

MUNICIPAL ORDER NO. 2025 - 280

MUNICIPAL ORDER ACCEPTING THE CITY OF
BOWLING GREEN, KENTUCKY ANNUAL
COMPREHENSIVE FINANCIAL REPORT FOR
THE PERIOD ENDED JUNE 30, 2025 AS
PREPARED BY THE DEPARTMENT OF
FINANCE AND AUDITED BY CHERRY
BEKAERT LLP

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

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

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

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

WHEREAS, at a special meeting on November 11, 2025, the Audit Committee reviewed the Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025, as prepared by the Department of Finance and audited by Cherry Bekaert LLP; and,

WHEREAS, by Resolution No. 2025-1 of the Audit Committee, the Committee approved the Annual Comprehensive Financial Report and recommended approval of this Financial Report to the City of Bowling Green Board of Commissioners.

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

1. The Annual Comprehensive Financial Report prepared for the period ended June 30, 2025 by the Department of Finance and audited by Cherry Bekaert LLP, which was recommended for

(Municipal Order No. 2025 - 280)

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

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

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

ADOPTED: November 18, 2025

APPROVED: 
Mayor, Chairman of Board of Commissioners

ATTEST: 
City Clerk

SPONSORED BY: Jeffery B. Meisel, City Manager

Report of Independent Auditor

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

Opinions

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

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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



Lexington, Kentucky
November 11, 2025

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

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

See accompanying report of the independent auditor.

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

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

See accompanying report of the independent auditor.

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

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

See accompanying report of the independent auditor.

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

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

See accompanying report of the independent auditor.

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

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

See accompanying independent auditor's report

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

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

See accompanying report of the independent auditor.