

**CITY OF BOWLING GREEN, FLORIDA
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025**

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

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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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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; budgetary comparison information; and schedules of changes in net pension liability and related ratios, contributions, annual money-weighted rate of return on investments, and notes to required supplementary 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 as listed in the table of contents is 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 is 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 13, 2026 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.

CS&L CPAs

CS&L CPAs, P.A.

February 13, 2026
Bradenton, Florida



Dawn Page, City Manager
Bonnie Carrillo, City Clerk

Gerald Buhr, City Attorney
John Scheel, Police Chief

CITY OF

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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, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,764,407 (net position). Of this amount, \$2,341,428 (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 \$578,942.
- As of the close of the current fiscal year, the City's general fund reported ending fund balance of \$1,649,614, an increase of \$573,378. Of this total amount, \$1,649,487 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 three categories: governmental funds, proprietary funds and fiduciary 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, which is used for the City's general operations. 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. Both funds are considered by the City to be major funds.

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 fund: 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.

Fiduciary fund: Fiduciary funds are used to account for resources held for the benefit of parties outside the government and follow the accrual method of accounting. The fiduciary fund consists of a pension trust fund used to account for the Retirement Plan and Trust for the Police Officers’ of the City of Bowling Green. The fiduciary fund is not reflected in the government-wide financial statement because the resources of those funds are not available to support the City’s own programs.

The basic fiduciary fund financial statements can be found on pages 19 to 20 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 21 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 \$16,764,407 at the close of the most recent fiscal year. The following table presents a condensed statement of net position as of September 30, 2025 with comparative totals as of September 30, 2024:

Net Position at September 30, 2025 and 2024

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 2,616,894	\$ 2,524,437	\$ 1,613,452	\$ 1,844,557	\$ 4,230,346	\$ 4,368,994
Capital assets	3,357,682	2,758,425	13,967,169	13,735,887	17,324,851	16,494,312
Total assets	5,974,576	5,282,862	15,580,621	15,580,444	21,555,197	20,863,306
Long-term liabilities outstanding	686,288	143,231	2,906,539	3,104,467	3,592,827	3,247,698
Other liabilities	18,920	182,688	499,413	519,798	518,333	702,486
Total liabilities	705,208	325,919	3,405,952	3,624,265	4,111,160	3,950,184
Deferred inflows	679,630	721,550	-	-	679,630	721,550
Net Position:						
Net investment in capital assets	2,839,989	2,747,766	11,062,591	10,631,420	13,902,580	13,379,186
Restricted	98,095	13,654	422,304	366,934	520,399	380,588
Unrestricted	1,651,654	1,473,973	689,774	957,825	2,341,428	2,431,798
Total Net Position	\$ 4,589,738	\$ 4,235,393	\$ 12,174,669	\$ 11,956,179	\$ 16,764,407	\$ 16,191,572

The majority of the City’s net position, \$13,902,580, (or 83%) 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, \$520,399, 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 \$2,341,428 may be used to meet the City’s ongoing obligations to citizens and creditors.

The table on the following page presents a condensed statement of activities, which details the changes in net position for the year ended September 30, 2025 with comparative totals for the year ended September 30, 2024.

Changes in Net Position
For the Years Ended September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 170,380	\$ 127,961	\$ 2,002,675	\$ 1,840,016	\$ 2,173,055	\$ 1,967,977
Operating grants and contributions	92,491	4,406	-	-	92,491	4,406
Capital grants and contributions	96,056	877,899	1,114,005	581,841	1,210,061	1,459,740
General revenues:						
Property taxes	594,948	511,288	-	-	594,948	511,288
Other taxes	906,010	893,622	-	-	906,010	893,622
Other	206,133	232,635	77,662	62,040	283,795	294,675
Total Revenues	2,066,018	2,647,811	3,194,342	2,483,897	5,260,360	5,131,708
Expenses:						
General government	498,562	496,642	-	-	498,562	496,642
Public safety	995,959	838,395	-	-	995,959	838,395
Culture and recreation	184,623	182,465	-	-	184,623	182,465
Physical environment	329,497	302,600	-	-	329,497	302,600
Interest on long-term debt	24,749	701	21,044	24,288	45,793	24,989
Water	-	-	775,533	727,735	775,533	727,735
Sewer	-	-	1,426,595	1,327,291	1,426,595	1,327,291
Sanitation	-	-	424,856	339,336	424,856	339,336
Total expenses	2,033,390	1,820,803	2,648,028	2,418,650	4,681,418	4,239,453
Transfers	327,639	-	(327,639)	-	-	-
Change in Net Position	360,267	827,008	218,675	65,247	578,942	892,255
Net Position, Beginning of year	4,235,393	3,408,385	11,956,179	11,890,932	16,191,572	15,299,317
Change in accounting principle	(5,922)	-	(185)	-	(6,107)	-
Net Position, End of Year	\$ 4,589,738	\$ 4,235,393	\$ 12,174,669	\$ 11,956,179	\$ 16,764,407	\$ 16,191,572

Governmental activities: Governmental activities increased the City's net position by \$360,267. Revenues decreased over the prior year by \$581,793 due to a reduction of capital grant and contributions. Expenses increased by \$212,587 due largely to increases in payroll and related expenses.

Business-type activities: Business-type activities increased the City's net position by \$218,675. Revenues increased over the prior year by \$710,445 due to increases in charges for services, and capital grants and contributions. Expenses increased by \$229,378 due largely to increases in payroll and related expenses.

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 \$1,649,614, an increase of \$573,378. \$1,649,487 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.

General fund revenues decreased over prior year by \$245,077 due to a reduction of grant revenues of \$318,003, offset by an increase in taxes of \$90,670. Expenditures decreased \$950,275 over the prior year largely due to capital outlay expenditures.

The CRA fund – a special revenue fund had \$97,968 of ending fund balance all of which was restricted. The CRA fund balance decreased by \$40,559 in the current year due to a reduction in providing residential and commercial grants in the redevelopment area.

Proprietary fund. The City’s proprietary funds provide the same type of information found in the business-type activities 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 \$171,769.
- Operating expenses increased \$232,622 which was largely due to increased payroll and contract operator expenses.

Fiduciary fund. The City established the Retirement Plan and Trust for the Police Officers’ of the City of Bowling Green effective October 1, 2024. During the year, the fund had total additions of \$84,241 and expenses of \$5,873. At September 30, 2025, the fund had \$78,368 of net position restricted for pension benefits.

General Fund Budgetary Highlights

Original and final budgeted revenues were \$2,157,562 and \$2,155,971, respectively. Original and final budgeted expenditures were \$2,420,891 and \$2,411,887, respectively. Actual revenues were less than budgeted by \$126,045 due mainly to less grants than anticipated. Actual expenditures were also less than budget by \$617,585 due mainly to less grant expenditures than anticipated.

Special Revenue Fund Budgetary Highlights

Original and final budgeted revenues were \$216,596, and original and final budgeted expenditures were \$216,596. Actual revenues were greater than budgeted by \$5,522. Actual expenditures were less than budget by \$78,919 due mainly to general operating expenditures.

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, 2025, amounts to \$17,324,851 (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, 2025, with comparative totals at September 30, 2024:

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 652,024	\$ 510,393	\$ 31,894	\$ 31,894	\$ 683,918	\$ 542,287
Construction in progress	903,898	840,183	1,809,857	746,843	2,713,755	1,587,026
Infrastructure	803,452	829,354	-	-	803,452	829,354
Building and improvements	674,763	220,385	11,464,183	12,237,631	12,138,946	12,458,016
Machinery and equipment	323,545	358,110	661,235	719,519	984,780	1,077,629
	\$ 3,357,682	\$ 2,758,425	\$ 13,967,169	\$ 13,735,887	\$ 17,324,851	\$ 16,494,312

Significant activity in the current year included the purchase of property in the CRA fund in the amount of \$675,000.

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 (including compensated absences, net pension liability, and lease liability) outstanding of \$3,592,827. 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, and the net pension liability related to the Police Officers’ Pension Plan.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Notes payable	\$ 510,217	\$ 5,027	\$ 2,532,578	\$ 2,702,467	\$ 3,042,795	\$ 2,707,494
Revenue bonds	-	-	372,000	402,000	372,000	402,000
Compensated absences	22,146	5,922	1,961	185	24,107	6,107
Net pension liability	50,737	-	-	-	50,737	-
Lease liability	103,188	138,204	-	-	103,188	138,204
	<u>686,288</u>	<u>149,153</u>	<u>2,906,539</u>	<u>3,104,652</u>	<u>3,592,827</u>	<u>3,253,805</u>

Significant debt activity in the current year included a note payable in the amount of \$550,000 for the purchase of property in the CRA fund. All other debt related activity was related to the paydown of existing debt.

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 2026 general fund budget included \$2,057,430 for revenues and expenditures, and the CRA budget included \$173,295 for revenues and expenditures. The City’s fiscal year 2026 enterprise fund budget includes \$2,044,237 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, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,090,957	\$ 602,027	\$ 1,692,984
Certificates of deposit	525,701	-	525,701
Receivables (net of allowance for uncollectibles)	8,343	179,277	187,620
Grants receivable	-	263,188	263,188
Due from other governmental units	21,954	-	21,954
Internal balances	13,388	(13,388)	-
Inventory	-	4,780	4,780
Restricted:			
Cash	106,159	467,970	574,129
Certificates of deposit	-	109,598	109,598
Lease interest receivable	1,882	-	1,882
Lease receivable	752,798	-	752,798
Right-to-use assets	95,712	-	95,712
Capital Assets (net of accumulated depreciation):			
Land	652,024	31,894	683,918
Construction in progress	903,898	1,809,857	2,713,755
Buildings and improvements	674,763	11,464,183	12,138,946
Infrastructure	803,452	-	803,452
Machinery and equipment	323,545	661,235	984,780
TOTAL ASSETS	<u>5,974,576</u>	<u>15,580,621</u>	<u>21,555,197</u>
LIABILITIES			
Accounts payable	8,064	341,155	349,219
Accrued expenses	10,856	-	10,856
Accrued interest payable	-	2,994	2,994
Liabilities payable from restricted assets	-	155,264	155,264
Noncurrent liabilities:			
Due within one year	87,498	198,192	285,690
Due in more than one year	598,790	2,708,347	3,307,137
TOTAL LIABILITIES	<u>705,208</u>	<u>3,405,952</u>	<u>4,111,160</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of pension earnings	1,683	-	1,683
Lease-related inflows of resources	677,947	-	677,947
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>679,630</u>	<u>-</u>	<u>679,630</u>
NET POSITION			
Net investment in capital assets	2,839,989	11,062,591	13,902,580
Restricted			
Revenue bond retirement	-	113,034	113,034
Other purposes	98,095	309,270	407,365
Unrestricted	1,651,654	689,774	2,341,428
TOTAL NET POSITION	<u>\$ 4,589,738</u>	<u>\$ 12,174,669</u>	<u>\$ 16,764,407</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, 2025**

	<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	\$ 498,562	\$ 103,728	\$ 39,199	\$ -	\$ (355,635)	\$ -	\$ (355,635)
Police department	995,959	24,154	4,667	-	(967,138)	-	(967,138)
Culture and recreation	184,623	-	48,625	96,056	(39,942)	-	(39,942)
Physical environment	329,497	42,498	-	-	(286,999)	-	(286,999)
Interest	24,749	-	-	-	(24,749)	-	(24,749)
Total Governmental Activities	2,033,390	170,380	92,491	96,056	(1,674,463)	-	(1,674,463)
Water	786,011	697,584	-	475,862	-	387,435	387,435
Sewer	1,437,161	853,669	-	638,144	-	54,652	54,652
Sanitation	424,856	451,422	-	-	-	26,566	26,566
Total Business-type Activities	2,648,028	2,002,675	-	1,114,005	-	468,652	468,652
	\$ 4,681,418	\$ 2,173,055	\$ 92,491	\$ 1,210,061	(1,674,463)	468,652	(1,205,811)
General Revenues:							
Ad valorem					594,948	-	594,948
Utility tax					231,181	-	231,181
Communications service					59,028	-	59,028
Gas taxes and rebates					38,379	-	38,379
State revenue sharing					184,257	-	184,257
Half-cent sales tax					105,712	-	105,712
One-cent surtax					287,453	-	287,453
Unrestricted investment earnings					21,278	25,178	46,456
Franchise fees					123,539	-	123,539
Other					61,316	52,484	113,800
Total General Revenues					1,707,091	77,662	1,784,753
Transfers					327,639	(327,639)	-
Total General Revenues and Transfers					2,034,730	(249,977)	1,784,753
Change in Net Position					360,267	218,675	578,942
Net Position - Beginning, as originally stated					4,235,393	11,956,179	16,191,572
Change in accounting principle (Note 1)					(5,922)	(185)	(6,107)
Net Position - Beginning, as restated					4,229,471	11,955,994	16,185,465
Net Position - Ending					\$ 4,589,738	\$ 12,174,669	\$ 16,764,407

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

CITY OF BOWLING GREEN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Special Revenue Fund (Nonmajor)	Total Governmental Funds
ASSETS			
Cash	\$ 1,090,957	\$ -	\$ 1,090,957
Certificates of deposit	525,701	-	525,701
Receivables (net of allowance for uncollectible)	8,343	-	8,343
Due from other governmental units	21,954	-	21,954
Due from other funds	13,388	-	13,388
Cash – restricted	127	106,032	106,159
Total assets	<u>\$ 1,660,470</u>	<u>\$ 106,032</u>	<u>\$ 1,766,502</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 8,064	\$ 8,064
Accrued expenses	10,856	-	10,856
Total liabilities	<u>10,856</u>	<u>8,064</u>	<u>18,920</u>
Fund balances:			
Spendable:			
Restricted	127	97,968	98,095
Unassigned	1,649,487	-	1,649,487
Total fund balances	<u>1,649,614</u>	<u>97,968</u>	<u>1,747,582</u>
Total liabilities and fund balances	<u>\$ 1,660,470</u>	<u>\$ 106,032</u>	<u>\$ 1,766,502</u>

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, 2025**

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

Fund Balance–Governmental funds	\$ 1,747,582
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Lease interest receivable	1,882
Lease receivable	752,798
Right-to-use assets	95,712
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
	3,357,682
Deferred inflows of resources are not available current financial resources and therefore, are not reported in the governmental funds.	
Deferred inflows of pension earnings	(1,683)
Lease-related inflows of resources	(677,947)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Direct borrowing note payable	(510,217)
Compensated absences	(22,146)
Net pension liability	(50,737)
Lease liability	(103,188)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,589,738</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, 2025

	General Fund	Special Revenue Fund (Nonmajor)	Total Governmental Funds
Revenues:			
Taxes	\$ 750,241	\$ 173,295	\$ 923,536
Fines and forfeitures	24,154	-	24,154
Intergovernmental revenue	577,422	-	577,422
Franchise fees	123,539	-	123,539
Licenses and permits	8,713	-	8,713
Grants	352,112	48,625	400,737
Interest	21,265	13	21,278
Miscellaneous	172,480	185	172,665
Total Revenues	<u>2,029,926</u>	<u>222,118</u>	<u>2,252,044</u>
Expenditures:			
General government	460,361	-	460,361
Public safety	855,893	-	855,893
Physical environment	249,154	-	249,154
Culture and recreation	43,933	73,508	117,441
Capital outlay	179,561	675,000	854,561
Debt service - principal	5,027	39,783	44,810
Debt service - interest	363	24,386	24,749
Total Expenditures	<u>1,794,292</u>	<u>812,677</u>	<u>2,606,969</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	235,634	(590,559)	(354,925)
Other Financing Sources (Uses)			
Debt proceeds for purchase of property	-	550,000	550,000
Gain on sale of property and equipment	10,105	-	10,105
Transfers in	327,639	-	327,639
Total Other Financing Sources (Uses)	<u>337,744</u>	<u>550,000</u>	<u>887,744</u>
Net Change in Fund Balance	573,378	(40,559)	532,819
FUND BALANCE - Beginning	<u>1,076,236</u>	<u>138,527</u>	<u>1,214,763</u>
FUND BALANCE - Ending	<u>\$ 1,649,614</u>	<u>\$ 97,968</u>	<u>\$ 1,747,582</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, 2025**

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

Net changes in fund balances – Governmental funds	\$ 532,819
<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 and loss on disposal of capital assets in the current year.</p>	
Depreciation	(254,776)
Loss on disposal of capital assets	(528)
Capital outlay – capital assets	854,561
	599,257
<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>	
Change in lease interest receivable	(69)
Change in lease receivable	(27,475)
Change in unavailable revenue	(212,190)
Change in lease-related inflows of resources	43,603
	(196,131)
The issuance of long-term debt provides current financial resources to governmental funds, however, it does not effect net position.	(550,000)
The repayment of principal long-term debt consumes current financial resources of governmental funds. However, the transaction has no effect on net position.	44,810
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.	(1,844)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Change in net pension liability	(50,737)
Change in deferred inflows of pension resources	(1,683)
Change in compensated absences	(16,224)
	(68,644)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 360,267

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

CITY OF BOWLING GREEN, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2025

	Business-Type Activities
	Enterprise Fund
ASSETS	
Current Assets:	
Cash	\$ 602,027
Accounts receivable, net	179,277
Grants receivable	263,188
Inventory	4,780
Total current assets	1,049,272
Non-current Assets:	
Restricted assets:	
Cash	467,970
Certificates of deposit	109,598
Total restricted assets	577,568
Capital Assets:	
Land	31,894
Construction in progress	1,809,857
Buildings and improvements	20,239,690
Machinery and equipment	1,277,997
Accumulated depreciation	(9,392,269)
Total capital assets (net)	13,967,169
Total non-current assets	14,544,737
TOTAL ASSETS	15,594,009
LIABILITIES	
Current Liabilities:	
Accounts payable	341,155
Due from other funds	13,388
Compensated absences, current portion	392
Total current liabilities	354,935
Current Liabilities Payable from Restricted Assets:	
Accrued interest payable	2,994
Customer deposits	155,264
Notes payable	166,300
Revenue bonds payable	31,500
Total current liabilities payable from restricted assets	356,058
Non-current Liabilities:	
Notes payable, net of current portion	2,366,278
Revenue bonds payable, net of current portion	340,500
Compensated absences, net of current portion	1,569
Total noncurrent liabilities	2,708,347
TOTAL LIABILITIES	3,419,340
NET POSITION	
Net investment in capital assets	11,062,591
Restricted	422,304
Unrestricted	689,774
TOTAL NET POSITION	\$ 12,174,669

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, 2025

	Business-Type Activities Enterprise Fund
Operating Revenues:	
Charges for sales and services:	
Water charges	\$ 697,584
Sewer charges	853,669
Sanitation charges	451,422
Penalties, late fees and miscellaneous	48,942
Total Operating Revenues	2,051,617
Operating Expenses:	
Cost of sales and services:	
Personal services	670,552
Other operating expenses	1,090,912
Depreciation and amortization	865,520
Total Operating Expenses	2,626,984
Operating Income (Loss)	(575,367)
Non-Operating Revenues (Expenses)	
Interest income	25,178
Interest expense	(21,044)
Other non-operating revenue (expense)	3,542
Total Non-Operating Revenue (Expenses)	7,676
Income (Loss) Before Capital Contributions and Transfers	(567,691)
Capital Contributions	
Grant revenues and capital contributions	1,114,005
Total Capital Contributions	1,114,005
Transfers	
Transfers out	(327,639)
Total Transfers	(327,639)
Change in Net Position	218,675
NET POSITION – Beginning, as originally stated	11,956,179
Change in accounting principle (Note 1)	(185)
NET POSITION – Beginning, as restated	11,955,994
NET POSITION – Ending	\$ 12,174,669

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, 2025**

	Business-Type Activities
	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 2,044,714
Cash payments to suppliers	(1,140,458)
Cash payments to employees	(672,819)
Net cash provided (used) by operating activities	231,437
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances to other funds	235,121
Net cash provided (used) by noncapital financing activities	(92,518)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest paid on revenue borrowings and long-term direct borrowings	(21,044)
Principal payments on long-term debt	(199,889)
Proceeds from sale of capital assets	3,542
Capital expenditures	(1,096,802)
Net cash provided (used) by capital and related financing activities	(220,441)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	25,178
Net cash provided (used) by investing activities	25,178
NET INCREASE (DECREASE) IN CASH	(56,344)
CASH AT BEGINNING OF YEAR	1,235,939
CASH AT END OF YEAR	\$ 1,179,595
<u>Cash</u>	
Unrestricted	\$ 602,027
Restricted	577,568
	\$ 1,179,595
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (575,367)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	865,520
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(40,107)
Increase (decrease) in accounts payable	(49,546)
Increase (decrease) in accrued expenses	(4,043)
Increase (decrease) in compensated absences	1,776
Increase (decrease) in customer deposits payable	33,204
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 231,437

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

CITY OF BOWLING GREEN, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND
POLICE OFFICERS' PENSION PLAN
SEPTEMBER 30, 2025

	Pension Trust Fund
ASSETS	
Investments, at fair value	\$ 73,854
Employer contribution receivable	4,038
Employee contributions receivable	1,520
Total assets	79,412
LIABILITIES	
Accounts payable	1,044
Total liabilities	1,044
FIDUCIARY NET POSITION	
Restricted for pension benefits	\$ 78,368

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

CITY OF BOWLING GREEN, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND
POLICE OFFICERS' PENSION PLAN
SEPTEMBER 30, 2025

	<u>Pension Trust Fund</u>
ADDITIONS	
CONTRIBUTIONS	
Employer contributions	\$ 58,398
Employee contributions	21,531
Total contributions	<u>79,929</u>
INVESTMENT INCOME	
Net realized and unrealized gains (losses)	4,409
Less investment income	(97)
Net investment income	<u>4,312</u>
TOTAL ADDITIONS	<u>84,241</u>
DEDUCTIONS	
Administrative expenses	5,873
TOTAL DEDUCTIONS	<u>5,873</u>
Change in fiduciary net position	78,368
FIDUCIARY NET POSITION – RESTRICTED FOR PENSION BENEFITS	
Beginning of year	-
End of year	<u>\$ 78,368</u>

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

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.

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 non–fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. The statement of net position reports all financial and capital resources of the City’s governmental and business–type 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. 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 not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds (General Fund and Special Revenue Fund), the proprietary fund, and the fiduciary fund. All governmental and enterprise funds are considered major funds and are presented as separate columns in the fund financial statements.

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 and fiduciary fund financial statements.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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.

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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 includes water, sewer and sanitation charges. Operating expenses for enterprise funds 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 non-operating revenues and expenses.

The City reports the following fund types:

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

From this fund, expenditures paid include general operating expenditures, fixed charges, and capital improvement costs not paid through other funds.

Special Revenue Fund

The Community Redevelopment Agency (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.

Proprietary Fund

Enterprise Fund

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

Fiduciary Fund

Pension Trust Fund

The City utilizes a trust fund to hold assets in a trustee capacity or as an agent for individuals, other governments, and/or other funds. The only trust fund is a pension trust for the Retirement Plan and Trust for the Police Officers of the City of Bowling Green (Police Officers' Pension Plan), which is accounted for essentially the same as a proprietary fund since capital maintenance is critical.

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.

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, 2025, the City only had demand deposits and time deposits.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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, 2025.

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

INVENTORIES

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

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 in the Special Revenue Fund is reserved for the following:

CRA Activities	\$ <u>106,032</u>
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Enterprise Fund

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

Customer deposits	\$ 155,264
Revenue bond retirement	53,321
Other debt retirement	59,713
Impact fees	<u>309,270</u>
Total restricted assets	<u>\$ 577,568</u>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. There were no deferred outflows as of September 30, 2025.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position 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 two items that qualify for reporting in this category. A deferred inflow of pension earnings and a lease-related inflows of resources are reported in the government-wide statement of net position which will be recognized as lease revenue in future years.

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. Compensated absences are liquidated out of the general fund and enterprise fund as applicable.

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. Debt issuance cost are recognized as an expense in the period incurred.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 Non-spendable 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:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. There was no non-spendable fund balance as of September 30, 2025.

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.
- 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

FUND BALANCE – CONTINUED

Fund balance consists of the following as of September 30, 2025:

	General Fund	Special Revenue Fund
Non-spendable	\$ -	\$ -
Spendable:		
Restricted to:		
Confiscated funds – Police Department	127	-
Community Redevelopment Agency	-	97,968
	127	97,968
Unassigned	1,649,487	-
Total fund balances	\$ 1,649,614	\$ 97,968

The entire fund balance of the Special Revenue Fund of \$97,968 is restricted for the purposes of alleviating slum and blight in the City in accordance with Florida Statute 163.

PROPERTY TAXES

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

The City collects nearly all of its tax revenue during the period November 1 through April 1, at which time the property taxes become delinquent. The key dates in the property tax cycle are as follows:

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

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

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

ADOPTION OF A NEW ACCOUNTING STANDARD

Effective October 1, 2024, the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB No. 101).

GASB No. 101 updates the recognition and measurement guidance for compensated absences, including vacation, sick leave, and other paid leave benefits. Under GASB No.101, liabilities for compensated absences are recognized when the benefits are both attributable to services already rendered and are expected to be paid. The standard eliminates the requirement to segregate obligations into “vesting” and “non-vesting” components, instead emphasizing whether leave accumulates and whether it is more likely than not to be paid. This change required the restatement of the beginning balances of the governmental activities, business-type activities, and enterprise fund. The restatement effective October 1, 2024 for the statement of financial position and statement of activities are as follows:

	Governmental Activities	Business- Type Activities and Enterprise Fund
Statement of Financial Position:		
Compensated absences at October 1, 2024, as originally stated	\$ -	\$ -
Change in accounting principle:		
GASB No. 101, <i>Compensated Absences</i>	5,922	185
Total restatement	5,922	185
Compensated absences at October 1, 2024, as restated	\$ 5,922	\$ 185
Statement of Activities:		
Net Position at October 1, 2024, as originally stated	\$ 4,235,393	\$ 11,956,179
Change in accounting principle:		
GASB No. 101, <i>Compensated Absences</i>	(5,922)	(185)
Total restatement	(5,922)	(185)
Net position at October 1, 2024, as restated	\$ 4,229,471	\$ 11,955,994

NOTE 2 – DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

At September 30, 2025, the City’s carrying amount of cash and cash equivalents was \$2,267,113 and the bank balance was \$2,285,350. The City also had certificates of deposit classified as cash equivalents in the amount of \$635,299.

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Receivables

Receivables for the government’s funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows as of September 30, 2025:

	General Fund	Enterprise Fund
Accounts receivable	\$ 8,343	\$ 201,277
Less: Allowance for doubtful accounts	-	(22,000)
Net total accounts receivable	\$ 8,343	\$ 179,277

Interfund receivables, payables, and transfers

Interfund balances as of September 30, 2025 were \$13,388. Transfers made between the Enterprise Fund and the General Fund during the year ended September 30, 2025 were \$327,639. These related to Enterprise Fund expenditures paid by the General Fund.

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 2024, 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, 2025 was as follows:

Lease revenue	
Equipment	\$ 43,604
Total lease revenue	43,604
Interest revenue	22,964
Total	\$ 66,568

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

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>
2026	\$ 28,311	\$ 22,197	\$ 50,508
2027	29,172	21,336	50,508
2028	26,874	20,488	47,362
2029	28,712	19,662	48,374
2030	31,054	18,769	49,823
2031 – 2035	194,643	77,802	272,445
2036 – 2040	272,773	43,067	315,840
2041 – 2043	141,259	4,675	145,934
Total future payments	<u>\$ 752,798</u>	<u>\$ 227,996</u>	<u>\$ 980,794</u>

Capital Assets

Capital asset activity for governmental activities for the year ended September 30, 2025 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	141,631	-	-	\$ 652,024
Construction in progress	840,183	63,715	-	-	903,898
Total capital assets, not being depreciated	<u>1,350,576</u>	<u>205,346</u>	<u>-</u>	<u>-</u>	<u>1,555,922</u>
Capital assets, being depreciated:					
Buildings and improvements	699,177	533,369	(1,544)	-	1,231,002
Infrastructure	1,081,107	7,601	-	-	1,088,708
Machinery and equipment	941,295	108,245	(83,600)	-	965,940
Total capital assets being depreciated	<u>2,721,579</u>	<u>649,215</u>	<u>(85,144)</u>	<u>-</u>	<u>3,285,650</u>
Less accumulated depreciation for:					
Buildings and improvements	(478,792)	(78,992)	1,545	-	(556,239)
Infrastructure	(251,753)	(116,574)	83,071	-	(285,256)
Machinery and equipment	(583,185)	(59,210)	-	-	(642,395)
Total accumulated depreciation	<u>(1,313,730)</u>	<u>(254,776)</u>	<u>84,616</u>	<u>-</u>	<u>(1,483,890)</u>
Total capital assets, being depreciated, net	<u>1,407,849</u>	<u>394,439</u>	<u>(528)</u>	<u>-</u>	<u>1,801,760</u>
Governmental activities capital assets, net	<u>\$ 2,758,425</u>	<u>\$ 599,785</u>	<u>\$ (528)</u>	<u>\$ -</u>	<u>\$ 3,357,682</u>

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

General government	\$ 31,535
Physical environment	80,343
Public safety	75,716
Culture and recreation	67,182
	<u>\$ 254,776</u>

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Capital Assets – Continued

Lease activity for governmental activities for the year ended September 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Modifications and Remeasurements</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Lease assets					
Vehicles	\$ 184,298	\$ -	\$ -	\$ -	\$ 184,298
Total lease assets	<u>184,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,298</u>
Less accumulated amortization					
Vehicles	(51,726)	(36,860)	-	-	(88,586)
Total capital assets being depreciated	<u>(51,726)</u>	<u>(36,860)</u>	<u>-</u>	<u>-</u>	<u>(88,586)</u>
Right-to-use assets	<u>\$ 132,572</u>	<u>\$ (36,860)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,712</u>

Capital asset activity for business-type activities for the year ended September 30, 2025 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	\$ 31,894	\$ -	\$ -	\$ -	\$ 31,894
Construction in progress	746,843	1,063,014	-	-	1,809,857
Total capital assets, not being depreciated	<u>778,737</u>	<u>1,063,014</u>	<u>-</u>	<u>-</u>	<u>1,841,751</u>
Capital assets, being depreciated					
Buildings and improvements	20,239,690	-	-	-	20,239,690
Machinery and equipment	1,271,625	33,788	(27,416)	-	1,277,997
Total capital assets being depreciated	<u>21,511,315</u>	<u>33,788</u>	<u>(27,416)</u>	<u>-</u>	<u>21,517,687</u>
Less accumulated depreciation for					
Buildings and improvements	(8,002,059)	(773,448)	-	-	(8,775,507)
Machinery and equipment	(552,106)	(92,072)	27,416	-	(616,762)
Total accumulated depreciation	<u>(8,554,165)</u>	<u>(865,520)</u>	<u>27,416</u>	<u>-</u>	<u>(9,392,269)</u>
Total capital assets being depreciated, net	<u>12,957,150</u>	<u>(831,732)</u>	<u>-</u>	<u>-</u>	<u>12,125,418</u>
Business-type activities capital assets, net	<u>\$ 13,735,887</u>	<u>\$ 231,282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,967,169</u>

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

Water, sewer and sanitation	<u>\$ 865,520</u>
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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. The principal and all interest due were paid in full during the year ended September 30, 2025.

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Long-Term Liabilities – Continued

Direct Borrowing Note Payable – Governmental Activities – Continued

In conjunction with the purchase of property by the CRA, the City entered into a note payable with the former property holder. The initial amount financed was \$550,000, at an interest rate of 5.00%, with interest and principal to be paid in 120 annual payments. The outstanding amount as of September 30, 2025 is \$510,217. Future maturities on the note are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 45,526	\$ 24,477	\$ 70,003
2027	47,855	22,148	70,003
2028	50,304	19,699	70,003
2029	52,877	17,126	70,003
2030	55,583	14,420	70,003
2031 – 2035	258,072	27,775	285,847
	<u>\$ 510,217</u>	<u>\$ 125,645</u>	<u>\$ 635,862</u>

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%.

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>
2026	\$ 37,543	\$ 6,025	\$ 43,568
2027	40,253	3,315	43,568
2028	25,392	608	26,000
Total future payments	<u>\$ 103,188</u>	<u>\$ 9,948</u>	<u>\$ 113,136</u>

Revenue Bonds – Business-type Activities

In 1993, 1995 and 1999, the City passed bond ordinances to provide for the issuance of Water and Sewer Revenue Certificates. At September 30, 2025, 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>
1993	09/01/94	09/01/33	4.5%	300,000	\$ 109,000
1995	09/13/92	09/01/35	4.5%	400,000	175,000
1999	02/10/99	09/01/38	4.5%	167,000	88,000
TOTAL					<u><u>\$ 372,000</u></u>

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Long-Term Liabilities – Continued

Revenue Bonds – Business-type Activities – Continued

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 1993 bonds as of September 30, 2025 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 12,000	\$ 5,450	\$ 17,450
2027	12,000	4,850	16,850
2028	13,000	4,250	17,250
2029	13,000	3,600	16,600
2030	14,000	2,950	16,950
2031 – 2033	45,000	4,500	49,500
	<u>\$ 109,000</u>	<u>\$ 25,600</u>	<u>\$ 134,600</u>

Total annual debt service requirements for the 1995 bonds as of September 30, 2025 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 14,000	\$ 7,875	\$ 21,875
2027	15,000	7,245	22,245
2028	15,000	6,570	21,570
2029	17,000	5,895	22,895
2030	17,000	5,130	22,130
2031 – 2035	97,000	13,500	110,500
	<u>\$ 175,000</u>	<u>\$ 46,215</u>	<u>\$ 221,215</u>

Total annual debt service requirements for the 1999 bonds as of September 30, 2025 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,500	\$ 4,400	\$ 9,900
2027	5,500	4,125	9,625
2028	6,000	3,850	9,850
2029	6,000	3,550	9,550
2030	6,500	3,250	9,750
2031 – 2035	36,000	11,200	47,200
2036 – 2038	22,500	2,150	24,650
	<u>\$ 88,000</u>	<u>\$ 32,525</u>	<u>\$ 120,525</u>

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

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, 2025 was \$74,253.

Total annual debt service requirements as of September 30, 2025 are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 7,942	\$ 713	\$ 8,655
2027	8,021	635	8,656
2028	8,100	556	8,656
2029	8,180	476	8,656
2030	8,261	395	8,656
2031 – 2034	33,749	756	34,505
	<u>\$ 74,253</u>	<u>\$ 3,531</u>	<u>\$ 77,784</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, 2025 was \$48,844.

Total annual debt service requirements as of September 30, 2025 are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 3,996	\$ 550	\$ 4,546
2027	4,042	504	4,546
2028	4,089	458	4,547
2029	4,136	410	4,546
2030	4,184	363	4,547
2031 – 2035	21,654	1,078	22,732
2036 – 2038	6,743	77	6,820
	<u>\$ 48,844</u>	<u>\$ 3,440</u>	<u>\$ 52,284</u>

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Long-Term Liabilities – Continued

Notes Payable from Direct Borrowings – Business-type Activities

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, 2025 was \$77,512.

Total annual debt service requirements as of September 30, 2025 are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 6,034	\$ 358	\$ 6,392
2027	6,063	329	6,392
2028	6,091	301	6,392
2029	6,120	272	6,392
2030	6,149	243	6,392
2031 – 2035	31,182	778	31,960
2036 – 2038	15,873	106	15,979
	\$ 77,512	\$ 2,387	\$ 79,899

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. 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, 2025 was \$1,924,265.

Total annual debt service requirements as of September 30, 2025 is as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 120,072	\$ –	\$ 120,072
2027	120,072	–	120,072
2028	120,072	–	120,072
2029	120,072	–	120,072
2030	120,072	–	120,072
2031 – 2035	600,360	–	600,360
2036 – 2040	600,360	–	600,360
2041	123,185	–	123,185
	\$ 1,924,265	\$ –	\$ 1,924,265

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Long-Term Liabilities – Continued

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

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 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, 2025 was \$407,704.

Total annual debt service requirements are estimated based on proceeds received as of September 30, 2025 as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 28,256	\$ 1,846	\$ 30,102
2027	28,386	1,716	30,102
2028	28,517	1,585	30,102
2029	28,648	1,454	30,102
2030	28,780	1,322	30,102
2031 – 2035	145,904	4,606	150,510
2036 – 2039	119,213	1,105	120,318
	<u>\$ 407,704</u>	<u>\$ 13,634</u>	<u>\$ 421,338</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

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, 2025 are as follows:

<u>Year Ending September 30,</u>	<u>Bonds</u>		<u>Notes from Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 31,500	\$ 17,725	\$ 166,300	\$ 3,467	\$ 197,800	\$ 21,192
2027	32,500	16,220	166,584	3,184	199,084	19,404
2028	34,000	14,670	166,869	2,900	200,869	17,570
2029	36,000	13,045	167,156	2,612	203,156	15,657
2030	37,500	11,330	167,446	2,323	204,946	13,653
2031 – 2035	81,000	15,700	832,849	7,218	913,849	22,918
2036 – 2040	119,500	15,650	742,189	1,288	861,689	16,938
2041	-	-	123,185	-	123,185	-
	<u>\$ 372,000</u>	<u>\$ 104,340</u>	<u>\$ 2,532,578</u>	<u>\$ 22,992</u>	<u>\$ 2,904,578</u>	<u>\$ 127,332</u>

Changes in long-term liabilities

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

	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:						
Direct borrowing note payable	\$ 5,027	\$ -	\$ -	\$ (5,027)	\$ -	\$ -
Direct borrowing note payable-CRA	-	-	550,000	(39,783)	510,217	45,526
	<u>5,027</u>	<u>-</u>	<u>550,000</u>	<u>(44,810)</u>	<u>510,217</u>	<u>45,526</u>
Compensated absences	-	5,922	16,224 A	-	22,146	4,429
Net pension liability	-	-	129,516	(78,779)	50,737	-
Lease liability	138,204	-	-	(35,016)	103,188	37,543
Long-term liabilities – Governmental	<u>\$ 143,231</u>	<u>\$ 5,922</u>	<u>\$ 695,740</u>	<u>\$ (158,605)</u>	<u>\$ 686,288</u>	<u>\$ 87,498</u>

A – The change in compensated absences is reported net.

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

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Long-Term Liabilities – Continued
Changes in long-term liabilities – Continued

	<u>Beginning Balance</u>	<u>Restatement</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	\$ 85,982	\$ -	\$ -	\$ (11,729)	\$ 74,253	\$ 7,942
WW250204	52,795	-	-	(3,951)	48,844	3,996
WW250230	83,519	-	-	(6,007)	77,512	6,034
WW250231	2,044,337	-	-	(120,072)	1,924,265	120,072
WW250250	435,834	-	-	(28,130)	407,704	28,256
Total notes payable from direct borrowings	2,702,467	-	-	(169,889)	2,532,578	166,300
Revenue Bonds						
1993	120,000	-	-	(11,000)	109,000	12,000
1995	189,000	-	-	(14,000)	175,000	14,000
1999	93,000	-	-	(5,000)	88,000	5,500
Total revenue bonds	402,000	-	-	(30,000)	372,000	31,500
Long-term liabilities -						
Compensated absences	-	185	1,776 ^A	-	1,961	392
Business-type activities	<u>\$ 3,104,467</u>	<u>\$ 185</u>	<u>\$ 1,776</u>	<u>\$ (199,889)</u>	<u>\$ 2,906,539</u>	<u>\$ 198,192</u>

A-The change in compensated absences is reported net.

In the Statement of Activities, interest expense of \$10,478 is included in Water and \$10,566 is included in Sewer.

NOTE 3 – DEFINED CONTRIBUTION RETIREMENT 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, 2025, for each employee in the Plan, the City contributed 3 percent of total annual salary, including overtime pay, to an individual employee account. The Plan requires employees hired after October 1, 2015 to contribute 3 percent of total annual salary and allows employees hired prior to October 1, 2015 to choose to contribute either 2 or 3 percent. In addition to the required contributions, employees are permitted to make contributions to the Plan up to applicable Internal Revenue Code limits. For the year ended September 30, 2025, employee contributions totaled \$15,248 and City contributions totaled \$8,698.

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, and used to cover a portion of the Plan's administrative expenses.

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

NOTE 3 – DEFINED CONTRIBUTION RETIREMENT PLAN – CONTINUED

For the year ended September 30, 2025, the City did not apply any available forfeitures towards the City's pension expense.

NOTE 4 – DEFINED BENEFIT RETIREMENT PLAN

Plan Description and Summary of Significant Accounting Policies

Effective October 1, 2024, the City established the Retirement Plan and Trust for the Police Officers' of the City of Bowling Green (the Plan), pursuant to Ordinance 2024-03. The Plan is a single-employer, defined benefit plan. The City has established a special pension trust fund into which shall be paid all monies received by the City under the provisions of Chapter 185, Florida Statutes. The Plan has a five member Board of Trustees. The City Commission of the City has the power to amend the Plan. The Trustee of the Plan is the Florida Municipal Pension Trust Fund (Trustee) and the Plan Administrator is the Florida League of Cities (Administrator). All police officers of the City are eligible to participate in the Plan. As of September 30, 2025, the Plan had 7 active participants.

The Plan is accounted for in the accompanying financial statements as a pension trust fund. A separate financial statement is not issued for the Plan. Plan administrative costs are paid by the Plan.

Basis of Accounting

The Pension Plan uses the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Asset Valuation

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Eligibility

All police officers of the City are eligible to participate in the Plan immediately when hired.

Benefits

The normal form of benefit is a 10-year certain and single life annuity.

Normal Retirement

A participant's normal retirement date is the first day of the month coincident with, or next following attainment of age fifty-five (55) and ten (10) years of credited service or attainment of age fifty-two (52) and twenty-five (25) years of credited service. Credited service shall mean the total number of years and fractional parts of years of service as a participant during which the participant made required contributions to the Plan, omitting intervening years or fractional parts of years when such Participant is not employed by the City as a full-time Police Officer. The monthly retirement benefit shall be equal to the number of years of credited service multiplied by 3% and multiplied by average final compensation.

Early Retirement

The first day of the month coincident with, or next following attainment of age fifty (50) and the completion of ten (10) years of credited service. The accrued benefit will be reduced by five percent (5%) for each year before normal retirement age.

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – DEFINED BENEFIT RETIREMENT PLAN – CONTINUED

Disability Benefits In-the-Line-of-Duty

A member determined by the Board of Trustees to be totally and permanently disabled from a service-connected injury or disease, will receive the greater of a monthly pension equal to 42% of average monthly compensation or an amount equal to the accrued retirement benefit.

Disability Benefits Off-Duty

A member determined to be totally and permanently disabled by the Board of Trustees from a non-service connected injury or disease must have completed at least eight (8) years of service. A member who has completed the required years of service will receive the greater of a monthly pension equal to 25% of average monthly compensation, or an amount equal to the accrued retirement benefit. A member who has not completed the required years of service will receive a return of accumulated employee contributions.

Death Prior to Vesting – In-Line-Of-Duty

If a member dies prior to retirement in-the-line-of-duty, and he/she is not vested, his/her beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions plus 5% interest.

Death After Vesting – In-Line-Of-Duty

If a member dies prior to retirement in-the-line-of-duty, and he/she is vested, having completed the required years of credited service, his/her beneficiary shall receive the benefit otherwise payable to the member at the member's early or normal retirement date.

Death Prior to Vesting – Off -Duty

If a member dies prior to retirement other than in-the-line-of-duty, and he/she is not vested, his/her beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions plus 5% interest.

Death After Vesting – Off-Duty

If a member dies prior to retirement in-the-line-of-duty, and he/she is vested, having completed the required years of credited service, his/her beneficiary shall receive the benefit otherwise payable to the member at the member's early or normal retirement date.

Termination of Employment and Vesting

If a member has ten (10) or more years of Credited Service upon termination of employment, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he/she does not elect to withdraw his/her contributions and provided he/she survives to his/her normal or early retirement date. If a member has less than ten (10) years of credited service upon termination of employment, the member shall be entitled to a refund of his/her accumulated contributions, or the member may leave the accumulated contributions deposited with the Plan.

Contribution Information

Participants are required to contribute 5% of their salary on a pre-tax basis, which totaled \$21,531 in the current year. The City is required to contribute to the Plan based on an actuarially determined rate, which was 13.54% for the year ended September 30, 2025. During the year ended September 30, 2025, the City contributed \$58,398, which was 15.1% of covered payroll.

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

NOTE 4 – DEFINED BENEFIT RETIREMENT PLAN – CONTINUED

Plan Investments

Plan assets are held with the Florida Municipal Pension Trust Fund (FMPTF), an agent multiple employer pension plan administered by the FMPTF Board of Trustees. The FMPTF issues a publicly available report that includes the combined financial statements of all plan members which can be obtained from their website. Separate accounts are maintained for each employer group.

The Plan follows the investment policies of the FMPTF. The Master Trustees of the FMPTF have the exclusive authority and discretion to manage and control the assets of the FMPTF. The City has selected to participate in the FMPTF 70/30 Target Fund. The maximum target asset allocation for equities is 70%.

All employee pension plan assets with the FMPTF are included in the trust's master Trust Fund. Employee pension plan assets of the defined benefit type are invested by the FMPTF through the Florida Municipal Investment Trust (FMIvT) for the benefit of the participating employers, participating employees and beneficiaries. The FMIvT is a Local Government Investment Pool (LGIP) and, therefore, considered an external investment pool. The Plan has a beneficial interest in shares in the FMIvT portfolios listed below. The Plan's investment is the beneficial interest in the FMIvT portfolio, not the individual securities held within each portfolio.

As of September 30, 2025, the asset allocations for the various investment models were as follows:

<u>Asset Allocation and Model/Percentage</u>	<u>70/30</u>
Cash and money market	1.1%
FMIvT Broad Market High Quality Bond	10.0%
FMIvT Core Plus Fixed Income	10.3%
FMIvT Diversified Large Cap	30.6%
FMIvT Diversified Small to Mid Cap Equity	14.7%
FMIvT International Equity	24.4%
FMIvT Core Real Estate	8.9%
	<hr/> <u>100.0%</u> <hr/>

Credit Risk

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The FMIvT Broad Market High Quality Bond Fund has a Fitch Rating of AAF/S4. The FMIvT Core Plus Fixed Income Fund and the equities portfolios are not rated.

Interest Rate Risk

Interest rate exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The FMIvT Broad Market High Quality Bond Fund has a weighted average maturity of 7.10 years. The FMIvT Core Plus Fixed Income Fund has a weighted average to maturity of 5.76 years.

Foreign Currency Risk

Participating employer's investments in the FMIvT are not subject to foreign currency risk.

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

NOTE 4 – DEFINED BENEFIT RETIREMENT PLAN – CONTINUED

Plan Investments – Continued

Rate of Return

For the year ended September 30, 2025 the annual money-weighted rate of return on Pension Plan Investments, net of pension plan investment expense, was 5.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Plan’s fiduciary net position.

Fair Value Measurement

The investments held by the Plan are measured at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2025:

	September 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at fair value				
Cash and money market	\$ 812	\$ 812	\$ -	\$ -
FMLvT Broad Market High Quality Bond	7,385	-	7,385	-
FMLvT Core Plus Fixed Income	7,607	-	-	7,607
FMLvT Diversified Large Cap	22,599	-	22,599	-
FMLvT Diversified Small to Mid Cap Equity	10,857	-	10,857	-
FMLvT International Equity	18,020	-	18,020	-
FMLvT Core Real Estate	6,574	-	-	6,574
Total investments	<u>\$ 73,854</u>	<u>\$ 812</u>	<u>\$ 58,861</u>	<u>\$ 14,181</u>

Actuarial Assumptions

The total pension liability, net pension liability and certain sensitivity information are based on an actuarial valuation performed as of October 1, 2024, with a measurement period of September 30, 2025, using the aggregate cost method.

The following actuarial assumptions were applied to all periods included in the measurement of the net pension liability, deferred outflows of pension resources, deferred inflows of pension earnings, and pension expense.

Discount rate	6.75%
Investment rate of return (2.75% for inflation)	6.75%
Cost-of-living increases	None assumed

CITY OF BOWLING GREEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – DEFINED BENEFIT RETIREMENT PLAN – CONTINUED

Actuarial Assumptions – Continued

Plan compensation is assumed to increase in accordance with a service-based table, unless actual plan compensation is known for a prior plan year; rates range from 8.50% for an employee with zero years of service to 4.80% for employees with 30 or more years of service. Rates are based on an experience study conducted by the FRS in 2024.

The vesting requirement is based on 100% vesting after 10 years of service.

Pre-retirement mortality is based on sex-distinct rates set forth in the PUB-2010 Benefits-Weighted Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set forward one year.

Post-retirement mortality for non-disabled retirees is based on sex-distinct rates set forth in the PUB-2010 Benefits-Weighted Healthy Retiree Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set forward one year.

Post-retirement mortality for disabled retirees is based on sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with female ages set forward one year.

Age- and service-based rates of withdrawal were assumed, with separate rates for males and females; rates for male employees range from 17.5% for an employee age 55 or older with zero years of service to 0.8% for an employee any age with at least 30 years of service; rates for female employees range from 22.5% for an employee between ages 30 and 35 with zero years of service to 1.0% for an employee at any age with at least 30 years of service; age-based rates of disability were also assumed, ranging from .035% at age 20 to .055% at age 35 to .065% at age 45 to .520% at age 55 to .520% at ages 64 and later. Withdrawal and disability rates are based on an experience study conducted by the FRS in 2024.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes of Assumptions

There were no changes of assumptions since the prior measurement date.

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

NOTE 4 – DEFINED BENEFIT RETIREMENT PLAN – CONTINUED

Net Pension Liability

The components of the net pension liability of the City were as follows:

Total pension liability	\$ 124,591
Plan fiduciary net position	(73,854)
Net pension liability	\$ 50,737

Plan fiduciary net position as a percentage of total pension liability	59.28%
--	--------

Changes in net pension liability during the year are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2024	\$ -	\$ -	\$ -
Changes due to:			
Service cost	116,713	-	116,713
Expected interest growth	7,878	2,305	5,573
Unexpected investment income	-	2,104	(2,104)
Demographic experience	-	-	-
Employer contributions	-	54,360	(54,360)
Employee contributions	-	20,010	(20,010)
Benefit payments and refunds	-	-	-
Administrative expenses	-	(4,925)	4,925
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Total changes	124,591	73,854	50,737
Balance as of September 30, 2025	\$ 124,591	\$ 73,854	\$ 50,737

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of \$106,780. At September 30, 2025 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2024	\$ -	\$ -
Changes due to:		
Amortization payments	-	(421)
Investment gain/loss	-	2,104
Demographic gain/loss	-	-
Assumption changes	-	-
Total changes	-	1,683
Balance as of September 30, 2025	\$ -	\$ 1,683

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

NOTE 4 – DEFINED BENEFIT RETIREMENT PLAN – CONTINUED

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

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

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	\$ –	\$ 421
2027	–	421
2028	–	421
2029	–	420
	\$ –	\$ 1,683

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well 1% higher and 1% lower than the current rate:

Current Discount Rate		
1% Decrease	6.75%	1% Increase
\$ 72,934	\$ 50,737	\$ 32,980

NOTE 5 – 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 6 – CONTINGENCIES AND COMMITMENTS

Amounts received or receivable from granting agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The City is not aware of any disallowed claims or adjustments, and the amount, if any, of expenditures (or expenses) that may be disallowed by a grantor agency cannot be determined at this time.

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.

The City entered into construction contracts for capital improvements with remaining commitments of approximately \$204,000 as of September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GAAP BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues				
Taxes	\$ 716,044	\$ 748,807	\$ 750,241	\$ 1,434
Fines and forfeitures	30,000	24,154	24,154	-
Intergovernmental revenue	585,293	610,542	577,422	(33,120)
Franchise fees	112,000	123,539	123,539	-
Licenses and permits	7,700	8,713	8,713	-
Grants	422,161	451,360	352,112	(99,248)
Interest	4,000	17,874	21,265	3,391
Miscellaneous	280,364	170,982	172,480	1,498
Total Revenues	<u>2,157,562</u>	<u>2,155,971</u>	<u>2,029,926</u>	<u>(126,045)</u>
Expenditures				
General government	474,734	597,539	464,460	133,079
Public safety	1,091,801	984,910	909,629	75,281
Physical environment	355,014	354,742	289,298	65,444
Culture and recreation	91,848	62,535	43,933	18,602
Grants	407,494	412,161	81,582	330,579
Debt service – principal	-	-	5,027	(5,027)
Debt service – interest	-	-	363	(363)
Total Expenditures	<u>2,420,891</u>	<u>2,411,887</u>	<u>1,794,292</u>	<u>617,595</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(263,329)	(255,916)	235,634	491,550
Other Financing Sources (Uses)				
Gain on sale of property and equipment	1,500	10,105	10,105	-
Transfers in	231,829	93,518	327,639	234,121
Total other financing sources (uses)	<u>233,329</u>	<u>103,623</u>	<u>337,744</u>	<u>234,121</u>
Net Change in Fund Balances	(30,000)	(152,293)	573,378	491,591
Fund Balance – Beginning	<u>1,106,236</u>	<u>987,201</u>	<u>1,076,236</u>	<u>89,035</u>
Fund Balance – Ending	<u>\$ 1,076,236</u>	<u>\$ 834,908</u>	<u>\$ 1,649,614</u>	<u>\$ 580,626</u>

Note 1 – Budget Basis

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

CITY OF BOWLING GREEN, FLORIDA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Taxes	\$ 173,295	\$ 173,295	\$ 173,295	\$ -
Grants	43,106	43,106	48,625	5,519
Interest	10	10	13	3
Miscellaneous	185	185	185	-
Total Revenues	216,596	216,596	222,118	5,522
EXPENDITURES				
Program expenditures	1,864	1,864	1,864	-
Operating expenditures	137,999	137,999	71,644	66,355
Debt service	76,733	76,733	64,169	12,564
Total Expenditures	216,596	216,596	137,677	78,919
Net Change in Fund Balances	-	-	84,441	84,441
Fund Balance – Beginning	138,527	138,527	138,527	-
Fund Balance – Ending	\$ 138,527	\$ 138,527	\$ 222,968	\$ 84,441

Note 1 – Budgetary Basis

The special revenue fund budget is presented on a basis consistent with U.S. generally accepted accounting principles with the exception of a land purchase.

Note 2 – Reconciliation of Differences Between Non-GAAP Budgetary Basis and GAAP (Modified Accrual) Basis

	Actual On GAAP Basis	To Budgetary Basis	Actual On Budgetary Basis
Capital Outlay	\$ 675,000	\$ (675,000)	\$ -
Excess of Revenue Over (Under) Expenditures Before Other Financing Sources (Uses)	(590,559)	675,000	84,441
Debt proceeds	550,000	(550,000)	-
Net Changes in Fund Balance	(40,559)	125,000	84,441
Fund Balance – Beginning	138,527	-	138,527
Fund Balance – Ending	\$ 97,968	\$ (125,000)	\$ 222,968

CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' PENSION PLAN
AVAILABLE FISCAL YEARS *

	2025
Total pension liability	
Service cost	\$ 116,713
Expected interest growth	7,878
Demographic gain/loss	-
Employee contributions	-
Benefit payments	-
Administrative expenses	-
Changes in benefit terms	-
Assumption changes	-
Net change in total pension liability	124,591
Total pension liability – Beginning	-
Total pension liability – Ending (a)	\$ 124,591
Plan fiduciary net position	
Contributions – Employer	\$ 54,360
Contributions – Employee	20,010
Investment income	4,409
Benefit payments	-
Administrative expenses	(4,925)
Net change in plan fiduciary net position	73,854
Plan fiduciary net position – Beginning	-
Plan fiduciary net position – Ending (b)	\$ 73,854
Net pension liability (asset) – Ending (a) – (b)	\$ 50,737
Plan fiduciary net position as a percentage of the total pension liability	59.28%
Covered employee payroll	\$ 386,990
Net pension liability as a percentage of covered employee payroll	13.11%

* Until a full 10-year trend is complied, information will be presented for those years available.

CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' PENSION PLAN
AVAILABLE FISCAL YEARS *

	2025
Actuarially determined contributions	\$ 54,360
Contributions in relation to the actuarially determined contributions	54,360
Contribution deficiency (excess)	\$ -
 Covered employee payroll	\$ 386,990
 Contributions as a percentage of covered employee payroll	14.05%

* Until a full 10-year trend is compiled, information will be presented for those years available.

**CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN ON INVESTMENTS
POLICE OFFICERS' PENSION PLAN
AVAILABLE FISCAL YEARS ***

	<u>2025</u>
Annual money-weighted rate of return, net of investment expense	5.97%

* Until a full 10-year trend is complied, information will be presented for those years available.

**CITY OF BOWLING GREEN, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' PENSION PLAN**

Employers reporting date: September 30, 2025
Measurement date: September 30, 2025
Valuation Date: October 1, 2024

Actuarially determined contribution rates are calculated as of October 1, prior to the end of the fiscal year in which contributions are reported.

Actuarial assumptions

Actuarial cost method: Aggregate cost method.
Discount rate: 6.75% per annum (2.75% per annum is attributable to long-term inflation): this rate was used to discount all future benefit payments.
Salary increases: Plan compensation is assumed to increase in accordance with a service-based table, unless actual plan compensation is known for a prior plan year; rates range from 8.50% for an employee with zero years of service to 4.80% for employees with 30 or more years of service. Rates are based on an experience study conducted by the FRS in 2024.
Cost-of-living increases: None assumed.
Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Benefits-Weighted Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set forward one year.
Post-retirement mortality: For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Benefits-Weighted Healthy Retiree Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with female ages set forward one year.
Retirement: Retirement is assumed to occur at normal retirement age.
Other decrements: Age- and service-based rates of withdrawal were assumed, with separate rates for males and females; rates for male employees range from 17.5% for an employee age 55 or older with zero years of service to 0.8% for an employee any age with at least 30 years of service; rates for female employees range from 22.5% for an employee between ages 30 and 35 with zero years of service to 1.0% for an employee at any age with at least 30 years of service; age-based rates of disability were also assumed, ranging from 0.035% at age 20 to 0.055% at age 35 to 0.065% at age 45 to 0.520% at age 55 to 0.520% at ages 64 and later. Withdrawal and disability rates are based on an experience study conducted by the FRS in 2024.
Form of payment: Future retirees are assumed to select the 10-year certain and life annuity.
Future contributions: Contributions from the employer and employees are assumed to be made as legally required.
Changes: No assumptions were changed since the prior measurement date.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
DETAIL SCHEDULE OF REVENUE
BUDGET AND ACTUAL – GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual	Variance
Ad Valorem taxes	\$ 421,653	\$ 421,653	\$ -
Fuel taxes	12,621	12,621	-
Utility taxes	206,902	218,560	11,658
Gas taxes	51,012	38,379	(12,633)
Communications service tax	56,619	59,028	2,409
Franchise fees	123,539	123,539	-
Occupational licenses	7,231	7,231	-
State revenue sharing	170,358	184,257	13,899
Mobile home license	925	925	-
State beverage license	557	557	-
1/2 Cent sales tax	123,264	105,712	(17,552)
1 Cent surtax	314,349	284,882	(29,467)
State gas tax rebate	2,571	2,571	-
Grants	451,360	352,112	(99,248)
Fines and forfeitures	24,154	24,154	-
Interest income	17,874	21,265	3,391
Rents	96,497	96,497	-
Miscellaneous revenue	31,987	33,485	1,498
Cemetery income	21,170	21,170	-
D.O.T. highway lighting	21,328	21,328	-
Total Revenues	<u>\$ 2,155,971</u>	<u>\$ 2,029,926</u>	<u>\$ (126,045)</u>

**CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL – GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2025**

	Final Budget	Actual	Variance
Administrative			
Administrative salaries	\$ 117,641	\$ 114,756	\$ 2,885
Payroll tax	10,060	7,576	2,484
Retirement contributions	3,945	2,470	1,475
Employee insurance	25,030	21,600	3,430
Workers compensation	5,264	4,361	903
Telephone	533	988	(455)
Other insurance	9,000	11,610	(2,610)
Repairs and maintenance	1,200	802	398
Miscellaneous expense	7,216	5,374	1,842
Gas and oil	3,000	1,721	1,279
Uniforms	800	800	-
Dues and subscriptions	500	854	(354)
New equipment	2,500	268	2,232
Utilities	-	-	-
Training	7,000	6,110	890
Auto	7,896	8,478	(582)
Total Administrative	201,585	187,768	13,817
Finance			
Salaries	30,771	30,488	283
Payroll tax	2,315	2,868	(553)
Retirement contributions	1,853	1,876	(23)
Employee insurance	12,520	12,560	(40)
Workers compensation	2,632	2,180	452
Travel	1,500	1,667	(167)
Telephone	530	533	(3)
Liability insurance	12,278	11,610	668
Uniforms	400	400	-
Dues and subscriptions	430	105	325
New equipment	950	886	64
Total Finance	66,179	65,173	1,006
Legislative			
Salaries	19,200	19,200	-
Payroll tax	1,469	1,492	(23)
Dues and subscriptions	1,879	1,632	247
New equipment	5,350	4,100	1,250
Training	10,000	10,614	(614)
Total Legislative	37,898	37,038	860
Legal			
Legal fees	20,000	20,642	(642)
Accounting fees	46,890	33,108	13,782
Contract labor	41,500	28,616	12,884
Special Magistrate	2,000	920	1,080
Total Legal	110,390	83,286	27,104
Other Expenditures			
Facility maintenance	5,000	2,959	2,041
Telephone	2,500	3,656	(1,156)
Postage	2,000	986	1,014
Utilities	15,600	17,137	(1,537)
Advertising	5,000	4,142	858
Miscellaneous expense	1,490	3,800	(2,310)
Comprehensive plan	11,250	9,375	1,875
Office supplies	4,500	1,874	2,626
Dues and subscriptions	3,150	2,168	982
Operating supplies	3,260	(1,760)	5,020
Copier	4,470	5,614	(1,144)
Software support	11,318	14,328	(3,010)
Employee appreciation	3,472	4,167	(695)
Pest control	5,200	4,104	1,096
Cleaning and janitorial	2,000	769	1,231
Data storage	404	662	(258)
Contingency	95,873	14,560	81,313
Hurricane	5,000	2,654	2,346
Total Other Expenditures	181,487	91,195	90,292
Total General Government	\$ 597,539	\$ 464,460	\$ 133,079

**CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL – GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2025**

	Final Budget	Actual	Variance
Law Enforcement			
Salaries	\$ 480,540	\$ 453,662	\$ 26,878
Payroll taxes	33,900	32,286	1,614
Retirement contributions	90,675	70,961	19,714
Employee insurance	75,082	74,178	904
Workers compensation	21,055	15,263	5,792
Uniforms	2,000	2,795	(795)
Contract labor	1,000	1,080	(80)
Crossing guards	12,329	12,329	-
New vehicles	62,000	60,889	1,111
Telephone	6,000	5,249	751
Liability insurance	12,280	11,610	670
Repairs and maintenance	25,000	30,990	(5,990)
Miscellaneous expense	300	302	(2)
Gas and oil	26,000	24,488	1,512
Dues and subscriptions	620	625	(5)
Operating supplies	30,000	26,179	3,821
Rentals	15,000	8,284	6,716
New equipment	10,000	6,047	3,953
Training	350	349	1
Investigation funds	500	300	200
Dispatch Center	3,851	-	3,851
Total Law Enforcement	908,482	837,866	70,616
Code Enforcement			
Salaries	26,158	25,650	508
Payroll taxes	2,048	2,222	(174)
Retirement contributions	1,590	1,069	521
Employee insurance	12,520	12,560	(40)
Workers compensation	5,264	2,180	3,084
Telephone	612	455	157
Liability insurance	12,278	11,610	668
Repairs and maintenance	539	539	-
Gas and oil	300	114	186
Uniforms	400	400	-
Dues and subscriptions	185	185	-
Operating supplies	285	174	111
New equipment	450	311	139
Training	3,500	4,892	(1,392)
Total Code Enforcement	66,129	62,361	3,768
Animal Control			
Salaries	3,983	3,783	200
Payroll taxes	286	286	-
Employee insurance	2,094	2,093	1
New equipment	443	443	-
Telephone	152	152	-
Miscellaneous expense	444	444	-
Gas and oil	897	897	-
TNR and vet	2,000	1,304	696
Total Animal Control	10,299	9,402	897
Total Public Safety	\$ 984,910	\$ 909,629	\$ 75,281

CITY OF BOWLING GREEN, FLORIDA
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL – GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual	Variance
Physical Environment			
P/E salaries	\$ 108,739	\$ 75,097	\$ 33,642
FICA tax	8,319	5,559	2,760
Retirement contributions	3,089	1,298	1,791
Employee insurance	38,052	27,214	10,838
Workers compensation	5,264	6,541	(1,277)
Contract labor	-	26,597	(26,597)
Facility maintenance	4,500	575	3,925
Traffic light repair	1,500	-	1,500
New vehicles	20,000	-	20,000
Telephone	1,500	1,046	454
Liability insurance	12,279	11,610	669
Repairs & maintenance	23,000	13,587	9,413
Gas & oil	12,000	16,135	(4,135)
Uniforms	1,200	1,127	73
Operating supplies	800	7,245	(6,445)
Rent	16,000	17,371	(1,371)
New equipment	38,500	32,543	5,957
Streets & roads	20,000	7,601	12,399
Highway lighting	40,000	38,152	1,848
Total Physical Environment	\$ 354,742	\$ 289,298	\$ 65,444
Recreation			
Contribution to recreation center	\$ 8,778	\$ 8,778	\$ -0-
Contract labor	2,000	2,425	(425)
Repairs and maintenance	3,000	1,411	1,589
Operating supplies	100	100	-
New equipment	3,000	860	2,140
Community center	1,500	2,430	(930)
Total Recreation	18,378	16,004	2,374
Recreation Events			
Park events	4,000	2,719	1,281
Boots and pearls	10,657	11,659	(1,002)
Total Recreation Events	14,657	14,378	279
Cemetery			
Contract labor	15,000	11,910	3,090
Miscellaneous expense	500	141	359
Professional services	14,000	1,500	12,500
Total Cemetery	29,500	13,551	15,949
Total Culture and Recreation	\$ 62,535	\$ 43,933	\$ 18,602
Grants			
Road and streets	99,248	13,200	86,048
Law enforcement	4,667	4,667	-
EDA grant	308,246	63,715	244,531
Total Grants	\$ 412,161	\$ 81,582	\$ 330,579
Total Expenditures	\$ 2,411,887	\$ 1,788,902	\$ 622,985

**CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Water charges	\$ 761,357	\$ 697,584	\$ (63,773)
Sewer charges	853,669	853,669	-
Sanitation charges	451,422	451,422	-
Penalties, late fees and miscellaneous	40,020	48,942	8,922
Total Operating Revenues	<u>2,106,468</u>	<u>2,051,617</u>	<u>(54,851)</u>
Operating Expenses			
Water Department	663,386	590,545	72,841
Sewer Department	612,231	594,447	17,784
Sanitation Department	330,469	327,134	3,335
Professional fees	52,341	52,341	-
Other operating expenses	196,018	196,997	(979)
Total Operating Expenses	<u>1,854,445</u>	<u>1,761,464</u>	<u>92,981</u>
Non-Operating Revenues (Expenses)			
Interest income	20,197	25,178	4,981
Gain on disposal of capital assets	3,542	3,542	-
Principal and interest expense	(233,454)	(220,933)	12,521
Total Non-Operating Revenues (Expenses)	<u>(209,715)</u>	<u>(192,213)</u>	<u>17,502</u>
Capital Contributions and Transfers			
Grant revenue	16,688,921	1,114,005	(15,574,916)
Grant expense	(16,679,923)	(1,035,168)	15,644,755
Use of reserves	(56,979)	-	56,979
Transfers In (Out)	-	(327,639)	(327,639)
Total Capital Contributions	<u>(47,981)</u>	<u>(248,802)</u>	<u>(200,821)</u>
Change in Net Position	<u>\$ (5,673)</u>	<u>\$ (150,862)</u>	<u>\$ (145,189)</u>
Adjustments to GAAP Basis			
Non-Budgeted depreciation and amortization		(865,520)	
Non-GAAP basis principal payments		199,889	
Grant expenses recognized as capital asset additions		1,035,168	
GAAP Change in Net Position		<u>\$ 218,675</u>	

CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF EXPENSES
BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Water Department			
Salaries	\$ 177,452	\$ 176,069	\$ 1,383
Payroll tax	11,118	11,016	102
Employee insurance	23,027	23,027	-
Workers compensation	6,541	6,541	-
Retirement contributions	998	998	-
Contract operators	228,913	237,579	(8,666)
Professional fees	987	987	-
Telephone	1,660	1,789	(129)
Utilities	64,437	664	63,773
Liability insurance	11,610	11,610	-
Repairs and maintenance	97,630	97,455	175
Rent	17,328	17,328	-
Miscellaneous	8	8	-
Uniforms	1,600	1,583	17
Postage	170	164	6
Gas and oil	415	415	-
Dues and subscriptions	2,726	2,726	-
Materials and supplies	586	586	-
Equipment	16,180	-	16,180
Total Water Department	<u>\$ 663,386</u>	<u>\$ 590,545</u>	<u>\$ 72,841</u>
Sewer Department			
Contract operators	\$ 429,990	\$ 429,990	\$ -
Sludge hauling	25,000	25,288	(288)
Effluent line	22,522	22,522	-
Telephone	2,394	2,394	-
Permitting	9,500	9,500	-
Liability insurance	12,276	11,610	666
Repairs and maintenance	74,943	77,012	(2,069)
Miscellaneous	17,780	14,205	3,575
Equipment	15,500	-	15,500
Gas and oil	2,000	1,600	400
Materials and supplies	326	326	-
Total Sewer Department	<u>\$ 612,231</u>	<u>\$ 594,447</u>	<u>\$ 17,784</u>

CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF EXPENSES
BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Sanitation Department			
Salaries	\$ 158,959	\$ 158,119	\$ 840
Payroll tax	11,303	11,303	-
Employee insurance	33,494	33,494	-
Workers compensation	6,541	6,541	-
Retirement contributions	3,436	3,436	-
Telephone	660	664	(4)
Liability insurance	11,610	11,610	-
Repairs and maintenance	8,000	8,055	(55)
Landfill	67,148	67,148	-
Uniforms	844	844	-
Gas and oil	8,502	8,502	-
Rent	17,237	17,237	-
Materials and supplies	135	181	(46)
Equipment	2,600	-	2,600
Total Sanitation Department	<u>\$ 330,469</u>	<u>\$ 327,134</u>	<u>\$ 3,335</u>
Professional Fees			
Legal	18,674	18,674	-
Accounting	33,107	33,107	-
Special Magistrate	560	560	-
Total Professional Fees	<u>\$ 52,341</u>	<u>\$ 52,341</u>	<u>\$ -</u>
Other Operating Expenses			
Credit card fees	71,524	71,524	-
Facility maintenance	3,141	3,141	-
Telephone	3,499	3,499	-
Postage	3,535	4,465	(930)
Utilities	79,095	79,095	-
Advertising	4,214	4,214	-
Miscellaneous	2,121	2,158	(37)
Comprehensive plan	5,625	5,625	-
Supplies	2,612	2,861	(249)
Copier	4,470	4,233	237
Software support	9,010	9,010	-
Employee appreciation	1,933	1,933	-
Pest control	1,964	1,964	-
Cleaning and janitorial	223	223	-
Data storage	398	398	-
Hurricane	2,654	2,654	-
Total Other Operating Expenses	<u>\$ 196,018</u>	<u>\$ 196,997</u>	<u>\$ (979)</u>
Total	<u>\$ 1,854,445</u>	<u>\$ 1,761,464</u>	<u>\$ 92,981</u>

CITY OF BOWLING GREEN, FLORIDA
ENTERPRISE FUND
DETAIL SCHEDULE OF EXPENSES BY DEPARTMENT
NON-GAAP BUDGET BASIS
YEAR ENDED SEPTEMBER 30, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL WATER & SEWER</u>	<u>SANITATION</u>	<u>TOTAL</u>
Salaries	\$ 176,069	\$ -	\$ 176,069	\$ 158,119	\$ 334,188
Payroll tax	11,016	-	11,016	11,303	22,319
Employee insurance	23,027	-	23,027	33,494	56,521
Workers compensation	6,541	-	6,541	6,541	13,082
Retirement contributions	998	-	998	3,436	4,434
Contract operators	237,579	429,990	667,569	-	667,569
Professional fees	987	-	987	-	987
Sludge hauling	-	25,288	25,288	-	25,288
Effluent line	-	22,522	22,522	-	22,522
Telephone	1,789	2,394	4,183	664	4,847
Permitting	-	9,500	9,500	-	9,500
Utilities	664	-	664	-	664
Liability insurance	11,610	11,610	23,220	11,610	34,830
Repairs and maintenance	97,455	77,012	174,467	8,055	182,522
Rent	17,328	-	17,328	17,237	34,565
Landfill	-	-	-	67,148	67,148
Miscellaneous	8	14,205	14,213	-	14,213
Uniforms	1,583	-	1,583	844	2,427
Postage	164	-	164	-	164
Gas and oil	415	1,600	2,015	8,502	10,517
Dues and subscriptions	2,726	-	2,726	-	2,726
Materials and supplies	586	326	912	181	1,093
	<u>\$ 590,545</u>	<u>\$ 594,447</u>	<u>\$ 1,184,992</u>	<u>\$ 327,134</u>	<u>\$ 1,512,126</u>

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***

SCHEDULE OF FINDINGS

MANAGEMENT LETTER

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, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated February 13, 2026.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2025-01, 2025-02 and 2025-03.

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. 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 in black ink that reads "CS&L CPAs".

CS&L CPAs, P.A.

February 13, 2026
Bradenton, Florida

**CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

2025-01 Transparency – Budget on Website

Finding and recommendation 2025-01 is carried forward from Finding and recommendation 2024-04 from the preceding annual financial audit.

Criteria: In accordance with Florida Statute 166.241(3), the City is required to the final adopted budget on the City's website with 30 days after adoption, and it should remain on the website for at least two years.

Condition: During our audit, we noted that the final adopted budget for the City's 2024-25 fiscal year was not posted to the City's website.

Content/Cause: A review of the City's website as part of our audit procedures identified that the final adopted budget for the City's 2024-25 fiscal year was not posted to the City's website.

Effect: The City did not post the final adopted budget to the City's website pursuant to Florida Statute 166.241(3).

Recommendation: We recommend that the City establish a policy that ensure the final adopted budget is posted on the City's website pursuant to Florida Statutes. In addition, the City should update its website for past budgets to comply with the statute.

2025-02 Credit Card Purchases

Criteria: Internal controls over credit card purchases should ensure that the City obtains receipts/invoices in support of purchases. Receipts/invoices should be maintained in City disbursement files pursuant to the City's documentation retention policies.

Condition: During our audit, we noted that the City was not able to produce all credit card receipts for credit card purchases made during the year.

Content/Cause: Audit procedures identified that the City did not maintain all credit card receipts/invoices in support of purchases made.

Effect: The City did not maintain appropriate disbursements records for purchases made.

Recommendation: We recommend that the City establish internal controls to ensure credit card purchases are supported by actual receipts/invoices. All amounts paid should be based on actual receipts and not only credit card statements. In addition, the City should review all access to credit cards and ensure only authorized personnel have access. The City should also ensure that the use of City credit cards are approved and reviewed by someone independent of the City employee making the purchase. The City Manager or other City employee should review all credit card usage on a regular basis.

CITY OF BOWLING GREEN, FLORIDA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

2025-03 Utility Rates-Outside City Rates

Criteria: The City, as part of its utility system rate structure, has established an outside of city rate that includes an additional 25% of the standard city water and wastewater rates for those customers who live outside of the City limits.

Condition: Audit procedures identified one instance in which the City did not appropriately apply the outside of city rate to a resident who lives outside of city limits.

Content/Cause: The City has established procedures to ensure that enacted utility rates are current and included within the City's utility billing system. However, the City did not correctly apply the appropriate established outside of city rate.

Effect: For the customer for which the out of city rate was not applied, the customer's utility bill would be understated.

Recommendation: The City should review all customers who reside outside of City limits and ensure that the adopted rates are properly included.

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, 2025, and have issued our report thereon dated February 13, 2026.

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; 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*, Schedule of Findings, 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 13, 2026, 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 2025-01 is a continuation of Finding 2024-04.

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 the Schedule of Findings.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

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)7, 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 fraud, waste 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.



CS&L CPAs, P.A.

February 13, 2026
Bradenton, Florida



104 East Main Street
Bowling Green, FL 33834

CITY OF
Bowling Green

Telephone: (863) 375-2255
<https://bowlinggreenflorida.net>

February 13, 2026

State of Florida
Office of the Auditor General
P. O. Box 1735
Tallahassee, FL 32305-1735

Re: Response to Audit Findings – Fiscal Year Ended September 30, 2025

To Whom it May Concern:

On behalf of the City of Bowling Green, please accept this letter as our formal response to the Schedule of Findings for the fiscal year ended September 30, 2025 Audit. The City appreciates the professionalism of the audit process and has taken immediate corrective action on each finding. All matters have been reviewed with staff, corrective measures have been implemented, and internal procedures have been strengthened to prevent recurrence.

Finding 2025-01 – Transparency: Budget on Website

The City's prior website was directed to be shut down in October 2024 due to ADA compliance concerns, and the new website was not brought online until July 2025. The City Clerk has been formally directed to ensure the final adopted budget is posted to the City's website within 30 days of approval and maintained in accordance with Florida Statute 166.241(3). Procedures have been established to ensure ongoing compliance.

Finding 2025-02 – Credit Card Purchases

All outdated credit cards have been deactivated, and only designated personnel now have access to assigned cards. Staff has been re-instructed that receipts must be submitted promptly after each purchase, and in instances where a receipt is unavailable, a written memorandum detailing the purchase, purchaser, date, and reason for the missing receipt is required. Supervisory review of credit card usage has also been reinforced.

Finding 2025-03 – Utility Rates: Outside City Rates

Staff has been directed to review all out-of-city customer billing summaries prior to monthly billing processing to confirm the 25% outside city surcharge is properly applied. Internal review procedures have been strengthened to ensure adopted rates are consistently reflected in the utility billing system. This additional verification step will help prevent future occurrences.

The City remains committed to maintaining strong internal controls, transparency, and compliance with all applicable statutes and policies. We appreciate the guidance provided through the audit process and will continue to monitor these corrective actions to ensure sustained compliance.

Sincerely,


Dawn Page
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, 2025. Management of the City 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, 2025.

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.

CS&L CPAs

CS&L CPAs, P.A.

February 13, 2026
Bradenton, Florida