,415,000 to refinance the ITA's mortgage-backed bonds that were outstanding. The City entered into a ground lease with the Authority, providing for the City's acquisition of a leasehold estate in the project. The City, Warren County, and the Authority entered into a Contract, Lease & Option agreement in which the Authority and County shall lease back the project from the City in consideration of rental payments to be utilized by the City in support of the payment of principal and interest on the general obligation bonds. The City and Warren County have each pledged to evenly share any shortfalls towards payment of debt service on the outstanding bonds. In 2009, the ITA made all required rental payments. The separately audited financial statements of the ITA can be obtained from the finance department of the City.

D. Basic Financial Statements

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The reporting model focus is either on the City as a whole or on major individual funds. The government-wide financial statements report information on all of the non-fiduciary activities of the City and its component units. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities normally are supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support. In the Government-wide Statement of Net Assets, both the governmental and business-type activities are presented on a consolidated basis by column.

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

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

Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary financial statements. With this measurement focus, all assets and all liabilities including long-term assets as well as long-term

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

debt and obligations, are included in the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

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

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

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

E. Basis of Presentation

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

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

The focus of governmental fund measurement (in the fund financial statements) is on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. The balance sheets generally contain only current assets and liabilities. The

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

reported fund balance (net current assets) is a measure of "available spendable resources". The City reports the following major governmental funds:

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

The **WKU Athletics Special Revenue Fund** is used to account for revenues received from Western Kentucky University (WKU) consisting of student athletic fees and suite rentals collected by WKU and remitted to the City pursuant to the Memorandum of Agreement between the City, WKU and the Hilltopper Athletic Foundation. The student athletic fees and suite rentals are to be paid to the City each year in sufficient amounts to pay debt services on the City's \$30,115,000 General Obligation and Special Revenue Bonds, Series 2002B and \$1,800,000 General Obligation and Special Revenues Bonds, Series 2002C.

The **Job Development Special Revenue 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 into this fund.

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

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

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

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

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

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

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

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

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. Trust funds account for assets held by the City

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

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

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

Agency Funds

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

Payroll Fund is an imprest paying agent for City payroll.

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

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

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

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

F. Assets, Liabilities and Fund Equity

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

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

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

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

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

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

Interfund Receivables - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2009, balances of interfund amounts receivable or payable have been recorded as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances".

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

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

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

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

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

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

The City's infrastructure consists of the street and storm sewers systems. The street system consists of streets, right of ways, sidewalks, and curbs. The storm sewers system consists of gutters and storm sewers. The City elected to use the Modified Approach as defined by GASB Statement No. 34 for

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

infrastructure reporting of its street system. Using this approach, the City capitalizes the costs of its street system but does not report depreciation expense for those assets. Instead, the City reports all street system maintenance as expenditures in the period incurred unless those expenditures improve on those streets original condition or add to its capacity. These additions or improvements are not expensed but added to the historical cost of the assets. The City uses an asset management system to provide an up-to-date inventory of its streets, perform condition assessments on the street pavement at least once every three years, and estimate an annual amount needed to maintain the streets at a specified condition level. The asset management system is discussed in the detail in Required Supplemental Information, immediately following these notes.

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation leave is earned based on working days for each month of credited service. For most classified employees, earning rates increase at 10, 15 and 20 years of credited service. Accumulated vacation time shall not exceed the amount of time which an employee may earn in 2 years.

Sick leave for most classified employees is earned on the basis of one working day or eight hours per month of service. Sick leave for Fire Department personnel working 24 hours on/48 hours off is earned on the basis of 12 hours per month of service. Earned sick leave may be accumulated up to a maximum of 180 days; thereafter, employees are compensated as of December 31 for days accumulated in excess of 180 days in an amount equal to one-half of the base rate straight-time value. For retiring employees who are participating members of CERS, the City will purchase service credit for up to six months (120 days) of unused sick leave at the time of retirement. Employees who retire with more than 120 accrued sick days may receive cash payment for the number of days over 120 in the amount of \$25/day.

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

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

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

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

Long-term liabilities include the following:

- Principal outstanding on general obligation bonds, notes and capital lease obligations.

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

- Landfill closure and postclosure care liability is the estimated total current cost to place a final cover on the City's landfill sites and to perform certain maintenance and monitoring functions after closure.

Unearned Revenues – The City defers revenue recognition in connection with resources that have been received but not yet earned. At the end of fiscal year 2009, licenses and permits paid in advance of \$198,565 have been deferred, \$544,473 in accounts and loans receivable have been recorded as deferred revenue as these amounts have not yet been earned and \$1,000,000 of deferred revenue has been recorded in relation to land acquisitions under the City's agreement with SKyPAC.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated by outside parties for a specific future use. Designated fund balances represent plans for future use of financial resources and include approximately \$600,000 set aside for the 2007 general obligation bonds and \$7.9 million set aside to comply with the City's minimum reserve retention policy. In proprietary funds, reserves are used to indicate the portion of net assets that are restricted for meeting various covenants as may be specified and defined in the revenue bond indentures.

G. Revenues, Expenditures and Expenses

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

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

H. Estimates

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance with Finance Related Legal and Contractual Provisions

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

B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in other debt service costs in the TIF District Special revenue fund. These costs were funded by a greater than anticipated premium on the issuance of bonds.

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Cash and Investments

Primary Government

The Government's bank balances at June 30, 2009 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, 2009 are summarized and categorized below in the following table:

Primary Government (except Fiduciary Funds)		
Investment Type	Fair Value	Weighted Average Maturity
Certificate of Deposit	\$22,142,731	1.52
U.S. Agencies	345,338	.15
	<u>\$22,488,069</u>	

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

Credit Risk - The Government has no policy related to credit risk. The U.S. Agencies investments consist of one FNMA security and one Federal Farm Credit Bank bond.

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

Component Units

Bowling Green Municipal Utilities

The Bowling Green Municipal Utilities may legally invest in direct obligations of and other obligations guaranteed as to principal by the U. S. Treasury and U. S. Agencies and instrumentalities, Kentucky bonds and certificates of indebtedness, highly-rated securities issued by a state or local government in the United States and certain other investments more fully described in the Kentucky Revised Statutes. Investments of each division of the utility as of June 30, 2009 are summarized and categorized in the following tables:

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Bowling Green Municipal Utilities Water-Sewer Division		
Investment Type	Fair Value	Maturities in Years Less than 1
U.S. agencies obligations	\$1,635,008	\$1,635,008
U.S. Treasury mutual fund	3,112,149	3,112,149
Government obligation mutual fund	297,182	297,182
	<u>\$ 5,044,339</u>	<u>\$ 5,044,339</u>

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

Carrying Value	
Deposits	\$210,124
Investments	<u>5,044,339</u>
	<u>\$ 5,254,463</u>

Included in the following captions:

Non-pooled cash and cash equivalents	\$1,822,261
Investments and restricted funds	<u>3,432,202</u>
	<u>\$ 5,254,463</u>

Bowling Green Municipal Utilities Electric Division		
Investment Type	Fair Value	Maturities in Years Less than 1
U.S. agencies obligations	\$1,005,741	\$1,005,741
U.S. Treasury mutual fund	1,517,724	1,517,724
	<u>\$2,523,465</u>	<u>\$2,523,465</u>

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

Carrying Value	
Deposits	\$9,264,349
Investments	<u>2,523,465</u>
	<u>\$11,787,814</u>

Included in the following captions:

Cash and cash equivalents	\$9,164,349
Noncurrent cash, cash equivalents and investments	<u>2,623,465</u>
	<u>\$11,787,814</u>

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

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2009, certain of the Utility's investments in U.S. agencies obligations not directly guaranteed by the U.S. government were rated by Standard & Poor's and by Moody's Investors Services as AAA. The utility's investment in commercial paper not directly guaranteed by the U.S. Government was rated A-1 by Standard & Poor's and P-1 by Moody's Investors Services.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Utility will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The Utility places no limit on the amount that may be invested in any one issuer. At June 30, 2009, the Water-Sewer Division's investment in Federal National Mortgage Association obligations constituted approximately 32% of its total investments. At June 30, 2009, the Electric Division's investment in First American Government Obligation Fund constituted 60% of its total investments and its investment in Federal National Mortgage Association obligations constituted 40% of its total investments.

Policemen and Firefighters' Retirement Fund

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> (In Years)			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
U.S. Government	\$1,987,474	\$ -	\$164	\$1,343,623	\$643,687
Corporate Securities	2,191,750	94,795	1,514,578	364,058	218,319
Mutual Funds	2,184,109	2,184,109	-	-	-
Total	<u>\$6,363,333</u>	<u>\$2,278,904</u>	<u>\$1,514,742</u>	<u>\$1,707,681</u>	<u>\$862,006</u>

Debt Securities Investments at Fair Value

<u>Quality Ratings</u>	<u>2009</u>
AAA	\$218,319
AA2	188,326
A1	101,432
A2	311,200
A3	27,034
BAA1	47,542
BAA2	347,298
NR	950,599
Total Credit Risk Debt Securities	2,191,750
U.S. Government Agencies	1,987,474
Total Debt Securities	<u>\$4,179,224</u>

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the financial institution, the fund will not be able to recover the value of the its cash equivalents. At June 30, 2009, the Fund's carrying amounts for cash equivalents exceeded federally insured limits and was uncollateralized by \$291,911.

B. Restricted Assets

Governmental Activities

Cemetery Perpetual Fund - assets totaling \$644,391 are reported in the Cemetery Perpetual Fund as these assets are restricted for cemetery maintenance.

2007A General Obligation Bonds - for the 2007 bonds, a construction fund account was established for the payment of costs associated with public park improvements, construction of utilities, design and construction on a skate park, Circus Square acquisition and construction, land acquisition, construction of public roads, and installation of downtown signalization upgrades. The balance of these funds at June 30, 2009 is \$5,095,898.

2007B & C General Obligation Bonds - for the 2007B and C bonds, various accounts were established for the payment of outstanding Inter-Model Transportation Authority mortgage-backed bonds as they come due. The balance of these funds at June 30, 2009 is \$14,537,351.

2008A & B General Obligation Bonds - for the 2008 bonds, construction fund accounts were established for the payment of costs associated with acquisition, construction and equipping of a baseball stadium and related public infrastructure improvements and for the acquisition, construction, installation and equipping of three fire stations. The balance of these funds at June 30, 2009 is \$5,126,234.

Employee Health Care Trust Fund - assets totaling \$5,000 are reported as restricted. These assets were required to be deposited to start the trust fund account.

Other restricted assets - assets totaling \$9,863 related to bond issues are reported as restricted. These are the balances remaining in various debt service accounts.

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

C. Loans Receivable

The Community Development Special Revenue Fund has loans receivable pursuant to Commonwealth of Kentucky, Department of Local Government grant agreements and City revolving loan fund agreements, which provided Community Development Block Grant and local program income funds for the above economic development projects in the City. Loans receivable at June 30, 2009 consist of the following:

Houchens Warehousing, Inc. note receivable in 144 monthly installments of \$6,172 including interest at 4%; final installment due June 1, 2013; secured by real estate.	\$ 273,371
Clay Street Station, LLC note receivable in 180 installments of \$2,682 including interest at 3.5%; final balloon payment of \$147,364 due June 1, 2014; secured by real estate.	271,102
Total loans receivable	<u>\$ 544,473</u>

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

D. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 15,685,828	\$ 1,871,839	\$ (307,245)	\$ 17,250,422
Restricted Land	1,231,443	1,749,446	-	2,980,889
Infrastructure	70,715,869	3,139,124	(368,266)	73,486,727
Construction in progress	4,167,775	7,535,134	(6,986,720)	4,716,189
Total capital assets, not being depreciated	91,800,915	14,295,543	(7,662,231)	98,434,227
Capital assets, being depreciated:				
Stormwater Infrastructure	11,205,599	532,382	-	11,737,981
Buildings	33,766,062	3,548,365	(27,191)	37,287,236
Improvements other than buildings	14,565,727	4,207,338	(74,232)	18,698,833
Vehicles, equipment and furniture	18,158,908	2,312,851	(484,686)	19,987,073
Intangibles	-	16,751	-	16,751
Total capital assets, being depreciated	77,696,296	10,617,687	(586,109)	87,727,874
Less accumulated depreciation:				
Stormwater Infrastructure	(556,745)	(221,022)	-	(777,767)
Buildings	(8,362,554)	(863,713)	8,798	(9,217,469)
Improvements	(2,355,255)	(529,483)	48,944	(2,835,794)
Vehicles, equipment and furniture	(11,520,135)	(1,786,717)	449,215	(12,857,637)
Intangibles	-	(2,326)	-	(2,326)
Total accumulated depreciation	(22,794,689)	(3,403,261)	506,957	(25,690,993)
Total capital assets, being depreciated, net	54,901,607	7,214,426	(79,152)	62,036,881
Governmental activities, capital assets, net	\$ 146,702,522	\$ 21,509,969	\$ (7,741,383)	\$ 160,471,108

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Business-type assets:				
Capital assets, not being depreciated:				
Land	\$ 2,740,298	\$ -	\$ -	\$ 2,740,298
Construction in progress	-	121,345	-	121,345
Total capital assets, not being depreciated	2,740,298	121,345	-	2,861,643
Capital assets, being depreciated:				
Buildings	11,992,238	-	-	11,992,238
Improvements other than buildings	10,389,245	29,496	-	10,418,741
Vehicles, equipment and furniture	2,171,563	118,608	(98,385)	2,191,786
Property held under capital lease	306,633	-	-	306,633
Total capital assets, being depreciated	24,859,679	148,104	(98,385)	24,909,398
Less accumulated depreciation:				
Buildings	(4,161,115)	(378,641)	-	(4,539,756)
Improvements	(4,575,981)	(423,229)	-	(4,999,210)
Vehicles, equipment and furniture	(1,924,569)	(88,592)	98,385	(1,914,776)
Property held under capital lease	(125,885)	(7,431)	-	(133,316)
Total accumulated depreciation	(10,787,550)	(897,893)	98,385	(11,587,058)
Total capital assets, being depreciated, net	14,072,129	(749,789)	-	13,322,340
Business-type activities, capital assets, net	\$ 16,812,427	\$ (628,444)	\$ -	\$ 16,183,983

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

Governmental activities	
General government	\$ 364,022
Public safety	1,502,001
Public works	641,630
Parks and recreation	794,095
Housing and community development	101,513
Total depreciation expense - governmental activities	\$ 3,403,261
Business-type activities	
Golf course	\$ 268,727
Aquatics	292,328
Convention Center	336,837
Total depreciation expense - business-type activities	\$ 897,893

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Component unit capital asset activity for the year ended June 30, 2009 was as follows:

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Bowling Green Municipal Utilities				
Capital assets, not being depreciated:				
Construction in progress	\$ 11,369,825	\$ 5,876,925	\$ (9,950,135)	\$ 7,296,615
Capital assets, being depreciated:				
Transmission plant	1,909,579	228,162	(101,122)	2,036,619
Distribution plant	57,398,874	9,899,717	(343,775)	66,954,816
Structures and improvements, nodes	249,739	4,874	-	254,613
General plant	11,479,635	1,499,069	(295,227)	12,683,477
Water plant	68,241,949	809,035	-	69,050,984
Sewer plant	53,891,761	1,009,661	-	54,901,422
Equipment	3,011,691	319,988	-	3,331,679
Overhead conductors and devices	3,754,471	419,356	-	4,173,827
Trucks and autos	1,375,530	45,100	-	1,420,630
Office equipment	1,481,701	154,162	(376,471)	1,259,392
Office additions	65,716	-	-	65,716
Total capital assets, being depreciated	<u>202,860,646</u>	<u>14,389,124</u>	<u>(1,116,595)</u>	<u>216,133,175</u>
Less accumulated depreciation	<u>(82,659,311)</u>	<u>(6,304,045)</u>	<u>1,350,828</u>	<u>(87,612,528)</u>
Total capital assets, being depreciated, net	<u>120,201,335</u>	<u>8,085,079</u>	<u>234,233</u>	<u>128,520,647</u>
Bowling Green Municipal Utilities, capital assets, net	<u>\$ 131,571,160</u>	<u>\$ 13,962,004</u>	<u>\$ (9,715,902)</u>	<u>\$ 135,817,262</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount	Purpose
General	Nonmajor Governmental	<u>\$ 220,000</u>	Advance of funds prior to receipt of bond proceeds and grant money

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.

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

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

Transfers To	Transfers From					
Within the primary government:	General	WKU Fund	Job Development	ITA Bond	Non-Major Governmental	Total
General	\$ -	\$ -	\$ -	\$ -	\$ 95,600	\$ 95,600
ITA Bond	805,000	-	-	-	-	805,000
TIF District	1,600,000	-	-	-	-	1,600,000
Debt Service	3,297,012	1,967,563	1,156,355	1,430,826	1,438,190	9,289,946
Golf	986,710	-	-	-	496,556	1,483,266
Aquatics	70,700	-	433,398	-	-	504,098
Convention Center	-	-	-	-	881,222	881,222
Non-major governmental	2,241,110	-	85,000	-	5,158,776	7,484,886
Total within primary government	<u>\$ 9,000,532</u>	<u>\$ 1,967,563</u>	<u>\$ 1,674,753</u>	<u>\$ 1,430,826</u>	<u>\$ 8,070,344</u>	<u>\$ 22,144,018</u>

F. Long-term Debt

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

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Primary Government:

	Purpose of Issue	Original Issue	Interest Rate	Final Maturity	Amount Outstanding
Governmental Activities					
General Obligation and Revenue Bonds					
	Road Construction, Fire Stations, Flood Mitigation, Energy Saving Improvements	12,627,000	5.25% - 5.30%	June 1, 2020	\$ 677,024
General Obligation Bond, Series 2000	City Police Headquarters Expansion	6,430,000	1.90% - 4.70%	June 30, 2018	4,015,000
General Obligation Bond, Series 2002A	Western Kentucky University Project	30,115,000	3.50% - 5.00%	June 1, 2026	29,295,000
General Obligation Bond, Series 2002B	Western Kentucky University Project	1,800,000	5.875% - 6.5%	June 1, 2026	1,760,000
General Obligation Bond, Series 2002C	Parks Community Center, Police Dept. Headquarters, Public Works Renovations, Parks & Cemetery Improvements	12,626,000	2.422% - 4.792%	June 30, 2024	10,241,653
General Obligation Bond, Series 2004A	Real Properties	2,025,000	3.8% - 5.050%	June 30, 2024	1,680,000
General Obligation Bond, Series 2004B	Lovers Lane Utilities, Park Community Center Expansion, Circus Square, Downtown Signalization, SkyPAC land acquisition, various road projects, Southwest Parkway property acquisition, Broadway Curve Straightening, Fields Drive and Skate Park	14,905,000	4.0% - 5.0%	December 1, 2032	14,015,000
General Obligation Bond, Series 2007A	John Jones Area Water & Sewer Construction	165,954	3.70%	July 1, 2025	131,906
General Obligation Bond, Series 2007B	Inter-Modal Transportation Authority, Inc. refinancing	20,615,000	3.877% - 4.881%	September 1, 2023	20,615,000
General Obligation Bond, Series 2007C	Inter-Modal Transportation Authority, Inc. refinancing	6,800,000	3.877% - 4.881%	September 1, 2023	6,800,000
General Obligation Bond, Series 2008A	Baseball Stadium construction	24,835,000	3.50% - 5.00%	June 1, 2038	24,835,000
	Fire stations at Greenwood, Airport and Fire Headquarters	6,585,000	3.50% - 4.75%	June 1, 2028	6,305,000
General Obligation Bond, Series 2008B	Refinance prior year bond obligations	11,942,700	3.00% - 4.50%	June 1, 2020	11,942,700
					132,313,283
Premiums, deferred charges and discounts on bond obligations					(105,027)
Total General Obligation and Revenue Bonds					132,208,256
Notes and Lease Purchase Agreements					
Bank One	Various vehicles & equipment	765,000	2.4438%	March 5, 2010	132,706
National City Bank	2004 fire truck ladder	713,000	Prime - 1.67%	December 5, 2013	356,300
KY League of Cities	Payoff various leases & notes	3,253,840	Variable	July 15, 2010	433,954
	Relocation of operations division & realignment of 14th Avenue	1,630,000	10 yr LIBOR	July 2, 2025	1,391,000
BB&T	Purchase fire pumper	387,000	3.59%	July 2, 2015	284,922
US Bank	Depot project	1,000,000	5.649%	June 7, 2018	587,432
Huntington National Bank	Purchase various 2005 Ford vehicles	1,145,857	3.14%	March 22, 2011	398,108
Chase Bank	2008 Fire Pumper and Quint	1,019,193	3.97%	August 1, 2018	926,055
Total Notes Payable and Capital Leases					4,510,477
Other Long-Term Liabilities					
Compensated Absences					1,436,952
Landfill					1,043,112
					2,480,064
Total long-term governmental liabilities					\$ 139,198,797
Business-Type Activities					
General Obligation Bonds					
General Obligation Bond, Series 1998B	Crosswinds Municipal Golf Course	3,420,000	3.75%	October 1, 2009	\$ 365,000
General Obligation Bond, Series 2000	Aquatics	4,623,000	5.25% - 5.30%	June 1, 2020	257,976
General Obligation Bond, Series 2003	Crosswinds Pro Shop/Conv. Cntr Facility	8,585,000	2.0% - 3.7%	June 30, 2019	6,490,000
General Obligation Bond, Series 2004A	Hobson Golf Pro Shop and maintenance facility	749,000	3.8% - 5.050%	June 30, 2024	608,348
General Obligation Bond, Series 2009	Refinance prior year bond obligations	3,567,300	3.00% - 4.50%	June 1, 2020	3,567,300
					11,288,624
Premiums, deferred charges and discounts on bond obligations					(839,215)
Total General Obligation Bonds					10,449,409
Notes Payable and Capital Leases					
KY League of Cities	Crosswinds Fence and Golf Equipment	306,160	Variable	July 15, 2010	40,075
BB&T	John Deere tractor	27,800	3.98%	February 1, 2013	20,623
Total Notes Payable and Capital Leases					60,698
Other Long-Term Liabilities					
Compensated Absences					44,839
Total long-term business-type liabilities					\$ 10,554,946

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009	Amounts Due In One Year
Governmental Activities:					
General obligation and revenue bonds	\$ 103,408,763	\$ 43,539,800	\$ (14,635,280)	\$ 132,313,283	\$ 3,629,941
Notes and lease purchase agreements	5,577,154	-	(1,066,677)	4,510,477	1,027,129
Adjustments for deferred amounts:					
Discount on bonds payable	(166,243)	(8,009)	12,079	(162,173)	-
Premium on bonds payable	266,425	667,110	(23,926)	909,609	-
Loss on refunding	-	(852,463)	-	(852,463)	-
Total bonds, notes, leases payable	109,086,099	43,346,438	(15,713,804)	136,718,733	4,657,070
Compensated absences	1,352,835	975,411	(891,294)	1,436,952	941,061
Landfill postclosure care	1,589,450	-	(546,338)	1,043,112	37,868
Total governmental activities	112,028,384	44,321,849	(17,151,436)	139,198,797	5,635,999
Business Type Activities					
General obligation and revenue bonds	12,287,827	3,620,200	(4,619,403)	11,288,624	1,211,736
Notes and lease purchase agreements	98,693	-	(37,995)	60,698	36,050
Compensated absences	41,399	38,522	(35,082)	44,839	32,423
Less: unamortized bond discount and deferred amount from refunding	(748,663)	(164,670)	74,118	(839,215)	-
Total business-type activities	11,679,256	3,494,052	(4,618,362)	10,554,946	1,280,209
Total governmental and business-type activities	\$ 123,707,640	\$ 47,815,901	\$ (21,769,798)	\$ 149,753,743	\$ 6,916,208
Component Units					
Bowling Green Municipal Utilities					
Water-Sewer Division					
Notes payable	\$ 22,898,511	\$ 3,770,705	\$ (1,444,917)	\$ 25,224,299	\$ 1,491,477
Electric Division					
Revenue bonds	12,185,000	-	(935,000)	11,250,000	955,000
General Services Division					
Notes payable	5,000,000	-	-	5,000,000	-
Less: unamortized bond discount	(284,426)	-	31,667	(252,759)	-
	\$ 39,799,085	\$ 3,770,705	\$ (2,348,250)	\$ 41,221,540	\$ 2,446,477

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$14,165 of internal service fund compensated absences is included in the above amounts. Landfill postclosure liabilities are liquidated by the Landfill Closure special revenue fund and governmental compensated absences are generally liquidated by the general fund.

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

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

Fiscal Year	Governmental Activities				Business-Type Activities			
	General Obligation and Revenue Bonds		Notes and Lease Purchase Agreements		General Obligation and Revenue Bonds		Notes and Lease Purchase Agreements	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2010	\$ 6,508,762	\$ 3,629,941	\$ 156,918	\$ 1,027,129	\$ 571,962	\$ 1,211,736	\$ 1,401	\$ 36,050
2011	5,849,827	5,453,360	127,426	638,289	351,437	908,450	502	15,209
2012	5,642,006	5,816,273	107,561	359,970	325,097	909,640	250	5,935
2013	5,415,237	6,096,982	94,145	366,666	295,498	1,009,960	36	3,504
2014	5,173,901	6,411,264	80,544	373,376	263,243	1,010,280	-	-
2015-2019	21,410,676	36,327,029	218,800	1,213,234	715,960	5,641,470	-	-
2020-2024	12,581,369	38,173,469	70,091	366,246	49,087	597,088	-	-
2025-2029	5,302,363	15,509,965	8,969	165,567	-	-	-	-
2030-2034	2,600,955	9,185,000	-	-	-	-	-	-
2035-2039	731,250	5,710,000	-	-	-	-	-	-
	<u>\$ 71,216,346</u>	<u>\$ 132,313,283</u>	<u>\$ 864,454</u>	<u>\$ 4,510,477</u>	<u>\$ 2,572,285</u>	<u>\$ 11,288,624</u>	<u>\$ 2,189</u>	<u>\$ 60,698</u>

Component Units

Principal requirements for component units' debt are as follows:

Summary of Principal Requirements

Fiscal Year	Bowling Green Municipal Utilities Water- Sewer Division	Bowling Green Municipal Utilities General Services Division	Bowling Green Municipal Utilities Electric Division	Total
2010	\$ 1,491,477	\$ -	\$ 955,000	\$ 2,446,477
2011	1,539,274	5,000,000	985,000	7,524,274
2012	4,964,135	-	1,010,000	5,974,135
2013	1,649,004	-	1,040,000	2,689,004
2014	1,109,428	-	260,000	1,369,428
2015-2019	5,575,580	-	1,365,000	6,940,580
2020-2024	6,208,088	-	1,275,000	7,483,088
2025-2029	2,687,313	-	1,560,000	4,247,313
2030-2034	-	-	1,915,000	1,915,000
2035-2039	-	-	885,000	885,000
Total	<u>\$ 25,224,299</u>	<u>\$ 5,000,000</u>	<u>\$ 11,250,000</u>	<u>\$ 41,474,299</u>

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

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

1. \$2,365,000 of lease revenue bonds, Series 1995, issued to finance acquisition, construction and installation of a new soccer complex/park.

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

2. \$2,180,000 general obligation bonds, Series 1998A, issued to finance construction of the City's Northside Fire Station.
3. \$3,420,000 general obligation bonds, Series 1998B, serviced by the Golf enterprise fund, issued to finance the Crosswinds Municipal Golf Course.
4. \$17,250,000 general obligation bonds, Series 2000, portion of proceeds (73.2%) used to finance construction of Dishman Lane/Cave Mill Road project, Southside and Westside Fire Stations, and a flood mitigation project and energy savings improvements to certain City buildings.

The remainder of the proceeds (26.8%) serviced by the Aquatics Enterprise Fund and issued to finance construction of Preston Miller Park Aquatics Center.

5. \$6,430,000 general obligation bonds, Series 2002A, issued to advance refund the Series 1994 lease revenue bonds and for the acquisition of land for the City police headquarters expansion.
6. \$30,115,000 general obligation and special revenue bonds, Series 2002B, issued to assist in the financing of the renovation, improvement and equipping of certain Western Kentucky University (WKU) athletic and parking facilities subject to a Memorandum of Agreement between the City and WKU (see Memorandum of Agreement below). This bond is secured by the full faith, credit and taxing power of the City and WKU student athletic fees.
7. \$1,800,000 general obligation and special revenue bonds, Series 2002C, issued to provide funds to assist in the financing of the renovation, improvement and equipping of certain WKU athletic and parking facilities subject to a Memorandum of Agreement between the City and WKU (see Memorandum of Agreement below).
8. \$8,585,000 general obligation bonds, Series 2003, serviced by the Convention Center Enterprise Fund and issued to advance refund \$7,860,000 of outstanding Series 1993 Tourism and Economic Development, Inc. mortgage revenue bonds issued to finance the purchase of real estate for a convention center and trade show facility and for Crosswinds municipal golf course pro shop facilities.
9. \$165,954, which is 45.71% of the 2003 Warren County Water District bond, issued for the John Jones area water and sewer construction by the Warren County Water District. The City entered into a pledge agreement to assist the Water District in repaying this indebtedness.
10. \$13,375,000 general obligation bonds, Series 2004A, portion of proceeds (94.4%) used to provide funds for the demolition and reconstruction of the Parks Community Center, renovation and expansion of the Police Department headquarters, property acquisition for a relocated Public Works operations facility, improvements to parks and cemetery facilities, and various road improvements.

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

11. \$2,025,000 general obligation bonds, Series 2004B, issued to finance the City's cost of acquisition and clearing of real properties in the Historic Bowling Green Revitalization Project Target area.
12. \$14,905,000 general obligation bonds, Series 2007A, issued to finance costs for construction of public park improvements, construction of utilities, design and construction of a skate park, Circus

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Square acquisition and construction, land acquisition, construction of public roads, and installation of downtown signalization upgrades.

13. \$27,415,000 general obligation bonds, Series 2007 B & C, issued for the purpose of refinancing the existing mortgage-backed bond issues that were used for acquisition and construction of the Kentucky Transpark. Series B is comprised of \$20,615,000 tax-exempt bonds, and Series C is comprised of \$6,800,000 taxable bonds.
14. \$24,835,000 general obligation bonds, Series 2008A, issued for the purpose of constructing a baseball park and related infrastructure for the Bowling Green Hot Rods, a single A baseball team.
15. \$6,585,000 general obligation bonds, Series 2008B, issued for the purpose of constructing the Greenwood Fire Station and the expansions and renovations of the Headquarters and Airport fire stations.
16. \$15,740,000 general obligation bonds, Series 2009, issued for the purpose of refinancing the 1995 Bowling Green Municipal Projects Corporation Lease Revenue Bonds, the 1998 City of Bowling Green General Obligation Bonds, Series A, and the 2000 City of Bowling Green General Obligation bonds.

Advance and Current Refundings

The City issued \$9,971,912 of general obligation bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,954,900 of general obligation bonds recorded in the governmental funds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$852,453. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This refunding was undertaken to reduce total debt service payments by \$659,530 and resulted in an economic gain of \$596,978.

In addition, the City issued \$3,620,200 of general obligation bonds for a current refunding of general obligation bonds which were recorded in the Aquatics fund. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$164,659 which is being netted against the new debt and amortized over the remaining life of the refunded debt. This refunding was undertaken to reduce total debt service payments by \$103,688 and resulted in an economic gain of \$94,555.

Memorandum of Agreement/WKU Project Financing

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

Pursuant to a Memorandum of Agreement dated April 15, 2002 and amended by Supplement No. 1 dated June 1, 2002, between the City, WKU and the Hilltopper Athletic Foundation (HAF), WKU and HAF, respectively, pledge to impose and charge student athletic fees and suite rentals during the term of the

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

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

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

Year Ending June 30,	Principal 2002B	Principal 2002C	Interest 2002B	Interest 2002C	Total
2010	\$ 590,000	\$ 30,000	\$ 1,393,675	\$ 110,712	\$ 2,124,387
2011	755,000	40,000	1,370,075	108,950	2,274,025
2012	940,000	50,000	1,339,875	106,600	2,436,475
2013	1,055,000	55,000	1,299,925	103,662	2,513,587
2014	1,175,000	65,000	1,255,088	100,432	2,595,520
2015-2019	8,020,000	465,000	5,389,088	434,592	14,308,680
2020-2024	11,480,000	710,000	3,073,250	254,798	15,518,048
2025-2026	5,280,000	345,000	399,750	34,124	6,058,874
	<u>\$ 29,295,000</u>	<u>\$ 1,760,000</u>	<u>\$ 15,520,726</u>	<u>\$ 1,253,870</u>	<u>\$ 47,829,596</u>

As of June 30, 2009 the City has recorded a receivable from WKU and deferred revenue of \$31,055,000 in the WKU Athletics Special Revenue Fund applicable to future revenues to be received from WKU related to the above agreement.

Fund Depository and Administration Agreement/WKU Project Financing

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

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

In fiscal years subsequent to the transfer of bond net proceeds to the State, the City will not account for construction expenditures of the project and will not include State-administered construction accounts as

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

assets of the City. The WKU project will be property of the Commonwealth of Kentucky for the benefit of WKU.

TIF District

In August 2007, the City approved the establishment of a downtown development area Tax Incremental Financing (TIF) district, which was later amended and expanded in October 2008. With the establishment of the district, the City pledged 80% of new incremental growth in property tax, withholding tax, and net profit fee revenues produced within the boundaries of the district to the Warren County Downtown Economic Development Authority (the Authority), a Chapter 58 agency designated to administer and oversee the project. These incremental revenues are to be used for purposes of debt service on the project. The State also pledged 80% of incremental revenues within the district under the condition that the project reached \$200 million in eligible projects, which was later amended to \$150 million by the State General Assembly in June 2009.

During FY09, the City issued \$25 million in general obligation bonds to fund the construction of a ballpark for a single A team in Bowling Green located inside the TIF district. The bond proceeds included funding for infrastructure and capitalized interest and were placed into a construction fund account. The construction of the ballpark, including the bidding of the project and all construction oversight, was performed by the Authority. Draws totaling \$23 million for construction were requested through the City from the bond construction account and distributed to the contractor monthly. The other \$2 million was set aside for capitalized interest and cost of issuance.

Title to the ballpark is held by the Authority who sold the ballpark to a Single Purpose Entity (SPE) which will provide new market tax credits in return for additional borrowings to fund other TIF construction. At the end of the bond term (30 years) the city will receive title to the ballpark. The City is entitled to the net revenue generated from the ballpark, and has recorded the construction costs of the ballpark as a contribution in the TIF District Special Revenue Fund.

Prior Year Defeasance of Debt

In a prior year the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2009, \$22,294,219 of bonds outstanding is considered defeased.

Landfill Closure and Postclosure Care Cost

Landfill closure and post-closure costs are accounted for in the Landfill Closure Special Revenue Fund. As of June 30, 2009, the cash and investments available totaled \$1,460,625.

In fiscal year 2005, the Environmental and Public Protection Cabinet announced a program under which the commonwealth might assume responsibility for many aspects of landfill closure currently funded by local jurisdictions. However, under the provisions of the enabling legislation (HB 174 Kentucky Pride Fund, KRS 224.43-505) it appears that jurisdictions may well retain the bulk of costs to maintain landfill sites (e.g. sampling, pumping, transportation and disposal of leachate, erosion control, mowing, etc.). Until the full impact of KRS 224.43-505 is felt, it is prudent to assume annual outlays at all three Bowling Green landfill sites will continue, to some extent, in perpetuity. Under current assumptions and projections the Landfill Closure Special Revenue Fund is sufficiently capitalized through 2025, beyond which the city will need an alternate source of funds to maintain landfill sites.

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

The estimate of present value of remaining closure and post-closure care liabilities for all three landfill sites as of June 30, 2009 is \$1,043,112. The actual cost may differ due to inflation, changes in technology or applicable laws and regulations, the extent of any damage to landfill caps caused by weather and erosion, the magnitude of site improvements or corrections required by state inspectors to achieve closure, or other unforeseeable circumstances (e.g. acts of nature).

Glen Lily Road Landfill

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

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

Butler County Landfill

The City submitted a closure plan for its Butler County landfill in May 1991. The site ceased receiving solid waste in June 1992. The closure plan was approved by the state in 1996. The facility met closure standards for a residential landfill rather than a contained landfill. Drawing upon funds from the Landfill Closure Special Revenue Fund, established from proceeds of the 1991 bond issue, the City added a leachate collection system and a passive methane gas venting system. Neither system was required by residential landfill standards. However, the systems were added to reduce the likelihood of discharge of unacceptable leachate in the future. Construction of the landfill cap was completed in fiscal year 1995. The City received a permit for closure construction in 1996. A quality assurance/quality control report was submitted on November 15, 1996. The original closure permit expired in July 1997, and a new permit extending to 2002 was issued. The City submitted quarterly and annual inspections and reports to the cabinet. In 2004, consultants Kamp, Dresser and McKee were engaged to assist in development of a plan to effect final closure of the landfill. In 2005, the City completed the third year of a three-year closure care period. However, the state has not granted final closure to date. Consequently, the City continues to monitor and care for the landfill, submit required reports, and assume the city will incur landfill maintenance costs at least through 2034.

Old Louisville Road

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

Responding to Cabinet directives, in September 2000, the City awarded a project to install a leachate collection system at the Old Louisville Road landfill. The project cost was \$521,955 and was completed in December 2001. The City anticipated a decision from the Cabinet on the closure application in July 2002. However, the Cabinet has not acted on the application. Consequently, the City continues to monitor and care for the landfill, submit required reports, and assume the city will incur landfill maintenance costs at

CITY OF BOWLING GREEN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

least through 2034. A two year post-closure period will follow the date upon which the state should grant closure if the closure application is processed in accordance with precedent.

G. Net Assets

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

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

Beginning net assets on the component unit statement of activities have been restated. This restatement occurred because the Bowling Green Public Library which was previously included as a component unit no longer meets the criteria for inclusion.

NOTE 4. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1995, the City established the Employee Health Care Fund (EHCF) (an internal service fund) to account for and finance employee medical costs relating to the City's employee self-insured medical benefit plan. The EHCF provides coverage for up to \$60,000 for each health insurance claim. The City purchases commercial insurance for claims in excess of coverage provided.

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

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

All funds of the City participate in the program and make payments to the EHCF and WCF based on historical cost information of the amounts needed to pay prior and current year claims. Claim liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported based on historical experience.

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Changes in the balances of claims liabilities during fiscal years 2009 and 2008 were as follows:

	Health Care	Workers Compensation
Liability at June 30, 2007	\$303,458	\$182,196
Claims and changes in estimates - FY 2008	4,426,643	218,159
Claims paid FY 2008	(4,285,446)	(258,238)
Liability at June 30, 2008	444,655	142,117
Claims and changes in estimates FY 2009	3,560,062	106,801
Claims paid FY 2009	(3,906,283)	(115,117)
Liability at June 30, 2009	<u>\$98,434</u>	<u>\$133,801</u>

NOTE 5. COMMITMENTS AND CONTINGENCIES

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

B. Bowling Green Municipal Utilities - Bowling Green Municipal Utilities has erected various street lighting systems for the City, which represents a total unamortized investment by the Utility at June 30, 2009 of \$3,675,184. In addition, the Utility has installed various lighting systems for the Parks and Recreation Department, with a total unamortized investment of \$92,504. For rental and maintenance of these systems, the City has agreed to pay Bowling Green Municipal Utilities eleven percent per annum on the total street light investments. The City must pay \$414,446 per year on a recurring basis. One-twelfth of the annual charge is billed to the City monthly along with the charge for electric service. Similar arrangements were in effect in prior years.

C. Construction Commitments - The City has active construction projects as of June 30, 2009. At year end, the City had the following commitments on construction contracts:

Project	Remaining Commitment
Sidewalk Improvement Program	\$ 149,178
Fire Headquarters Renovation	1,824,246
Downtown Intersection Signalization	12,200
Broadway Curve Construction	74,692
Heritage Trail Construction	41,809
Greenwood Lane Realignment	1,146,426
Old Morgantown Road Rehabilitation	29,676
West Campus Greenways	127,805
Convention Center Restroom Renovation	41,268

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, 2009 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

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

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

As of June 30, 2009, there were four series of industrial revenue bonds and six series of special assessment bonds outstanding with an aggregate principal balance of \$88,030,000 and \$1,614,000, respectively.

G. Lease Commitments - The Golf Enterprise Fund leases approximately 53 acres of real estate from the Bowling Green-Warren County Airport Board. This lease provides for future minimum lease payments as of June 30, 2009 as follows:

2010	\$6,100
2011	6,100
2012	6,100
2013	6,100
	<u>\$24,400</u>

In addition, the Golf Enterprise Fund leases the Crosswinds municipal golf course pro shop facility from The Convention Center Corporation, a component unit. The buildings, furnishings and equipment elements of this lease are classified as capital leases and included in the long-term debt footnote. The land element of this lease is classified as an operating lease. Rental payments are based on 7.62% of the total annual debt service of Mortgage Revenue Bonds, Series 1993. Rental payments attributed to the golf pro shop facility is based upon the facility's original cost (\$660,000) as a percentage of total project costs financed by Bonds (\$8,660,000). The following is a schedule by years of minimum future rentals of the land element of the golf pro shop facility lease as of June 30, 2009:

Year Ending June 30,	
2010	\$27,242
2011	30,114
2012	29,121
2013	31,801
2014	30,597
Thereafter	157,112
Total	<u>\$ 305,987</u>

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

H. Southern Kentucky Performing Arts Center, Inc. (SKyPAC) Agreement – The City entered into a property acquisition agreement with SKyPAC whereby the City has purchased various properties for future conveyance to SKyPAC in exchange for SKyPAC committing to construct a performing arts center on the site. In return, SKyPAC has given the City \$1 million for land acquisition with the City responsible for all remaining costs of acquisition and demolition of existing structures. In the government-wide financial statements, the City has recorded both an asset and deferred revenue related to the agreement. As of June 30, 2009, the City maintained the title to the land purchased under the agreement.

NOTE 6. THE SINGLE AUDIT ACT

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

NOTE 7. DEFINED BENEFIT PENSION PLANS

The Policemen and Firemen's Retirement Fund (PFRF)

A. Plan Descriptions

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

B. Summary of Significant Accounting Policies and Plan Asset Matters

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

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

Funding Policy and Annual Pension Cost - The contribution requirements of plan members and the City are established and may be amended by the Board of Trustees. Covered employees were required

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

by statute to contribute eight percent of their annual covered salary. As there are no longer any active members, members made no contributions for the year ended June 30, 2009.

The City only contributes amounts required to fund current service costs and interest on unfunded past service costs as determined by actuarial valuations in compliance with Kentucky Revised Statutes. Administrative costs of the PFRF are financed through investment earnings. The City is not required to make an annual contribution. For 2008-2009 the City made a contribution of \$384,000, which included a 3% cost of living increase and payment towards the unfunded liability. For fiscal year 2008-2009 the City approved a cost of living increase of 3% effective August 1, 2008. For fiscal years subsequent to 2008-2009, the City anticipates the need for cost of living increases.

C. Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/(c)
<i>Assumes no Future Cost of Living Increase</i>						
1/1/09	7,234,104	9,603,005	2,368,901	75.3%	N/A	N/A
<i>Assumes Future Cost-of-Living Increase of 3% per Year</i>						
1/1/09	7,234,104	12,188,342	4,954,238	59.4%	N/A	N/A
<i>Assumes Future Cost-of-Living Increase of 5% per Year</i>						
1/1/09	7,234,104	14,593,408	7,359,304	49.6%	N/A	N/A

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

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

Valuation date	January 1, 2009
Actuarial cost method	Entry Age Normal
Amortization method	N/A - no method has been adopted. Due to this being a closed plan, the City has adopted the minimum statutory requirements
Amortization period	N/A - no period has been adopted. Due to this being a closed plan, the City has adopted the minimum statutory requirements
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.0%

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

Projected salary increases	N/A - closed plan
Inflation rate	None
Cost of living adjustment	0%, or 3%, or 5.0%
Total minimum City cost	\$206,532 or \$431,933 (at 3%) or \$641,618 (at 5%)

D. The County Employees' Retirement System

Plan Description - The City, as well as employees for Bowling Green Municipal Utilities Electric, Water-Sewer, and General Services Divisions, and Bowling Green Public Library, are participants in the Commonwealth of Kentucky's County Employees' Retirement System (CERS). CERS is a cost-sharing multi-employer public employee retirement system. Funding for the Plan is provided through payroll withholdings (5% for non-hazardous and 8% for hazardous) and participating employers are required to contribute at an actuarially determined rate. The rates for the year ended June 30, 2009 were 13.50% for non-hazardous and 29.50% for hazardous employees of the employee's total compensation subject to contribution.

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

The contribution requirements for CERS for the years ended June 30, 2009, 2008 and 2007 were \$6,131,371, \$6,583,998, and \$5,283,119, respectively. These amounts consisted of \$4,702,430, \$5,198,653 and \$3,998,586 from the City and \$1,428,941, \$1,385,345 and \$1,284,533 from the employees, respectively.

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

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

E. Deferred Compensation Plan

On December 5, 1995, the City Commission adopted Municipal Order No. 95-268 extending participation in ICMA Retirement Corporation's Section 457 deferred compensation plan to all eligible City employees as a voluntary retirement supplement. The ICMA plan provides for retirement, disability and death benefits based upon the total value of each participant's contributions plus accrued investment returns. The ICMA plan offers both a 457 option and a 457 Roth option.

Investments are managed by ICMA Retirement Corporation, plan administrator, with various investment options. The choice of the investment option(s) is made by the participants. Participating employees can contribute to the Plan based on either a percentage of compensation or a fixed dollar amount per pay period. The limits for the plan are up to \$15,500 per year for regular contributions and \$5,000 for catch-up contributions. The limits for the Roth plan are up to \$5,000 per year for regular contributions and \$1,000 for catch-up contributions. During the fiscal year ended June 30, 2009, employee contributions for both plans totaled \$212,244.

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

On December 5, 1995, the City Commission also adopted Municipal Order 95-269 authorizing participation in the Kentucky Public Employees 401(k) Deferred Compensation Plan. During the year ended June 30, 2009, the City also began offering a Roth 401(k) option. The Plans are administered by the Kentucky Public Employees Deferred Compensation Authority and are offered to all eligible City employees as a voluntary retirement supplement. Participating employees can defer a maximum of \$16,500 for regular contributions and \$5,500 for catch-up contributions for the 401(k) and \$5,000 for regular contributions and \$1,000 dollars for the Roth. Benefits are available upon termination of employment, retirement, death or for hardship withdrawal. Employee contributions for both plans totaled \$339,478 for the fiscal year ended June 30, 2009.

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

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes				
Real estate	\$ 6,819,000	\$ 6,819,000	\$ 6,695,542	\$ (123,458)
Personal property	1,505,000	1,505,000	1,479,652	(25,348)
Insurance premium	1,485,000	1,485,000	1,365,431	(119,569)
Motor vehicle and boat	707,000	707,000	696,581	(10,419)
Payment in lieu of taxes	202,000	202,000	191,058	(10,942)
Franchise	1,098,000	1,098,000	1,024,899	(73,101)
Penalites and Interest	75,000	75,000	75,910	910
Total taxes	11,891,000	11,891,000	11,529,073	(361,927)
Licenses and permits				
Occupational:				
Employees' withholding	29,662,000	29,673,500	27,865,616	(1,807,884)
Net profits	6,779,000	6,779,000	6,104,027	(674,973)
Other fees	212,000	212,000	280,003	68,003
Special licenses	202,000	202,000	179,275	(22,725)
Permits	652,000	652,000	439,325	(212,675)
Total licenses and permits	37,507,000	37,518,500	34,868,246	(2,650,254)
Intergovernmental				
Federal grants	972,900	2,258,470	692,358	(1,566,112)
State grants	20,000	47,641	46,565	(1,076)
Local grants	76,000	76,000	74,573	(1,427)
Total intergovernment	1,068,900	2,382,111	813,496	(1,568,615)
Charges for services				
School tax collection fees	155,000	155,000	162,071	7,071
Other general government fees	3,500	6,000	9,459	3,459
Public safety fees	93,000	56,000	57,612	1,612
Cemetery lot sales	101,500	101,500	97,232	(4,268)
Cemetery fees	144,500	144,500	134,176	(10,324)
Other	48,000	48,000	20,941	(27,059)
Total charges for services	545,500	511,000	481,491	(29,509)
Parks and recreation	312,500	325,150	380,317	55,167
Miscellaneous				
Interest income	711,000	711,000	903,310	192,310
ABC and parking violations fees	32,000	32,000	20,085	(11,915)
Contributions and donations	9,000	104,050	85,481	(18,569)
Judgements and settlements	52,000	56,207	316,076	259,869
Other	60,500	60,500	182,958	122,458
Total miscellaneous	864,500	963,757	1,507,910	544,153
Total revenues	\$ 52,189,400	\$ 53,591,518	\$ 49,580,533	\$ (4,010,985)

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final
	Original	Final		Budget - Positive (Negative)
General government				
Legislative	\$ 178,730	\$ 182,219	\$ 166,102	\$ 16,117
Executive	711,374	719,705	654,279	65,426
Citizens information assistance	629,592	602,523	522,024	80,499
Finance	1,319,421	1,308,552	1,242,629	65,923
Human resources	1,949,319	1,897,357	1,651,888	245,469
Law	312,313	919,875	310,590	609,285
Information technology	1,486,891	1,512,014	1,357,183	154,831
Administrative services	870,380	980,127	908,364	71,763
Total general government	7,458,020	8,122,372	6,813,059	1,309,313
Public safety				
Police	12,212,099	12,283,452	11,605,795	677,657
Fire	9,902,211	9,935,559	9,895,133	40,426
Total public safety	22,114,310	22,219,011	21,500,928	718,083
Public works				
Public works administration	1,699,918	2,265,339	1,775,122	490,217
Highway and streets	2,316,709	2,427,978	2,191,349	236,629
Building and plant	1,817,278	2,026,097	1,897,292	128,805
Transportation	940,931	1,779,496	639,480	1,140,016
Total public works	6,774,836	8,498,910	6,503,243	1,995,667
Parks and recreation				
Parks	1,798,649	1,833,809	1,704,624	129,185
Recreation	619,773	611,853	521,471	90,382
Athletics	814,158	1,066,814	890,679	176,135
Community centers	997,249	1,026,639	895,970	130,669
Other parks	1,491,636	1,520,176	1,384,195	135,981
Total parks and recreation	5,721,465	6,059,291	5,396,939	662,352
Housing and community development	1,680,906	1,675,677	1,510,949	164,728
Community services				
Community services	867,865	901,182	900,093	1,089
Intergovernmental	135,835	167,335	166,319	1,016
Total community services	1,003,700	1,068,517	1,066,412	2,105
Miscellaneous	280,800	-	-	-
Total Expenditures	45,034,037	47,643,778	42,791,530	4,852,248
Excess of revenues over expenditures	7,155,363	5,947,740	6,789,003	841,263
Other financing sources (uses):				
Transfers in	95,600	95,600	95,600	-
Transfers out	(8,148,747)	(9,121,425)	(9,000,532)	120,893
Proceeds from sale of capital assets	100,000	100,000	344,027	244,027
Total other financing sources (uses)	(7,953,147)	(8,925,825)	(8,560,905)	364,920
Net change in fund balances	(797,784)	(2,978,085)	(1,771,902)	1,206,183
Fund balances, beginning	17,503,900	17,503,900	17,503,900	-
Fund balances, ending	\$ 16,706,116	\$ 14,525,815	\$ 15,731,998	\$ 1,206,183

CITY OF BOWLING GREEN, KENTUCKY

BUDGET COMPARISON SCHEDULE

WKU ATHLETICS SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 1,968,000	\$ 1,968,000	\$ 1,967,563	\$ (437)
EXPENDITURES				
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,968,000	1,968,000	1,967,563	(437)
Other financing sources (uses):				
Transfers out	(1,968,000)	(1,968,000)	(1,967,563)	437
Total other financing sources (uses)	(1,968,000)	(1,968,000)	(1,967,563)	437
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

JOB DEVELOPMENT INCENTIVE SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Wages and net profits taxes	\$ 1,482,500	\$ 1,482,500	\$ 1,136,226	\$ (346,274)
Investment income	70,000	70,000	74,639	4,639
Total revenues	1,552,500	1,552,500	1,210,865	(341,635)
EXPENSES				
Debt Service:				
Principal	-	2,415,000	2,415,000	-
Interest	-	87,000	86,546	454
Other Costs	-	147,000	139,156	7,844
Total expenses	-	2,649,000	2,640,702	8,298
Excess (deficiency) of revenues over (under) expenditures	1,552,500	(1,096,500)	(1,429,837)	(333,337)
Other financing sources (uses):				
Transfers out	(1,607,100)	(1,692,100)	(1,674,753)	17,347
Issuance of refunding bonds	-	12,119,800	12,119,800	-
Premium on bonds	-	501,200	500,575	(625)
Payment to refunded bond escrow agent	-	(9,972,000)	(9,971,912)	88
Total other financing sources (uses)	(1,607,100)	956,900	973,710	16,810
Net change in fund balances	(54,600)	(139,600)	(456,127)	(316,527)
Fund balances, beginning	1,958,837	1,958,837	1,958,837	-
Fund balances, ending	\$ 1,904,237	\$ 1,819,237	\$ 1,502,710	\$ (316,527)

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

ITA BOND SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Rent Income	\$ 1,430,900	\$ 1,430,900	\$ 1,685,901	\$ 255,001
Investment income	-	-	523,085	523,085
Contributions and donations	-	500,000	-	(500,000)
Total revenues	1,430,900	1,930,900	2,208,986	278,086
EXPENDITURES				
Debt Service:				
Principal	-	575,000	575,000	-
Interest	-	565,000	564,369	631
Total expenditures	-	1,140,000	1,139,369	631
Excess of revenues over expenditures	1,430,900	790,900	1,069,617	278,717
Other financing sources (uses):	305,000	805,000	805,000	-
Transfers In	(1,430,900)	(1,430,900)	(1,430,826)	74
Transfers Out	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-
Other costs	(1,125,900)	(625,900)	(625,826)	74
Total other financing sources (uses)	305,000	165,000	443,791	278,791
Net change in fund balances	14,898,560	14,898,560	14,898,560	-
Fund balances, beginning	\$ 15,203,560	\$ 15,063,560	\$ 15,342,351	\$ 278,791
Fund balances, ending				

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

TIF DISTRICT SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	\$ -	\$ -	\$ 337,864	\$ 337,864
Total revenues	-	-	337,864	337,864
EXPENDITURES				
Community services	-	23,788,150	22,141,315	1,646,835
Debt Service:				
Interest	-	920,250	920,173	77
Other Costs	-	211,600	324,307	(112,707)
Total expenditures	-	24,920,000	23,385,795	1,534,205
Excess (deficiency) of revenues over (under) expenditures	-	(24,920,000)	(23,047,931)	1,872,069
Other financing sources (uses):				
Issuance of bonds	-	24,900,000	24,835,000	(65,000)
Premium on bonds	-	-	166,535	166,535
Transfers in	1,600,000	1,620,000	1,600,000	(20,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	1,600,000	26,520,000	26,601,535	81,535
Net change in fund balances	1,600,000	1,600,000	3,553,604	1,953,604
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ 1,600,000	\$ 1,600,000	\$ 3,553,604	\$ 1,953,604

CITY OF BOWLING GREEN, KENTUCKY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY ACCOUNTING AND CONTROL

FOR THE YEAR ENDED JUNE 30, 2009

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

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

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

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

Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances in the governmental funds and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Encumbrances are not recorded in the financial statements for proprietary, internal service and fiduciary fund types. However, the following funds had purchase orders outstanding at June 30, 2009 as follows:

Convention Center	\$	42,333
Golf		38,580
Aquatics		1,343

CITY OF BOWLING GREEN, KENTUCKY

POLICE AND FIREMEN'S RETIREMENT FUND

FOR THE YEAR ENDED JUNE 30, 2009

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/(c)
<i>Assumes no Future Cost of Living Increase</i>						
1/1/09	7,234,104	9,603,005	2,368,901	75.3%	N/A	N/A
7/1/08	8,830,002	9,844,299	1,014,297	89.7%	N/A	N/A
7/1/06	8,594,619	9,709,433	1,114,814	88.5%	N/A	N/A
<i>Assumes Future Cost-of-Living Increase of 3% per Year</i>						
1/1/09	7,234,104	12,188,342	4,954,238	59.4%	N/A	N/A
7/1/08	8,830,002	12,560,821	3,730,819	70.3%	N/A	N/A
7/1/06	8,594,619	12,578,314	3,983,695	68.3%	N/A	N/A
<i>Assumes Future Cost-of-Living Increase of 5% per Year</i>						
1/1/09	7,234,104	14,593,408	7,359,304	49.6%	N/A	N/A
7/1/08	8,830,002	15,107,046	6,277,044	58.4%	N/A	N/A
7/1/06	8,594,619	15,448,181	6,853,562	55.6%	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30	Annual Pension Cost	Amount Contributed
1998	63,629	63,629
1999	63,629	63,629
2000	48,781	48,781
2001	48,781	48,781
2002	88,514	88,514
2003	108,000	108,000
2004	108,000	108,000
2005	209,000	209,000
2006	209,000	209,000
2007	328,000	328,000
2008	328,000	328,000
2009	384,000	384,000

CITY OF BOWLING GREEN, KENTUCKY

MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

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

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

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

Roads

The City began using its computerized pavement management system in 1997. Surface distress and ride comfort assessments are conducted on all segments. Street assessments are conducted annually, and all segments are assessed within a three year cycle. The most recent assessment was conducted in the Fall of 2008.

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

The following pavement quality conditions have been defined:

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

Established Condition Level

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

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

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

Assessed Conditions

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

<u>Year</u>	<u>Percentage</u>
2009	90%
2008	90%
2007	85%
2006	85%
2005	82%

Budgeted and Estimated Costs to Maintain

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

<u>Fiscal Year</u>	<u>Estimated Spending</u>	<u>Actual Spending</u>
2009-2010	\$850	\$
2008-2009	\$915	\$915
2007-2008	\$842	\$835
2006-2007	\$1,192	\$842
2005-2006	\$842	\$842
2004-2005	\$875	\$920

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

Sidewalks

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

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

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

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

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

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

Assessed Conditions

Currently, the sidewalk management system indicates the 96% of city maintained sidewalks have an OCI value greater than or equal to the minimum rating of 76.0.

Budgeted and Estimated Costs to Maintain

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Community Development Fund

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

Fire Improvement Fund

This fund is used to account for capital outlays of the fire department. Funding is provided by insurance premium taxes.

Municipal Aid Funds

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

Parks Development Fund

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

Landfill Closure Fund

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

Local Law Enforcement Block Grant Fund

This fund is used to account for a Serious Habitual Offender/Criminal Apprehension Program (SHOCAP) Grant which targets habitual juvenile offenders for intense supervision with the assistance of the courts, social services and the local schools.

Trunking Operation Fund

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

Neighborhood Grant Fund

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

Technology Fund

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

Homeland Security Fund

This fund is used to account for expenditures funded indirectly through the U.S. Department of Homeland Security. The City of Bowling Green acts as the lead agency for a regional project to purchase mobile data terminals for seventeen agencies.

Police Improvement Fund

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

Lampkin Park Trust Fund

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

Parks Community Center Fund

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

SKyPAC Development Fund

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

Downtown Revitalization Project

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

Riverfront Development Fund

This fund was previously utilized to account for the revenues and expenditures in the development of a riverfront park between College and State Streets adjacent to the Barren River. This fund currently provides funds and expenditures for the construction of greenway trails throughout the City.

Equipment Replacement Fund

This fund is used to account for the short-term financing of general government capital outlays for vehicles and equipment.

Southwest Corridor Fund

This fund is used to account for costs associated with the purchase of land for a future road to connect Russellville Road with Nashville Road. Financing for this project was included in the issuance of the City of Bowling Green, Kentucky General Obligation Bonds, Series 2004A as well as the more recent issuance City of Bowling Green General Obligation Bonds, Series 2007.

Road Construction Fund

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

Downtown Signalization Fund

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

Broadway Curve Realignment Fund

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

Fields Drive Extension Fund

This fund tracks expenditures associated with the Fields Drive extension construction project. Funding has been provided through the issuance City of Bowling Green General Obligation Bonds, Series 2007.

Old Morgantown Road Rehab Fund

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

Heritage Trail Construction Fund

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

Parks Improvement Fund

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

Shive Lane Development Fund

This fund was used to account for financing and construction costs associated with the widening and expansion of Shive Lane. Funding for this project was provided by a subsidy from the General Fund and by issuance of City of Bowling Green General Obligation Bonds, Series 2007. In June of 2008, this project was rescinded and bond money was redirected to the following projects: Kawanishi Way extension, Cavemill/Smallhouse Road Intersection design, Old Morgantown Road rehabilitation and Greenwood Lane realignment project.

Sidewalk Improvement Fund

This fund is used to account for costs associated with the improvement of existing and construction of new sidewalks throughout the City. Funding has been made available through subsidies from the General Fund and the Coal Mineral Tax Fund.

Greenwood Fire Station Construction Fund

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

Headquarters Fire Station Renovation Fund

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

Greenwood Lane Construction Fund

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

Storm Drainage Improvement Fund

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

Municipal Facilities Fund

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

Airport Fire Station Renovation Fund

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

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

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

Cemetery Perpetual Trust Fund

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

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund - Cemetery Perpetual	Total Nonmajor Governmental Funds
ASSETS				
Pooled cash and cash equivalents	\$ 3,552,243	\$ 3,028,948	\$ 87,686	\$ 6,668,877
Non-pooled cash and cash equivalents	839,832	-	-	839,832
Investments	3,364,396	-	-	3,364,396
Receivables (net of allowances for uncollectibles):				
Accounts	20,770	28,794	-	49,564
Loans	544,473	-	-	544,473
Interest	26,465	-	-	26,465
Due from other governmental units	400,155	214,775	-	614,930
Restricted assets:				
Non-pooled cash and cash equivalents	-	8,267,467	644,391	8,911,858
Other assets	-	-	6,050	6,050
Total assets	<u>\$ 8,748,334</u>	<u>\$ 11,539,984</u>	<u>\$ 738,127</u>	<u>\$ 21,026,445</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Vouchers and accounts payable	\$ 76,132	\$ 468,761	\$ -	\$ 544,893
Accrued payroll	8,627	-	-	8,627
Due to other funds	220,000	-	-	220,000
Deferred revenue	544,473	-	-	544,473
Security deposits	-	-	-	-
Total liabilities	<u>849,232</u>	<u>468,761</u>	<u>-</u>	<u>1,317,993</u>
Fund Balances				
Reserved for encumbrances	735,073	2,292,597	-	3,027,670
Reserved for perpetual care	-	-	644,391	644,391
Unreserved, undesignated	<u>7,164,029</u>	<u>8,778,626</u>	<u>93,736</u>	<u>16,036,391</u>
Total fund balances	<u>7,899,102</u>	<u>11,071,223</u>	<u>738,127</u>	<u>19,708,452</u>
Total liabilities and fund balances	<u>\$ 8,748,334</u>	<u>\$ 11,539,984</u>	<u>\$ 738,127</u>	<u>\$ 21,026,445</u>

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2009

	Community Development	Fire Improvement	Municipal Aid	Parks Development	Landfill Closure	Local Law Enforcement Block Grant	Trunking Operation
ASSETS							
Pooled cash and cash equivalents	\$ -	\$ 128,688	\$ 1,829,473	\$ 2,854	\$ 279,909	\$ (4,028)	\$ 71,301
Non-pooled cash and cash equivalents	780,619	59,213	-	-	-	-	-
Investments	-	1,446,175	737,505	-	1,180,716	-	-
Receivables (net of allowances for uncollectibles)							
Accounts	18,270	-	-	-	-	-	2,500
Loans	544,473	-	-	-	-	-	-
Interest	-	26,465	-	-	-	-	-
Due from other governmental units	307,506	-	57,248	-	-	12,887	-
Restricted assets:							
Non-pooled cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ 1,650,868	\$ 1,660,541	\$ 2,624,226	\$ 2,854	\$ 1,460,625	\$ 8,859	\$ 73,801
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers and accounts payable	\$ 42,223	\$ 18,669	\$ 6,593	\$ -	\$ 2,204	\$ 6,443	\$ -
Accrued payroll	4,544	-	4,083	-	-	-	-
Due to other funds	220,000	-	-	-	-	-	-
Deferred revenue	544,473	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-
Total liabilities	811,240	18,669	10,676	-	2,204	6,443	-
Fund Balances							
Reserved for encumbrances	84,356	27,593	567,510	-	-	-	6,377
Unreserved, undesignated	755,272	1,614,279	2,046,040	2,854	1,458,421	2,416	67,424
Total fund balances	839,628	1,641,872	2,613,550	2,854	1,458,421	2,416	73,801
Total liabilities and fund balances	\$ 1,650,868	\$ 1,660,541	\$ 2,624,226	\$ 2,854	\$ 1,460,625	\$ 8,859	\$ 73,801

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2009

	Neighborhood Grant	Technology	Homeland Security	Police Improvement	Lampkin Park Trust	Total Nonmajor Special Revenue Funds
ASSETS						
Pooled cash and cash equivalents	\$ 6,341	\$ 960,359	\$ -	\$ 251,507	\$ 25,839	\$ 3,552,243
Non-pooled cash and cash equivalents	-	-	-	-	-	839,832
Investments	-	-	-	-	-	3,364,396
Receivables (net of allowances for uncollectibles)						
Accounts	-	-	-	-	-	20,770
Loans	-	-	-	-	-	544,473
Interest	-	-	-	-	-	26,465
Due from other governmental units	-	-		22,514	-	400,155
Restricted assets:						
Non-pooled cash and cash equivalents	-	-	-	-	-	-
Total assets	<u>\$ 6,341</u>	<u>\$ 960,359</u>	<u>\$ -</u>	<u>\$ 274,021</u>	<u>\$ 25,839</u>	<u>\$ 8,748,334</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Vouchers and accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,132
Accrued payroll	-	-	-	-	-	8,627
Due to other funds	-	-	-	-	-	220,000
Deferred revenue	-	-	-	-	-	544,473
Security deposits	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,232</u>
Fund Balances						
Reserved for encumbrances	6,187	43,050	-	-	-	735,073
Unreserved, undesignated	154	917,309	-	274,021	25,839	7,164,029
Total fund balances	<u>6,341</u>	<u>960,359</u>	<u>-</u>	<u>274,021</u>	<u>25,839</u>	<u>7,899,102</u>
Total liabilities and fund balances	<u>\$ 6,341</u>	<u>\$ 960,359</u>	<u>\$ -</u>	<u>\$ 274,021</u>	<u>\$ 25,839</u>	<u>\$ 8,748,334</u>

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2009

	Parks Community Center	Skypac Development Fund	Downtown Development Project	Riverfront Development	Equipment Replacement	Southwest Corridor	Road Construction	Downtown Signalization Fund	Broadway Curve Realignment	Field Drive Extension	Old Morgantown Road Rehab
ASSETS											
Pooled cash and cash equivalents	\$ -	\$ 136,338	\$ 4,685	\$ 155,331	\$ 228,658	\$ -	\$ 2	\$ 43,200	\$ -	\$ -	\$ 329,828
Due from other governmental units	-	-	-	214,775	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)											
Accounts	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Non-pooled cash and cash equivalents	<u>57,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,000</u>	<u>-</u>	<u>179,575</u>	<u>-</u>	<u>4,041,282</u>
Total assets	<u>\$ 57,355</u>	<u>\$ 136,338</u>	<u>\$ 4,685</u>	<u>\$ 370,106</u>	<u>\$ 228,658</u>	<u>\$ -</u>	<u>\$ 113,002</u>	<u>\$ 43,200</u>	<u>\$ 179,575</u>	<u>\$ -</u>	<u>\$ 4,371,110</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vouchers and accounts payable	<u>-</u>	<u>112</u>	<u>4,680</u>	<u>42,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,593</u>
Total liabilities	<u>-</u>	<u>112</u>	<u>4,680</u>	<u>42,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,593</u>
Fund Balances											
Reserved for encumbrances	22,355	-	-	132,800	-	-	-	12,200	74,692	-	29,676
Unreserved, undesignated	<u>35,000</u>	<u>136,226</u>	<u>5</u>	<u>194,823</u>	<u>228,658</u>	<u>-</u>	<u>113,002</u>	<u>31,000</u>	<u>104,883</u>	<u>-</u>	<u>4,337,841</u>
Total fund balances	<u>57,355</u>	<u>136,226</u>	<u>5</u>	<u>327,623</u>	<u>228,658</u>	<u>-</u>	<u>113,002</u>	<u>43,200</u>	<u>179,575</u>	<u>-</u>	<u>4,367,517</u>
Total liabilities and fund balances	<u>\$ 57,355</u>	<u>\$ 136,338</u>	<u>\$ 4,685</u>	<u>\$ 370,106</u>	<u>\$ 228,658</u>	<u>\$ -</u>	<u>\$ 113,002</u>	<u>\$ 43,200</u>	<u>\$ 179,575</u>	<u>\$ -</u>	<u>\$ 4,371,110</u>

CITY OF BOWLING GREEN, KENTUCKY

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2009

	Heritage Trail Construction	Parks Improvements	Shive Lane Development	Sidewalk Improvement	Greenwood Fire Station Construction	Fire Headquarters Expansion	Greenwood Lane Construction	Stormwater Infrastructure Improvement	Municipal Facilities	Fire Airport Expansion	Total Nonmajor Capital Project Funds
ASSETS											
Pooled cash and cash equivalents	\$ 109,201	\$ 10,010	\$ -	\$ 1,506,960	\$ -	\$ -	\$ 85,000	\$ 57,485	\$ 362,250	\$ -	\$ 3,028,948
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	214,775
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)											
Accounts	-	-	-	-	-	28,794	-	-	-	-	28,794
Restricted assets:											
Non-pooled cash and cash equivalents	-	-	-	-	64,969	2,444,661	703,625	-	-	663,000	8,267,467
Total assets	\$ 109,201	\$ 10,010	\$ -	\$ 1,506,960	\$ 64,969	\$ 2,473,455	\$ 788,625	\$ 57,485	\$ 362,250	\$ 663,000	\$ 11,539,984
LIABILITIES AND FUND BALANCES											
Liabilities											
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vouchers and accounts payable	-	-	-	18,485	-	362,096	37,312	-	-	-	468,761
Total liabilities	-	-	-	18,485	-	362,096	37,312	-	-	-	468,761
Fund Balances											
Reserved for encumbrances	41,809	1,443	-	149,178	4,198	1,824,246	-	-	-	-	2,292,597
Unreserved, undesignated	67,392	8,567	-	1,339,297	60,771	287,113	751,313	57,485	362,250	663,000	8,778,626
Total fund balances	109,201	10,010	-	1,488,475	64,969	2,111,359	751,313	57,485	362,250	663,000	11,071,223
Total liabilities and fund balances	\$ 109,201	\$ 10,010	\$ -	\$ 1,506,960	\$ 64,969	\$ 2,473,455	\$ 788,625	\$ 57,485	\$ 362,250	\$ 663,000	\$ 11,539,984

CITY OF BOWLING GREEN, KENTUCKY

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund - Cemetery Perpetual	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 470,000	\$ -	\$ -	\$ 470,000
Insurance premium taxes	1,734,946	-	-	1,734,946
Wages and net profits taxes	1,005,412	-	-	1,005,412
Judgements and settlements	27,306	-	-	27,306
Intergovernmental	6,097,370	957,745	-	7,055,115
Investment income	209,305	160,033	28,319	397,657
Contributions and donations	8,148	54,167	-	62,315
Rent income	-	-	-	-
Miscellaneous	236,979	-	23,332	260,311
Total Revenues	9,789,466	1,171,945	51,651	11,013,062
EXPENDITURES				
Current:				
General government	78,941	7,349	-	86,290
Public safety	1,699,732	-	-	1,699,732
Public works	1,209,058	150,452	-	1,359,510
Parks and recreation	-	16,015	-	16,015
Housing and community development	4,137,338	10,561	-	4,147,899
Capital Outlay	2,649,150	9,758,347	-	12,407,497
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	73,080	-	73,080
Total Expenditures	9,774,219	10,015,804	-	19,790,023
Excess (deficiency) of revenues over (under) expenditures	15,247	(8,843,859)	51,651	(8,776,961)
Other financing sources (uses):				
Transfers in	1,206,110	6,278,776	-	7,484,886
Transfers out	(3,461,569)	(4,608,775)	-	(8,070,344)
Issuance of debt	-	6,585,000	-	6,585,000
Issuance of refunding debt	-	-	-	-
Premium on bonds	-	-	-	-
Discount on bonds	-	(8,009)	-	(8,009)
Payment to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	(2,255,459)	8,246,992	-	5,991,533
Net change in fund balances	(2,240,212)	(596,867)	51,651	(2,785,428)
Fund balances, beginning	10,139,314	11,668,090	686,476	22,493,880
Fund balances, ending	\$ 7,899,102	\$ 11,071,223	\$ 738,127	\$ 19,708,452

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended June 30, 2009

	Community Development	Fire Improvement	Municipal Aid	Parks Development	Landfill Closure	Local Law Enforcement Block Grant	Trunking Operation	Neighborhood Grant	Technology
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ 470,000	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance premium taxes	-	1,734,946	-	-	-	-	-	-	-
Wages and net profits taxes	-	-	-	910,631	-	-	-	-	-
Judgments and settlements	-	14,488	-	-	-	-	-	-	12,818
Intergovernmental	3,712,017	-	2,261,549	-	-	12,887	27,500	-	-
Investment income	3,271	99,524	43,411	-	55,573	-	752	-	-
Contributions and donations	-	1,798	-	-	-	-	6,350	-	-
Rent Income	-	-	-	-	-	-	-	-	-
Miscellaneous	125,997	-	54,064	-	12,500	-	-	-	-
Total Revenues	3,841,285	1,850,756	2,359,024	1,380,631	68,073	12,887	34,602	-	12,818
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	55,763	23,178
Public safety	-	311,365	1,297,837	-	-	7,113	-	-	-
Public works	-	-	1,131,495	-	17,742	-	59,821	-	-
Housing and community development	4,137,338	-	-	-	-	-	-	-	-
Capital outlay	168,640	1,268,977	65,424	-	-	57,670	18,450	-	1,024,989
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-	-
Total Expenditures	4,305,978	1,580,342	2,494,756	-	17,742	64,783	78,271	55,763	1,048,167
Excess (deficiency) of revenues over (under) expenditures	(464,693)	270,414	(135,732)	1,380,631	50,331	(51,896)	(43,669)	(55,763)	(1,035,349)
Other financing sources (uses):									
Transfers in	-	-	113,390	-	-	-	25,000	55,000	1,001,500
Transfers out	-	(1,876,192)	(189,600)	(1,377,777)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,876,192)	(76,210)	(1,377,777)	-	-	25,000	55,000	1,001,500
Net change in fund balances	(464,693)	(1,605,778)	(211,942)	2,854	50,331	(51,896)	(18,669)	(763)	(33,849)
Fund balances, beginning	1,304,321	3,247,650	2,825,492	-	1,408,090	54,312	92,470	7,104	994,208
Fund balances, ending	\$ 839,628	\$ 1,641,872	\$ 2,613,550	\$ 2,854	\$ 1,458,421	\$ 2,416	\$ 73,801	\$ 6,341	\$ 960,359

See accompanying independent auditor's report

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended June 30, 2009

	Homeland Security	Police Improvement	Lampkin Park	Total Special Revenue Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 470,000
Insurance premium taxes	-	-	-	1,734,946
Wages and net profits taxes	-	94,781	-	1,005,412
Judgments and settlements	-	-	-	27,306
Intergovernmental	83,417	-	-	6,097,370
Investment income	-	1,271	5,503	209,305
Contributions and donations	-	-	-	8,148
Rent Income	-	-	-	-
Miscellaneous	-	44,239	179	236,979
Total Revenues	<u>83,417</u>	<u>140,291</u>	<u>5,682</u>	<u>9,789,466</u>
EXPENDITURES				
Current:				
General government	-	-	-	78,941
Public safety	83,417	-	-	1,699,732
Public works	-	-	-	1,209,058
Housing and community development	-	-	-	4,137,338
Capital outlay	-	45,000	-	2,649,150
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
Total Expenditures	<u>83,417</u>	<u>45,000</u>	<u>-</u>	<u>9,774,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>95,291</u>	<u>5,682</u>	<u>15,247</u>
Other financing sources (uses):				
Transfers in	-	11,220	-	1,206,110
Transfers out	-	(18,000)	-	(3,461,569)
Issuance of debt	-	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on bonds	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(6,780)</u>	<u>-</u>	<u>(2,255,459)</u>
Net change in fund balances	<u>-</u>	<u>88,511</u>	<u>5,682</u>	<u>(2,240,212)</u>
Fund balances, beginning	<u>-</u>	<u>185,510</u>	<u>20,157</u>	<u>10,139,314</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 274,021</u>	<u>\$ 25,839</u>	<u>\$ 7,899,102</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

For the year ended June 30, 2009

	Parks Community Center	Skypac Development Fund	Downtown Development Project	Riverfront Development	Equipment Replacement	Southwest Corridor	Road Construction	Downtown Signalization Fund	Broadway Curve Realignment	Field Drive Extension
REVENUES										
Intergovernmental	\$ -	\$ -	\$ -	\$ 957,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	255	-	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	25,000	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Revenues	255	-	-	982,745	-	-	-	-	-	-
EXPENDITURES										
Current:										
General Government	-	-	-	-	7,349	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Parks and recreation	16,015	-	-	-	-	-	-	-	-	-
Housing and community development	-	-	-	10,561	-	-	-	-	-	-
Capital outlay	-	1,756,356	347,005	1,106,437	339,189	282,838	-	1,534,553	454,216	25,430
Debt Service:										
Other Costs	-	-	-	-	-	-	-	-	-	-
Total Expenditures	16,015	1,756,356	347,005	1,116,998	346,538	282,838	-	1,534,553	454,216	25,430
Excess (deficiency) of revenues over (under) expenditures	(15,760)	(1,756,356)	(347,005)	(134,253)	(346,538)	(282,838)	-	(1,534,553)	(454,216)	(25,430)
Other financing sources (uses):										
Issuance of bonds	-	-	-	-	-	-	-	-	-	-
Discount on bonds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	350,000	30,626	-	-	-	-
Transfers out	(418,475)	-	(56,985)	-	-	-	-	(127,543)	(333,710)	(24,295)
Total other financing sources (uses)	(418,475)	-	(56,985)	-	350,000	30,626	-	(127,543)	(333,710)	(24,295)
Net change in fund balances	(434,235)	(1,756,356)	(403,990)	(134,253)	3,462	(252,212)	-	(1,662,096)	(787,926)	(49,725)
Fund balances, beginning	491,590	1,892,582	403,995	461,876	225,196	252,212	113,002	1,705,296	967,501	49,725
Fund balances, ending	\$ 57,355	\$ 136,226	\$ 5	\$ 327,623	\$ 228,658	\$ -	\$ 113,002	\$ 43,200	\$ 179,575	\$ -

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS

For the year ended June 30, 2009

	Old Morgntown Rd Rehab	Heritage Trail Construction	Parks Improvements	Shive Lane Development	Sidewalk Improvement	Greenwood Fire Station Construction	Fire Headquarters Expansion	Greenwood Lane Construction	Stormwater Infrastructure Improvement	Municipal Facilities	Fire Airport Expansion	Total Nonmajor Capital Project Funds
REVENUES												
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 957,745
Investment income	-	-	-	61,425	-	65,339	33,014	-	-	-	-	160,033
Contributions and donations	-	29,167	-	-	-	-	-	-	-	-	-	54,167
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	29,167	-	61,425	-	65,339	33,014	-	-	-	-	1,171,945
EXPENDITURES												
Current:												
General Government	-	-	-	-	-	-	-	-	-	-	-	7,349
Public works	-	-	-	-	90,120	52,532	-	-	7,800	-	-	150,452
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-	16,015
Housing and community development	-	-	-	-	-	-	-	-	-	-	-	10,561
Capital outlay	150,558	-	46,382	-	666,374	2,060,252	706,425	218,687	59,715	3,930	-	9,758,347
Debt Service:												
Other Costs	75	-	-	-	-	73,005	-	-	-	-	-	73,080
Total Expenditures	150,633	-	46,382	-	756,494	2,185,789	706,425	218,687	67,515	3,930	-	10,015,804
Excess (deficiency) of revenues over (under) expenditures	(150,633)	29,167	(46,382)	61,425	(756,494)	(2,120,450)	(673,411)	(218,687)	(67,515)	(3,930)	-	(8,843,859)
Other financing sources (uses):												
Issuance of bonds	-	-	-	-	-	3,571,000	2,351,000	-	-	-	663,000	6,585,000
Discount on bonds	-	-	-	-	-	(8,009)	-	-	-	-	-	(8,009)
Transfers in	4,078,150	-	-	-	1,210,000	-	500,000	85,000	25,000	-	-	6,278,776
Transfers out	-	-	-	(3,147,767)	-	(500,000)	-	-	-	-	-	(4,608,775)
Total other financing sources (uses)	4,078,150	-	-	(3,147,767)	1,210,000	3,062,991	2,851,000	85,000	25,000	-	663,000	8,246,992
Net change in fund balances	3,927,517	29,167	(46,382)	(3,086,342)	453,506	942,541	2,177,589	(133,687)	(42,515)	(3,930)	663,000	(596,867)
Fund balances, beginning	440,000	80,034	56,392	3,086,342	1,034,969	(877,572)	(66,230)	885,000	100,000	366,180	-	11,668,090
Fund balances, ending	\$ 4,367,517	\$ 109,201	\$ 10,010	\$ -	\$ 1,488,475	\$ 64,969	\$ 2,111,359	\$ 751,313	\$ 57,485	\$ 362,250	\$ 663,000	\$ 11,071,223

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 3,518,831	\$ 4,957,455	\$ 3,712,017	\$ (1,245,438)
Investment income	12,000	12,000	3,271	(8,729)
Miscellaneous	124,239	121,239	125,997	4,758
Total revenues	3,655,070	5,090,694	3,841,285	(1,249,409)
EXPENDITURES				
Current:				
Housing and community development	3,631,439	5,315,798	4,137,338	1,178,460
Capital outlay	125,000	501,031	168,640	332,391
Total expenditures	3,756,439	5,816,829	4,305,978	1,510,851
Excess (deficiency) of revenues over (under) expenditures	(101,369)	(726,135)	(464,693)	261,442
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(101,369)	(726,135)	(464,693)	261,442
Fund balances, beginning	1,304,321	1,304,321	1,304,321	-
Fund balances, ending	\$ 1,202,952	\$ 578,186	\$ 839,628	\$ 261,442

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

FIRE IMPROVEMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Insurance premium taxes	\$ 1,768,000	\$ 1,768,000	\$ 1,734,946	\$ (33,054)
Judgments and settlements	16,000	16,000	14,488	(1,512)
Investment income	75,000	75,000	99,524	24,524
Contributions and donations	-	-	1,798	1,798
Total revenues	1,859,000	1,859,000	1,850,756	(8,244)
EXPENDITURES				
Current:				
Public safety	477,664	564,808	311,365	253,443
Capital outlay	601,264	1,305,348	1,268,977	36,371
Total expenditures	1,078,928	1,870,156	1,580,342	289,814
Excess (deficiency) of revenues over (under) expenditures	780,072	(11,156)	270,414	281,570
Other financing sources (uses):				
Transfers out	(1,896,500)	(1,896,500)	(1,876,192)	20,308
Sale of capital assets	1,000	1,000	-	(1,000)
Total other financing sources (uses)	(1,895,500)	(1,895,500)	(1,876,192)	19,308
Net change in fund balances	(1,115,428)	(1,906,656)	(1,605,778)	300,878
Fund balances, beginning	3,247,650	3,247,650	3,247,650	-
Fund balances, ending	\$ 2,132,222	\$ 1,340,994	\$ 1,641,872	\$ 300,878

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

MUNICIPAL AID SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 2,306,500	\$ 2,306,500	\$ 2,261,549	\$ (44,951)
Investment income	34,700	34,700	43,411	8,711
Miscellaneous	60,000	60,000	54,064	(5,936)
Total revenues	2,401,200	2,401,200	2,359,024	(42,176)
EXPENDITURES				
Current:				
Public safety	474,558	1,446,050	1,297,837	148,213
Public works	1,015,000	1,158,877	1,131,495	27,382
Capital outlay	266,000	302,132	65,424	236,708
Total expenditures	1,755,558	2,907,059	2,494,756	412,303
Excess (deficiency) of revenues over (under) expenditures	645,642	(505,859)	(135,732)	370,127
Other financing sources (uses):				
Transfers in	122,115	117,115	113,390	(3,725)
Transfers out	(1,134,215)	(189,600)	(189,600)	-
Total other financing sources (uses)	(1,012,100)	(72,485)	(76,210)	(3,725)
Net change in fund balances	(366,458)	(578,344)	(211,942)	366,402
Fund balances, beginning	2,825,492	2,825,492	2,825,492	-
Fund balances, ending	\$ 2,459,034	\$ 2,247,148	\$ 2,613,550	\$ 366,402

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

PARKS DEVELOPMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 470,000	\$ 470,000	\$ 470,000	\$ -
Wages and net profits taxes	760,000	920,000	910,631	(9,369)
Total revenues	1,230,000	1,390,000	1,380,631	(9,369)
Other financing sources (uses):				
Transfers out	(1,230,000)	(1,390,000)	(1,377,777)	12,223
Total other financing sources (uses)	(1,230,000)	(1,390,000)	(1,377,777)	12,223
Net change in fund balances	-	-	2,854	2,854
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ 2,854	\$ 2,854

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

LANDFILL CLOSURE SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest income	\$ 35,000	\$ 35,000	\$ 55,573	\$ 20,573
Miscellaneous	-	-	12,500	12,500
Total revenues	35,000	35,000	68,073	33,073
EXPENDITURES				
Current:				
Public works	123,159	128,559	17,742	110,817
Total expenditures	123,159	128,559	17,742	110,817
Net change in fund balances	(88,159)	(93,559)	50,331	143,890
Fund balances, beginning	1,408,090	1,408,090	1,408,090	-
Fund balances, ending	\$ 1,319,931	\$ 1,314,531	\$ 1,458,421	\$ 143,890

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

LOCAL LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 12,887	\$ (7,113)
EXPENDITURES				
Current:				
Public safety	-	8,018	7,113	905
Capital Outlay	-	57,670	57,670	-
Total expenditures	-	65,688	64,783	905
Net change in fund balances	20,000	(45,688)	(51,896)	(6,208)
Fund balances, beginning	54,312	54,312	54,312	-
Fund balances, ending	\$ 74,312	\$ 8,624	\$ 2,416	\$ (6,208)

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

TRUNKING OPERATION SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 27,500	\$ 2,500
Investment Income	3,000	3,000	752	(2,248)
Contributions and donations	6,350	6,350	6,350	-
Total revenues	34,350	34,350	34,602	252
EXPENDITURES				
Current:				
Public works	56,350	76,350	59,821	16,529
Capital outlay	-	30,000	18,450	11,550
Total expenditures	56,350	106,350	78,271	28,079
Excess (deficiency) of revenues over (under) expenditures	(22,000)	(72,000)	(43,669)	28,331
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	25,000	-
Net change in fund balances	3,000	(47,000)	(18,669)	28,331
Fund balances, beginning	92,470	92,470	92,470	-
Fund balances, ending	\$ 95,470	\$ 45,470	\$ 73,801	\$ 28,331

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

NEIGHBORHOOD GRANT SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
General government	\$ 55,000	\$ 110,763	\$ 55,763	\$ 55,000
Total expenditures	55,000	110,763	55,763	55,000
Deficiency of revenues under expenditures	(55,000)	(110,763)	(55,763)	55,000
Other financing sources (uses):				
Transfers in	55,000	55,000	55,000	-
Total other financing sources (uses)	55,000	55,000	55,000	-
Net change in fund balances	-	(55,763)	(763)	55,000
Fund balances, beginning	7,104	7,104	7,104	-
Fund balances, ending	<u>\$ 7,104</u>	<u>\$ (48,659)</u>	<u>\$ 6,341</u>	<u>\$ 55,000</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

TECHNOLOGY SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Judgements and settlements	\$ -	\$ 12,818	\$ 12,818	\$ -
Total revenues	-	12,818	12,818	-
EXPENDITURES				
Current:				
General government	145,000	145,000	23,178	121,822
Capital outlay	1,144,000	1,516,472	1,024,989	491,483
Total Expenditures	1,289,000	1,661,472	1,048,167	613,305
Deficiency of revenues over expenditures	(1,289,000)	(1,648,654)	(1,035,349)	(613,305)
Other financing sources (uses):	1,000,000	1,001,500	1,001,500	-
Transfers in	-	-	-	-
Transfers out	1,000,000	1,001,500	1,001,500	-
Total other financing sources (uses)	(289,000)	(647,154)	(33,849)	(613,305)
Net change in fund balances	994,208	994,208	994,208	-
Fund balances, beginning	\$ 705,208	\$ 347,054	\$ 960,359	\$ (613,305)
Fund balances, ending				

CITY OF BOWLING GREEN, KENTUCKY**BUDGETARY COMPARISON SCHEDULE****HOMELAND SECURITY SPECIAL REVENUE FUND**

For the year ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ 101,580	\$ 83,417	\$ (18,163)
EXPENDITURES				
Current:				
Public safety	-	83,762	83,417	345
Capital outlay	-			-
Total expenditures	-	83,762	83,417	345
Net change in fund balances	-	17,818	-	(17,818)
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ 17,818	\$ -	\$ (17,818)

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

POLICE IMPROVEMENT SPECIAL REVENUE FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Wages and net profits taxes	75,000	75,000	94,781	19,781
Investment income	1,000	1,000	1,271	271
Miscellaneous	-	37,000	44,239	7,239
Total revenues	76,000	113,000	140,291	27,291
EXPENDITURES				
Public safety	-	-	-	-
Capital outlay	-	45,000	45,000	-
Excess of revenues over expenditures	76,000	68,000	95,291	27,291
Other financing sources (uses):	15,000	15,000	11,220	(3,780)
Transfers in	(18,000)	(18,000)	(18,000)	-
Transfers out				
	(3,000)	(3,000)	(6,780)	(3,780)
Total other financing sources (uses)				
	73,000	65,000	88,511	23,511
Net change in fund balances				
	185,510	185,510	185,510	-
Fund balances, beginning				
	\$ 258,510	\$ 250,510	\$ 274,021	\$ 23,511
Fund balances, ending				

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

LAMPKIN PARK TRUST

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 4,000	\$ 4,000	\$ 5,503	\$ 1,503
Miscellaneous	500	500	179	(321)
Total revenues	4,500	4,500	5,682	1,182
Net change in fund balances	4,500	4,500	5,682	1,182
Fund balances, beginning	20,157	20,157	20,157	-
Fund balances, ending	\$ 24,657	\$ 24,657	\$ 25,839	\$ 1,182

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

PARKS COMMUNITY CENTER CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 255	\$ 255
Total revenues	-	-	255	255
EXPENDITURES				
Current:				
Parks and recreation	-	68,106	16,015	52,091
Capital outlay	-	-	-	-
Total expenditures	-	68,106	16,015	52,091
Deficiency of revenues under expenditures	-	(68,106)	(15,760)	52,346
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Transfers out	-	(418,475)	(418,475)	-
Net premium on proceeds	-	-	-	-
Total other financing sources (uses)	-	(418,475)	(418,475)	-
Net change in fund balances	-	(486,581)	(434,235)	52,346
Fund balances, beginning	491,590	491,590	491,590	-
Fund balances, ending	\$ 491,590	\$ 5,009	\$ 57,355	\$ 52,346

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

SKYPAC DEVELOPMENT FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay	-	1,857,021	1,756,356	100,665
Net change in fund balances	-	(1,857,021)	(1,756,356)	100,665
Fund balances, beginning	1,892,582	1,892,582	1,892,582	-
Fund balances, ending	<u>\$ 1,892,582</u>	<u>\$ 35,561</u>	<u>\$ 136,226</u>	<u>\$ 100,665</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

DOWNTOWN DEVELOPMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
Public works	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	347,005	347,005	-
Total expenditures	-	347,005	347,005	-
Other financing sources (uses):				
Transfers out	-	(56,985)	(56,985)	-
Total other financing sources (uses)	-	(56,985)	(56,985)	-
Net change in fund balances	-	(403,990)	(403,990)	-
Fund balances, beginning	403,995	403,995	403,995	-
Fund balances, ending	<u>\$ 403,995</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

RIVERFRONT DEVELOPMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ 1,817,279	\$ 957,745	\$ (859,534)
Contributions and donations	-	31,000	25,000	(6,000)
Total revenues	-	1,848,279	982,745	(865,534)
EXPENDITURES				
Current:				
Housing and community development	-	145,721	10,561	135,160
Capital outlay		2,150,391	1,106,437	1,043,954
Total expenditures	-	2,296,112	1,116,998	1,179,114
Deficiency of revenues under expenditures	-	(447,833)	(134,253)	313,580
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(447,833)	(134,253)	313,580
Fund balances, beginning	461,876	461,876	461,876	-
Fund balances, ending	<u>\$ 461,876</u>	<u>\$ 14,043</u>	<u>\$ 327,623</u>	<u>\$ 313,580</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
General Government	\$ -	\$ 7,349	\$ 7,349	\$ -
Capital outlay	337,000	339,802	339,189	613
Total expenditures	(337,000)	(347,151)	(346,538)	613
Other financing sources (uses):				
Transfers in	350,000	350,000	350,000	-
Transfers out	(13,000)	(2,849)	-	2,849
Total other financing sources (uses)	337,000	347,151	350,000	2,849
Net change in fund balances	-	-	3,462	3,462
Fund balances, beginning	225,196	225,196	225,196	-
Fund balances, ending	<u>\$ 225,196</u>	<u>\$ 225,196</u>	<u>\$ 228,658</u>	<u>\$ 3,462</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

SOUTHWEST CORRIDOR CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Capital outlay	\$ -	\$ 282,843	\$ 282,838	\$ 5
Total expenditures	-	282,843	282,838	5
Other financing sources (uses):				
Transfers in	-	36,360	30,626	(5,734)
Total other financing sources (uses)	-	36,360	30,626	(5,734)
Net change in fund balances	-	(246,483)	(252,212)	(5,729)
Fund balances, beginning	252,212	252,212	252,212	-
Fund balances, ending	<u>\$ 252,212</u>	<u>\$ 5,729</u>	<u>\$ -</u>	<u>\$ (5,729)</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

ROAD CONSTRUCTION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Capital outlay	\$ -	\$ 113,000	\$ -	\$ 113,000
Net change in fund balances	-	(113,000)	-	113,000
Fund balances, beginning	113,002	113,002	113,002	-
Fund balances, ending	<u>\$ 113,002</u>	<u>\$ 2</u>	<u>\$ 113,002</u>	<u>\$ 113,000</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

DOWNTOWN SIGNALIZATION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Public Works	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	1,572,020	1,534,553	37,467
Total expenditures	-	1,572,020	1,534,553	37,467
Other financing sources (uses):				
Transfers out	-	(133,277)	(127,543)	5,734
Total other financing sources (uses)	-	(133,277)	(127,543)	5,734
Net change in fund balances	-	(1,705,297)	(1,662,096)	43,201
Fund balances, beginning	1,705,296	1,705,296	1,705,296	-
Fund balances, ending	<u>\$ 1,705,296</u>	<u>\$ (1)</u>	<u>\$ 43,200</u>	<u>\$ 43,201</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

BROADWAY CURVE REALIGNMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Capital outlay	\$ -	\$ 633,791	\$ 454,216	\$ 179,575
Total expenditures	-	633,791	454,216	179,575
Other financing sources (uses):				
Transfers out	-	(333,710)	(333,710)	-
Total other financing sources (uses)	-	(333,710)	(333,710)	-
Net change in fund balances	-	(967,501)	(787,926)	179,575
Fund balances, beginning	967,501	967,501	967,501	-
Fund balances, ending	<u>\$ 967,501</u>	<u>\$ -</u>	<u>\$ 179,575</u>	<u>\$ 179,575</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

FIELD DRIVE EXTENSION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Public works	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	25,430	25,430	-
Total expenditures	-	25,430	25,430	-
Other financing sources (uses):				
Transfers out	-	(24,295)	(24,295)	-
Total other financing sources (uses)	-	(24,295)	(24,295)	-
Net change in fund balances	-	(49,725)	(49,725)	-
Fund balances, beginning	49,725	49,725	49,725	-
Fund balances, ending	<u>\$ 49,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

OLD MORGANTOWN RD REHAB CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Public works	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	4,518,075	150,558	4,367,517
Debt Service:				
Other Costs	-	75	75	-
Total expenditures	-	4,518,150	150,633	4,367,517
Deficiency of revenues under expenditures	-	(4,518,150)	(150,633)	4,367,517
Other financing sources (uses):				
Transfers in	-	4,078,150	4,078,150	-
Total other financing sources (uses)	-	4,078,150	4,078,150	-
Net change in fund balances	-	(440,000)	3,927,517	4,367,517
Fund balances, beginning	440,000	440,000	440,000	-
Fund balances, ending	<u>\$ 440,000</u>	<u>\$ -</u>	<u>\$ 4,367,517</u>	<u>\$ 4,367,517</u>

CITY OF BOWLING GREEN, KENTUCKY**BUDGETARY COMPARISON SCHEDULE****HERITAGE TRAIL CONSTRUCTION CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Contributions and donations	\$ -	\$ -	\$ 29,167	\$ 29,167
EXPENDITURES				
Capital outlay	-	48,030	-	48,030
Net change in fund balances	-	(48,030)	29,167	77,197
Fund balances, beginning	80,034	80,034	80,034	-
Fund balances, ending	<u>\$ 80,034</u>	<u>\$ 32,004</u>	<u>\$ 109,201</u>	<u>\$ 77,197</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

PARKS IMPROVEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Contributions and donations	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	48,081	46,382	1,699
Net change in fund balances	-	(48,081)	(46,382)	1,699
Fund balances, beginning	56,392	56,392	56,392	-
Fund balances, ending	<u>\$ 56,392</u>	<u>\$ 8,311</u>	<u>\$ 10,010</u>	<u>\$ 1,699</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

SHIVE LANE DEVELOPMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	\$ -	\$ 61,500	\$ 61,425	\$ (75)
Other financing sources (uses):				
Transfers out	-	(3,147,767)	(3,147,767)	-
Total other financing sources (uses)	-	(3,147,767)	(3,147,767)	-
Net change in fund balances	-	(3,086,267)	(3,086,342)	(75)
Fund balances, beginning	3,086,342	3,086,342	3,086,342	-
Fund balances, ending	<u>\$ 3,086,342</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ (75)</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

SIDEWALK IMPROVEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Public works	\$ -	\$ 296,277	\$ 90,120	\$ 206,157
Capital outlay	1,000,000	1,948,696	666,374	1,282,322
Total expenditures	1,000,000	2,244,973	756,494	1,488,479
Deficiency of revenues under expenditures	(1,000,000)	(2,244,973)	(756,494)	1,488,479
Other financing sources (uses):				
Transfers in	1,000,000	1,210,000	1,210,000	-
Total other financing sources (uses)	1,000,000	1,210,000	1,210,000	-
Net change in fund balances	-	(1,034,973)	453,506	1,488,479
Fund balances, beginning	1,034,969	1,034,969	1,034,969	-
Fund balances, ending	\$ 1,034,969	\$ (4)	\$ 1,488,475	\$ 1,488,479

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

GREENWOOD FIRE STATION CONSTRUCTION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 65,339	\$ 65,339
EXPENDITURES				
Current:				
Public works	-	55,000	52,532	2,468
Capital outlay	-	2,794,584	2,060,252	734,332
Debt Service:				
Other Costs	-	81,015	73,005	8,010
	<u>-</u>	<u>81,015</u>	<u>73,005</u>	<u>8,010</u>
Total expenditures	<u>-</u>	<u>2,930,599</u>	<u>2,185,789</u>	<u>744,810</u>
Deficiency of revenues under expenditures	-	(2,930,599)	(2,120,450)	810,149
Other financing sources (uses):	-	3,086,000	3,571,000	485,000
Issuance of bonds	-	-	(8,009)	(8,009)
Discount on bonds	-	(500,000)	(500,000)	-
Transfers out	<u>-</u>	<u>2,586,000</u>	<u>3,062,991</u>	<u>476,991</u>
Total other financing sources (uses)	-	(344,599)	942,541	1,287,140
Net change in fund balances	<u>(877,572)</u>	<u>(877,572)</u>	<u>(877,572)</u>	<u>-</u>
Fund balances, beginning	<u>\$ (877,572)</u>	<u>\$ (1,222,171)</u>	<u>\$ 64,969</u>	<u>\$ 1,287,140</u>
Fund balances, ending				

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

FIRE HEADQUARTERS EXPANSION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 33,014	\$ 33,014
EXPENDITURES				
Capital outlay	-	2,784,770	706,425	2,078,345
Total expenditures	-	2,784,770	706,425	2,078,345
Deficiency of revenues under expenditures	-	(2,784,770)	(673,411)	2,111,359
Other financing sources (uses):	-	2,351,000	2,351,000	-
Issuance of bonds	-	500,000	500,000	-
Transfers In	-	2,851,000	2,851,000	-
Total other financing sources (uses)	-	66,230	2,177,589	2,111,359
Net change in fund balances	(66,230)	(66,230)	(66,230)	-
Fund balances, beginning	\$ (66,230)	\$ -	\$ 2,111,359	\$ 2,111,359
Fund balances, ending				

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

GREENWOOD LANE CONSTRUCTION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ 565,000	\$ -	\$ (565,000)
EXPENDITURES				
Capital Outlay	-	1,535,000	218,687	1,316,313
Deficiency of revenues under expenditures	-	(970,000)	(218,687)	751,313
Other financing sources (uses):				
Transfers in	-	85,000	85,000	-
Net change in fund balances	-	(885,000)	(133,687)	751,313
Fund balances, beginning	-	885,000	885,000	-
Fund balances, ending	\$ -	\$ -	\$ 751,313	\$ 751,313

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

STORMWATER INFRASTRUCTURE IMPROVEMENT CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Public Works	\$ 25,000	\$ 25,000	\$ 7,800	\$ 17,200
Capital Outlay	-	100,000	59,715	40,285
Total expenditures	(25,000)	(125,000)	(67,515)	57,485
Other financing sources (uses):				
Transfers in	25,000	25,000	25,000	-
Net change in fund balances	-	(100,000)	(42,515)	57,485
Fund balances, beginning	-	100,000	100,000	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,485</u>	<u>\$ 57,485</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

MUNICIPAL FACILITIES CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Capital outlay	\$ -	\$ 366,180	\$ 3,930	\$ 362,250
Net change in fund balances	-	(366,180)	(3,930)	362,250
Fund balances, beginning	-	366,180	366,180	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,250</u>	<u>\$ 362,250</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

FIRE AIRPORT EXPANSION CAPITAL PROJECTS FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Capital Outlay	\$ -	\$ 663,000	\$ -	\$ 663,000
Deficiency of revenues under expenditures	-	(663,000)	-	663,000
Other financing sources (uses):				
Issuance of bonds	-	663,000	663,000	-
Transfers in	-	-	-	-
Total other financing sources (uses)	-	663,000	663,000	-
Net change in fund balances	-	-	663,000	663,000
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663,000</u>	<u>\$ 663,000</u>

CITY OF BOWLING GREEN, KENTUCKY

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the year ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Principal retirement	\$ 3,928,700	\$ 4,168,147	\$ 4,167,494	\$ 653
Interest and fiscal charges	5,491,700	5,252,253	5,170,154	82,099
Total expenditures	9,420,400	9,420,400	9,337,648	82,752
Excess (deficiency) of revenues over (under) expenditures	(9,420,400)	(9,420,400)	(9,337,648)	82,752
Other financing sources (uses):				
Transfers in	9,420,500	9,420,500	9,289,946	(130,554)
Net change in fund balances	100	100	(47,702)	(47,802)
Fund balances, beginning	47,702	47,702	47,702	-
Fund balances, ending	\$ 47,802	\$ 47,802	\$ -	\$ (47,802)

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

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

Fleet Maintenance Fund

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

Employee Health Care Fund

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

Workers Compensation Fund

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

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS

June 30, 2009

	Fleet Maintenance	Employee Health Care	Workers Compensation	Total
ASSETS				
Current assets				
Pooled cash and cash equivalents	\$ 557,281	\$ 692,345	\$ 440,929	\$ 1,690,555
Investments	-	3,380,833	1,432,744	4,813,577
Accounts receivable	-	5,324	-	5,324
Due from other governments	-	-	-	-
Interest receivable	-	27,789	-	27,789
Inventories	118,430	-	-	118,430
Prepaid items	-	323,000	197,293	520,293
Total current assets	<u>675,711</u>	<u>4,429,291</u>	<u>2,070,966</u>	<u>7,175,968</u>
Noncurrent assets				
Non-pooled cash and cash equivalents	-	5,000	-	5,000
Capital assets				
Building	200,986	-	-	200,986
Machinery and equipment	<u>185,132</u>	<u>-</u>	<u>40,345</u>	<u>225,477</u>
	386,118	-	40,345	426,463
Less accumulated depreciation	<u>(199,475)</u>	<u>-</u>	<u>(24,092)</u>	<u>(223,567)</u>
Total capital assets, net of accumulated depreciation	<u>186,643</u>	<u>-</u>	<u>16,253</u>	<u>202,896</u>
Total noncurrent assets	<u>186,643</u>	<u>5,000</u>	<u>16,253</u>	<u>207,896</u>
Total assets	<u>\$ 862,354</u>	<u>\$ 4,434,291</u>	<u>\$ 2,087,219</u>	<u>\$ 7,383,864</u>
LIABILITIES				
Current liabilities				
Vouchers and accounts payable	\$ 50,446	\$ -	\$ 6,228	\$ 56,674
Accrued payroll	11,461	-	-	11,461
Insurance claims payable	-	98,434	133,801	232,235
Current portion of compensated absences payable	<u>13,863</u>	<u>-</u>	<u>-</u>	<u>13,863</u>
Total current liabilities	<u>75,770</u>	<u>98,434</u>	<u>140,029</u>	<u>314,233</u>
Noncurrent liabilities				
Compensated absences payable, net of current portion	<u>105</u>	<u>-</u>	<u>-</u>	<u>105</u>
Total liabilities	<u>75,875</u>	<u>98,434</u>	<u>140,029</u>	<u>314,338</u>
NET ASSETS				
Invested in capital assets, net of related debt	186,643	-	16,253	202,896
Unrestricted	<u>599,836</u>	<u>4,335,857</u>	<u>1,930,937</u>	<u>6,866,630</u>
Total net assets	<u>\$ 786,479</u>	<u>\$ 4,335,857</u>	<u>\$ 1,947,190</u>	<u>\$ 7,069,526</u>

CITY OF BOWLING GREEN, KENTUCKY

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

For the year ended June 30, 2009

	Fleet Maintenance	Employee Health Care	Workers Compensation	Total
OPERATING REVENUES				
Charges for services	\$ 1,741,860	\$ -	\$ -	\$ 1,741,860
Insurance premiums	-	4,257,386	583,801	4,841,187
Judgments and settlements	13,534	-	-	13,534
Miscellaneous	2,483	-	-	2,483
Total operating revenues	1,757,877	4,257,386	583,801	6,599,064
OPERATING EXPENSES				
Personnel services	461,009	-	-	461,009
Contractual services	653	88,751	10,001	99,405
Supplies	862,726	-	-	862,726
Utilities	26,741	-	-	26,741
Repairs and maintenance	100,046	-	12,929	112,975
Insurance premiums and claims	-	3,906,283	344,166	4,250,449
Depreciation	26,019	-	5,765	31,784
Miscellaneous	2,282	-	-	2,282
Total operating expenses	1,479,476	3,995,034	372,861	5,847,371
Operating income	278,401	262,352	210,940	751,693
NONOPERATING REVENUES (EXPENSES)				
Interest income	2,117	148,507	53,464	204,088
Gain on disposal of capital assets	-	-	-	-
Total nonoperating revenues	2,117	148,507	53,464	204,088
Income before transfers	280,518	410,859	264,404	955,781
Transfers in	1,525	-	-	1,525
Transfers out	-	-	-	-
Change in net assets	282,043	410,859	264,404	957,306
Net assets, beginning	504,436	3,924,998	1,682,786	6,112,220
Net assets, ending	\$ 786,479	\$ 4,335,857	\$ 1,947,190	\$ 7,069,526

CITY OF BOWLING GREEN, KENTUCKY

STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the year ended June 30, 2009

	Fleet Maintenance	Employee Health Care	Workers Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,778,665	\$ 4,254,279	\$ 588,973	\$ 6,621,917
Payments to employees	(456,796)	-	-	(456,796)
Payments to suppliers	(1,037,848)	(88,751)	18,656	(1,107,943)
Insurance premiums and claims paid	-	(4,252,504)	(352,482)	(4,604,986)
Net cash provided by (used in) operating activities	284,021	(86,976)	255,147	452,192
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sales of capital assets	-	-	-	-
Purchase of capital assets	(7,986)	-	-	(7,986)
Net cash used in capital and related financing activities	(7,986)	-	-	(7,986)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,117	156,926	53,916	212,959
Purchase of Investments	-	(51,059)	-	(51,059)
Net cash provided by (used in) investing activities	2,117	105,867	53,916	161,900
Net increase in cash and cash equivalents	278,152	18,891	309,063	606,106
Cash and cash equivalents, beginning of year	279,129	678,454	131,866	1,089,449
Cash and cash equivalents, end of year	<u>\$ 557,281</u>	<u>\$ 697,345</u>	<u>\$ 440,929</u>	<u>\$ 1,695,555</u>
Reconciliation of operating income (loss)				
to net cash provided by operating activities				
Operating (loss) income	\$ 278,401	\$ 262,352	\$ 210,940	\$ 751,693
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	26,019	-	5,765	31,784
Change in assets and liabilities				
Accounts receivable	20,790	(3,107)	5,172	22,855
Inventories	(23,509)	-	-	(23,509)
Prepaid items	-	-	52,495	52,495
Accounts payable	(21,893)	-	(10,909)	(32,802)
Compensated absences	(198)	-	-	(198)
Accrued payroll	4,411	-	-	4,411
Insurance claims payable	-	(346,221)	(8,316)	(354,537)
Net cash provided by (used in) operating activities	<u>\$ 284,021</u>	<u>\$ (86,976)</u>	<u>\$ 255,147</u>	<u>\$ 452,192</u>

NONMAJOR GOVERNMENTAL FUNDS

AGENCY FUNDS

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

Claims Fund

Imprest vendor paying agent for all government funds.

Payroll Fund

Imprest paying agent for City payroll.

Tourist & Convention Fund

This fund is used to account for the collection of a 3% hotel, motel transient room tax and payment to the Bowling Green Area Convention and Visitors Bureau.

Tax Distribution Fund

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

Treasurer's Distribution Fund

This fund is used to account for collection of miscellaneous receipts requiring disbursement to two or more City funds.

Special Employee/Explorer Fund

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

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

For the year ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>CLAIMS FUND</u>				
Assets				
Non-pooled cash and cash equivalents	\$ 150,000	\$ 102,910,341	\$ 102,910,341	\$ 150,000
Liabilities				
Other liabilities	\$ 150,000	\$ 102,910,341	\$ 102,910,341	\$ 150,000
<u>PAYROLL FUND</u>				
Assets				
Non-pooled cash and cash equivalents	\$ 24,967	\$ 32,037,065	\$ 32,037,492	\$ 24,540
Total assets	\$ 24,967	\$ 32,037,065	\$ 32,037,492	\$ 24,540
Liabilities				
Other liabilities	\$ 24,967	\$ 32,037,065	\$ 32,037,492	\$ 24,540
<u>TOURIST & CONVENTION FUND</u>				
Assets				
Pooled cash and cash equivalents	\$ -	\$ 1,235,319	\$ 1,235,319	\$ -
Liabilities				
Due to Tourist Commission	\$ -	\$ 926,489	\$ 926,489	\$ -
Due to Convention Center Corp.	-	308,830	308,830	-
Total liabilities	\$ -	\$ 1,235,319	\$ 1,235,319	\$ -
<u>TAX DISTRIBUTION FUND</u>				
Assets				
Pooled cash and cash equivalents	\$ -	\$ 17,672,556	\$ 17,672,556	\$ -
Liabilities				
Due to other funds	\$ -	\$ 9,057,840	\$ 9,057,840	\$ -
Due to other taxing units - School Board	-	8,433,517	8,433,517	-
Other liabilities	-	181,199	181,199	-
Total liabilities	\$ -	\$ 17,672,556	\$ 17,672,556	\$ -

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

For the year ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>TREASURER'S DISTRIBUTION FUND</u>				
Assets				
Pooled cash and cash equivalents	<u>\$ 145,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,077</u>
Liabilities				
Due to other governmental units	<u>\$ 145,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,077</u>
<u>SPECIAL EMPLOYEE/EXPLORER FUND</u>				
Assets				
Pooled cash and equivalents	<u>\$ 30,057</u>	<u>\$ 12,439</u>	<u>\$ 14,357</u>	<u>\$ 28,139</u>
Liabilities				
Due to employees	<u>\$ 30,057</u>	<u>\$ 12,439</u>	<u>\$ 14,357</u>	<u>\$ 28,139</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Pooled cash and cash equivalents	<u>\$ 175,134</u>	<u>\$ 18,920,314</u>	<u>\$ 18,922,232</u>	<u>\$ 173,216</u>
Non-pooled cash and cash equivalents	<u>174,967</u>	<u>134,947,406</u>	<u>134,947,833</u>	<u>174,540</u>
Total assets	<u>\$ 350,101</u>	<u>\$ 153,867,720</u>	<u>\$ 153,870,065</u>	<u>\$ 347,756</u>
Liabilities				
Due to other funds	<u>\$ -</u>	<u>\$ 9,057,840</u>	<u>\$ 9,057,840</u>	<u>\$ -</u>
Due to Tourist Commission	<u>-</u>	<u>926,489</u>	<u>926,489</u>	<u>-</u>
Due to Convention Center Corp.	<u>-</u>	<u>308,830</u>	<u>308,830</u>	<u>-</u>
Due to other taxing units - School Board	<u>-</u>	<u>8,433,517</u>	<u>8,433,517</u>	<u>-</u>
Due to other governmental units	<u>145,077</u>	<u>-</u>	<u>-</u>	<u>145,077</u>
Due to employees	<u>30,057</u>	<u>12,439</u>	<u>14,357</u>	<u>28,139</u>
Other liabilities	<u>174,967</u>	<u>135,128,605</u>	<u>135,129,032</u>	<u>174,540</u>
Total liabilities	<u>\$ 350,101</u>	<u>\$ 153,867,720</u>	<u>\$ 153,870,065</u>	<u>\$ 347,756</u>

CITY OF BOWLING GREEN, KENTUCKY

COMBINING STATEMENT OF NET ASSETS - COMPONENT UNIT - BOWLING GREEN MUNICIPAL UTILITIES

June 30, 2009

	Bowling Green Municipal Utilities			
	Electric Division	Water-Sewer Division	General Services Division	Total
ASSETS				
Non-pooled cash and cash equivalents	\$ 9,164,349	\$ 1,822,261	\$ 41,253	\$ 11,027,863
Receivables (net):				
Accounts	3,136,702	355,400	6,543	3,498,645
Other	1,275,380	962,804	-	2,238,184
Accrued interest		825,000	-	825,000
Inventories	861,766	180,067	-	1,041,833
Prepaid items	583,872	436,261	6,401	1,026,534
Long-term investments	100,000	-	-	100,000
Restricted cash - TVA	1,370,188	-	-	1,370,188
Investments and restricted funds	2,523,465	3,432,202	-	5,955,667
Due from component units, noncurrent		5,000,000	-	5,000,000
Capital assets, net of accumulated depreciation:				
Non-depreciable	1,384,377	5,908,871	3,367	7,296,615
Depreciable	47,454,274	77,214,045	3,852,328	128,520,647
Deferred charges	-	224,367	-	224,367
Other assets	197,132	-	-	197,132
Total assets	68,051,505	96,361,278	3,909,892	168,322,675
LIABILITIES				
Vouchers and accounts payable	6,618,070	1,861,450	82,570	8,562,090
Compensated absences payable	482,326	254,061	-	736,387
Accrued interest payable	1,297,636	61,174	-	1,358,810
Due to component unit	-	-	1,105,810	1,105,810
Security deposits	2,341,075	-	-	2,341,075
Other current liabilities	522,106	99,634	-	621,740
Compensated absences payable, noncurrent	165,795	106,568	-	272,363
Advances from TVA - conservation program	6,141	-	-	6,141
Customer advances	113,223	-	-	113,223
Noncurrent liabilities:				
Due within one year	955,000	1,491,477	-	2,446,477
Due in more than one year	10,042,241	23,732,822	-	33,775,063
Due to component unit	-	-	5,000,000	5,000,000
Total liabilities	22,543,613	27,607,186	6,188,380	56,339,179
NET ASSETS				
Invested in capital assets, net of related debt	37,841,410	57,941,705	-	95,783,115
Restricted for capital activity and debt service	2,623,465	3,432,202	-	6,055,667
Unrestricted	5,043,017	7,380,185	(2,278,488)	10,144,714
Total net assets	\$ 45,507,892	\$ 68,754,092	\$ (2,278,488)	\$ 111,983,496

CITY OF BOWLING GREEN, KENTUCKY

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

For the year ended June 30, 2009

Bowling Green Municipal Utilities	Expenses	Program Revenues			Net (expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Contributions	Capital Contributions	Electric System	Water and Sewer System	Fiber Optic System	Totals
Electric Division	\$ 80,913,818	\$ 81,459,195	\$ -	\$ -	\$ 545,377	\$ -	\$ -	\$ 545,377
Water-Sewer Division	14,284,904	11,675,081	-	1,909,544	-	(700,279)	-	(700,279)
General Services Division	<u>1,234,246</u>	<u>1,278,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,471</u>	<u>44,471</u>
Total component units	<u>\$ 96,432,968</u>	<u>\$ 94,412,993</u>	<u>\$ -</u>	<u>\$ 1,909,544</u>	<u>545,377</u>	<u>(700,279)</u>	<u>44,471</u>	<u>(110,431)</u>
General revenues:								
Investment income					145,349	324,144	-	469,493
Merchandising revenues, net					23,488	-	2,910	26,398
Miscellaneous					<u>-</u>	<u>290,217</u>	<u>-</u>	<u>290,217</u>
Total general revenues and transfers					<u>168,837</u>	<u>614,361</u>	<u>2,910</u>	<u>786,108</u>
Change in net assets					714,214	(85,918)	47,381	675,677
Net assets, beginning of year					<u>44,793,678</u>	<u>68,840,010</u>	<u>(2,325,869)</u>	<u>111,307,819</u>
Net assets, end of year					<u>\$ 45,507,892</u>	<u>\$ 68,754,092</u>	<u>\$ (2,278,488)</u>	<u>\$ 111,983,496</u>

STATISTICAL SECTION

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

Financial Trends: Tables 1 - 4

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

Revenue Capacity: Tables 5 - 7

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

Debt Capacity: Tables 8 - 12

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

Demographic and Economic Information: Tables 13 - 14

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

Operating Information: Tables 15 - 17

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

Schedule 1
City of Bowling Green
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

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

Note: Only 7 years of data are shown above due to accrual basis figures being unattainable before FY03.

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

	Fiscal Year						
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses							
Governmental activities:							
General government	\$14,240,674	\$14,963,398	\$11,585,397	\$10,620,708	\$9,839,358	\$5,895,705	\$5,032,369
Public safety	20,629,290	20,888,002	18,477,954	17,028,198	16,864,958	16,260,982	14,807,559
Public works	6,276,210	6,445,139	8,024,218	6,407,082	6,126,248	5,144,685	4,579,303
Parks and recreation	4,715,430	4,643,176	4,579,136	4,318,574	4,056,394	3,989,799	3,985,463
Housing and community development	5,562,852	4,533,189	5,891,219	5,221,716	4,170,122	3,716,744	3,194,764
Community services	24,078,708	4,087,698	3,016,601	2,585,297	2,445,889	2,406,986	811,445
Miscellaneous	-	-	-	-	5,595	280,874	112,656
Interest expense	7,033,869	4,380,214	3,501,788	3,478,617	3,470,870	2,991,536	2,899,766
Total governmental activities expenses	82,537,033	59,940,816	55,076,313	49,660,192	46,979,434	40,687,311	35,423,325
Business-type activities:							
Golf course	2,342,624	2,379,799	2,375,208	2,316,855	2,251,191	2,116,158	2,026,116
Aquatics	848,501	1,231,201	862,409	877,479	1,039,779	991,237	947,862
Convention center	742,829	850,659	682,734	897,524	1,087,721	1,136,688	1,381,268
Total business-type activities expenses	3,933,954	4,461,659	3,920,351	4,091,858	4,378,691	4,244,083	4,355,246
Total primary government expenses	\$86,470,987	\$64,402,475	\$58,996,664	\$53,752,050	\$51,358,125	\$44,931,394	\$39,778,571
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$3,545,304	\$2,234,584	\$2,124,151	\$1,072,180	\$1,248,536	\$603,853	\$551,996
Public safety	250,696	294,866	191,964	199,137	572,295	113,112	122,074
Public works	-	-	-	-	-	668,347	443,695
Parks and recreation	390,693	382,818	323,999	361,444	351,497	591,871	539,792
Operating grants and contributions	7,311,410	7,544,586	6,445,180	5,614,030	5,242,315	5,570,258	4,075,055
Capital grants and contributions	7,689,270	14,582,910	17,335,681	7,856,470	4,185,783	2,847,325	1,692,749
Total governmental activities program revenues	19,187,373	25,039,764	26,420,975	15,103,261	11,600,426	10,394,766	7,425,361
Business-type activities:							
Charges for services:							
Golf course	1,429,946	1,416,483	1,430,200	1,369,313	1,326,003	1,388,009	1,337,477
Aquatics	511,395	475,673	421,185	461,381	460,480	490,405	466,250
Convention center	223,958	203,324	194,675	312,682	570,517	287,876	227,416
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-
Total business-type activities	2,165,299	2,095,480	2,046,060	2,143,376	2,357,000	2,166,290	2,031,143
Total primary government program revenues	\$21,352,672	\$27,135,244	\$28,467,035	\$17,246,637	\$13,957,426	\$12,561,056	\$9,456,504
Net (Expense)/Revenue							
Governmental activities	(\$63,349,660)	(\$34,901,052)	(\$28,655,338)	(\$34,556,931)	(\$35,379,008)	(\$30,292,545)	(\$27,997,964)
Business-type activities	(1,768,655)	(2,366,179)	(1,874,291)	(1,948,482)	(2,021,691)	(2,077,793)	(2,324,103)
Total primary government net expense	(\$65,118,315)	(\$37,267,231)	(\$30,529,629)	(\$36,505,413)	(\$37,400,699)	(\$32,370,338)	(\$30,322,067)

Note: Only 7 years of data are shown above due to accrual basis figures being unattainable before FY03.

	Fiscal Year						
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$10,824,938	\$11,871,893	\$10,835,879	\$13,163,115	\$10,797,549	\$10,401,190	\$9,590,687
Insurance premium taxes ^a	3,100,377	3,154,521	3,097,857	-	-	-	-
Wages and net profits taxes	36,016,500	36,502,625	37,247,653	37,285,158	35,711,658	29,965,370	22,315,645
Gain (loss) on sale of capital assets	-	-	(872,410)	44,519	6,107	(226,900)	47,927
Judgements and settlements	-	-	0	730,458	427,363	-	-
Investment income	2,435,228	2,351,828	2,253,732	1,787,940	957,679	588,707	160,956
Miscellaneous	696,997	327,802	159,972	148,603	1,302,587	1,235,134	609,723
Transfers	(2,868,586)	(2,515,031)	(2,406,373)	(2,318,501)	(1,651,859)	(1,613,157)	(3,312,325)
Total governmental activities	50,205,454	51,693,638	50,316,310	50,841,292	47,551,084	40,350,344	29,412,613
Business-type activities:							
Taxes							
Property taxes	-	-	-	-	-	512,710	415,371
Transient room taxes	396,518	398,381	369,162	373,236	379,571	-	-
Gain (loss) on sale of capital assets	-	-	-	(10,854)	10,386	(777)	-
Judgements and settlements	-	-	-	0	0	16,162	608,757
Investment income	72,356	60,951	59,860	55,069	39,089	11,987	10,486
Miscellaneous	-	-	-	-	17,542	-	-
Transfers	2,868,586	2,515,031	2,406,373	2,318,501	1,651,859	1,613,157	1,558,213
Total business-type activities	3,337,460	2,974,363	2,835,395	2,735,952	2,098,447	2,153,239	2,592,827
Total primary government	\$53,542,914	\$54,668,001	\$53,151,705	\$53,577,244	\$49,649,531	\$42,503,583	\$32,005,440
Changes in Net Assets							
Governmental activities	(\$13,144,206)	\$16,792,586	\$21,660,972	\$16,284,361	\$12,172,076	\$10,057,799	\$1,414,649
Business-type activities	1,568,805	608,184	961,104	787,470	76,756	75,446	268,724
Total primary government	(\$11,575,401)	\$17,400,770	\$22,622,076	\$17,071,831	\$12,248,832	\$10,133,245	\$1,683,373

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

Only 7 years of data are shown above due to accrual basis figures being unattainable before FY03.

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

	Fiscal Year									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Fund										
Reserved	\$ 1,843,259	\$ 2,175,158	\$ 853,653	\$ 681,409	\$ 573,802	\$ 991,825	\$ 218,439	\$ 81,981	\$ 312,049	\$ 650,543
Unreserved	<u>13,888,739</u>	<u>15,328,742</u>	<u>20,593,019</u>	<u>21,042,696</u>	<u>16,742,378</u>	<u>10,721,868</u>	<u>6,356,566</u>	<u>5,296,729</u>	<u>4,967,068</u>	<u>6,528,991</u>
Total General Fund	<u>\$ 15,731,998</u>	<u>\$ 17,503,900</u>	<u>\$ 21,446,672</u>	<u>\$ 21,724,105</u>	<u>\$ 17,316,180</u>	<u>\$ 11,713,693</u>	<u>\$ 6,575,005</u>	<u>\$ 5,378,710</u>	<u>\$ 5,279,117</u>	<u>\$ 7,179,534</u>
All Other Governmental Funds										
Reserved	\$ 3,672,061	\$ 6,198,535	\$ 6,364,120	\$ 4,340,670	\$ 3,348,334	\$ 5,115,715	\$ 2,918,016	\$ 3,148,326	\$ 977,306	\$ 5,850,697
Unreserved, reported in:										
Special Revenue funds	27,562,694	24,465,839	7,658,317	8,367,593	7,091,740	5,305,482	4,666,800	4,935,865	4,745,790	5,344,930
Capital Projects funds	8,778,626	8,619,293	13,733,273	2,747,696	4,887,593	6,722,685	(1,005,211)	1,163,437	3,154,485	3,675,732
Debt Service funds	-	47,702	104,610	105,116	104,949 ^a	-	-	-	-	-
Permanent fund	93,736	67,610	47,988	32,288	541,276	104,014	97,430	-	-	-
Undesignated	-	-	-	-	- ^b	-	-	-	-	-
Total all other governmental funds	<u>\$ 40,107,117</u>	<u>\$ 39,398,979</u>	<u>\$ 27,908,308</u>	<u>\$ 15,593,363</u>	<u>\$ 15,973,892</u>	<u>\$ 17,247,896</u>	<u>\$ 6,677,035</u>	<u>\$ 9,247,628</u>	<u>\$ 8,877,581</u>	<u>\$ 14,871,359</u>

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

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

	Fiscal Year									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenues										
Taxes	\$ 10,633,642	\$ 11,743,169	\$ 10,835,879 ^a	\$13,163,115	\$10,797,549	\$10,401,190	\$ 9,590,687	\$ 9,182,285	\$ 8,532,853	\$ 8,040,906
Insurance premium taxes	3,100,377	3,154,521	3,097,857 ^a	-	-	-	-	-	-	-
Wage and net profit taxes	36,111,281	36,681,744	37,406,227 ^b	37,285,157	35,711,658	31,085,066	23,100,389	21,700,035	20,372,698	20,145,980
Licenses and permits	898,603	945,383	735,949 ^b	-	-	-	-	-	-	-
Intergovernmental	9,836,174	10,453,862	11,392,786	9,868,433	9,428,098	8,417,583	5,767,804	5,421,909	5,023,739	4,877,776
Investment income	2,236,555	2,099,729	2,017,219 ^c	-	-	-	-	-	-	-
Charges for services	481,491	547,340	595,021	571,009	572,295	451,453	510,395	399,777	394,218	418,548
Parks and recreation	380,317	372,484	323,999	361,444	351,497	383,879	340,043	324,083	279,206	368,710
Rental Income	1,685,901	-	-	-	-	-	-	-	-	-
Miscellaneous	954,532	591,109	965,356	3,050,865	2,188,073	1,813,668	754,555	1,094,389	1,955,883	1,999,519
Total revenues	<u>66,318,873</u>	<u>66,589,341</u>	<u>67,370,293</u>	<u>64,300,023</u>	<u>59,049,170</u>	<u>52,552,839</u>	<u>40,063,873</u>	<u>38,122,478</u>	<u>36,558,597</u>	<u>35,851,439</u>
Expenditures										
General government	6,899,349	8,512,371	7,018,903	6,490,388	6,034,350	5,721,598	4,858,711	6,591,301	5,829,413	5,426,425
Public safety	23,200,660	23,276,993	21,382,962	19,849,913	17,481,667	15,716,344	14,079,630	12,068,648	12,772,406	12,964,877
Public works	7,862,753	6,885,983	7,369,126	7,518,741	6,504,418	5,204,488	4,935,979	4,716,384	6,541,610	7,267,295
Parks and recreation	5,412,954	5,758,676	5,107,121	4,274,028	3,913,462	3,722,246	3,698,588	3,281,851	4,544,635	4,142,750
Housing and community development	27,800,163	6,062,010	6,652,290	5,298,730	4,253,515	3,784,107	3,199,980	32,917,328	3,934,528	3,120,044
Community services	1,066,412	3,116,912	3,016,601	2,576,613	2,437,205	2,373,892	778,323	1,336,663	1,316,248	1,049,825
Miscellaneous	-	-	-	-	5,595	285,827	111,458	111,095	182,859	20,528
Capital outlay	12,407,497	10,561,509	9,324,923	6,254,064	9,846,885	10,198,474	3,547,072	2,936,024	7,945,496	6,753,576
Debt service:										
Principal	5,009,606	4,201,347	4,757,074	3,506,898	2,648,501	2,172,095	4,912,967	2,063,834	1,962,333	8,256,630
Interest and fiscal charges	<u>7,277,785</u>	<u>4,500,337</u>	<u>3,403,076</u>	<u>3,403,726</u>	<u>3,576,060</u>	<u>3,206,406</u>	<u>2,866,115</u>	<u>1,931,663</u>	<u>1,550,308</u>	<u>1,055,204</u>
Total Expenditures	<u>96,937,179</u>	<u>72,876,138</u>	<u>68,032,076</u>	<u>59,173,101</u>	<u>56,701,658</u>	<u>52,385,477</u>	<u>42,988,823</u>	<u>67,954,791</u>	<u>46,579,836</u>	<u>50,057,154</u>
Excess (deficiency) of revenues over (under) expenditures	(30,618,306)	(6,286,797)	(661,783)	5,126,922	2,347,512	167,362	(2,924,950)	(29,832,313)	(10,021,239)	(14,205,715)
Other Financing Sources (Uses)										
Transfers in	19,275,432	14,236,314	12,653,038	9,202,125	9,336,999	6,640,294	7,448,127	6,130,470	4,060,584	10,826,049
Transfers out	(22,144,018)	(16,816,345)	(15,186,551)	(11,448,126)	(10,893,858)	(8,148,010)	(10,360,452)	(8,429,858)	(6,277,790)	(12,375,641)
Issuance of debt	31,420,000	-	-	-	1,630,000	14,658,705	-	-	-	-
Premium on general obligation bonds	667,110	-	83,038	-	-	237,204	-	-	-	-
Discount on general obligation bonds	(8,009)	-	-	-	-	(1,643)	-	-	-	-
Capital lease proceeds	-	-	-	-	1,708,594	212,000	3,253,128	-	3,580,000	855,000

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

	Fiscal Year									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Obligation note proceeds	-	-	-	-	-	1,730,000	386,000	164,500	630,000	6,531,396
General Obligation bond proceeds	-	-	14,682,962	-	-	-	-	32,436,841	-	16,991,280
Issuance of refunding debt	12,119,800	30,443,095	-	-	-	-	-	5,542,079	-	-
Payment to refunded bonds redeemed	(2,147,888)	-	-	-	-	-	-	-	-	-
Payments to refunded debt escrow agent	(9,971,912)	(13,803,815)	-	-	-	-	-	(5,542,079)	-	-
Other financing costs	-	(319,653)	-	-	-	-	-	-	-	-
Sale of capital assets	<u>344,027</u>	<u>95,100</u>	<u>466,807</u>	<u>1,146,475</u>	<u>199,236</u>	<u>213,637</u>	<u>110,366</u>	<u>-</u>	<u>134,250</u>	<u>135,451</u>
Total other financing sources (uses)	<u>29,554,542</u>	<u>13,834,696</u>	<u>12,699,294</u>	<u>(1,099,526)</u>	<u>1,980,971</u>	<u>15,542,187</u>	<u>837,169</u>	<u>30,301,953</u>	<u>2,127,044</u>	<u>22,963,535</u>
Net Change in fund balances	<u>\$ (1,063,764)</u>	<u>\$ 7,547,899</u>	<u>\$ 12,037,511</u>	<u>\$ 4,027,396</u>	<u>\$ 4,328,483</u>	<u>\$ 15,709,549</u>	<u>\$ (2,087,781)</u>	<u>\$ 469,640</u>	<u>\$ (7,894,195)</u>	<u>\$ 8,757,820</u>
Debt service as a percentage of noncapital expenditures	14.81%	17.02%	16.68%	13.41%	12.75%	12.04%	18.76%	6.15%	9.09%	21.50%

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

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

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

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

Fiscal Year Ended June 30,	Total Gross Wages	Occupational Withholding Fees	Total Direct Tax Rate
2000	\$ 992,675,867	\$ 14,890,138	1.50%
2001	1,010,869,933	15,163,049	1.50%
2002	1,074,751,800	16,121,277	1.50%
2003	1,105,090,333	16,576,355	1.50%
2004	1,128,756,300	22,575,126	2.00%
2005	1,271,473,750	25,429,475	2.00%
2006	1,369,273,450	27,385,469	2.00%
2007	1,437,833,982	28,103,464	1.85% ¹
2008	1,528,058,865	28,269,089	1.85%
2009	1,506,249,500	27,865,616	1.85%

Source: City of Bowling Green, Department of Finance

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

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

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

<u>Fiscal Year</u>	<u>City of Bowling Green Direct Rate</u>	<u>Total Direct</u>
2000	1.50%	1.50%
2001	1.50%	1.50%
2002	1.50%	1.50%
2003	1.50%	1.50%
2004	2.00%	2.00%
2005	2.00%	2.00%
2006	2.00%	2.00%
2007	1.85%	1.85%
2008	1.85%	1.85%
2009	1.85%	1.85%

Source: City of Bowling Green, Department of Finance

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

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

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

Taxpayer	
<u>2009</u>	<u>2000</u>
Bowing Green Metalforming LLC	Bowling Green Independent Schools
Bowling Green Independent Schools	Country Oven Bakery
Commonwealth of Kentucky	DESA International
Country Oven Bakery	Eagle Industries LLC & Subs
NAO Comp Oper-North America Oper	Greenview Hospital
Sun Products Corporation	NAO Comp Oper-North America Oper
The Medical Center at BG	The Medical Center at BG
Union Underwear Co. LLC	Union Underwear Co. LLC
Warren County Board of Education	Warren County Board of Education
Western Kentucky University	Western Kentucky University

Source: City of Bowling Green, Department of Finance

Note: Taxpayer information is listed alphabetically only.

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (b)	Per Capita (b)
	General Obligation Bonds	Lease Revenue Bonds	Special Assessment Bonds (a)	Notes	General Obligation Bonds	Lease Revenue Bonds	Notes				
				Payable and Capital Leases			Payable and Capital Leases				
2000	\$19,480,000	\$10,713,984	\$ -	\$ 5,124,620	\$ 2,971,640	\$ 41,016	\$ 478,450	\$ 38,809,710	1.85%	800	
2001	14,577,000	9,989,284	-	8,256,987	7,290,376	20,716	454,450	40,588,813	1.79%	812	
2002	52,762,000	4,050,000	-	7,286,937	7,043,394	-	367,541	71,509,872	3.18%	1,430	
2003	52,317,000	3,660,000	-	6,847,891	14,736,250	-	987,263	78,548,404	3.34%	1,511	
2004	66,537,320	3,240,000	160,241	7,542,796	15,969,295	-	405,894	93,855,546	3.77%	1,805	
2005	65,738,223	2,805,000	153,331	9,630,041	14,408,408	-	318,668	93,053,671	3.52%	1,789	
2006	64,175,565	2,350,000	148,250	8,129,023	13,427,668	-	233,686	88,464,192	3.25%	1,701	
2007	77,134,277	1,350,000	143,167	6,106,234	13,385,722	-	153,352	98,272,752	3.34%	1,890	
2008	102,042,174	1,230,000	136,590	5,577,154	12,287,828	-	98,893	121,372,639	3.98%	2,248	
2009	132,181,377	-	131,906	4,510,477	11,288,624	-	60,698	148,173,082	4.64%	2,694	

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

(a) Warren County Water District bonds.

(b) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

	Fiscal Year									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General bonded debt outstanding										
General obligation bonds	\$ 132,181,377	\$ 102,042,174	\$ 77,134,277	\$ 64,175,565	\$ 65,738,223	\$ 66,537,320	\$ 52,317,000	\$ 52,762,000	\$ 14,577,000	\$ 19,480,000
Lease revenue bonds	-	1,230,000	1,350,000	2,350,000	2,805,000	3,240,000	3,660,000	4,050,000	9,989,284	10,713,984
Special Assessment bonds	131,906	136,590	143,167	148,250	153,331	160,241	-	-	-	-
Total	132,313,283	103,408,764	78,627,444	66,673,815	68,696,554	69,937,561	55,977,000	56,812,000	24,566,284	30,193,984
Less: Amounts set aside to repay general debt	-	(47,702)	(104,610)	(105,116)	(105,482)	(106,397)	(100,325)	(1,475,212)	(47,606)	(82,685)
Net general bonded debt	<u>\$ 132,313,283</u>	<u>\$ 103,361,062</u>	<u>\$ 78,522,834</u>	<u>\$ 66,568,699</u>	<u>\$ 68,591,072</u>	<u>\$ 69,831,164</u>	<u>\$ 55,876,675</u>	<u>\$ 55,336,788</u>	<u>\$ 24,518,678</u>	<u>\$ 30,111,299</u>
Property Values	\$ 4,489,771,784	\$ 4,394,868,241	\$ 4,094,335,746	\$ 3,394,130,088	\$ 3,117,333,952	\$ 2,942,526,746	\$ 2,841,283,564	\$ 2,769,203,146	\$ 2,608,629,648	\$ 2,466,046,490
Percentage of estimated actual taxable value of property	2.95%	2.35%	1.92%	1.96%	2.20%	2.37%	1.97%	2.00%	0.94%	1.22%
Per capita (a)	2,406	1,914	1,510	1,280	1,319	1,343	1,075	1,107	490	621

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

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

Schedule 10
City of Bowling Green
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Bowling Green Independent Schools	\$ 29,213,917	100.00%	\$ 29,213,917
Warren County	46,205,000	58.34%	26,956,243
Warren County Schools	109,143,271	50.35%	54,958,361
Bowling Green Municipal Utilities	41,474,299	100.00%	<u>41,474,299</u>
Subtotal, overlapping debt			152,602,820
City direct debt			<u>145,580,339</u>
Total direct and overlapping debt			<u>\$ 298,183,159</u>

Notes:

(1) Gross debt, less reserves.

(2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Bowling Green.
(Warren County ratio = City + Annex/All Districts; Warren County Schools = Annex/County + Annex)

Sources:

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

Schedule 11
City of Bowling Green
Legal Debt Margin Information
Last 10 Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2008		
Assessed value		4,489,771,784
Debt Limit (10% of assessed value) ^(a)		448,977,178
Debt applicable to limit:		
General Obligation bonds	143,601,907	
Notes and Capital Leases payable	4,571,175	
Less: Amount set aside for repayment of general obligation debt	-	
Less: Non tax-supported debt	(2,592,743)	
Total net debt applicable to limit		145,580,339
Legal debt margin		<u>\$ 303,396,839</u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Debt Limit	\$ 448,977,178	\$ 439,486,824	\$ 409,433,575	\$ 339,413,009	\$ 311,733,395	\$ 321,124,611	\$ 306,400,447	\$ 303,272,181	\$ 285,902,804	\$ 269,972,326
Total net debt applicable to limit	<u>145,580,339</u>	<u>117,768,696</u>	<u>94,166,847</u>	<u>80,217,030</u>	<u>85,646,789</u>	<u>93,892,441</u>	<u>81,334,054</u>	<u>70,875,508</u>	<u>41,548,886</u>	<u>39,639,040</u>
Legal Debt Margin	<u>\$ 303,396,839</u>	<u>\$ 321,718,128</u>	<u>\$ 315,266,728</u>	<u>\$ 259,195,979</u>	<u>\$ 226,086,606</u>	<u>\$ 227,232,170</u>	<u>\$ 225,066,393</u>	<u>\$ 232,396,673</u>	<u>\$ 244,353,918</u>	<u>\$ 230,333,286</u>
Total net debt applicable to limit as a percentage of debt limit	32.42%	26.80%	23.00%	23.63%	27.47%	29.24%	26.55%	23.37%	14.53%	14.68%

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

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

	Stonehenge Sections I-V (a)					Cedar Grove Section IX (a)					Lovers Lane (b)			
	Special	Debt Service				Special	Debt Service				Special	Debt Service		
Fiscal	Assessment					Assessment				Assessment				
Year	Collections	Principal	Interest	Coverage	Collections	Principal	Interest	Coverage	Collections	Principal	Interest	Coverage		
2000	\$ 42,969	\$ 6,000	\$ 35,000	1.05	\$ 27,625	\$ 5,000	\$ 20,925	1.07						
2001	65,774	10,000	50,805	1.08	27,588	5,000	20,588	1.08						
2002	93,659	15,000	73,691	1.06	27,250	5,000	20,250	1.08						
2003	93,540	16,000	72,571	1.06	26,913	5,000	19,913	1.08						
2004	92,565	16,000	71,596	1.06	26,575	5,000	19,575	1.08						
2005	115,120	24,000	86,151	1.05	26,238	5,000	19,238	1.08						
2006	114,776	25,000	84,808	1.05	25,900	5,000	18,900	1.08						
2007	112,572	29,000	81,468	1.02	29,997	10,000	18,563	1.05						
2008	111,571	29,000	83,125	1.00	29,513	10,000	17,888	1.06	16,150	6,273	9,877	1.00		
2009	117,482	33,000	85,712	0.99	29,238	10,000	19,213	1.00	16,150	6,577	9,574	1.00		

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

(b) Lovers Lane Special Assessment revenues are collected from property owners to fund the development of underground utilities. This special assessment is new for fiscal year 2008.

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

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Median Age (d)</u>	<u>School Enrollment (e)</u>	<u>Percentage of Workforce Unemployed (f)</u>
2000	48,500	\$ 2,100,645,000	\$ 22,945	29	16,933	2.9%
2001	50,000	2,270,047,000	24,463	29	17,410	3.8%
2002	50,000	2,252,222,000	24,133	29	20,257	4.5%
2003	52,000	2,350,211,000	24,957	29	15,514	4.5%
2004	52,000	2,489,642,000	26,056	29	15,944	4.3%
2005	52,000	2,644,620,000	27,218	29	15,469	5.5%
2006	52,000	2,723,959,000	28,035	29	15,791	5.2%
2007	52,000	2,941,885,397	29,737	29	16,502	4.6%
2008	54,000	3,051,745,000	29,849	29	16,251	4.6%
2009	55,000	3,195,505,000	30,802	29	16,107	8.0%

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

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

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

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

(e) For public schools use www.schooldatairect.org and for private schools use www.privateschoolreview.com. Bowling Green Board of Education, Warren County Board of Education, and all privateschools. Western Kentucky University is not included.

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

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

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

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Western Kentucky University	3,218	1	15.79%	4,316	1	17.77%
The Medical Center at BG	1,892	2	9.28%	1,517	2	6.24%
Union Underwear Co. LLC	1,146	3	5.62%	1,126	3	4.63%
NAO Comp Oper-North America Oper	----	----	----	900	4	3.70%
Wal-Mart Associates Inc.	1,094	4	5.37%	----	----	----
Warren County Board of Education	1,004	5	4.93%	619	8	2.55%
Huish Detergents Inc.	881	6	4.32%	----	----	----
Houchens Food Group Inc.	730	7	3.58%	----	----	----
Bowling Green Independent Schools	662	8	3.25%	670	6	2.76%
City of Bowling Green	642	9	3.15%	593	10	2.44%
BG Metalforming LLC	634	10	3.11%	----	----	----
Desa International Inc.	----	----	----	618	9	2.54%
Eagle Industries LLC & Subs	----	----	----	802	5	3.30%
Kroger Store #885	----	----	----	643	7	2.65%
Total	<u>11,903</u>		<u>58.39%</u>	<u>11,804</u>		<u>48.59%</u>

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

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General government	45	45	44	44	46	46	41	43	42	39
Administration	6	6	6	4	4	4	4	4	4	11
Citizen's Assistance	6	7	7	9	9	9	7	9	9	-
Finance	18	17	17	17	19	20	20	20	20	23
Human Resources	5	6	6	6	6	6	5	5	5	5
Legal	2	2	2	2	2	2	-	-	-	-
Information Technology	8	7	6	6	6	5	5	5	4	-
Public Safety	276	265	260	257	247	239	234	224	220	213
Police										
Officers	114	111	107	103	97	95	90	90	88	85
Civilians	40	38	35	35	34	31	34	33	31	27
Fire										
Firefighters and officers	118	112	115	115	112	109	106	97	97	97
Civilians	4	4	3	4	4	4	4	4	4	4
Public Works	57	58	60	60	57	58	53	49	59	53
Parks and Recreation	60	60	58	60	60	58	57	57	60	56
Community Development	22	22	26	24	22	23	21	20	20	19
Total	460	450	448	445	432	424	406	393	401	380

Source: City of Bowling Green Department of Finance

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

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Citizen's Information										
Anti-Litter presentations/events	7	28	50	23	10 ^a	-	-	-	-	-
Neighborhood Meetings conducted	91	97	84	91	70	65	65	47	60	51
Finance										
Tax bills sent	21,238	20,946	20,444	20,330	19,714	19,555	19,453	19,465	18,921	18,530
Business registrations received	776	967	1,072	1,134	1,351	1,193	1,141	1,083	1,204	1,308
Human Resources										
Job applicants	1,938	1,567	2,505	1,386	942	611	1,631	873	942	640
Position filled	204	224	147	185	132	122	111	116	130	145
Police										
911 Service calls	60,013	59,041	54,294	55,730	53,226	50,789	49,138	46,510 ^b	29,776	26,010
Animal control calls	3,283	3,615	3,990	4,900	4,867 ^c	524	501	451	198	-
Traffic stops	17,356	13,021	14,066	3,237	3,367	3,281	3,568	3,575	3,607	3,216
Fire										
Accident runs	4,586	4,552	2,475	2,292	2,741	3,161	4,231	4,223	4,032	3,653
Fire runs	294	499	534	405	578	648	497	404	607	727
Inspections	3,838	2,761	937	134	2,183	1,136	1,219	811	1,627	906
Public Works										
Street resurfacing (miles)	4	5	18	17	14	14	11	8	9	12
Potholes repaired	385	408	294	349	625	567	755	521	748	198
Parks and Recreation										
Fitness & Athletic participants	871,724	842,043	845,618	821,759	729,967	705,271	636,122	620,339	573,774	554,756
Visits to Community Center	223,628	176,998	298,315	110,929	109,599	120,000	126,998 ^d	192,383	174,669	205,631
Community Development										
Households receiving asst	791	688	579	663	616	628	602	600	569	540
Bldg/Electrical & Code inspections*	12,302	13,038	15,460	16,001	13,935	9,032	7,561	7,670	5,933	-

Notes: (a) The Anti-Litter program was established in 2005.
(b) Beginning in 2002, Public Safety became the answering point for both landline and cell phone 911 calls in Warren County.
(c) Animal Control Program was developed in 2005, calls had previously been forwarded to the Sheriff's Department.
(d) Community Action volume is no longer tracked at the Bowling Green Community Center.

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

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

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Police										
Police Stations	1	1	1	1	1	3	3	3	7	7
Substations	2	2	2	2	2	-	-	-	-	-
Fire										
Fire stations	6	5	5	5	5	5	5	5	5	5
Training centers	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	247	242	241	235	230	221	408	307	221	297
Sidewalks (miles)	94	90	88	106	106	207	207	207	64	64
Alleys (miles)	17	15	4	4	4	3	8	8	3	3
Parks and recreation										
Number of Parks	25	25	25	25	24	24	24	24	23	23
Acreage	970	970	970	944	886	886	886	881	881	881
Playgrounds	22	22	19	19	17	17	17	17	17	17
Baseball/Softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccer fields	13	13	13	13	13	13	13	13	13	13
Community Centers	3	2	2	2	2	2	2	2	2	2
Community Development										
Building Permits Issued	1,523	2,082	2,400	2,787	2,765	2,488	2,331	2,061	2,252	1,056

Source: Various City of Bowling Green Departments