

CITY OF BOWLING GREEN, FLORIDA
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

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

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**CITY OF BOWLING GREEN, FLORIDA
OFFICIALS**

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

September 30, 2023

CITY COMMISSION

**N'KOSI L. JONES, MAYOR
ROBERT S. FITE, JR., VICE MAYOR
DAVID DURASTANTI
HERBERT C. LUNN, JR.
FRANCISCO ARREOLA**

CITY OFFICIALS

**PAMELA DURRANCE, CITY MANAGER
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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of September 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

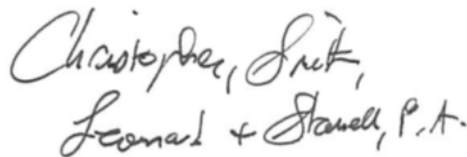
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information on pages 42-49, and the schedule of expenditures of federal awards and notes on pages 50-51, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information and the 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 February 8, 2024 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 & STANELL, P.A.

February 8, 2024
Bradenton, Florida

CITY OFFICIALS
Pamela Durrance, City Manager
Katherin Kinzel, City Clerk
John Scheel, Police Chief
Gerald Buhr, City Attorney



COMMISSIONERS
N’Kosi Jones, Mayor
Sam Fite, Vice Mayor
David Durastanti
Cliff Lunn
Francisco Arreola

P.O. Box 608, 104 E. Main Street
Bowling Green, FL 33834-0608
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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, 2023. 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 deferred inflows of resources and liabilities at the close of the most recent fiscal year by \$15,299,317 (net position). Of this amount, \$2,465,491 (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 \$197,830.
- As of the close of the current fiscal year, the City’s general fund reported ending fund balance of \$1,545,800, an increase of \$123,448. Of this total amount, \$1,545,673 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 deferred inflows of resources 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 10 and 11 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 City of Bowling Green 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 12 through 15 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 16 through 18 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 19 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 41 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 deferred inflows and liabilities by \$15,299,317 at the close of the most recent fiscal year. The following table presents a condensed statement of net position as of September 30, 2023 with comparative totals as of September 30, 2022:

Net Position at September 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 2,793,810	\$ 2,564,284	\$ 1,637,701	\$ 2,267,071	\$ 4,431,511	\$ 4,831,355
Capital assets	1,613,398	1,644,300	14,035,641	14,194,878	15,649,039	15,839,178
Total assets	<u>4,407,208</u>	<u>4,208,584</u>	<u>15,673,342</u>	<u>16,461,949</u>	<u>20,080,550</u>	<u>20,670,533</u>
Long-term liabilities						
outstanding	180,578	14,089	3,313,569	3,465,318	3,494,147	3,479,407
Other liabilities	53,092	161,577	468,841	1,199,302	521,933	1,360,879
Total liabilities	<u>233,670</u>	<u>175,666</u>	<u>3,782,410</u>	<u>4,664,620</u>	<u>4,016,080</u>	<u>4,840,286</u>
Deferred inflows	765,153	728,760	-0-	-0-	765,153	728,760
Net position:						
Net investment in capital						
assets	1,602,252	1,630,211	10,722,072	10,729,560	12,324,324	12,359,771
Restricted	216,967	135,550	292,535	266,896	509,502	402,446
Unrestricted	1,589,166	1,538,397	876,325	800,873	2,465,491	2,339,270
Total net position	<u>\$ 3,408,385</u>	<u>\$ 3,304,158</u>	<u>\$11,890,932</u>	<u>\$11,797,329</u>	<u>\$15,299,317</u>	<u>\$15,101,487</u>

The majority of the City's net position, \$12,324,324, (or 81%) 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, \$509,502, 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 \$2,465,491 may be used to meet the City's ongoing obligations to citizens and creditors.

The following table on page 7 presents a condensed statement of activities, which details the changes in net position for the year ended September 30, 2023 with comparative totals for the year ended September 30, 2022.

Changes in Net Position
For the Years Ended September 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues:						
Charges for services	\$ 119,365	\$ 125,961	\$ 1,644,040	\$ 1,465,989	\$ 1,763,405	\$ 1,591,950
Operating grants and contributions	34,970	-0-	13,794	13,794	48,764	13,794
Capital grants and contributions	217,839	120,551	773,302	599,521	991,141	720,072
General revenues:						
Property taxes	429,642	375,121	-0-	-0-	429,642	375,121
Other taxes	847,644	901,711	-0-	-0-	847,644	901,711
Transfers	676	97,307	(676)	(97,307)	-0-	-0-
Other	233,101	198,476	90,576	46,732	323,677	245,208
Total Revenues	<u>1,883,237</u>	<u>1,819,127</u>	<u>2,521,036</u>	<u>2,028,729</u>	<u>4,404,273</u>	<u>3,847,856</u>
Expenses:						
General government	435,555	379,250	-0-	-0-	435,555	379,250
Public safety	685,985	684,759	-0-	-0-	685,985	684,759
Culture and recreation	326,628	162,919	-0-	-0-	326,628	162,919
Physical environment	329,825	246,737	-0-	-0-	329,825	246,737
Interest on long-term debt	1,017	1,311	90,877	28,760	91,894	30,071
Water	-0-	-0-	936,988	569,070	936,988	569,070
Sewer	-0-	-0-	1,038,064	920,009	1,038,064	920,009
Sanitation	-0-	-0-	361,504	354,321	361,504	354,321
Total Expenses	<u>1,779,010</u>	<u>1,474,976</u>	<u>2,427,433</u>	<u>1,872,160</u>	<u>4,206,443</u>	<u>3,347,136</u>
Change in Net Position	104,227	344,151	93,603	156,569	197,830	500,720
Net position, Beginning of Year	3,304,158	2,960,007	11,797,329	11,640,760	15,101,487	14,600,767
Net position, End of Year	<u>\$ 3,408,385</u>	<u>\$ 3,304,158</u>	<u>\$11,890,932</u>	<u>\$11,797,329</u>	<u>\$15,299,317</u>	<u>\$15,101,487</u>

Governmental activities: Governmental activities increased the City's net position by \$104,227. Revenues increased over the prior year by \$64,110. The increase was largely due to increases in property taxes and grants. Expenses increased by \$304,034 due largely to increases in payroll and hurricane repairs.

Business-type activities: Business-type activities increased the City's net position by \$93,603. Key elements of the difference between the current year and prior year are:

- Charges for services increased by \$178,051 due to increased rates effective during 2023.
- The City received \$1,445,966 from the American Rescue Plan Act in fiscal years 2021 and 2022. During the year ended September 30, 2023, the City utilized \$787,096 of this grant funding. The City has \$175,127 remaining to be spent, which was recorded as unearned revenue in the statement of net position as of September 30, 2023.
- Expenses (including interest) increased \$555,273 over the prior year due largely to payroll, use of contracted personnel, and repairs, including repairs from hurricane damage.

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 an ending fund balance of \$1,545,800, an increase of \$123,448. \$1,545,673 of this total amount is unassigned fund balance, which is available for future spending at the government's discretion. The remainder of fund balance is restricted for the police department.

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

- Total general fund revenues increased over prior year by \$245,975. The increase was primarily due to grant revenues of \$249,648, offset by decreases in intergovernmental revenues.
- The general fund expenditures increased over prior year by \$345,194. The increase was primarily due to capital outlay expenditures.

The CRA fund – a special revenue fund had \$216,840 of ending fund balance all of which was restricted. The CRA fund balance increased by \$81,417 in the current year, as current year tax revenues were not fully utilized in the current fiscal year.

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 over the prior year by \$181,388, largely due to rate increases implemented during 2023.
- Operating expenses increased \$493,156 which was largely due to increased depreciation expense and contract operators.

General Fund Budgetary Highlights

Original and final budgeted revenues were \$2,315,710, and original and final budgeted expenditures were \$2,340,710. Actual revenues were less than budgeted by \$492,324 due mainly to less grants than anticipated. Actual expenditures were less than budget by \$640,096 due mainly to less grant projects completed.

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, 2023, amounts to \$15,649,039 (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, 2023 with comparative totals at September 30, 2022:

Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 510,393	\$ 510,393	\$ 31,894	\$ 31,894	\$ 542,287	\$ 542,287
Construction in progress	91,689	161,442	330,938	2,350	422,627	163,792
Infrastructure	646,648	693,621	-0-	-0-	646,648	693,621
Building and improvements	245,334	195,650	12,949,560	13,718,633	13,194,894	13,914,283
Machinery and equipment	119,334	83,194	723,249	442,001	842,583	525,195
	<u>\$ 1,613,398</u>	<u>\$ 1,644,300</u>	<u>\$14,035,641</u>	<u>\$14,194,878</u>	<u>\$ 15,649,039</u>	<u>\$15,839,178</u>

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

Long-Term Liabilities. At the end of the current fiscal year, the City had total long-term liabilities outstanding of \$3,494,147. The City’s long-term liabilities represents bonds and revenue notes secured solely by specified revenue sources, as well as notes payable and lease liability.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue bonds	\$ -0-	\$ -0-	\$ 444,675	\$ 485,075	\$ 444,675	\$ 485,075
Lease liability	170,862	-0-	-0-	-0-	170,862	-0-
Notes payable	9,716	14,089	2,868,894	2,980,243	2,878,610	2,994,332
	<u>\$ 180,578</u>	<u>\$ 14,089</u>	<u>\$ 3,313,569</u>	<u>\$ 3,465,318</u>	<u>\$ 3,494,147</u>	<u>\$ 3,479,407</u>

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 2024 general fund budget included \$1,370,292 for revenues and expenditures and the CRA budget included \$101,671 for revenues and expenditures. The City’s fiscal year 2024 enterprise fund budget includes \$1,260,969 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, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,034,890	\$ 1,041,789	\$ 2,076,679
Certificates of deposit	519,682	-	519,682
Receivables (net of allowance for uncollectibles)	31,044	137,400	168,444
Grants receivable	4,970	-	4,970
Due from other governmental units	51,991	-	51,991
Internal balances	(43,812)	43,812	-
Inventory	-	4,780	4,780
Restricted:			
Cash	216,967	305,303	522,270
Certificates of deposit	-	104,617	104,617
Lease interest receivable	2,017	-	2,017
Lease receivable	806,629	-	806,629
Right-to-use assets	169,432	-	169,432
Capital Assets (net of accumulated depreciation):			
Land	510,393	31,894	542,287
Construction in progress	91,689	330,938	422,627
Buildings and improvements	245,334	12,949,560	13,194,894
Infrastructure	646,648	-	646,648
Machinery and equipment	119,334	723,249	842,583
TOTAL ASSETS	<u>4,407,208</u>	<u>15,673,342</u>	<u>20,080,550</u>
LIABILITIES			
Accounts payable	38,031	169,292	207,323
Accrued expenses	15,061	4,043	19,104
Accrued interest payable	-	2,994	2,994
Unearned revenue	-	175,127	175,127
Liabilities payable from restricted assets	-	117,385	117,385
Noncurrent liabilities:			
Due within one year	37,347	195,426	232,773
Due in more than one year	143,231	3,118,143	3,261,374
TOTAL LIABILITIES	<u>233,670</u>	<u>3,782,410</u>	<u>4,016,080</u>
DEFERRED INFLOWS OF RESOURCES			
Lease-related inflows of resources	765,153	-	765,153
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>765,153</u>	<u>-</u>	<u>765,153</u>
NET POSITION			
Net investment in capital assets	1,602,252	10,722,072	12,324,324
Restricted			
Revenue bond retirement	-	146,977	146,977
Other purposes	216,967	145,558	362,525
Unrestricted	1,589,166	876,325	2,465,491
TOTAL NET POSITION	<u>\$ 3,408,385</u>	<u>\$ 11,890,932</u>	<u>\$ 15,299,317</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, 2023**

	<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	\$ 435,555	\$ 72,227	\$ -	\$ -	\$ (363,328)	\$ -	\$ (363,328)
Police department	685,985	33,907	-	-	(652,078)	-	(652,078)
Culture and recreation	326,628	-	30,000	202,249	(94,379)	-	(94,379)
Physical environment	329,825	13,231	4,970	15,590	(296,034)	-	(296,034)
Interest	1,017	-	-	-	(1,017)	-	(1,017)
Total Governmental Activities	<u>1,779,010</u>	<u>119,365</u>	<u>34,970</u>	<u>217,839</u>	<u>(1,406,836)</u>	<u>-</u>	<u>(1,406,836)</u>
Water	948,873	538,974	6,897	190,782	-	(212,220)	(212,220)
Sewer	1,117,056	659,711	6,897	190,782	-	(259,666)	(259,666)
Sanitation	361,504	445,355	-	391,738	-	475,589	475,589
Total Business-type Activities	<u>2,427,433</u>	<u>1,644,040</u>	<u>13,794</u>	<u>773,302</u>	<u>-</u>	<u>3,703</u>	<u>3,703</u>
	<u>\$ 4,206,443</u>	<u>\$ 1,763,405</u>	<u>\$ 48,764</u>	<u>\$ 991,141</u>	<u>(1,406,836)</u>	<u>3,703</u>	<u>(1,403,133)</u>
General Revenues:							
Ad valorem					429,642	-	429,642
Utility tax					187,704	-	187,704
Communications service					35,463	-	35,463
Gas taxes and rebates					41,828	-	41,828
State revenue sharing					194,856	-	194,856
Half-cent sales tax					114,287	-	114,287
One-cent surtax					273,506	-	273,506
Unrestricted investment earnings					3,556	18,963	22,519
Franchise fees					130,284	-	130,284
Other					99,261	71,613	170,874
Total General Revenues					<u>1,510,387</u>	<u>90,576</u>	<u>1,600,963</u>
Transfers					676	(676)	-
Total General Revenues and Transfers					<u>1,511,063</u>	<u>89,900</u>	<u>1,600,963</u>
Change in Net Position					104,227	93,603	197,830
Net Position – Beginning					3,304,158	11,797,329	15,101,487
Net Position – Ending					<u>\$ 3,408,385</u>	<u>\$ 11,890,932</u>	<u>\$ 15,299,317</u>

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

CITY OF BOWLING GREEN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Special Revenue Fund (Nonmajor)	Total Governmental Funds
ASSETS			
Cash	\$ 1,034,890	\$ -	\$ 1,034,890
Certificates of deposit	519,682	-	519,682
Receivables (net of allowance for uncollectible)	31,044	-	31,044
Grants receivable	4,970	-	4,970
Due from other governmental units	51,991	-	51,991
Cash – restricted	127	216,840	216,967
Total assets	\$ 1,642,704	\$ 216,840	\$ 1,859,544
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 38,031	\$ -	\$ 38,031
Accrued expenses	15,061	-	15,061
Due to other funds	43,812	-	43,812
Total liabilities	96,904	-	96,904
Fund balances:			
Spendable:			
Restricted	127	216,840	216,967
Unassigned	1,545,673	-	1,545,673
Total fund balances	1,545,800	216,840	1,762,640
Total liabilities, deferred inflows of resources and fund balances	\$ 1,642,704	\$ 216,840	\$ 1,859,544

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, 2023**

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

Fund Balance–Governmental funds	\$ 1,762,640
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Lease interest receivable	2,017
Lease receivable	806,629
Right-to-use assets	169,432
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
	1,613,398
Deferred inflows of resources related to leases do not utilize current financial resources and, therefore, are not reported in the funds.	
	(765,153)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Direct borrowing note payable	(9,716)
Lease liability	(170,862)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,408,385</u>

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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 592,966	\$ 101,671	\$ 694,637
Fines and forfeitures	33,907	-	33,907
Intergovernmental revenue	582,649	-	582,649
Franchise fees	130,284	-	130,284
Licenses and permits	13,332	-	13,332
Grants	321,504	30,000	351,504
Interest	3,523	33	3,556
Miscellaneous	145,221	150	145,371
Total Revenues	<u>1,823,386</u>	<u>131,854</u>	<u>1,955,240</u>
Expenditures:			
General government	417,555	-	417,555
Public safety	649,051	-	649,051
Culture and recreation	291,072	31,193	322,265
Physical environment	266,715	-	266,715
Capital outlay	255,129	19,244	274,373
Debt service – principal	4,373	-	4,373
Debt service – interest	1,017	-	1,017
Total Expenditures	<u>1,884,912</u>	<u>50,437</u>	<u>1,935,349</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(61,526)	81,417	19,891
Other Financing Sources (Uses)			
Leases under GASB No. 87	184,298	-	184,298
Transfers in	676	-	676
Total Other Financing Sources (Uses)	<u>184,974</u>	<u>-</u>	<u>184,974</u>
Net Change in Fund Balance	123,448	81,417	204,865
FUND BALANCE – Beginning	<u>1,422,352</u>	<u>135,423</u>	<u>1,557,775</u>
FUND BALANCE – Ending	<u><u>\$ 1,545,800</u></u>	<u><u>\$ 216,840</u></u>	<u><u>\$ 1,762,640</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, 2023**

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

Net changes in fund balances – Governmental funds	\$ 204,865
<p>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 exceed depreciation expense in the current year.</p>	
Depreciation	(120,977)
Capital outlay – lease assets	184,298
Capital outlay – capital assets	90,075
	153,396
<p>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.</p>	
Leases under GASB No. 87	(184,298)
Change in lease interest receivable	156
Change in lease receivable	62,253
Change in unavailable revenue	(98,695)
Change in lease-related inflows of resources	(36,393)
	(256,977)
<p>The repayment of principal long-term debt consumes current financial resources of governmental funds. However, the transaction has no effect on net position.</p>	
	4,373
<p>The repayment of lease liabilities consumes current financial resources of governmental funds. However, the transaction has no effect on net position. This amount represents the change in the lease liability.</p>	
	(1,430)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 104,227

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

**CITY OF BOWLING GREEN, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2023**

	Business-Type Activities
	Enterprise Fund
ASSETS	
Current Assets:	
Cash	\$ 1,041,789
Accounts receivable, net	137,400
Due from other funds	43,812
Inventory	4,780
Total current assets	1,227,781
Non-current Assets:	
Restricted assets:	
Cash	305,303
Certificates of deposit	104,617
Total restricted assets	409,920
Capital Assets:	
Land	31,894
Construction in progress	330,938
Buildings and improvements	20,175,927
Machinery and equipment	1,183,887
Accumulated depreciation	(7,687,005)
Total capital assets (net)	14,035,641
Total non-current assets	14,445,561
TOTAL ASSETS	15,673,342
 LIABILITIES	
Current Liabilities:	
Accounts payable	169,292
Accrued expenses	4,043
Unearned revenue	175,127
Total current liabilities	348,462
Current Liabilities Payable from Restricted Assets:	
Accrued interest payable	2,994
Customer deposits	117,385
Current portion – long term debt	195,426
Total current liabilities payable from restricted assets	315,805
Non-current Liabilities:	
Notes payable	2,716,683
Revenue bonds payable	401,460
Total noncurrent liabilities	3,118,143
TOTAL LIABILITIES	3,782,410
 NET POSITION	
Net investment in capital assets	10,722,072
Restricted	292,535
Unrestricted	876,325
TOTAL NET POSITION	\$ 11,890,932

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, 2023

	Business-Type Activities Enterprise Fund
Operating Revenues:	
Charges for sales and services:	
Water charges	\$ 538,974
Sewer charges	659,711
Sanitation charges	445,355
Penalties, late fees and miscellaneous	33,496
Total Operating Revenues	1,677,536
Operating Expenses:	
Cost of sales and services:	
Personal services	480,556
Other operating expenses	998,270
Depreciation and amortization	857,730
Total Operating Expenses	2,336,556
Operating Income (Loss)	(659,020)
Non-Operating Revenues (Expenses)	
Interest income	18,963
Interest expense	(90,877)
Other non-operating revenue (expense)	38,117
Total Non-Operating Revenue (Expenses)	(33,797)
Income (Loss) Before Capital Contributions and Transfers	(692,817)
Capital Contributions	
Grant revenues and capital contributions	787,096
Total Capital Contributions	787,096
Transfers	
Transfers out	(676)
Total Transfers	(676)
Change in Net Position	93,603
NET POSITION – Beginning	11,797,329
NET POSITION – Ending	\$ 11,890,932

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, 2023**

	Business-Type Activities
	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 1,661,146
Cash payments to suppliers	(944,484)
Cash payments to employees	(482,206)
Net cash provided (used) by operating activities	234,456
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances to other funds	(57,200)
Transfers out to other funds	(676)
Net cash provided (used) by noncapital financing activities	(57,876)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest paid on revenue borrowings and long-term direct borrowings	(90,877)
Principal payments on long-term debt	(151,749)
Proceeds from sale of capital assets	60,200
Capital expenditures	(720,576)
Net cash provided (used) by capital and related financing activities	(903,002)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	18,963
Net cash provided (used) by investing activities	18,963
NET INCREASE (DECREASE) IN CASH	(707,459)
CASH AT BEGINNING OF YEAR	2,159,168
CASH AT END OF YEAR	\$ 1,451,709
<u>Cash</u>	
Unrestricted	\$ 1,041,789
Restricted	409,920
	\$ 1,451,709
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (659,020)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	857,730
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(20,889)
Increase (decrease) in accounts payable	53,786
Increase (decrease) in accrued expenses	(1,650)
Increase (decrease) in customer deposits payable	4,499
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 234,456

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

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED

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.

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.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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.

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.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, 2023 the City only had demand deposits and time deposits.

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. There were no advances as of September 30, 2023.

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

F. PROPERTY TAXES

Property taxes become due and payable on November 1 st of each year. The county tax collector remits the City's portion as such revenues are received.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. PROPERTY TAXES – CONTINUED

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	\$ <u>127</u>
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Special Revenue Fund

Cash held in the Special Revenue Fund is reserved for the following:

CRA activities	\$ <u>216,840</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	\$ 117,385
Revenue bond retirement	70,162
Other debt retirement	76,815
Impact fees	<u>145,558</u>
Restricted assets	<u>\$ 409,920</u>

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 activities, and in the proprietary fund type statement of net position.

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.

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.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. LONG-TERM OBLIGATIONS – CONTINUED

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, 2023.

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.
- **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.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. FUND BALANCE – CONTINUED

- 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 funds – Police Department	\$ 127	\$ –
Community Redevelopment Agency	<u>–</u>	<u>216,840</u>
	127	216,840
Unassigned	<u>1,422,225</u>	<u>–</u>
Total Fund Balances	<u>\$ 1,422,352</u>	<u>\$ 216,840</u>

The entire fund balance of the Special Revenue Fund of \$216,840 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 equivalents.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 statement of net position, governmental activities report a lease related inflow of resources which will be recognized as a lease revenue in future years.

R. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

Effective October 1, 2022, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB No. 96), which requires recognition of certain subscription-based information technology arrangements as assets and liabilities in the governmental or business-type activities columns in the government-wide financial statements activities, and in the proprietary fund type statement of net position. Management determined that there were no material arrangements that would require recognition under GASB No. 96.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

At September 30, 2023, the City's carrying amount of cash and cash equivalent was \$2,598,949 and the bank balance was \$2,629,669. The City had certificates of deposit classified as cash equivalents in the amount of \$624,299.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

B. Receivables

Receivables as of September 30, 2023 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	\$ 31,044	\$ 159,400
Less: allowance for uncollectibles	-0-	22,000
Net total accounts receivables	<u>\$ 31,044</u>	<u>\$ 137,400</u>

C. Interfund receivables, payables, and transfers

Interfund balances as of September 30, 2023 were \$43,812. Transfers made from the Enterprise Fund to the General Fund were \$676 during the year ended September 30, 2023.

D. Lessor Lease Agreements

The City is engaged in two lease agreements allowing lessees to lease space on the City’s water tower.

The first lease agreement commenced in 1998 and the agreement was revised effective November 1, 2022 for a term of five years. The agreement will automatically renew for three consecutive five (5) year periods. In July 2023, the agreement was modified to increase the premises area and increase the monthly rent by \$300. The monthly rental revenue ranges from \$3,500 to \$3,809 over the total lease periods. After the basic rent period, the lessee may terminate the agreement with ninety (90) days prior written notice to the City for any or no reason.

The second lease agreement commenced in November 2022 with an initial lease term of five years with two additional five-year renewals. The lease, including all renewal periods, expires in October 2027 and monthly rental revenue ranges from \$4,400 to \$4,800 over the total lease periods.

Lease-related revenue recognized in the governmental activities for the year ended September 30, 2023 was as follows:

Lease revenue – Cell Tower	\$ 43,232
Interest revenue – Cell Tower	24,451
Total lease-related revenue	<u>\$ 67,683</u>

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

D. Lessor Lease Agreements – Continued

Expected future minimum reductions of the lease receivable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 26,356	\$ 23,843	\$ 50,199
2025	27,476	23,032	50,508
2026	28,311	22,197	50,508
2027	29,172	21,336	50,508
2028	26,874	20,488	47,362
2029 – 2034	168,170	88,641	256,811
2035 – 2039	239,342	58,374	297,716
2040 – 2043	260,928	16,960	277,888
Total future payments	<u>\$ 806,629</u>	<u>\$ 274,871</u>	<u>\$ 1,081,500</u>

E. Capital Assets

Capital asset activity for governmental activities for the year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 510,393	-	-	-	\$ 510,393
Construction in progress	161,442	-	-	(69,753)	91,689
Total capital assets, not being depreciated	<u>671,835</u>	<u>-</u>	<u>-</u>	<u>(69,753)</u>	<u>602,082</u>
Capital assets, being depreciated:					
Buildings and improvements	677,992	-	-	69,753	747,745
Infrastructure	879,338	9,867	-	-	889,205
Machinery and equipment	577,714	80,208	-	-	657,922
Total capital assets being depreciated	<u>2,135,044</u>	<u>90,075</u>	<u>-</u>	<u>69,753</u>	<u>2,294,872</u>
Less accumulated depreciation for:					
Buildings and improvements	(482,342)	(20,069)	-	-	(502,411)
Infrastructure	(185,717)	(56,840)	-	-	(242,557)
Machinery and equipment	(494,520)	(44,068)	-	-	(538,588)
Total accumulated depreciation	<u>(1,162,579)</u>	<u>(120,977)</u>	<u>-</u>	<u>-</u>	<u>(1,283,556)</u>
Total capital assets, being depreciated, net	<u>972,465</u>	<u>(30,902)</u>	<u>-</u>	<u>69,753</u>	<u>1,011,316</u>
Governmental activities capital assets, net	<u>\$ 1,644,300</u>	<u>\$ (30,902)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,613,398</u>

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

E. Capital Assets – Continued

Depreciation expense was charged to the City’s governmental activities as follows:

General government	\$ 18,001
Physical environment	63,110
Public safety	35,503
Culture and recreation	<u>4,363</u>
	<u>\$ 120,977</u>

Lease activity for governmental activities for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Modifications and Remeasurements	Subtractions	Ending Balance
Lease assets					
Vehicles	\$ -	\$ 184,298	\$ -	\$ -	\$ 184,298
Total lease assets	<u>\$ -</u>	<u>\$ 184,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,298</u>
Less accumulated amortization					
Vehicles	-	(14,866)	-	-	(14,866)
Total capital assets being depreciated	<u>-</u>	<u>(14,866)</u>	<u>-</u>	<u>-</u>	<u>(14,866)</u>
Right-to-use assets	<u>\$ -</u>	<u>\$ 169,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,432</u>

Capital asset activity for business-type activities for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 31,894	\$ -	\$ -	\$ -	\$ 31,894
Construction in progress	2,350	328,588	-	-	330,938
Total capital assets, not being depreciated	<u>34,244</u>	<u>328,588</u>	<u>-</u>	<u>-</u>	<u>362,832</u>
Capital assets, being depreciated					
Buildings and improvements	20,175,927	-	-	-	20,175,927
Machinery and equipment	871,406	391,988	(79,507)	-	1,183,887
Total capital assets being depreciated	<u>21,047,333</u>	<u>391,988</u>	<u>(79,507)</u>	<u>-</u>	<u>21,359,814</u>
Less accumulated depreciation for					
Buildings and improvements	(6,457,294)	(769,073)	-	-	(7,226,367)
Machinery and equipment	(429,405)	(88,657)	57,424	-	(460,638)
Total accumulated depreciation	<u>(6,886,699)</u>	<u>(857,730)</u>	<u>57,424</u>	<u>-</u>	<u>(7,687,005)</u>
Total capital assets being depreciated, net	<u>14,160,634</u>	<u>(465,742)</u>	<u>(22,083)</u>	<u>-</u>	<u>13,672,809</u>
Business-type activities capital assets, net	<u>\$14,194,878</u>	<u>\$ (137,154)</u>	<u>\$ (22,083)</u>	<u>\$ -</u>	<u>\$14,035,641</u>

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

E. Capital Assets – Continued

Depreciation expense was charged to the City’s business-type activities as follows:

Water, sewer and sanitation	<u>\$ 857,730</u>
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F. Long-Term Liabilities

Direct Borrowing Note Payable – Governmental Activities

The City entered into a financing agreement with a commercial bank to purchase police equipment. The initial amount financed was \$21,972, at an interest rate of 6.99%, with interest and principal to be paid in 5 annual payments beginning in March, 2021. Total principal outstanding and annual debt services is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,689	\$ 701	\$ 5,390
2025	5,027	363	5,390
	<u><u>\$ 9,716</u></u>	<u><u>\$ 1,064</u></u>	<u><u>\$ 10,780</u></u>

Remedies upon default include a) termination of the agreement and the City’s rights to the equipment; b) take possession of the equipment; c) enforce performance and recover damages; and d) declare all unpaid payments to be immediately due and payable.

Lease Liability – Governmental Activities

The City has entered into various lease agreements as a lessee for police vehicles.

The first lease agreement commenced in May 2023 for five police vehicles with a lease term of five years. The lease expires in April 2028 and requires monthly payments of \$609. The lease liability is determined using a discount rate of 6.99%.

The second lease agreement commenced in June 2023 for a police vehicle with a lease term of five years. The lease expires in May 2028 and requires monthly payments of \$585. The lease liability is determined using a discount rate of 6.99%.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. Long-Term Liabilities – Continued

Lease Liability – Governmental Activities – Continued

Annual principal and interest on the leases is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,658	\$ 10,910	\$ 43,568
2025	35,016	8,553	43,569
2026	37,544	6,025	43,569
2027	40,253	3,315	43,568
2028	25,391	608	25,999
Total future payments	<u>\$ 170,862</u>	<u>\$ 29,411</u>	<u>\$ 200,273</u>

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, 2023, 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	09/01/24	5.0%	257,000	\$ 14,215
1993	09/01/94	09/01/33	4.5%	300,000	130,797
1995	09/13/92	09/01/35	4.5%	400,000	201,753
1999	02/10/99	09/01/38	4.5%	167,000	97,910
TOTAL					<u>\$ 444,675</u>

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, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 14,215</u>	<u>\$ 725</u>	<u>\$ 14,940</u>

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. Long-Term Liabilities – Continued

Revenue Bonds – Business-type Activities – Continued

Total annual debt service requirements for the 1993 bonds as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,000	\$ 6,550	\$ 17,550
2025	11,000	6,000	17,000
2026	12,000	5,450	17,450
2027	12,000	4,850	16,850
2028	13,000	4,250	17,250
2029 – 2033	71,797	11,050	82,847
	<u>\$ 130,797</u>	<u>\$ 38,150</u>	<u>\$ 168,947</u>

Total annual debt service requirements for the 1995 bonds as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 13,000	\$ 6,550	\$ 19,550
2025	14,000	6,000	20,000
2026	14,000	5,450	19,450
2027	15,000	4,850	19,850
2028	15,000	4,250	19,250
2029 – 2033	89,000	21,690	110,690
2034 – 2035	41,753	11,050	52,803
	<u>\$ 201,753</u>	<u>\$ 59,840</u>	<u>\$ 261,593</u>

Total annual debt service requirements for the 1999 bonds as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 5,000	\$ 4,900	\$ 9,900
2025	5,000	4,650	9,650
2026	5,500	4,400	9,900
2027	5,500	4,125	9,625
2028	6,000	3,850	9,850
2029 – 2033	33,000	14,575	47,575
2034 – 2038	37,910	5,575	43,485
	<u>\$ 97,910</u>	<u>\$ 42,075</u>	<u>\$ 139,985</u>

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. Long-Term Liabilities – Continued

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 0.99%, 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, 2023 was \$93,688.

Total annual debt service requirements as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,788	\$ 868	\$ 8,656
2025	7,864	791	8,655
2026	7,942	713	8,655
2027	8,021	635	8,656
2028	8,100	556	8,656
2029 – 2033	41,716	1,563	43,279
2034	12,237	64	12,301
	<u>\$ 93,668</u>	<u>\$ 5,190</u>	<u>\$ 98,858</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 was for \$1,187,750, of which \$833,451 was to 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 was to be forgiven. The total amount borrowed 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, 2023 was \$57,077.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Liabilities - Continued

Notes Payable from Direct Borrowings - Business-type Activities - Continued

Total annual debt service requirements as of September 30, 2023 are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 3,906	\$ 641	\$ 4,547
2025	3,951	596	4,547
2026	3,996	550	4,546
2027	4,042	504	4,546
2028	4,089	458	4,547
2029 - 2033	21,163	1,569	22,732
2034 - 2038	15,930	359	16,289
	<u>\$ 57,077</u>	<u>\$ 4,677</u>	<u>\$ 61,754</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 was for \$553,000, of which \$442,400 was to be forgiven through the grant portion of the agreement. The total amount borrowed 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, 2023 was \$89,600.

Total annual debt service requirements as of September 30, 2023 are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 5,978	\$ 414	\$ 6,392
2025	6,006	386	6,392
2026	6,034	358	6,392
2027	6,063	329	6,392
2028	6,091	301	6,392
2029 - 2033	30,890	1,070	31,960
2034 - 2038	28,538	329	28,867
	<u>\$ 89,600</u>	<u>\$ 3,187</u>	<u>\$ 92,787</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 grant agreement was \$5,768,851, of which \$3,750,000 will be forgiven. The grant total was subsequently amended to \$6,360,385.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Liabilities - Continued

Notes Payable from Direct Borrowings - Business-type Activities - Continued

The loan amount under the agreement was for \$2,018,861, which was amended to \$2,610,385. The total amount borrowed was \$2,481,076, at an initial interest rate of 0%. The principal borrowed is required to be paid over 40 semi-annual payments beginning November 15, 2021. 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. The total amount outstanding at September 30, 2023 was \$2,164,410.

Total annual debt service requirements as of September 30, 2023 as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 106,542	\$ -	\$ 106,542
2025	106,542	-	106,542
2026	106,542	-	106,542
2027	106,542	-	106,542
2028	106,542	-	106,542
2029 - 2033	532,710	-	532,710
2034 - 2038	532,710	-	532,710
2039 - 2041	566,280	-	566,280
	<u>\$ 2,164,410</u>	<u>\$ -</u>	<u>\$ 2,164,410</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. The total amount borrowed as of September 30, 2022 was \$567,807, at an initial interest rate of 0.46%. The City also included service fees of \$11,356 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, 2023 was \$464,139.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. Long-Term Liabilities – Continued

Notes Payable from Direct Borrowings – Business-type Activities – Continued

Total annual debt service requirements are estimated based on proceeds received as of September 30, 2023 as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 27,997	\$ 2,105	\$ 30,102
2025	28,126	1,976	30,102
2026	28,256	1,846	30,102
2027	28,386	1,716	30,102
2028	28,517	1,585	30,102
2029 – 2033	144,567	5,943	150,510
2034 – 2038	147,932	2,474	150,406
2039	30,358	70	30,428
	<u>\$ 464,139</u>	<u>\$ 17,715</u>	<u>\$ 481,854</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
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. Long-Term Liabilities – Continued

Notes Payable from Direct Borrowings – Business-type Activities – 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, 2023 are as follows:

Year Ending September 30,	Bonds		Notes from Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 43,215	\$ 18,725	\$ 152,211	\$ 4,028	\$ 195,426	\$ 22,753
2025	30,000	16,650	152,489	3,749	182,489	20,399
2026	31,500	15,300	152,770	3,467	184,270	18,767
2027	32,500	13,825	153,054	3,184	185,554	17,009
2028	34,000	12,350	153,339	2,900	187,339	15,250
2029 – 2033	193,797	47,315	771,046	10,145	964,843	57,460
2034 – 2038	79,663	16,625	737,347	3,226	817,010	19,851
2039	-	-	596,638	70	596,638	70
	<u>\$ 444,675</u>	<u>\$ 140,790</u>	<u>\$ 2,868,894</u>	<u>\$ 30,769</u>	<u>\$ 3,313,569</u>	<u>\$ 171,559</u>

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Direct borrowing note payable	\$ 14,089	\$ -	\$ (4,373)	\$ 9,716	\$ 4,689
Lease liability	-	181,252	(10,390)	170,862	32,658
Long-term liabilities – Governmental	<u>\$ 14,089</u>	<u>\$ 181,252</u>	<u>\$ (14,763)</u>	<u>\$ 180,578</u>	<u>\$ 37,347</u>

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. Long-Term Liabilities – Continued

Changes in long-term liabilities – Continued

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Direct obligations:					
Notes from direct borrowings,					
WW250202	\$ 97,499	\$ -	\$ (3,831)	\$ 93,668	\$ 7,788
WW250204	60,938	-	(3,861)	57,077	3,906
WW250230	95,551	-	(5,951)	89,600	5,978
WW250231	2,234,243	-	(69,833)	2,164,410	106,542
WW250250	<u>492,012</u>	<u>-</u>	<u>(27,873)</u>	<u>464,139</u>	<u>27,997</u>
Total notes payable from direct borrowings	2,980,243	-	(111,349)	2,868,894	152,211
Revenue Bonds					
1984	28,115	-	(13,900)	14,215	14,215
1993	140,797	-	(10,000)	130,797	11,000
1995	213,753	-	(12,000)	201,753	13,000
1999	<u>102,410</u>	<u>-</u>	<u>(4,500)</u>	<u>97,910</u>	<u>5,000</u>
Total revenue bonds	<u>485,075</u>	<u>-</u>	<u>(40,400)</u>	<u>444,675</u>	<u>43,215</u>
Long-term liabilities – Business-type activities	<u>\$ 3,465,318</u>	<u>\$ -</u>	<u>\$ (151,749)</u>	<u>\$ 3,313,569</u>	<u>\$ 195,426</u>

In the Statement of Activities, interest expense of \$11,855 is included in Water and \$78,992 is included in Sewer.

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, 2023, for each employee in the pension plan, the City contributed 3 percent of total annual salary, including overtime pay, to an individual employee account.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – EMPLOYEE BENEFIT PLAN – CONTINUED

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, 2023, employee contributions totaled \$17,858 and City contributions totaled \$18,911, including forfeitures.

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, 2023, the City applied available forfeitures towards the City's pension expense of \$17,858.

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 – 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.

The City is involved in litigation with various parties from time to time. The outcome of these matters cannot be determined at this time. The City vigorously defends these cases. The City's insurance carrier has also assigned legal counsel and is expected in the event of an unfavorable outcome, that all claims will be assumed by the City's insurance carrier. As a result, no liability has been recorded in these financial statements. However, it is at least reasonably possible that additional liabilities could result in the near term.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues				
Taxes	\$ 597,184	\$ 597,184	\$ 592,966	\$ (4,218)
Fines and forfeitures	26,000	26,000	33,907	7,907
Intergovernmental revenue	455,061	455,061	582,649	127,588
Franchise fees	112,000	112,000	130,284	18,284
Licenses and permits	6,500	6,500	13,332	6,832
Grants	992,367	992,367	321,504	(670,863)
Interest	1,500	1,500	3,523	2,023
Miscellaneous	125,098	125,098	145,221	20,123
Total Revenues	<u>2,315,710</u>	<u>2,315,710</u>	<u>1,823,386</u>	<u>(492,324)</u>
Expenditures				
General government	369,989	369,989	418,893	(48,904)
Public safety	695,154	695,154	699,531	(4,377)
Culture and recreation	28,250	28,250	295,132	(266,882)
Physical environment	1,247,317	1,247,317	281,668	965,649
Debt service	-	-	5,390	(5,390)
Total Expenditures	<u>2,340,710</u>	<u>2,340,710</u>	<u>1,700,614</u>	<u>640,096</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(25,000)	(25,000)	122,772	147,772
Other Financing Sources (Uses)				
Transfers in	-	-	676	676
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>676</u>	<u>676</u>
Net Change in Fund Balances	(25,000)	(25,000)	123,448	147,813
Fund Balance – Beginning	1,422,352	1,422,352	1,422,352	-
Fund Balance – Ending	<u>\$ 1,397,352</u>	<u>\$ 1,397,352</u>	<u>\$ 1,545,800</u>	<u>\$ 147,813</u>

Note 1 – Budget Basis

The general fund budget is presented on a basis consistent with U.S. generally accepted accounting principles, with the exception of leases under GASB No. 87.

**Note 2 – Reconciliation of difference between Non-GAAP Budgetary Basis and GAAP
(Modified Accrual) Basis**

The City did not budget for leases under GASB No. 87 in the general fund.

	<u>Actual on GAAP Basis</u>	<u>To Budgetary Basis</u>	<u>Actual On Budget Basis</u>
Total expenditures	\$ 1,884,912	\$ (184,298)	\$ 1,700,614
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	\$ (61,526)	\$ 184,298	\$ 122,772
Other financing sources (uses)			
Leases under GASB No. 87	\$ 184,298	\$ (184,298)	\$ -
Net Change in Fund Balance	\$ 123,448	\$ -	\$ 123,448

OTHER SUPPLEMENTARY 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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
REVENUES				
Taxes	\$ 101,671	\$ 101,671	\$ 101,671	\$ -
Grants	-	-	30,000	30,000
Interest	-	-	33	33
Miscellaneous	-	-	150	150
Total Revenues	<u>101,671</u>	<u>101,671</u>	<u>131,854</u>	<u>30,183</u>
EXPENDITURES				
Culture and recreation	101,671	101,671	50,437	51,234
Total Expenditures	<u>101,671</u>	<u>101,671</u>	<u>50,437</u>	<u>51,234</u>
Net Change in Fund Balances	-	-	81,417	81,417
Fund Balance – Beginning	102,505	102,505	135,423	32,918
Fund Balance – Ending	<u>\$ 102,505</u>	<u>\$ 102,505</u>	<u>\$ 216,840</u>	<u>\$ 114,335</u>

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 – NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual	Variance
Ad Valorem taxes	\$ 340,269	\$ 327,971	\$ (12,298)
Fuel taxes	9,424	7,287	(2,137)
Utility taxes	173,000	180,417	7,417
Gas taxes	41,006	41,828	822
Communications service tax	33,485	35,463	1,978
Franchise fees	112,000	130,284	18,284
Occupational licenses	5,500	11,926	6,426
State revenue sharing	170,635	194,856	24,221
Mobile home license	800	1,231	431
State beverage license	200	175	(25)
1/2 Cent sales tax	101,952	114,287	12,335
1 Cent surtax	179,974	271,510	91,536
State gas tax rebate	2,500	1,996	(504)
Grants	992,367	321,504	(670,863)
Fines and forfeitures	26,000	33,907	7,907
Interest income	1,500	3,523	2,023
Rents	49,000	60,301	11,301
Miscellaneous revenue	60,592	71,689	11,097
Cemetery income	5,000	13,231	8,231
D.O.T. highway lighting	10,506	-	(10,506)
Total Revenues	<u>\$ 2,315,710</u>	<u>\$ 1,823,386</u>	<u>\$ (492,324)</u>

**CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL – NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Legislative & Executive			
Salaries	\$ 19,200	\$ 19,200	\$ -
Total Legislative & Executive	<u>19,200</u>	<u>19,200</u>	<u>-</u>
Administrative			
Administrative salaries	180,900	164,079	16,821
Payroll tax	14,847	14,396	451
Employee insurance	30,242	28,758	1,484
Retirement contributions	-	995	(995)
Workers compensation	7,000	7,344	(344)
Uniforms	900	829	71
Operating supplies	1,000	2,032	(1,032)
Professional fees	20,750	27,327	(6,577)
Telephone	4,500	4,759	(259)
Utilities	5,500	4,744	756
Other insurance	10,800	11,639	(839)
Repairs and maintenance	4,000	7,443	(3,443)
Building improvements	4,000	2,003	1,997
Miscellaneous expense	29,050	72,607	(43,557)
Office supplies	3,000	2,308	692
Gas and oil	3,000	3,346	(346)
Comprehensive plan	10,000	10,000	-
Rent	1,500	10,270	(8,770)
Dues and subscriptions	6,000	3,654	2,346
Advertising	4,000	12,103	(8,103)
Training	6,000	6,468	(468)
New equipment	3,000	1,800	1,200
Shipping and postage	800	789	11
Total Administrative	<u>350,789</u>	<u>399,693</u>	<u>(48,904)</u>
Law Enforcement			
Salaries	460,650	436,982	23,668
Payroll taxes	35,240	29,664	5,576
Employee insurance	70,564	59,024	11,540
Workers compensation	19,000	19,007	(7)
Uniforms	8,000	7,556	444
Telephone	7,000	7,973	(973)
Utilities	1,600	1,682	(82)
Insurance	10,800	15,202	(4,402)
Repairs and maintenance	17,000	20,007	(3,007)
Miscellaneous expense	8,800	4,339	4,461
Office supplies	2,000	2,104	(104)
Contract Labor	2,000	880	1,120
Investigation funds	500	-	500
Dog pound	11,000	3,711	7,289
Gas and oil	25,000	27,363	(2,363)
Operating supplies	2,500	2,398	102
Shipping and postage	300	254	46
New equipment	8,200	58,934	(50,734)
Training	5,000	2,451	2,549
Total Law Enforcement	<u>695,154</u>	<u>699,531</u>	<u>(4,377)</u>

CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual	Variance
Recreation			
Contribution to recreation center	\$ 8,000	\$ 8,000	\$ -
Contract labor	-	2,500	(2,500)
Utilities	7,000	7,737	(737)
Repairs and maintenance	4,000	224,459	(220,459)
Miscellaneous expense	7,000	48,856	(41,856)
New equipment	1,000	783	217
Community center	1,000	2,768	(1,768)
Operating supplies	250	29	221
Total Recreation	28,250	295,132	(266,882)
Physical Environment			
P/E salaries	105,313	106,918	(1,605)
FICA tax	8,095	7,088	1,007
Employee insurance	30,242	29,939	303
Workers compensation	7,000	7,344	(344)
Contract labor	-	182	(182)
Uniforms	900	688	212
Other insurance	10,800	8,075	2,725
Repairs & maintenance	9,000	5,775	3,225
Miscellaneous expense	2,500	2,712	(212)
Gas & oil	11,000	11,717	(717)
Rent	-	4,511	(4,511)
Operating supplies	4,500	1,250	3,250
New equipment	16,500	5,087	11,413
Streets & roads	992,367	39,854	952,513
Utilities	48,300	50,304	(2,004)
Office supplies	800	224	576
Total Physical Environment	1,247,317	281,668	965,649
Debt service	-	5,390	(5,390)
Total Expenditures	\$ 2,340,710	\$ 1,700,614	\$ 640,096

CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2023

	Final Budget	Actual	Variance
Operating Revenues			
Water charges	\$ 536,800	\$ 538,974	\$ 2,174
Sewer charges	600,000	659,711	59,711
Sanitation charges	385,000	445,355	60,355
Penalties, late fees and miscellaneous	25,300	33,496	8,196
Total Operating Revenues	<u>1,547,100</u>	<u>1,677,536</u>	<u>130,436</u>
Operating Expenses			
Water Department	560,611	562,721	(2,110)
Sewer Department	476,883	569,194	(92,311)
Sanitation Department	223,475	346,911	(123,436)
Total Operating Expenses	<u>1,260,969</u>	<u>1,478,826</u>	<u>(217,857)</u>
Non-Operating Revenues (Expenses)			
Interest income	3,500	18,963	15,463
Other non-operating expense	-	38,117	38,117
Principal and interest expense	(244,631)	(242,626)	2,005
Total Non-Operating Revenues (Expenses)	<u>(241,131)</u>	<u>(185,546)</u>	<u>55,585</u>
Capital Contributions and Transfers			
Grant revenue	15,900,800	787,096	(15,113,704)
Grant expense	(15,945,800)	(787,096)	15,158,704
Transfers In (Out)	-	(676)	(676)
Total Capital Contributions	<u>(45,000)</u>	<u>(676)</u>	<u>44,324</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 12,488</u>	<u>\$ 12,488</u>
Adjustments to GAAP Basis			
Non-Budgeted depreciation and amortization		(857,730)	
Non-GAAP basis principal payments		151,749	
Grant expenses recognized as capital asset additions		787,096	
GAAP Change in Net Position		<u>\$ 93,603</u>	

CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF EXPENSES
BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Water Department			
Salaries	\$ 108,435	106,312	\$ 2,123
Payroll tax	8,295	7,422	873
Employee insurance	30,242	22,885	7,357
Workers compensation	7,000	7,344	(344)
Contract operators	198,864	222,202	(23,338)
Professional fees	42,700	27,759	14,941
Telephone	2,000	1,901	99
Utilities	81,300	39,443	41,857
Liability insurance	10,800	11,639	(839)
Repairs and maintenance	41,575	64,546	(22,971)
Rent	-	1,562	(1,562)
Miscellaneous	8,000	35,957	(27,957)
Uniforms	900	834	66
Postage	2,000	1,852	148
Office supplies	1,000	334	666
Gas and oil	3,000	4,658	(1,658)
Dues and subscriptions	-	594	(594)
Materials and supplies	5,500	4,518	982
Meter expense	1,000	959	41
Equipment	8,000	-	8,000
Total Water Department	\$ 560,611	\$ 562,721	\$ (2,110)
Sewer Department			
Contract operators	\$ 298,295	\$ 412,661	\$ (114,366)
Professional fees	51,750	31,474	20,276
Sludge hauling	10,000	-	10,000
Effluent line	35,000	25,887	9,113
Telephone	2,000	2,141	(141)
Permitting	4,038	275	3,763
Utilities	40,000	45,727	(5,727)
Liability insurance	10,800	11,639	(839)
Repairs and maintenance	20,000	31,494	(11,494)
Miscellaneous	-	891	(891)
Postage	1,300	1,842	(542)
Office supplies/ expense	500	-	500
Gas and oil	2,000	4,062	(2,062)
Materials and supplies	1,200	1,101	99
Total Sewer Department	\$ 476,883	\$ 569,194	\$ (92,311)

CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF EXPENSES
BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Sanitation Department			
Salaries	\$ 61,320	\$ 81,234	\$ (19,914)
Payroll tax	4,844	5,462	(618)
Employee insurance	20,161	18,753	1,408
Workers compensation	7,000	7,344	(344)
Professional fees	20,750	27,327	(6,577)
Telephone	750	655	95
Liability insurance	10,800	11,639	(839)
Repairs and maintenance	8,000	103,627	(95,627)
Landfill	78,000	74,329	3,671
Miscellaneous	3,000	1,292	1,708
Uniforms	600	764	(164)
Gas and oil	6,250	8,008	(1,758)
Rent	-	5,332	(5,332)
Materials and supplies	2,000	976	1,024
Equipment	-	169	(169)
Total Sanitation Department	<u>\$ 223,475</u>	<u>\$ 346,911</u>	<u>\$ (123,436)</u>

CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF EXPENSES BY DEPARTMENT
NON-GAAP BUDGET BASIS
YEAR ENDED SEPTEMBER 30, 2023

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL WATER & SEWER</u>	<u>SANITATION</u>	<u>TOTAL</u>
Salaries	\$ 106,312	\$ -	\$ 106,312	\$ 81,234	\$ 187,546
Payroll tax	7,422	-	7,422	5,462	12,884
Employee insurance	22,885	-	22,885	18,753	41,638
Workers compensation	7,344	-	7,344	7,344	14,688
Contract operators	222,202	412,661	634,863	-	634,863
Professional fees	27,759	31,474	59,233	27,327	86,560
Effluent line	-	25,887	25,887	-	25,887
Telephone	1,901	2,141	4,042	655	4,697
Permitting	-	275	275	-	275
Utilities	39,443	45,727	85,170	-	85,170
Liability insurance	11,639	11,639	23,278	11,639	34,917
Repairs and maintenance	64,546	31,494	96,040	103,627	199,667
Rent	1,562	-	1,562	5,332	6,894
Landfill	-	-	-	74,329	74,329
Miscellaneous	35,957	891	36,848	1,292	38,140
Uniforms	834	-	834	764	1,598
Postage	1,852	1,842	3,694	-	3,694
Office supplies	334	-	334	-	334
Gas and oil	4,658	4,062	8,720	8,008	16,728
Dues and subscriptions	594	-	594	-	594
Materials and supplies	4,518	1,101	5,619	976	6,595
Meter expense	959	-	959	-	959
Equipment	-	-	-	169	169
	<u>\$ 562,721</u>	<u>\$ 569,194</u>	<u>\$ 1,131,915</u>	<u>\$ 346,911</u>	<u>\$ 1,478,826</u>

CITY OF BOWLING GREEN, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor/ Project	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. Department of Justice				
Passed through the State of Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2022-JAGD-HARD-1-48-056	N/A	\$ 4,970
Total U.S. Department of Justice				<u>4,970</u>
Florida Division of Emergency Management				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5313	N/A	<u>787,096</u>
Total Florida Division of Emergency Management				<u>787,096</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 792,066</u>

The Independent Auditor's Report should be read in connection with this schedule

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

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the 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 Awards* (Uniform Guidance). Some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. The City elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE B – CONTINGENCIES

Grant monies received and distributed by the Program are for specific purpose and are subject to review by grantor agencies. Such agencies 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 statements of the City. As of February 8, 2024, there were no material questioned or disallowed costs as a result of grant audits in the 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. Although there were no expenditures during the year under this program the outstanding loan balances as of September 30, 2023 are as follows:

Grant Number	CFDA Number	Program Name	Outstanding Balance at September 30, 2023
WW250204	66.458	Capitalization Grants for State Revolving Funds	\$ 57,077
WW250230	66.458	Capitalization Grants for State Revolving Funds	\$ 89,600
WW250250	66.458	Capitalization Grants for State Revolving Funds	\$ 464,139

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 PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MANAGEMENT LETTER

SCHEDULE OF FINDINGS

MANAGEMENT'S RESPONSE TO AUDIT FINDINGS

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 8, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-01 and 2023-02 that we consider to be material weaknesses.

Report on Compliance and Other Matters

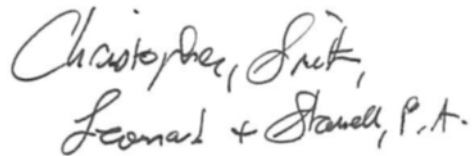
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Handwritten signature of Christopher Smith in cursive script, followed by the firm name "Leonard & Stanell, P.A." in a similar cursive style.

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

February 8, 2024
Bradenton, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND 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

Opinion on Each Major Federal Program

We have audited the City of Bowling Green's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

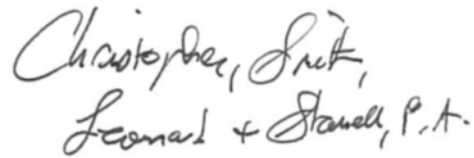
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Handwritten signature of Christopher Smith in cursive script.

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

February 8, 2024
Bradenton, Florida

CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over Federal major programs:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes 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 CFR 200.516(a)

yes no

Identification of Major Federal Programs:

AL Number

Coronavirus State and Local Fiscal Recovery Funds

21.027

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

\$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

yes no

CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Section II – Financial Statement Findings

2023-01 Year End Adjustments

Criteria: Internal controls over financial reporting should ensure that financial statements properly present the net position, fund equity and activities of the City in accordance with accounting principles generally accepted in the United States of America. This would include ensuring that all transactions are properly reflected in the financial statements subjected to auditing.

Condition: In conjunction with our audit, various audit adjustments were required in order to properly present the financial statements in accordance with generally accepted accounting principles.

Content/Cause: Audit procedures identified various adjustments that were required to be reflected in the City’s financial statements. This included adjustments to correct fund balance/net position; adjust grant activity, including grant receivables, unearned revenue, revenues and expenses; adjust lease activity; long-term debt and related service costs; and adjust year end accruals.

Effect: The City did not present financial statements in accordance with generally accepted accounting principles prior to the proposed adjustments.

Recommendation: We recommend that the City establish internal controls over financial reporting to ensure that all material accounts are reconciled and adjusted prior to the audit in accordance with accounting principles generally accepted in the United States of America.

2023-02 Utility Billing

Criteria: Internal controls over utility billing should ensure that billing rates for both water and sewer charges are being calculated in agreement with the City’s current approved rate schedule and that all rates and surcharges are properly included in monthly customer billings.

Condition: In conjunction with our audit, we identified that the City’s rates for both water and sewer were not being calculated in accordance with the City’s current approved rate schedule. We also identified an instance in which a customer was not charged the 25% out-of-city limits surcharge for sewer services.

Content/Cause: Audit procedures identified that water and sewer charges were not established correctly in the utility billing system in accordance with the City’s approved rate schedule.

Effect: The City did not properly charge for water and sewer services.

Recommendation: We recommend that the City establish internal controls over utility billing to ensure that the approved rates for both water and sewer are being properly input and calculated, and that all charges are properly included in customer billings.

**CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Section II – Financial Statement Findings (Continued)

Prior Year Financial Statement Findings

Finding 2022-01 included in the prior year management letter was carried forward as comment
2023-01.

Section III – Federal Program Findings and Questioned Costs

No matters were reported.

Prior Year Federal Program Findings and Questioned Costs

No summary schedule of prior audit findings is required because the City did not expend more
than \$750,000 related to federal programs in the prior fiscal year.

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 (City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 8, 2024.

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 for 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 Program and on Internal Control over Compliance Required by the Uniform Guidance; 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 February 8, 2024, 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. Finding 2023-01 is a continuation of Finding 2022-01 and 2021-01.

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 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 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. It is management's responsibility to monitor the City'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. These recommendations are included in Finding 2023-01 and 2023-02 in the Schedule of Findings and Questioned Costs.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information for a Dependent Special District

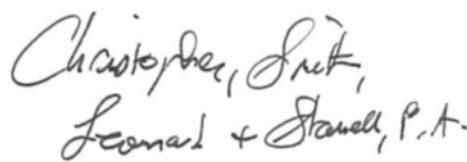
Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General is reported in the City of Bowling Green Community Redevelopment Agency's audited financial statements.

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 & STANELL, P.A.

February 8, 2024
Bradenton, Florida



Pamela Durrance, City Manager
Vicky Gordillo, Finance/City Clerk

Gerald Buhr, City Attorney
John Scheel, Police Chief

CITY OF

104 East Main Street
Bowling Green, FL 33834

BOWLING GREEN

PHONE: 863-375-2255
FAX: 863-375-3362
<https://www.bowlinggreenfl.org>

February 28, 2024

State of Florida
Office of the Auditor General
P.O. Box 1735
Tallahassee, FL 32302-1735

To Whom it May Concern:

The City of Bowling Green received its annual audit for 2022/2023 and has the following response:

Management Letter:

1. Year End Adjustments

To enhance our internal controls, we are committed to taking the following actions:

- Review and Strengthen Controls:

We will conduct a comprehensive review of our existing internal controls related to financial reporting. This will involve identifying and implementing additional controls where necessary to ensure the accuracy and completeness of our financial statements.

- Training and Awareness:

Recognizing the complexity of certain transactions, we will invest in training programs as needed to ensure that our finance team is well-equipped to handle intricate financial transactions and to stay abreast of any changes in accounting principles.

- Enhanced Reconciliation Procedures:

We will improve our reconciliation procedures for all material accounts to ensure that discrepancies are identified and addressed in a timely manner. This will include a thorough review and adjustment of accounts prior to the audit process.

- Regular Monitoring and Oversight:

Implementing a robust system for regular monitoring and oversight will be a priority. This will involve periodic reviews of financial transactions, grant activities, lease agreements, long-term debt, and accruals to catch potential discrepancies early on.



Pamela Durrance, City Manager
Vicky Gordillo, Finance/City Clerk

Gerald Buhr, City Attorney
John Scheel, Police Chief

CITY OF

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BOWLING GREEN

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2. Utility Billing

To enhance our utility billing, we are committed to taking the following actions:

- **Review and Update Rate Schedule:**

We conducted a comprehensive review of the approved rate schedule for water and sewer charges. Any discrepancies or outdated information were promptly addressed, and an updated schedule has been communicated to all relevant stakeholders.

- **Enhanced Controls in Billing System:**

Significant enhancements have been made to our utility billing system to ensure accurate calculation and application of approved rates for both water and sewer services. Regular system audits are now in place to catch any deviations from the approved rate schedule.

- **Employee Training and Awareness:**

Our utility billing staff has undergone training programs to reinforce their understanding of the approved rate schedule. This includes the importance of accurately applying all charges, including the out-of-city limits surcharge.

- **Regular Audits and Quality Checks:**

A systematic process of regular audits and quality checks on customer billings has been instituted. This ensures that all rates, surcharges, and charges are consistently and accurately included. Any discrepancies are promptly addressed to maintain billing accuracy.

- **Customer Communication:**

Changes to the rate schedule have been communicated to our customers, ensuring transparency. We have also established a mechanism for customers to report billing concerns, facilitating swift resolution and continuous improvement.

Should you have any further inquiries or require additional information, please do not hesitate to reach out.

Sincerely,

Pamela Durrance
City Manager

**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, 2023. 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.

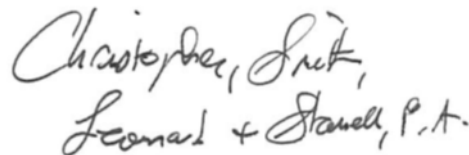
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2023.

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.



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

February 8, 2024
Bradenton, Florida