

**CITY OF BOWLING GREEN, FLORIDA**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2020**

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**CITY OF BOWLING GREEN, FLORIDA  
OFFICIALS**

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**City of Bowling Green, Florida  
Principal City Officials**

**September 30, 2020**

**CITY COMMISSION**

STEVEN M. SPINKS, MAYOR  
MARY ALICE TUCKER, VICE MAYOR  
ROBERT S. FITE, JR.  
DAVID DURASTANTI  
DUANE GARDNER

**CITY OFFICIALS**

WILLIAM LAWRENCE, CITY MANAGER  
CARMEN SILVA, CITY CLERK  
JOHN SCHEEL, POLICE CHIEF  
GERALD BUHR, CITY ATTORNEY



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commission  
City of Bowling Green, Florida

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Florida, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

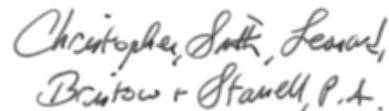
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information as listed in the table of contents on pages 36 - 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards on pages 44-45 are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are also not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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's internal control over financial reporting and compliance.



**CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.**

January 22, 2021  
Bradenton, Florida

**CITY OFFICIALS**  
William Lawrence, City Manager  
Maria Carmen Silva, City Clerk  
John Scheel, Police Chief  
Gerald Buhr, City Attorney



**COMMISSIONERS**  
Steven M. Spinks, Mayor  
Mary Alice Tucker, Vice Mayor  
Robert S. Fite, Jr.  
David Durastanti  
Duane Gardner

**P.O. Box 608, 104 E. Main Street  
Bowling Green, FL 33834-0608  
(863) 375-2255, Fax (863) 375-3362**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Bowling Green, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$13,857,658 (net position). Of this amount, \$1,874,561 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,097,123.
- As of the close of the current fiscal year, the City's general fund reported ending fund balance of \$1,063,719, an increase of \$227,431. Of this total amount, \$1,016,556 is available for spending at the City's discretion (unassigned fund balance).

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private-sector businesses in that revenues are recognized when earned or established criteria are satisfied and expenses reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, and culture and recreation, as well as the Community Redevelopment Agency. The business-type activities of the City include the water, sewer, and sanitation departments.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**Fund financial statements:** Funds are a group of self-balancing accounts. Funds are used to account for specific activities or objectives of the City, rather than reporting on the City as a whole. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City utilizes a general fund and special revenue fund. In fiscal year 2016, the City established the Community Redevelopment Agency (CRA) – a special revenue fund – which began operations in fiscal year 2017 and is also reported as a governmental fund. The General Fund is considered by the City to be a major fund and the Special Revenue Fund is considered a non-major fund.

The City adopts an annual appropriated budget for both its general fund and special revenue fund. A budgetary comparison statement has been provided for both funds to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

**Proprietary funds:** The City utilizes one type of proprietary fund, the enterprise fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water, sewer, and sanitation departments.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and sanitation departments. These activities are all accounted for in one fund, which is classified as a major fund.

The basic proprietary fund financial statements can be found on pages 15 to 17 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 18 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budgetary comparison. Required supplementary information can be found on page 35 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bowling Green, assets exceeded liabilities by \$13,857,658 at the close of the most recent fiscal year. The following table presents a condensed statement of net position as of September 30, 2020 with comparative totals as of September 30, 2019:

### NET POSITION AT SEPTEMBER 30, 2020 AND 2019

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 1,257,816	\$ 1,158,390	\$ 1,321,246	\$ 1,592,641	\$ 2,579,062	\$ 2,751,031
Capital assets	1,269,932	1,312,776	13,933,809	13,131,553	15,203,741	14,444,329
<b>Total assets</b>	<b><u>2,527,748</u></b>	<b><u>2,471,166</u></b>	<b><u>15,255,055</u></b>	<b><u>14,724,194</u></b>	<b><u>17,782,803</u></b>	<b><u>17,195,360</u></b>
Long-term liabilities						
outstanding	-0-	-0-	3,577,651	3,589,782	3,577,651	3,589,782
Other liabilities	77,100	55,025	270,394	790,018	347,494	845,043
Total liabilities	<u>77,100</u>	<u>55,025</u>	<u>3,848,045</u>	<u>4,379,800</u>	<u>3,925,145</u>	<u>4,434,825</u>
Net position:						
Net investment in capital						
assets	1,269,932	1,312,776	10,356,158	9,541,771	11,626,090	10,854,547
Restricted	144,160	97,141	212,847	170,949	357,007	268,090
Unrestricted	1,036,556	1,006,224	838,005	631,674	1,874,561	1,637,898
<b>Total net position</b>	<b><u>\$ 2,450,648</u></b>	<b><u>\$ 2,416,141</u></b>	<b><u>\$11,407,010</u></b>	<b><u>\$10,344,394</u></b>	<b><u>\$13,857,658</u></b>	<b><u>\$ 12,760,535</u></b>

The majority of the City's net position, \$11,626,090, (or 84%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that are still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$357,007, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of \$1,874,561 may be used to meet the government's ongoing obligations to citizens and creditors.

The following table on page 6 presents a condensed statement of activities, which details the changes in net position for the year ended September 30, 2020 with comparative totals for the year ended September 30, 2019.

**Changes in Net Position**  
**For the Years Ended September 30, 2020 and 2019**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 118,900	\$ 125,338	\$ 1,284,431	\$ 1,149,670	\$ 1,403,331	\$ 1,275,008
Operating grants and contributions	-0-	-0-	-0-	-0-	-0-	-0-
Capital grants and contributions	-0-	283,040	1,118,185	4,436,307	1,118,185	4,719,347
General revenues:						
Property taxes	298,172	287,805	-0-	-0-	298,172	287,805
Other taxes	723,960	722,773	-0-	-0-	723,960	722,773
Transfers	(57,900)	-0-	57,900	-0-	-0-	-0-
Other	161,960	149,592	33,246	30,208	195,206	179,800
<b>Total Revenues</b>	<u>1,245,092</u>	<u>1,568,548</u>	<u>2,493,762</u>	<u>5,616,185</u>	<u>3,738,854</u>	<u>7,184,733</u>
Expenses:						
General government	323,394	291,018	-0-	-0-	323,394	291,018
Public safety	555,735	554,503	-0-	-0-	555,735	554,503
Culture and recreation	32,757	70,389	-0-	-0-	32,757	70,389
Physical environment	298,699	289,487	-0-	-0-	298,699	289,487
Interest on long-term debt	-0-	-0-	41,439	82,692	41,439	82,692
Water	-0-	-0-	411,561	406,471	411,561	406,471
Sewer	-0-	-0-	708,895	557,998	708,895	557,998
Sanitation	-0-	-0-	269,251	258,009	269,251	258,009
<b>Total Expenses</b>	<u>1,210,585</u>	<u>1,205,397</u>	<u>1,431,146</u>	<u>1,305,170</u>	<u>2,641,731</u>	<u>2,510,567</u>
<b>Change in Net Position</b>	34,507	363,151	1,062,616	4,311,015	1,097,123	4,674,166
Net position, Beginning of year	<u>2,416,141</u>	<u>2,052,990</u>	<u>10,344,394</u>	<u>6,033,379</u>	<u>12,760,535</u>	<u>8,086,369</u>
Net position, End of Year	<u><b>\$ 2,450,648</b></u>	<u><b>\$ 2,416,141</b></u>	<u><b>\$11,407,010</b></u>	<u><b>\$10,344,394</b></u>	<u><b>\$13,857,658</b></u>	<u><b>\$12,760,535</b></u>

**Governmental activities:** Governmental activities increased the City's net position by \$34,507.

Revenues decreased by \$323,456 due mainly to decreases in capital grants and contributions of approximately \$283,040 and transfers to the Enterprise Fund of \$57,900. The key components of revenues were \$723,960 of other tax revenues and \$298,172 of property taxes classified as general revenues. Expenses were consistent with the prior year, increasing by \$5,188.

**Business-type activities.** Business-type activities increased the City's net position by \$1,062,616. Key elements of the difference between the current year and prior year are:

- Capital grants and contributions decreased by \$3,318,122 largely due to prior year grant activity for wastewater treatment plant improvements from the State of Florida Department of Environmental Protection. The majority of those projects were completed in the prior year.
- Charges for services increased \$134,761 due largely to increases in rates.
- Expenses increased \$125,976 over the prior year due largely to increased depreciation in the current year.

## **Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, spendable unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's general fund reported ending fund balances of \$1,063,719, an increase of \$227,431. \$1,016,556 of this total amount is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it is restricted for the police department and improvements to the Community Center.

Activity during the current fiscal year included the following key components:

- Total general fund revenues increased over prior year by \$94,873. The increase was primarily due to increases in taxes of \$43,066 and grants of \$84,278, net of reductions in intergovernmental revenue of \$36,423.
- The general fund expenditures decreased over prior year by \$266,737. This was primarily due to reduced capital outlay compared to the prior year in the amount of \$250,158. Current year capital outlay included police vehicles.

The CRA fund – a special revenue fund had \$96,997 of ending fund balance all of which was restricted. The CRA fund balance increased by \$47,598 in the current year, consistent with the prior year increase.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The following are the noteworthy changes from the prior year:

- Operating revenues increased by \$139,639 from the prior year, mainly due to increased utility rates.
- Operating expenses increased \$167,229 which was largely due to increased depreciation expense during the year.
- Additionally, the City received \$1,118,185 in grant revenues and capital contributions for water and wastewater treatment facility upgrades.

## **General Fund Budgetary Highlights**

The City's General Fund budget was not amended during the year. Budgeted revenues were \$1,175,525 and budgeted expenditures were \$1,209,195. Additionally, the City budgeted transfers from the Enterprise Fund of \$33,670. Actual revenues were less than budgeted revenues by \$276,991. Actual expenditures were less than budget by \$42,010. The differences mainly relate to capital projects funded by grants not realized in the current year and transfers made to the Enterprise Fund totaling \$57,900.

## **Capital Assets and Debt Administration**

**Capital assets.** The City’s investment in capital assets for its governmental and business type activities as of September 30, 2020, amounts to \$15,203,741 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, sewer line improvements, water system improvements, machinery and equipment, and construction in progress.

The following is a summary of the City’s capital assets at September 30, 2020 with comparative totals at September 30, 2019:

### **Capital Assets (Net of Depreciation)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$ 510,393	\$ 510,393	\$ 31,894	\$ 31,894	\$ 542,287	\$ 542,287
Construction in progress	15,000	14,130	2,828,695	9,167,317	2,843,695	9,181,447
Infrastructure	471,547	446,543	-0-	-0-	471,547	446,543
Building and improvements	163,060	176,877	10,879,376	3,757,966	11,042,436	3,934,843
Machinery and equipment	109,932	164,833	193,844	174,376	303,776	339,209
	<b>\$ 1,269,932</b>	<b>\$ 1,312,776</b>	<b>\$13,933,809</b>	<b>\$13,131,553</b>	<b>\$ 15,203,741</b>	<b>\$14,444,329</b>

Additional information on the City’s capital assets can be found in note 2 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City had total debt outstanding of \$3,577,651. The City’s debt represents bonds secured solely by specified utility revenue sources of \$561,875 and \$3,015,776 of debt through the State Revolving Fund Programs related to water and sewer construction projects.

### **Revenue Bonds and Note Payable**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenue bonds	\$ -0-	\$ -0-	\$ 561,875	\$ 597,875	\$ 561,875	\$ 597,875
Notes payable	-0-	-0-	3,015,776	2,991,907	3,015,776	2,991,907
	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 3,577,651</b>	<b>\$ 3,589,782</b>	<b>\$ 3,577,651</b>	<b>\$ 3,589,782</b>

Additional information on the City’s long-term debt can be found in note 2 of this report.

## **Economic Factors and Next Year’s Budgets and Rates**

The City of Bowling Green anticipates no increases in property taxes.

The City’s fiscal year 2021 general fund budget included \$1,241,718 for revenues and expenditures. The City’s fiscal year 2021 CRA budget included \$68,136 for revenues and expenditures. The City’s fiscal year 2021 enterprise fund budget includes \$1,383,844 for revenues and expenses.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Bowling Green, Florida finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bowling Green, 104 East Main Street, Bowling Green, Florida 33834.

**CITY OF BOWLING GREEN, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 519,612	\$ 796,122	\$ 1,315,734
Certificates of deposit	513,013	-	513,013
Receivables (net of allowance for uncollectibles)	30,035	95,261	125,296
Grants receivable	-	105,389	105,389
Due from other governmental units	50,866	-	50,866
Inventory	-	4,780	4,780
Restricted:			
Cash	144,290	156,035	300,325
Certificates of deposit	-	163,659	163,659
Capital Assets (net of accumulated depreciation):			
Land	510,393	31,894	542,287
Construction in progress	15,000	2,828,695	2,843,695
Buildings and improvements	163,060	10,879,376	11,042,436
Machinery and equipment	109,932	193,844	303,776
Infrastructure	471,547	-	471,547
<b>TOTAL ASSETS</b>	<u>2,527,748</u>	<u>15,255,055</u>	<u>17,782,803</u>
<b>LIABILITIES</b>			
Accounts payable	43,876	154,640	198,516
Accrued expenses	33,224	5,913	39,137
Accrued interest payable	-	2,994	2,994
Liabilities payable from restricted assets	-	106,847	106,847
Noncurrent liabilities:			
Due within one year	-	189,498	189,498
Due in more than one year	-	3,388,153	3,388,153
<b>Total liabilities</b>	<u>77,100</u>	<u>3,848,045</u>	<u>3,925,145</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,269,932	10,356,158	11,626,090
Restricted			
Revenue bond retirement	-	212,847	212,847
Other purposes	144,160	-	144,160
Unrestricted	1,036,556	838,005	1,874,561
<b>TOTAL NET POSITION</b>	<u>\$ 2,450,648</u>	<u>\$ 11,407,010</u>	<u>\$ 13,857,658</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business -type Activities</u>	<u>Total</u>
General government	\$ 323,394	\$ 76,401	\$ -	\$ -	\$ (246,993)	\$ -	\$ (246,993)
Police department	555,735	29,759	-	-	(525,976)	-	(525,976)
Culture and recreation	32,757	-	-	-	(32,757)	-	(32,757)
Physical environment	298,699	12,740	-	-	(285,959)	-	(285,959)
Total Governmental Activities	<u>1,210,585</u>	<u>118,900</u>	<u>-</u>	<u>-</u>	<u>(1,091,685)</u>	<u>-</u>	<u>(1,091,685)</u>
Water	425,193	442,165	-	-	-	16,972	16,972
Sewer	736,702	504,133	-	1,118,185	-	885,616	885,616
Sanitation	269,251	338,133	-	-	-	68,882	68,882
Total Business-type Activities	<u>1,431,146</u>	<u>1,284,431</u>	<u>-</u>	<u>1,118,185</u>	<u>-</u>	<u>971,470</u>	<u>971,470</u>
	<u><b>\$ 2,641,731</b></u>	<u><b>\$ 1,403,331</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 1,118,185</b></u>	<u><b>(1,091,685)</b></u>	<u><b>971,470</b></u>	<u><b>(120,215)</b></u>
<b>General Revenues:</b>							
Ad valorem					298,172	-	298,172
Utility tax					196,089	-	196,089
Communications service					32,417	-	32,417
Gas taxes and rebates					52,476	-	52,476
State revenue sharing					147,850	-	147,850
Half-cent sales tax					90,435	-	90,435
One-cent surtax					204,693	-	204,693
Unrestricted investment earnings					10,943	4,032	14,975
Franchise fees					113,211	-	113,211
Other					37,806	29,214	67,020
Total General Revenues					<u>1,184,092</u>	<u>33,246</u>	<u>1,217,338</u>
Transfers					(57,900)	57,900	-
Total General Revenues and Transfers					<u>1,126,192</u>	<u>91,146</u>	<u>1,217,338</u>
Change in Net Position					34,507	1,062,616	1,097,123
Net Position - Beginning					2,416,141	10,344,394	12,760,535
Net Position - Ending					<u><b>\$ 2,450,648</b></u>	<u><b>\$ 11,407,010</b></u>	<u><b>\$ 13,857,658</b></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BOWLING GREEN, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020

	General Fund	Special Revenue Fund (Nonmajor)	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 519,612	\$ -	\$ 519,612
Certificates of deposit	513,013	-	513,013
Receivables (net of allowance for uncollectible)	30,035	-	30,035
Due from other governmental units	50,866	-	50,866
Cash - restricted	47,163	97,127	144,290
<b>Total assets</b>	<b><u>\$ 1,160,689</u></b>	<b><u>\$ 97,127</u></b>	<b><u>\$ 1,257,816</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 43,746	\$ 130	\$ 43,876
Accrued expenses	33,224	-	33,224
<b>Total liabilities</b>	<b><u>76,970</u></b>	<b><u>130</u></b>	<b><u>77,100</u></b>
Deferred inflows of resources:			
Unavailable revenue	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Fund balances:			
Spendable:			
Restricted	47,163	96,997	144,160
Unassigned	1,016,556	-	1,016,556
<b>Total fund balances</b>	<b><u>1,063,719</u></b>	<b><u>96,997</u></b>	<b><u>1,160,716</u></b>
<b>Total liabilities, deferred inflows of     resources and fund balances</b>	<b><u>\$ 1,160,689</u></b>	<b><u>\$ 97,127</u></b>	<b><u>\$ 1,257,816</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020**

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

Fund Balance–Governmental funds	\$ 1,160,716
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,269,932
Deferred inflows of resources are not available current financial resources and, therefore, are not reported as revenue in the general fund.	20,000
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 2,450,648</u></u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 529,108	\$ 48,118	\$ 577,226
Fines and forfeitures	29,759	-	29,759
Intergovernmental revenue	444,906	-	444,906
Franchise fees	113,211	-	113,211
Licenses and permits	7,144	-	7,144
Grants	199,640	-	199,640
Interest	10,907	36	10,943
Miscellaneous	117,841	-	117,841
Total Revenues	<u>1,452,516</u>	<u>48,154</u>	<u>1,500,670</u>
<b>Expenditures:</b>			
General government	297,341	-	297,341
Public safety	513,267	-	513,267
Culture and recreation	23,278	556	23,834
Physical environment	253,644	-	253,644
Capital outlay	79,655	-	79,655
Total Expenditures	<u>1,167,185</u>	<u>556</u>	<u>1,167,741</u>
<b>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	285,331	47,598	332,929
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	<u>(57,900)</u>	<u>-</u>	<u>(57,900)</u>
Total Other Financing Sources (Uses)	<u>(57,900)</u>	<u>-</u>	<u>(57,900)</u>
Net Change in Fund Balance	227,431	47,598	275,029
<b>FUND BALANCE – Beginning</b>	<u>836,288</u>	<u>49,399</u>	<u>885,687</u>
<b>FUND BALANCE – Ending</b>	<u><u>\$ 1,063,719</u></u>	<u><u>\$ 96,997</u></u>	<u><u>\$ 1,160,716</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

Net changes in fund balances – Governmental funds	\$ 275,029
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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 and reported as depreciation expense. This is the amount by which capital outlay additions in the current year were exceeded by depreciation expense and a loss on disposal of capital assets.

Capital outlay	79,655
Loss on disposal of capital assets	(16,780)
Depreciation	(105,719)
	(42,844)

Revenues in the statement of activities that do not provide current financial resources as they do not meet the availability criteria are not reported as revenues in the funds. This amount represents the change in unavailable revenue.	(197,678)
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 34,507</u></b>
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The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUND**  
**SEPTEMBER 30, 2020**

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 796,122
Accounts receivable, net	95,261
Grants receivable	105,389
Inventory	4,780
Total current assets	1,001,552
Non-current Assets:	
Restricted assets:	
Cash	156,035
Certificates of deposit	163,659
Total restricted assets	319,694
Capital Assets:	
Land	31,894
Construction in progress	2,828,695
Buildings and improvements	16,289,697
Machinery and equipment	666,873
Accumulated depreciation	(5,883,350)
Total capital assets (net)	13,933,809
Total non-current assets	14,253,503
<b>TOTAL ASSETS</b>	<b>15,255,055</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	154,640
Accrued expenses	5,913
Total current liabilities	160,553
Current Liabilities Payable from Restricted Assets:	
Accrued interest payable	2,994
Customer deposits	106,847
Current portion – long term debt	189,498
Total current liabilities payable from restricted assets	299,339
Non-current Liabilities:	
Notes payable	2,863,378
Revenue bonds payable	524,775
Total noncurrent liabilities	3,388,153
<b>TOTAL LIABILITIES</b>	<b>3,848,045</b>
<b>NET POSITION</b>	
Net investment in capital assets	10,356,158
Restricted	212,847
Unrestricted	838,005
<b>TOTAL NET POSITION</b>	<b>\$ 11,407,010</b>

The accompanying notes are an integral part of these financial statements.

CITY OF BOWLING GREEN, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
<b>Operating Revenues:</b>	
Charges for sales and services:	
Water charges	\$ 442,165
Sewer charges	504,133
Sanitation charges	338,133
Penalties, late fees and miscellaneous	29,214
<b>Total Operating Revenues</b>	<b>1,313,645</b>
<b>Operating Expenses:</b>	
Cost of sales and services:	
Personal services	331,604
Other operating expenses	609,839
Depreciation and amortization	448,264
<b>Total Operating Expenses</b>	<b>1,389,707</b>
<b>Operating Income (Loss)</b>	<b>(76,062)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	4,032
Interest expense	(41,439)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(37,407)</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>(113,469)</b>
<b>Capital Contributions and Transfers</b>	
Grant revenues and capital contributions	1,118,185
Transfers In (Out)	57,900
<b>Total Capital Contributions and Transfers</b>	<b>1,176,085</b>
<b>Change in Net Position</b>	<b>1,062,616</b>
<b>NET POSITION – Beginning</b>	<b>10,344,394</b>
<b>NET POSITION – Ending</b>	<b>\$ 11,407,010</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<b>Business-Type Activities Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 1,306,040
Cash payments to suppliers	(632,041)
Cash payments to employees	(332,495)
Net cash provided (used) by operating activities	341,504
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers in/advances from other funds	57,900
Net cash provided (used) by noncapital financing activities	57,900
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Interest paid on revenue borrowings and long-term direct borrowings	(24,517)
Principal payments on long-term debt	(70,544)
Capital grant proceeds	1,371,460
Capital expenditures	(1,457,156)
Net cash provided (used) by capital and related financing activities	(180,757)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	4,032
Net cash provided (used) by investing activities	4,032
<b>NET INCREASE (DECREASE) IN CASH</b>	222,679
<b>CASH AT BEGINNING OF YEAR</b>	893,137
<b>CASH AT END OF YEAR</b>	<b>\$ 1,115,816</b>
<b>Cash</b>	
Unrestricted	\$ 796,122
Restricted	319,694
	<b>\$ 1,115,816</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ (76,062)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	448,264
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(8,901)
Increase (decrease) in accounts payable	(22,202)
Increase (decrease) in accrued expenses	(891)
Increase (decrease) in customer deposits payable	1,296
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 341,504</b>
<b>NONCASH CAPITAL ACTIVITIES</b>	
Capital asset additions financed with long-term debt	\$ 291,191

The accompanying notes are an integral part of these financial statements.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The City of Bowling Green (City) was incorporated in 1927 under the laws of Florida Chapter 12563–(758) and as amended in 1935 under the Laws of Florida Chapter 17496–(725). The present charter calls for a five–member City Commission, one of whom is elected Mayor by the Commission. The City is managed by a City Manager appointed by the Commission. Under the present charter, the City has the power to impose license taxes on occupations, to levy taxes on City property, and to levy charges for services as required for the improvement and government of the City. Services authorized to be provided under the present charter are as follows: public safety, streets and roads, sanitation, water and sewer, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. The City does not have any discretely presented component units.

During the 2016 fiscal year, the City established the City of Bowling Green Community Redevelopment Agency (CRA), which is comprised of a five member Board of Commissioners. The CRA is presented as a special revenue fund within the City’s financial statements because: 1) the CRA substantively operates under the same body as the City through the City Commission which meets separately as the CRA’s governing body to approve the adoption of their annual budget, the transactions of real property, and the execution of contracts and modifications to the community redevelopment plans; 2) the City Commission/CRA Board has operational responsibility of the CRA; and 3) the CRA provides an exclusive service or benefit to the City and its citizens. The CRA is responsible for carrying out the rehabilitation, conservation and redevelopment of the Community Redevelopment Plan. The related tax increment revenue is included in this Special Revenue Fund, all of which is restricted for the CRA.

**B. GOVERNMENT–WIDE AND FUND FINANCIAL STATEMENTS**

The government–wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business–type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds (General Fund and Special Revenue Fund) and the proprietary fund. The general fund and the enterprise fund are considered major funds and are presented as separate columns in the fund financial statements. The special revenue fund is reported as a non–major fund.

CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. MEASUREMENT FOCUS, 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 financial statements. Government-wide financial statements include a Statement of Net Position and a Statement of Activities. The Statement of Net Position reports all financial and capital resources of the City's governmental activities. It is presented in a net position format (assets and deferred outflows less liabilities and deferred inflows equal net position) and shown with three components: net investment in capital assets, restricted net position and unrestricted net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following governmental funds:

General Fund

The general fund is the City's general operating fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From this fund, expenditures paid include general operating expenditures, fixed charges, and capital improvement costs not paid through other funds.

Special Revenue Fund

The CRA is the City's only special revenue fund. It accounts for the rehabilitation, conservation and redevelopment of certain slum or blighted areas of the City, included within the community redevelopment area. Financing is provided primarily through tax increment funding from the City and Hardee County. All amounts within this fund are restricted to CRA activities.

CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION – CONTINUED**

The government reports the following proprietary fund:

Enterprise Fund

The enterprise fund accounts for the operation of the City's water and sewer system, as well as sanitation services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. CASH AND INVESTMENTS**

Florida Statute 218.415 authorizes the City to invest surplus funds in the following:

(a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.

(b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

(c) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02, Florida Statutes.

(d) Direct obligations of the U.S. Treasury.

All City bank accounts and certificates of deposit are with banking institutions that post collateral as required by state statutes (Qualified Public Depositories). As a result, all amounts which exceed FDIC insured limits are collateralized pursuant to Chapter 280 of the Florida statutes.

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, at September 30, 2020 the City only had demand deposits and time deposits.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**E. RECEIVABLES AND PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported 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.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

All trade receivables are shown net of allowance for doubtful accounts.

**F. PROPERTY TAXES**

Property taxes become due and payable on November 1st of each year. The county tax collector remits the City's portion as such revenues are received. The City collects nearly all of its tax revenue during the period November 1 through April 1, at which time the property taxes become delinquent. The key dates in the property tax cycle are as follows:

Assessment roll validated	July 1
Millage resolution approved	September 30
Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered and due	November 1
Property taxes payable:	
Maximum discount	November 30
Delinquent	April 1
Tax certificates sold	May 31

Property taxes are recognized as revenue in the fiscal year for which the taxes have been levied to the extent they result in current receivables. Under the system outlined above, no material amount of taxes is receivable after the end of the fiscal year.

**G. RESTRICTED ASSETS**

The following represent restricted resources of each fund:

General Fund

Cash in the General Fund is reserved for the following:

Police Department	\$ 1,293
Community Center improvements	<u>45,870</u>
	<u>\$ 47,163</u>

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Special Revenue Fund

CRA activities	<u>\$ 96,997</u>
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Enterprise Fund

Restricted assets, provided for by ordinances adopted by the City for the issuance of the Sewer System Bonds, SRF loans, impact fees, and customer deposits are as follows:

Customer deposits	\$ 106,847
Revenue bond retirement	70,187
Other debt retirement	59,682
Impact fees	<u>82,978</u>
Restricted assets	<u>\$ 319,694</u>

**H. CAPITAL ASSETS**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. 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 at the date of donation. The City has elected to report general infrastructure assets on a prospective basis only.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred.

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 40
Infrastructure	20
Machinery and equipment	4 - 10

**I. COMPENSATED ABSENCES**

The City personnel policy provides for the payment of accrued vacation upon separation from its employees. A liability for this amount is recorded in the government-wide and proprietary fund financial statements. A liability for this amount is recorded in the governmental funds only if it has matured. The City also provides sick pay, which is not payable upon separation from the City and is not recorded as a liability. Compensated absences are liquidated out of the general fund and enterprise fund as applicable.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**J. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount.

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

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year the debt is issued in both the government-wide and fund financial statements.

**K. NET POSITION**

Net position is reported in three parts as applicable: net investment in capital assets, restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.

**L. FUND BALANCE**

The City follows Governmental Accounting Standards Board (GASB) Statement No. 54 which established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are Nonspendable and Spendable. Spendable is then further classified as Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

The City classified governmental fund balance as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. The City does not have any nonspendable fund balance amounts as of September 30, 2020.

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers, such as creditors or grantors.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**L. FUND BALANCE – CONTINUED**

- Committed – includes amounts that can be spent only for specific purposes that are approved by a formal action of the City Commission through a resolution or the budget process.
- Assigned – includes amounts designated for a specific purpose by the City Commission through a resolution or the budget process, which are neither restricted nor committed.
- Unassigned – includes residual positive fund balance within the General Fund that has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted or committed for those specific purposes.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal minimum fund balance policy.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Spendable:</u>		
Restricted to:		
Confiscated fund – Police Department	\$ 1,293	\$ -0-
Community Center improvements	45,870	-0-
Community Redevelopment Agency	<u>-0-</u>	<u>96,997</u>
	47,163	96,997
Unassigned	<u>1,016,556</u>	<u>-0-</u>
Total Fund Balances	<u>\$ 1,063,719</u>	<u>\$ 96,997</u>

The entire fund balance of the Special Revenue Fund of \$96,997 is restricted for the purposes of alleviating slum and blight in the City in accordance with Florida Statute 163.

**M. INVENTORIES**

Inventories are stated at the lower of cost or market as determined on the first in, first out method.

**N. CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, all highly liquid debt instruments purchased with a maturity of three months or less and certificates of deposit without significant withdrawal penalties are considered cash.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**O. ESTIMATES**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect 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.

**P. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for the governmental funds. Expenditures should not exceed total appropriations. All annual appropriations lapse at fiscal year end. Any required budget amendments have to be approved by the City Commissioners through resolutions.

**Q. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. On the governmental funds balance sheet, unavailable revenue is classified as deferred inflows of resources. This represents funds which did not meet the availability criteria under the modified accrual basis of accounting and therefore are considered to be deferred charges until available.

**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

**A. Cash and Cash Equivalents**

At September 30, 2020, the City’s carrying amount of cash and cash equivalents was \$1,616,059 and the bank balance was \$1,654,829. The City had certificates of deposit classified as cash equivalents in the amount of \$676,672.

**B. Receivables**

Receivables as of September 30, 2020 for the government’s funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

<u>Receivables</u>	<u>General Fund</u>	<u>Enterprise Fund</u>
Accounts receivable	\$ 30,035	\$ 117,261
Less: allowance for uncollectibles	-0-	22,000
<b>Net total accounts receivables</b>	<u>\$ 30,035</u>	<u>\$ 95,261</u>

**C. Interfund receivables, payables, and transfers**

There were no interfund balances as of September 30, 2020. During the year, the City transferred resources from the General Fund to the Enterprise Fund to cover expenses paid from the Enterprise Fund that relate to the General Fund of \$57,900.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 510,393	\$ -0-	\$ -0-	\$ -0-	\$ 510,393
Construction in progress	14,130	15,000	(14,130)	-0-	15,000
Total capital assets, not being depreciated	<u>524,523</u>	<u>15,000</u>	<u>(14,130)</u>	<u>-0-</u>	<u>525,393</u>
Capital assets, being depreciated:					
Buildings and improvements	637,786	4,500	(35,000)	-0-	607,286
Infrastructure	576,656	3,632	-0-	-0-	580,288
Machinery and equipment	609,442	56,523	(56,462)	-0-	609,503
Total capital assets being depreciated	<u>1,823,884</u>	<u>64,655</u>	<u>(91,462)</u>	<u>-0-</u>	<u>1,797,077</u>
Less accumulated depreciation for:					
Buildings and improvements	(460,909)	(18,317)	35,000	-0-	(444,226)
Machinery and equipment	(444,609)	(54,962)	-0-	-0-	(499,571)
Infrastructure	(130,113)	(32,440)	53,812	-0-	(108,741)
Total accumulated depreciation	<u>(1,035,631)</u>	<u>(105,719)</u>	<u>88,812</u>	<u>-0-</u>	<u>(1,052,538)</u>
Total capital assets, being depreciated, net	<u>788,253</u>	<u>(41,064)</u>	<u>(2,650)</u>	<u>-0-</u>	<u>744,539</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 1,312,776</u></b>	<b><u>\$ (26,064)</u></b>	<b><u>\$ (16,780)</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 1,269,932</u></b>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 31,894	\$ -0-	\$ -0-	\$ -0-	\$ 31,894
Construction in progress	9,167,317	1,182,456	-0-	(7,521,078)	2,828,695
Total capital assets, not being depreciated	<u>9,199,211</u>	<u>1,182,456</u>	<u>-0-</u>	<u>(7,521,078)</u>	<u>2,860,589</u>
Capital assets, being depreciated:					
Buildings and improvements	8,768,619	-0-	-0-	7,521,078	16,289,697
Machinery and equipment	710,531	68,064	(111,722)	-0-	666,873
Total capital assets being depreciated	<u>9,479,150</u>	<u>68,064</u>	<u>(111,722)</u>	<u>7,521,078</u>	<u>16,956,570</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,010,653)	(399,668)	-0-	-0-	(5,410,321)
Machinery and equipment	(536,155)	(48,596)	111,722	-0-	(473,029)
Total accumulated depreciation	<u>(5,546,808)</u>	<u>(448,264)</u>	<u>111,722</u>	<u>-0-</u>	<u>(5,883,350)</u>
Total capital assets, being depreciated, net	<u>3,932,342</u>	<u>(380,200)</u>	<u>-0-</u>	<u>7,521,078</u>	<u>11,073,220</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 13,131,553</u></b>	<b><u>\$ 802,256</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 13,933,809</u></b>

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

<b>Governmental activities:</b>	
General government	\$ 9,273
Physical environment	45,055
Public safety	42,468
Culture and recreation	8,923
	<u>\$ 105,719</u>
<b>Business-type activities:</b>	
Water, sewer and sanitation	<u>\$ 448,264</u>

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt**

Revenue Bonds – Business-type Activities

In 1984, 1993, 1995 and 1999, the City passed bond ordinances to provide for the issuance of Water and Sewer Revenue Certificates. At September 30, 2020, bonds outstanding are as follows:

<u>Ordinance Year</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance Outstanding</u>
1984	06/11/85	09/01/2024	5.0%	257,000	\$ 53,915
1993	09/01/94	09/01/2033	4.5%	300,000	159,797
1995	09/13/95	09/01/2035	4.5%	400,000	236,753
1999	02/10/99	09/01/2038	4.5%	167,000	111,410
<b>TOTAL</b>					<b><u>\$ 561,875</u></b>

The bonds are secured by the net revenue derived from the operations of the water and sewer system and require the use of a debt service fund, of which is included in restricted cash.

Total annual debt service requirements for the 1984 bonds as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$12,600	\$ 2,710	\$15,310
2022	13,200	2,080	15,280
2023	13,900	1,420	15,320
2024	<u>14,215</u>	<u>725</u>	<u>14,940</u>
	<u>\$53,915</u>	<u>\$ 6,935</u>	<u>\$60,850</u>

Total annual debt service requirements for the 1993 bonds as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 9,000	\$ 8,000	\$ 17,000
2022	10,000	7,550	17,550
2023	10,000	7,050	17,050
2024	11,000	6,550	17,550
2025	11,000	6,000	17,000
2026 – 2030	64,000	21,100	85,100
2031 – 2033	<u>44,797</u>	<u>4,500</u>	<u>49,297</u>
	<u>\$159,797</u>	<u>\$60,750</u>	<u>\$220,547</u>

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Revenue Bonds – Business-type Activities – continued

Total annual debt service requirements for the 1995 bonds as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 11,000	\$ 10,665	\$ 21,665
2022	12,000	10,170	22,170
2023	12,000	9,630	21,630
2024	13,000	9,090	22,090
2025	14,000	8,505	22,505
2026 – 2030	78,000	32,715	110,715
2031 – 2035	<u>96,753</u>	<u>13,500</u>	<u>110,253</u>
	<u>\$236,753</u>	<u>\$ 94,275</u>	<u>\$331,028</u>

Total annual debt service requirements for the 1999 bonds as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 4,500	\$ 5,575	\$ 10,075
2022	4,500	5,350	9,850
2023	4,500	5,125	9,625
2024	5,000	4,900	9,900
2025	5,000	4,650	9,650
2026 – 2030	29,500	19,175	48,675
2031 – 2035	36,000	11,200	47,200
2036 – 2038	<u>22,410</u>	<u>2,150</u>	<u>24,560</u>
	<u>\$111,410</u>	<u>\$ 58,125</u>	<u>\$169,535</u>

Notes Payable from Direct Borrowings – Business-type Activities

The City entered into a loan and grant agreement (WW250202) with the Florida Department of Environmental Protection through the State Revolving Fund. The total amount initially borrowed was \$144,456, at an interest rate of 0.92%, with interest and principal to be paid in 40 semi-annual payments beginning March 15, 2015. During 2014, the City borrowed an additional \$61,010 with an interest rate of 1.19%. The debt obligation is secured by a pledge of the net revenues of the water and sewer systems. The total amount outstanding at September 30, 2020 is \$112,663.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Total annual debt service requirements as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 7,561	\$ 1,094	\$ 8,655
2022	7,636	1,020	8,656
2023	7,711	944	8,655
2024	7,788	868	8,656
2025	7,864	791	8,655
2026 – 2030	40,504	2,775	43,279
2031 – 2034	<u>33,599</u>	<u>756</u>	<u>34,355</u>
	<u>\$112,663</u>	<u>\$ 8,248</u>	<u>\$120,911</u>

During 2015, the City entered into a second loan and grant agreement (WW250204) with the Florida Department of Environmental Protection through the State Revolving Fund. The initial approved amount of the agreement is for \$1,187,750, of which \$833,451 will be forgiven through the grant portion of the agreement. In 2016, the agreement was amended to reduce the approved amount to \$871,777 of which \$803,571 will be forgiven. The total amount borrowed as of September 30, 2020 was \$75,883, at an interest rate of 1.15%. The principal borrowed is required to be paid over 40 semi-annual payments. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The total amount outstanding at September 30, 2020 is \$68,486.

Total annual debt service requirements as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,774	\$ 773	\$ 4,547
2022	3,817	729	4,546
2023	3,861	685	4,546
2024	3,906	641	4,547
2025	3,951	596	4,547
2026 – 2030	20,447	2,285	22,732
2031 – 2035	21,654	1,078	22,732
2036 – 2037	<u>7,076</u>	<u>77</u>	<u>7,153</u>
	<u>\$ 68,486</u>	<u>\$ 6,864</u>	<u>\$ 75,350</u>

During fiscal year 2017, the City entered into a third loan and grant agreement (WW250230) with the Florida Department of Environmental Protection through the State Revolving Fund. The initial approved amount of the agreement is for \$553,000, of which \$442,400 will be forgiven through the grant portion of the agreement. The total amount borrowed as of September 30, 2020 was \$119,075, at an interest rate of 0.47%. The principal borrowed is required to be paid over 40 semi-annual payments. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The total amount outstanding at September 30, 2020 is \$107,369.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

Total annual debt service requirements as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 5,894	\$ 498	\$ 6,392
2022	5,922	470	6,392
2023	5,950	442	6,392
2024	5,978	414	6,392
2025	6,006	386	6,392
2026 – 2030	30,457	1,503	31,960
2031 – 2035	31,182	778	31,960
2036 – 2038	<u>15,980</u>	<u>106</u>	<u>16,086</u>
	<u>\$ 107,369</u>	<u>\$ 4,597</u>	<u>\$ 111,966</u>

During 2018, the City entered into a fourth loan and grant agreement (WW250231) with the Florida Department of Environmental Protection (FDEP) through the State Revolving Fund. The initial approved amount of the loan agreement was for \$2,018,861, which was amended to \$2,610,385. The total amount borrowed as of September 30, 2020 was \$2,056,793, at an initial interest rate of 0%. The City also included service fees of \$116,136 in the debt service requirement. The principal borrowed is required to be paid over 40 semi-annual payments beginning March 15, 2020. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The grant agreement with the FDEP includes grant forgiveness in addition to the loan. During the year ended September 30, 2020, the City revised their estimate of debt-to-forgiveness which resulted in a reduction of the loan balance of \$249,700. This amount was recognized as grant revenue during the year ended September 30, 2020. The total amount outstanding at September 30, 2020 is \$2,172,929.

Total annual debt service requirements are estimated based on proceeds received as of September 30, 2020 as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 108,646	\$ -0-	\$ 108,646
2022	108,646	-0-	108,646
2023	108,646	-0-	108,646
2024	108,646	-0-	108,646
2025	108,646	-0-	108,646
2026 – 2030	543,230	-0-	543,230
2031 – 2035	543,230	-0-	543,230
2036 – 2040	<u>543,239</u>	<u>-0-</u>	<u>543,239</u>
	<u>\$ 2,172,929</u>	<u>\$ -0-</u>	<u>\$ 2,172,929</u>

During 2018, the City entered into a fifth loan and grant agreement (DW250250) with the Florida Department of Environmental Protection through the State Revolving Fund. The initial approved amount of the loan agreement was for \$383,473 which was amended to \$595,598.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

The total amount borrowed as of September 30, 2020 was \$560,634, at an initial interest rate of 0.46%. The City also included service fees of \$11,213 in the debt service requirement. The principal borrowed is required to be paid over 40 semi-annual payments beginning November 15, 2019. The debt obligation is secured by a pledge of the net revenues of the water and sewer system. The total amount outstanding at September 30, 2020 is \$554,329. Total annual debt service requirements are estimated based on proceeds received as of September 30, 2020 as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 26,523	\$ 2,519	\$ 29,042
2022	26,645	2,397	29,042
2023	26,768	2,274	29,042
2024	26,891	2,151	29,042
2025	27,015	2,027	29,042
2026 – 2030	136,954	8,260	145,214
2031 – 2035	140,137	5,077	145,214
2036 – 2040	<u>143,396</u>	<u>1,821</u>	<u>145,217</u>
	<u>\$ 554,329</u>	<u>\$ 26,526</u>	<u>\$ 580,855</u>

For all five loans with the Florida Department of Environmental Protection through the State Revolving Funds, an event of default may subject the City to certain finance-related consequences such as:

- The Florida Department of Environmental Protection establishing rates and collecting fees and charges for the use of the Water and Sewer system and applying the revenues to the reduction of the debt obligation.
- Interception of delinquent amounts plus a penalty from any unobligated funds due to the City under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution.
- Imposing a penalty in an amount not to exceed an interest rate of 18 percent on amounts due in addition to charging the cost to handle and process the debt.
- Accelerating the repayment schedule or increasing the financing rate to as much as 1.667 times.

Loans under the City’s State Revolving Funds describe events of default as failure to make required payments, failure of meeting covenants, representing to false or misleading statements in regards to the loan agreements, the City’s appointment of a legal receiver of any part of the water and sewer system or gross revenues thereof, or any agreement with other creditors affecting the gross revenues of the water or sewer system.

**CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**E. Long-Term Debt – Continued**

The notes also require the use of a debt service fund, of which is included in restricted cash.

Total annual debt service requirements for all outstanding business-type activities and enterprise fund debt obligations as of September 30, 2020 are as follows:

Year Ending September 30,	Bonds		Notes from Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 37,100	\$ 26,950	\$ 152,398	\$ 4,884	\$ 189,498	\$ 31,834
2022	39,700	25,150	152,666	4,616	192,366	29,766
2023	40,400	23,225	152,936	4,345	193,336	27,570
2024	43,215	21,265	153,209	4,074	196,424	25,339
2025	30,000	19,155	153,482	3,800	183,482	22,955
2026–2030	171,500	72,990	771,592	14,823	943,092	87,813
2031–2035	177,550	29,200	769,802	7,689	947,352	36,889
2036–2040	22,410	2,150	709,691	2,004	732,101	4,154
	<u>\$ 561,875</u>	<u>\$ 220,085</u>	<u>\$3,015,776</u>	<u>\$ 46,235</u>	<u>\$3,577,651</u>	<u>\$ 266,320</u>

Changes in long-term liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Debt obligations:					
Notes from direct borrowings					
WW250202	\$ 120,114	\$ -0-	\$ (7,451)	\$ 112,663	\$ 7,561
WW250204	72,195	-0-	(3,709)	68,486	3,774
WW250230	113,235	-0-	(5,866)	107,369	5,894
WW250231	2,336,645	85,984	(249,700)	2,172,929	108,646
DW250250	349,718	222,129	(17,518)	554,329	26,523
Total notes payable from direct borrowings	2,991,907	308,113	(284,244)	3,015,776	152,398
Revenue bonds					
1984	65,915	-0-	(12,000)	53,915	12,600
1993	168,797	-0-	(9,000)	159,797	9,000
1995	247,753	-0-	(11,000)	236,753	11,000
1999	115,410	-0-	(4,000)	111,410	4,500
Total revenue bonds	597,875	-0-	(36,000)	561,875	37,100
Long-term liabilities	<u>\$3,589,782</u>	<u>\$308,113</u>	<u>\$ (320,244)</u>	<u>\$3,577,651</u>	<u>\$ 189,498</u>

In the Statement of Activities, interest expense of \$13,632 is included in Water and \$27,807 is included in Sewer.

**CITY OF BOWLING GREEN, FLORIDA**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

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**NOTE 3 – EMPLOYEE BENEFIT PLAN**

The City adopted a defined contribution retirement plan, effective January 1, 1992 for all full-time employees over 21 years of age and twelve months of service with at least 1,000 service hours during the eligibility period. The name of the Plan is the City of Bowling Green Retirement Plan and the plan is administered by the Variable Annuity Life Insurance Company (VALIC), which is also the Trustee. The City Commission may amend the plan by giving the trustee written notification of such Amendments as adopted.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City's Commission. City contributions to the plan are not fixed or guaranteed. During the year ended September 30, 2020, for each employee in the pension plan, the City contributed 3 percent of total annual salary, including overtime pay, to an individual employee account. The plan requires employees hired after October 1, 2015 to contribute 3 percent of total annual salary and allows employees hired prior to October 1, 2015 to choose to contribute either 2 or 3 percent. In addition to the required contributions, employees are permitted to make contributions to the pension plan up to applicable Internal Revenue Code limits. For the year ended September 30, 2020, employee contributions totaled \$21,270 and City contributions totaled \$21,213.

Employees hired prior to October 1, 1997 become vested in the plan at 20% after two years of service with 100% vesting after six years of service for employees. For participants hired on or after October 1, 1997, vesting is 100% after ten years of service. Employees may also become 100% vested at retirement age (sixty-five) or in case of disability or death. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended September 30, 2020, the City did not apply any available forfeitures towards the City's pension expense.

**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; and natural disasters for which the City carries commercial insurance. There has been no significant reduction in coverage from the prior year. The City has not experienced any settlements in excess of coverage over the past three years.

**NOTE 5 – CONSTRUCTION COMMITMENTS**

The City has various construction projects that commenced during the year ended September 30, 2020, but were not completed by the end of the fiscal year. Total construction commitments outstanding at September 30, 2020 are approximately \$35,800.

CITY OF BOWLING GREEN, FLORIDA  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

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**NOTE 6 – CONTINGENCIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government or the state of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures (or expenses) that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Management of the City is evaluating the risks associated with the COVID-19 pandemic. Management of the City is in the process of implementing risk mitigation as to the risk of impact, if any, of COVID-19 related to all aspects of the City's operations. However, the City cannot, at this time, make a determination on the ultimate impacts of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>				
Taxes	\$ 476,538	\$ 476,538	\$ 529,108	\$ 52,570
Fines and forfeitures	37,000	37,000	29,759	(7,241)
Intergovernmental revenue	490,819	490,819	444,906	(45,913)
Franchise fees	85,000	85,000	113,211	28,211
Licenses and permits	5,000	5,000	7,144	2,144
Grants	-	-	199,640	199,640
Interest	4,000	4,000	10,907	6,907
Miscellaneous	77,168	77,168	117,841	40,673
<b>Total Revenues</b>	<b>1,175,525</b>	<b>1,175,525</b>	<b>1,452,516</b>	<b>276,991</b>
<b>EXPENDITURES</b>				
General government	302,641	302,641	304,278	(1,637)
Public safety	561,539	561,539	559,315	2,224
Culture and recreation	30,500	30,500	23,278	7,222
Physical environment	314,515	314,515	280,314	34,201
<b>Total Expenditures</b>	<b>1,209,195</b>	<b>1,209,195</b>	<b>1,167,185</b>	<b>42,010</b>
Transfers In (Out)	33,670	33,670	(57,900)	(91,570)
Net Change in Fund Balances	-	-	227,431	227,431
Fund Balance – Beginning	836,288	836,288	836,288	-
Fund Balance – Ending	<b>\$ 836,288</b>	<b>\$ 836,288</b>	<b>\$ 1,063,719</b>	<b>\$ 227,431</b>

**Note 1 – Budget Basis**

The general fund budget is presented on a basis consistent with U.S. generally accepted accounting principles.

**OTHER SUPPLEMENTAL INFORMATION**

CITY OF BOWLING GREEN, FLORIDA  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>				
Taxes	\$ 52,026	\$ 52,026	\$ 48,118	\$ (3,908)
Interest	-	-	36	36
<b>Total Revenues</b>	<b>52,026</b>	<b>52,026</b>	<b>48,154</b>	<b>(3,872)</b>
<b>EXPENDITURES</b>				
Culture and recreation	101,601	101,601	556	101,045
<b>Total Expenditures</b>	<b>101,601</b>	<b>101,601</b>	<b>556</b>	<b>101,045</b>
Net Change in Fund Balances	(49,575)	(49,575)	47,598	97,173
Fund Balance – Beginning	49,399	49,399	49,399	-
Fund Balance – Ending	<b>\$ (176)</b>	<b>\$ (176)</b>	<b>\$ 96,997</b>	<b>\$ 97,173</b>

**Note 1 – Budget Basis**

The special revenue fund budget is presented on a basis consistent with U.S. generally accepted accounting principles.

CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUE  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2020

	Final Budget	Actual	Variance
Ad Valorem taxes	\$ 256,552	\$ 250,054	\$ (6,498)
Fuel taxes	10,000	12,814	2,814
Utility taxes	143,322	196,089	52,767
Gas taxes	38,317	37,734	(583)
Communications service tax	28,347	32,417	4,070
Franchise fees	85,000	113,211	28,211
Occupational licenses	4,000	6,426	2,426
State revenue sharing	183,473	147,850	(35,623)
Mobile home license	800	564	(236)
State beverage license	200	154	(46)
1/2 Cent sales tax	96,222	90,435	(5,787)
1 Cent surtax	208,924	204,693	(4,231)
State gas tax rebate	2,200	1,928	(272)
Grants	-	199,640	199,640
Fines and forfeitures	37,000	29,759	(7,241)
Interest income	4,000	10,907	6,907
Rents	60,700	69,975	9,275
Miscellaneous revenue	6,000	35,126	29,126
Cemetery income	2,468	12,740	10,272
D.O.T. highway lighting	8,000	-	(8,000)
<b>Total Revenues</b>	<b><u>\$ 1,175,525</u></b>	<b><u>\$ 1,452,516</u></b>	<b><u>\$ 276,991</u></b>

**CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Legislative &amp; Executive</b>			
Salaries	\$ 15,600	\$ 16,900	\$ (1,300)
<b>Total Legislative &amp; Executive</b>	<b><u>15,600</u></b>	<b><u>16,900</u></b>	<b><u>(1,300)</u></b>
<b>Administrative</b>			
Administrative salaries	148,167	152,029	(3,862)
Payroll tax	12,528	12,213	315
Employee insurance	24,934	24,927	7
Retirement contributions	4,445	4,343	102
Workers compensation	3,225	6,027	(2,802)
Uniforms	900	848	52
Operating supplies	700	741	(41)
Professional fees	15,350	20,287	(4,937)
Telephone	3,300	4,117	(817)
Utilities	5,500	4,520	980
Other insurance	7,692	7,877	(185)
Repairs and maintenance	4,000	6,075	(2,075)
Building improvements	15,000	10,727	4,273
Miscellaneous expense	11,000	8,774	2,226
Office supplies	3,000	1,043	1,957
Gas and oil	1,500	2,054	(554)
Comprehensive plan	6,000	6,000	-
Lease/rent	2,000	1,416	584
Dues and subscriptions	6,000	5,318	682
Advertising	3,500	4,153	(653)
Training	6,000	1,826	4,174
New equipment	1,500	1,160	340
Shipping and postage	800	903	(103)
<b>Total Administrative</b>	<b><u>287,041</u></b>	<b><u>287,378</u></b>	<b><u>(337)</u></b>
<b>Law Enforcement</b>			
Salaries	344,128	366,282	(22,154)
Payroll taxes	26,229	24,951	1,278
Employee insurance	58,186	53,316	4,870
Retirement contributions	10,286	3,374	6,912
Workers compensation	19,328	6,027	13,301
Uniforms	3,800	3,889	(89)
Telephone	6,000	7,017	(1,017)
Utilities	1,600	1,634	(34)
Insurance	7,682	7,877	(195)
Repairs and maintenance	10,000	10,756	(756)
Miscellaneous expense	2,500	2,447	53
Office supplies	2,500	2,386	114
Contract Labor	2,000	300	1,700
Investigation funds	500	68	432
Gas and oil	17,000	17,801	(801)
Operating supplies	3,500	2,935	565
Shipping and postage	300	193	107
New equipment	45,000	46,079	(1,079)
Training	1,000	1,983	(983)
<b>Total Law Enforcement</b>	<b><u>561,539</u></b>	<b><u>559,315</u></b>	<b><u>2,224</u></b>

CITY OF BOWLING GREEN, FLORIDA  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Recreation</b>			
Contribution to recreation center	\$ 8,000	\$ 8,000	\$ -
Utilities	3,000	5,082	(2,082)
Repairs and maintenance	10,000	5,226	4,774
Miscellaneous expense	9,000	4,925	4,075
Operating supplies	500	45	455
<b>Total Recreation</b>	<u>30,500</u>	<u>23,278</u>	<u>7,222</u>
<b>Physical Environment</b>			
P/E salaries	102,231	102,580	(349)
FICA tax	7,820	6,822	998
Employee insurance	24,934	22,862	2,072
Retirement contributions	3,066	3,374	(308)
Workers compensation	3,500	6,027	(2,527)
Uniforms	900	756	144
Other insurance	7,692	7,877	(185)
Repairs & maintenance	15,000	12,359	2,641
Miscellaneous expense	29,122	5,379	23,743
Gas & oil	15,000	7,861	7,139
Operating supplies	7,000	1,898	5,102
Dog pound	9,500	6,693	2,807
New equipment	19,000	9,252	9,748
Streets & roads	31,500	37,262	(5,762)
Utilities	37,700	49,078	(11,378)
Shipping and postage	50	-	50
Office supplies	500	234	266
<b>Total Physical Environment</b>	<u>314,515</u>	<u>280,314</u>	<u>34,201</u>
<b>Total Expenditures</b>	<u>\$ 1,209,195</u>	<u>\$ 1,167,185</u>	<u>\$ 42,010</u>

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL  
NON-GAAP BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2020

	Final Budget	Actual	Variance
<b>Operating Revenues</b>			
Water charges	\$ 494,635	\$ 442,165	\$ (52,470)
Sewer charges	502,849	504,133	1,284
Sanitation charges	337,254	338,133	879
Penalties, late fees and miscellaneous	33,800	29,214	(4,586)
<b>Total Operating Revenues</b>	<b>1,368,538</b>	<b>1,313,645</b>	<b>(54,893)</b>
<b>Operating Expenses</b>			
Water Department	529,123	306,816	222,307
Sewer Department	404,515	365,376	39,139
Sanitation Department	285,179	269,251	15,928
<b>Total Operating Expenses</b>	<b>1,218,817</b>	<b>941,443</b>	<b>277,374</b>
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	5,395	4,032	(1,363)
Principal and interest expense	(101,378)	(111,983)	(10,605)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(95,983)</b>	<b>(107,951)</b>	<b>(11,968)</b>
<b>Capital Contributions and Transfers</b>			
Grant revenue	-	1,426,298	1,426,298
Grant expense	(20,000)	(1,104,560)	(1,084,560)
Transfers In (Out)	(33,738)	57,900	91,638
<b>Total Capital Contributions and Transfers</b>	<b>(53,738)</b>	<b>379,638</b>	<b>433,376</b>
<b>Change in Net Position</b>	<b>\$ -</b>	<b>\$ 643,889</b>	<b>\$ 89,141</b>
<b>Adjustments to GAAP Basis</b>			
Non-Budgeted depreciation & amortization		(448,264)	
Non-GAAP basis principal payments		70,544	
Grant revenues recognized as long-term debt		(308,113)	
Grant expenses recognized as capital asset additions		1,104,560	
<b>GAAP Change in Net Position</b>		<b>\$ 1,062,616</b>	

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES  
BUDGET AND ACTUAL  
NON-GAAP BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Water Department</b>			
Salaries	\$ 98,996	95,240	\$ 3,756
Payroll tax	7,573	6,929	644
Employee insurance	24,934	24,927	7
Retirement	2,969	3,374	(405)
Workers compensation	3,225	6,027	(2,802)
Contract labor	28,122	-	28,122
Contract operators	32,730	36,502	(3,772)
Professional fees	93,000	21,516	71,484
Telephone	2,000	2,693	(693)
Utilities	59,322	23,678	35,644
Liability insurance	7,692	7,877	(185)
Repairs and maintenance	106,500	34,890	71,610
Lease/rent	500	-	500
Miscellaneous	9,000	11,161	(2,161)
Uniforms	1,200	944	256
Training	2,000	1,005	995
Postage	1,000	1,060	(60)
Office supplies	500	778	(278)
Gas and oil	3,000	4,733	(1,733)
Dues and subscriptions	785	795	(10)
Materials and supplies	20,075	14,908	5,167
Meter expense	10,000	7,694	2,306
Equipment	14,000	85	13,915
<b>Total Water Department</b>	<b>\$ 529,123</b>	<b>\$ 306,816</b>	<b>\$ 222,307</b>
<b>Sewer Department</b>			
Salaries	\$ 77,300	44,866	\$ 32,434
Payroll tax	6,863	3,224	3,639
Employee insurance	24,934	13,848	11,086
Retirement	2,691	3,374	(683)
Workers compensation	3,225	6,027	(2,802)
Contract labor	28,125	27,027	1,098
Contract operators	50,535	64,128	(13,593)
Professional fees	25,350	20,877	4,473
Sludge hauling	18,000	89,400	(71,400)
Telephone	2,500	1,285	1,215
Permitting	8,000	-	8,000
Utilities	36,000	42,248	(6,248)
Liability insurance	7,692	7,877	(185)
Repairs and maintenance	45,000	20,614	24,386
Miscellaneous	20,500	3,381	17,119
Uniforms	600	428	172
Training	1,200	634	566
Postage	1,000	1,045	(45)
Office supplies/ expense	1,000	712	288
Gas and oil	4,000	2,012	1,988
Materials and supplies	20,000	12,229	7,771
Equipment	20,000	140	19,860
<b>Total Sewer Department</b>	<b>\$ 404,515</b>	<b>\$ 365,376</b>	<b>\$ 39,139</b>

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES  
BUDGET AND ACTUAL  
NON-GAAP BUDGETARY BASIS  
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Sanitation Department</b>			
Salaries	\$ 56,116	\$ 55,219	\$ 897
Payroll tax	4,292	4,019	273
Employee insurance	16,622	16,618	4
Retirement	1,684	3,374	(1,690)
Workers compensation	3,150	6,027	(2,877)
Contract labor	56,250	41,798	14,452
Professional fees	15,350	20,287	(4,937)
Telephone	800	650	150
Liability insurance	7,692	7,877	(185)
Repairs and maintenance	14,000	9,858	4,142
Postage	-	-	-
Landfill	84,000	94,951	(10,951)
Miscellaneous	1,500	1,037	463
Uniforms	600	637	(37)
Gas and oil	7,000	5,935	1,065
Materials and supplies	3,000	881	2,119
Equipment	13,123	83	13,040
<b>Total Sanitation Department</b>	<b><u>\$ 285,179</u></b>	<b><u>\$ 269,251</u></b>	<b><u>\$ 15,928</u></b>

CITY OF BOWLING GREEN, FLORIDA  
ENTERPRISE FUND  
DETAIL SCHEDULE OF EXPENSES BY DEPARTMENT  
NON-GAAP BUDGET BASIS  
YEAR ENDED SEPTEMBER 30, 2020

	WATER	SEWER	TOTAL WATER & SEWER	SANITATION	TOTAL
Salaries	\$ 95,240	\$ 44,866	\$ 140,106	\$ 55,219	\$ 195,325
Payroll tax	6,929	3,224	10,153	4,019	14,172
Employee insurance	24,927	13,848	38,775	16,618	55,393
Retirement	3,374	3,374	6,748	3,374	10,122
Workers compensation	6,027	6,027	12,054	6,027	18,081
Contract labor	-	27,027	27,027	41,798	68,825
Contract operators	36,502	64,128	100,630	-	100,630
Professional fees	21,516	20,877	42,393	20,287	62,680
Sludge hauling	-	89,400	89,400	-	89,400
Telephone	2,693	1,285	3,978	650	4,628
Utilities	23,678	42,248	65,926	-	65,926
Liability insurance	7,877	7,877	15,754	7,877	23,631
Repairs and maintenance	34,890	20,614	55,504	9,858	65,362
Landfill	-	-	-	94,951	94,951
Miscellaneous	11,161	3,381	14,542	1,037	15,579
Uniforms	944	428	1,372	637	2,009
Training	1,005	634	1,639	-	1,639
Postage	1,060	1,045	2,105	-	2,105
Office supplies	778	712	1,490	-	1,490
Gas and oil	4,733	2,012	6,745	5,935	12,680
Dues and subscriptions	795	-	795	-	795
Materials and supplies	14,908	12,229	27,137	881	28,018
Meter expense	7,694	-	7,694	-	7,694
Equipment	85	140	225	83	308
	<u>\$ 306,816</u>	<u>\$ 365,376</u>	<u>\$ 672,192</u>	<u>\$ 269,251</u>	<u>\$ 941,443</u>

CITY OF BOWLING GREEN, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

**FEDERAL AWARDS**

<u>Federal Grantor/Pass-Through Grantor/ Project</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
<b>Environmental Protection Agency Passed through the Florida Department of Environmental Protection</b>				
<u>Drinking Water State Revolving Fund Cluster</u>				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW250250	N/A	\$ 835,902
Total Drinking Water State Revolving Fund Cluster				<u>\$ 835,902</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b><u>\$ 835,902</u></b>

**CITY OF BOWLING GREEN, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Bowling Green, Florida (City) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the City's operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

**NOTE B – CONTINGENCIES**

Grant monies received and distributed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based on prior experience, the City does not believe that such allowances, if any, would have a material effect on the financial position of the City. As of January 22, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

**NOTE C – LOANS**

The City has federal loans outstanding issued through the Environmental Protection Agency, under the Capitalization Grants for State Revolving Funds program. Federal expenditures, including loan proceeds, incurred during the year ended September 30, 2020 are recognized in the accompanying schedule of expenditures of federal awards totaling \$835,902. The outstanding loan balances under Federal awards as of September 30, 2020 are as follows:

<b>Grant Number</b>	<b>CFDA Number</b>	<b>Program Name</b>	<b>Outstanding Balance at September 30, 2020</b>
WW250204	66.458	Capitalization Grants for State Revolving Funds	\$ 68,486
WW250230	66.458	Capitalization Grants for State Revolving Funds	\$ 107,369
WW250250	66.468	Capitalization Grants for State Revolving Funds	\$ 554,329

## OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MANAGEMENT LETTER

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Commission  
City of Bowling Green, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Florida, (City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 22, 2021.

Internal Control over Financial Reporting

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

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

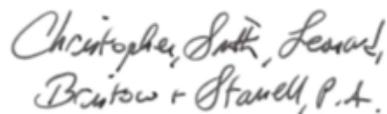
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Compliance and Other Matters

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

### Purpose of this Report

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



**CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.**

January 22, 2021  
Bradenton, Florida

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE**

**To the Honorable Mayor and City Commission  
City of Bowling Green, Florida**

**Report on Compliance for Each Major Federal Program**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

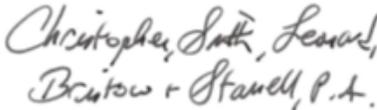
## Report on Internal Control Over Compliance

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

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

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

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



**CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.**

January 22, 2021  
Bradenton, Florida

CITY OF BOWLING GREEN, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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Section I – Summary of Auditors’ Results

**Financial Statements**

Type of Auditor’s report issued: Unmodified

Internal control over financial reporting:

    Material weakness(es) identified? \_\_\_ yes     x  no

    Significant deficiency(ies) identified? \_\_\_ yes     x  none reported

Noncompliance material to financial statements noted? \_\_\_ yes     x  no

**Federal Awards**

Internal control over major Federal programs:

    Material weakness(es) identified? \_\_\_ yes     x  no

    Significant deficiency(ies) identified? \_\_\_ yes     x  none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_\_\_ yes     x  no

**Identification of Major Federal Programs:**

**CFDA Number**

    Capitalization Grants for Drinking Water State Revolving Fund 66.468

Dollar threshold used to distinguish between Type A and Type B programs:

    Federal \$750,000

Auditee qualified as low-risk auditee \_\_\_ yes     x  no

**CITY OF BOWLING GREEN, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**Section II – Financial Statement Findings**

There were no findings required to be reported.

**PRIOR YEAR FINDINGS**

Finding 2019-01 included in the prior year management letter was corrected in the current year.

**Section III – Federal Program Findings and Questioned Costs**

There were no findings required to be reported.

**PRIOR YEAR FINDINGS**

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs.

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**MANAGEMENT LETTER**

**To the Honorable Mayor and City Commission  
City of Bowling Green, Florida**

**Report on the Financial Statements**

We have audited the financial statements of the City of Bowling Green, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 22, 2021.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 22, 2021, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

## Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Bowling Green, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Bowling Green, Florida was not in a state of financial emergency, as it did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Bowling Green, Florida. It is management's responsibility to monitor the City of Bowling Green, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

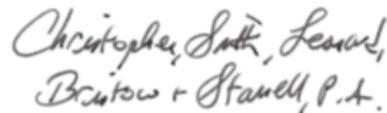
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



**CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.**

January 22, 2021  
Bradenton, Florida

**INDEPENDENT ACCOUNTANT'S REPORT  
ON INVESTMENT COMPLIANCE**

**To the Honorable Mayor and City Commission  
City of Bowling Green, Florida**

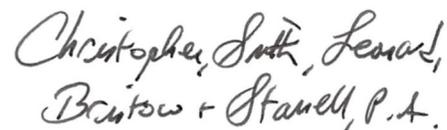
We have examined the City of Bowling Green, Florida's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied in all material respects, with the specified requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the City of Bowling Green, Florida and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Christopher Smith, Leonard, Bristow & Stanell, P.A.".

**CHRISTOPHER, SMITH, LEONARD,  
BRISTOW & STANELL, P.A.**

January 22, 2021  
Bradenton, Florida