

City of Bowling Green, Kentucky



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2024





Photo credit:
Josh Morel

REPORT OVERVIEW

The Popular Annual Financial Report (PAFR) is intended to brief the residents of the City of Bowling Green on the financial standing of the City. The PAFR also highlights FY2025 budgetary initiatives to show the City's planned investments for the upcoming year. The information reflected in this report was drawn from the FY2024 Annual Comprehensive Financial Report (ACFR). The ACFR conforms to the generally accepted accounting principles (GAAP) and includes audited financial statements.

Component unit information related to Bowling Green Municipal Utilities is not disclosed within this Popular Annual Financial Report. For more detailed information and copies of the ACFR and past PAFR reports, visit the City's website at www.bgky.org.



COMMUNITYSERVICEGROWTH

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A MESSAGE FROM THE CITY MANAGER

We are pleased to present the City of Bowling Green’s fourteenth Popular Annual Financial Report (PAFR) for the 2024 Fiscal Year.

This report is intended to present a condensed overview of the City’s financial position, financial practices, and details outlining how City revenues were generated and spent. Financial information in this report is derived from the independently audited financial statements that are a part of the City of Bowling Green’s Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024.



We are proud to report that the City has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the past 18 years and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the last 13 years.

A special thank you goes out to the dedicated professionals of the City’s Finance Department whose hard work and diligence made this possible.

As you review this Popular Annual Financial Report, please feel free to share with us any questions, concerns, or recommendations.

Respectfully,

Jeffery B. Meisel

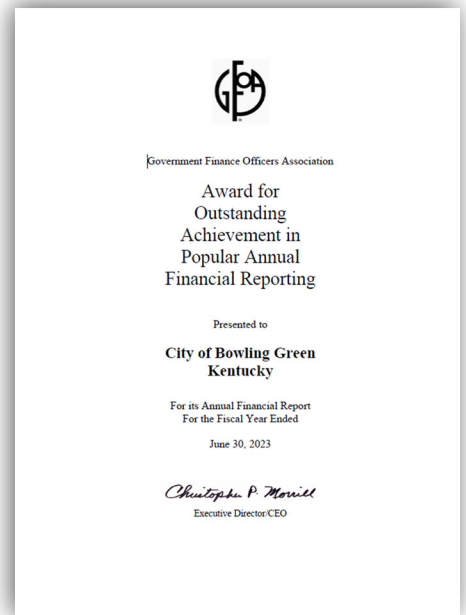


GOVERNMENT FINANCE OFFICERS ASSOCIATION

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Bowling Green for the fiscal year ended June 30, 2023. This is the thirteenth consecutive year the City has received the award.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is only valid for one year.

The City also received the GFOA Certificate of Achievement for Excellence in Financial Reporting Award for the FY2023 ACFR for the eighteenth consecutive year and the Distinguished Budget Presentation Award for the FY2025 budget for the thirteenth consecutive year.



Additionally, from 2019 to 2023, the City has received the GFOA's Triple Crown designation for being awarded the Certificate of Achievement for Excellence in Financial Reporting, Award for Outstanding Achievement in Popular Annual Financial Reporting, and the Distinguished Budget Presentation Award. This designation is also anticipated to be received for 2024.

PROFILE OF BOWLING GREEN

Bowling Green, the “Park City” of Kentucky, was established in 1798, and is located in the south-central part of Kentucky. The City limits occupy an area of 42.6 square miles, has a current population estimated at 76,212, and serves as the retail, educational, medical, commercial, and social hub for South-Central Kentucky and Northern Tennessee.

The City provides a full range of municipal services, including police and fire protection, permitting and inspection services, construction and maintenance of streets and other infrastructure, recreational activities and cultural events, and general administrative services. The City’s workforce as of June 30, 2024, was comprised of 545 authorized full-time positions with 531 of those positions occupied.



HUD High Performer,
Neighborhood & Comm. Services



GFOA Triple Crown Winner,
Finance



Accredited by KY Assoc. of Chiefs of Police,
Police



Accredited by Commission on Fire Accreditation International,
Fire



Accredited by American Public Works Association,
Public Works



KY Parks and Recreation Society Outstanding Program Award & Overall Program of Year,
Parks & Recreation



Arbor Day Foundation Tree City USA,
Parks & Recreation



KY Travel Industry Assoc. Traverse Award Winner: one Gold, five Silver, three Bronze Awards,
Neighborhood & Comm. Services



Accredited by American Association of Code Enforcement,
Neighborhood & Comm. Services



Accredited by KY Assoc. of Chiefs of Police,
Police Dispatch

BOARD OF COMMISSIONERS

The City operates under the City Manager form of government. The City Manager, who is appointed by the Board of Commissioners (Board), is responsible for enforcing City ordinances and policies and for carrying out day-to-day operations. The Board consists of a Mayor and four non-partisan Commissioners who are chosen on a plurality-at-large voting basis. The Board is responsible for passing ordinances and taxation, adopting the budget, appointing committees relating to specific aspects of municipal affairs and ratifying personnel appointments/promotions as recommended by the City Manager.



Todd Alcott, Mayor



Carlos Bailey, Commissioner



Dana Beasley-Brown, Commissioner



Melinda Hill, Commissioner



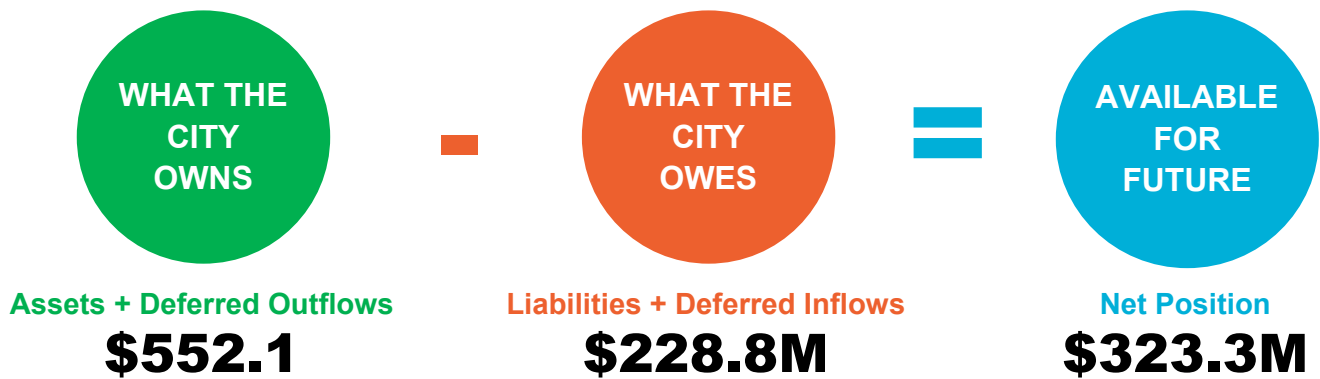
Sue Parrigin, Commissioner

GOVERNMENT-WIDE FINANCIALS

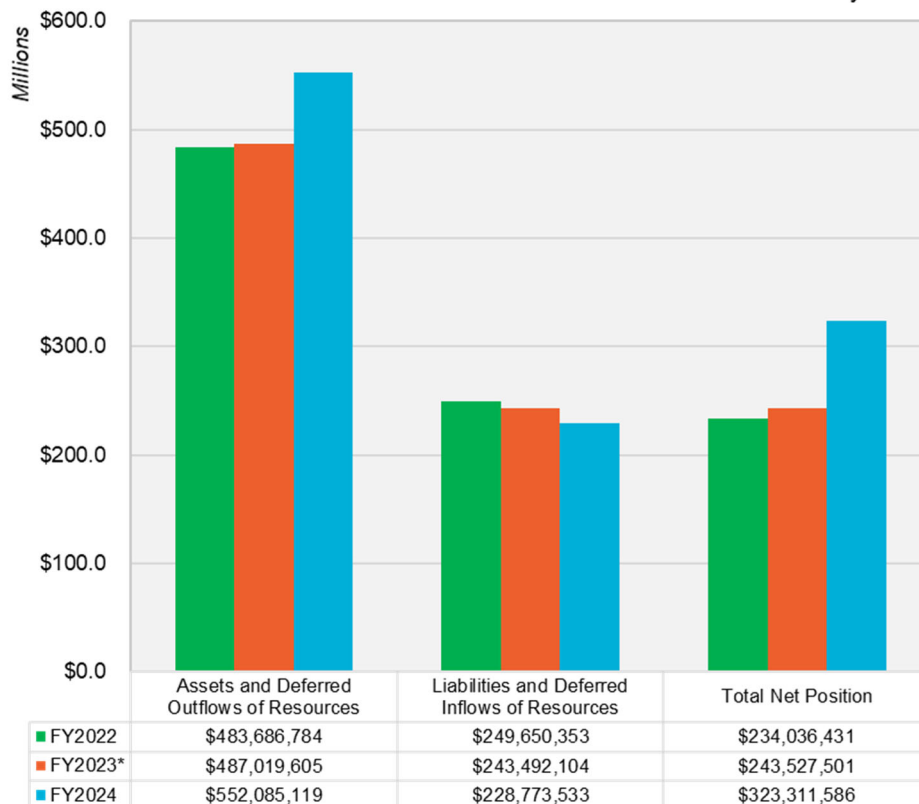
Governmental activities represent activities financed primarily through taxes and intergovernmental revenues. These activities include governmental and internal service funds. The Business-type activities are financed in-whole or in-part by fees charged to external parties for goods and services. These activities are reported in the Convention Center Enterprise Fund and are not reflected in the numbers presented below.

STATEMENT OF NET POSITION

The statement of Net Position represents the City’s assets and liabilities, deferred outflows and deferred inflows, and the resulting net position. Net position is the difference between what the City *owns* and what the City *owes*. A positive net position balance indicates a measure of financial stability. The City’s **total governmental net position increased to \$323.3M in FY2024, an increase of \$79.8M, or +32.8%.**



Governmental Activities Statement of Net Position History



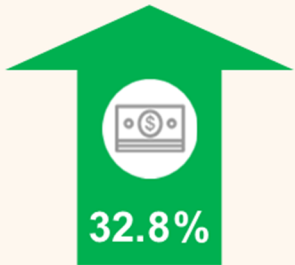
* FY2023 asset and net position balances were restated.

The City’s **governmental net position** has **grown \$89.3M since FY2022**. The growth in net position is due to increasing assets resulting from investment in capital and infrastructure assets. Overall, liability totals have decreased due to regularly scheduled debt service payments and decreasing pension and OPEB liabilities.

GOVERNMENT-WIDE FINANCIALS

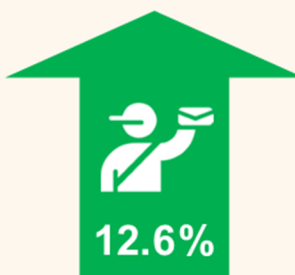
The information on the following two pages provides a short-term view of the City’s governmental operations, illustrates how services are financed, and how the balances remaining at year-end are available for future spending. *Component unit financial information is not disclosed.*

GOVERNMENTAL REVENUES & EXPENSES *(Excludes Business-Type)*




32.8%

\$184,295,182
Annual Revenue




12.6%

\$79,133,447
Wage Withholding and Net Profits



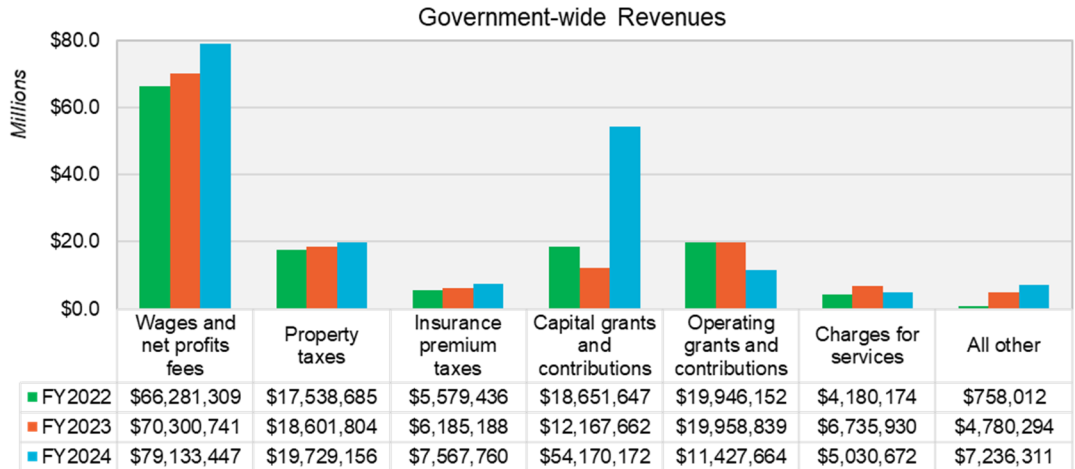
104.2%

\$33,471,335
Operating & Capital Grants



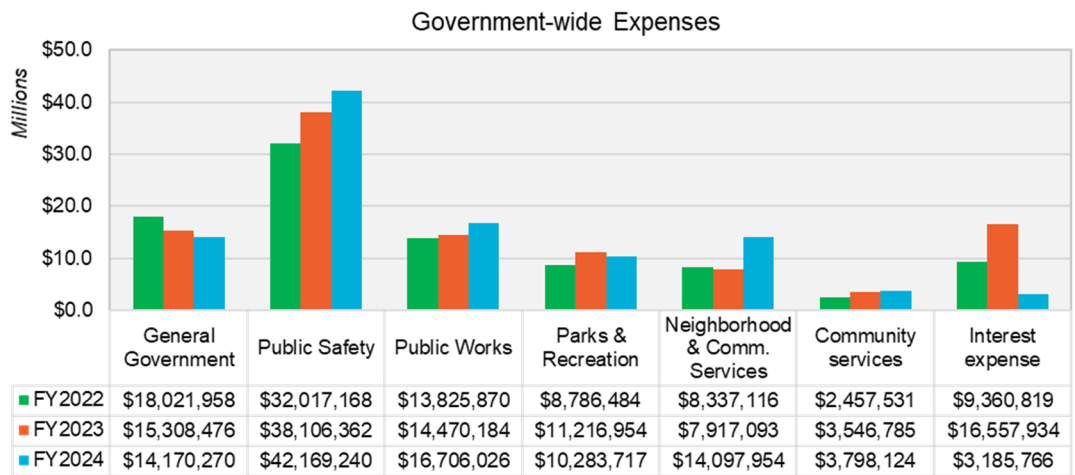
-2.5%

\$104,411,097
Annual Expenses



Revenues increased by \$45.6M, or +32.8%, through June 30, 2024.

- The City’s wage withholdings and net profits grew by \$8.8M in FY2024 and property taxes by \$1.1M due to population and economic base growth resulting from various expansions and new projects within the region.
- Capital grants and contributions also increased, by \$33.5M, as a result of street and sidewalk infrastructure donated to the City.



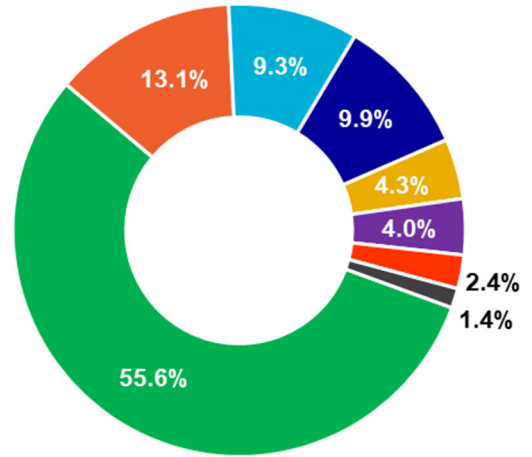
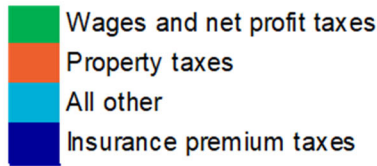
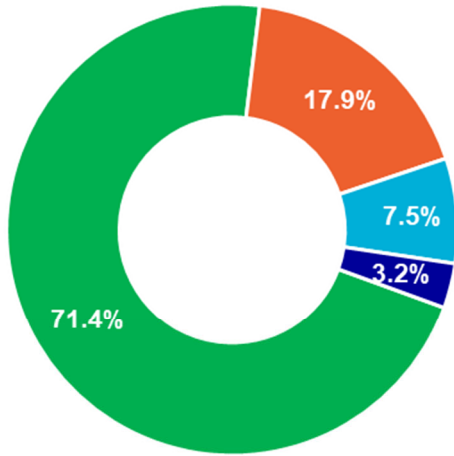
Expenses decreased in FY2024 by \$2.7M, highlights include:

- Interest expense decreased by \$13.4M due to the reclassification of bond proceed expenses as a long term-note receivable in the ITA bond fund.
- Neighborhood and Community Services expenses increased by \$6.2M, or +78.1%, due to the small business incubator, Community Development Block grant, and College Street pedestrian bridge projects.
- Public safety expenses increased by \$4.1M, or +10.7%, due to continued construction costs for a new fire station and a Public Safety Training facility.

GOVERNMENTAL FINANCIALS

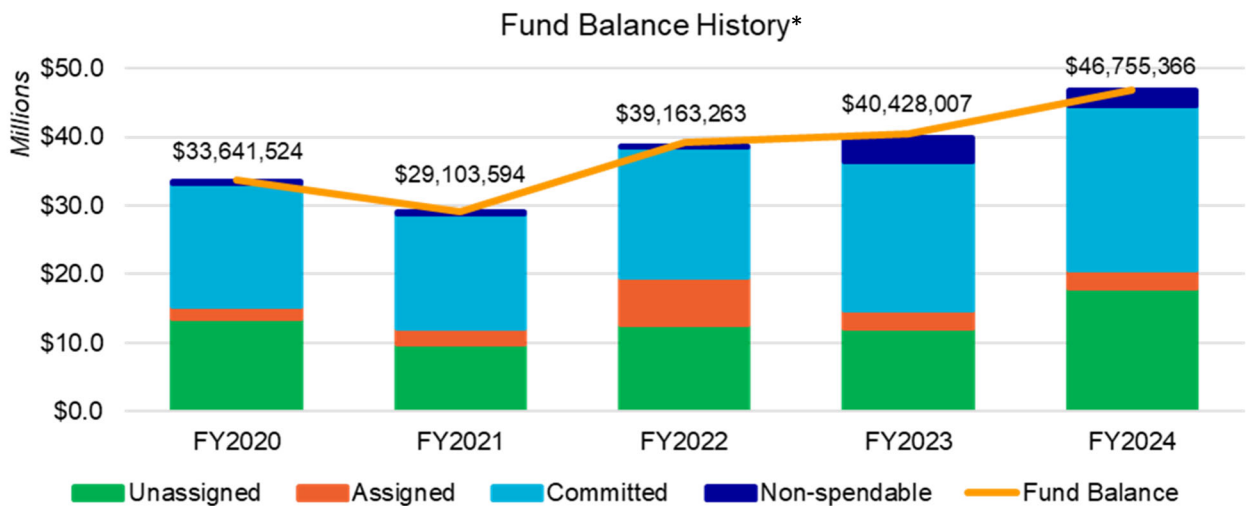
GENERAL FUND FINANCIAL HIGHLIGHTS

Where Did the General Fund Money Come From? How Was the General Fund Money Spent?



The General Fund accounts for the City’s day-to-day operating revenues and expenditures to carry out basic governmental functions such as police and fire protection, recreation, maintenance of streets and sidewalks, and administrative services. Over **71% of General Fund revenue is supplied through local employee wage withholding and business net profit taxes**, which are collected based on wages and business net income earned within the City and annexed limits. Over **55% of General Fund expenditures are used to fund public safety activities** for the Police and Fire Departments, which employ 62% of the City’s workforce.

The fund balance of the General Fund increased by 15.7% in FY2024 over the previous fiscal year due to increased revenue collections resulting from the wage withholding and net profit rate being raised to 2.0%. The largest component of fund balance is the committed or ‘rainy day’ fund, which increased by \$2.5M during FY2024 and was equal to \$24.0M. The fund balance history is below.

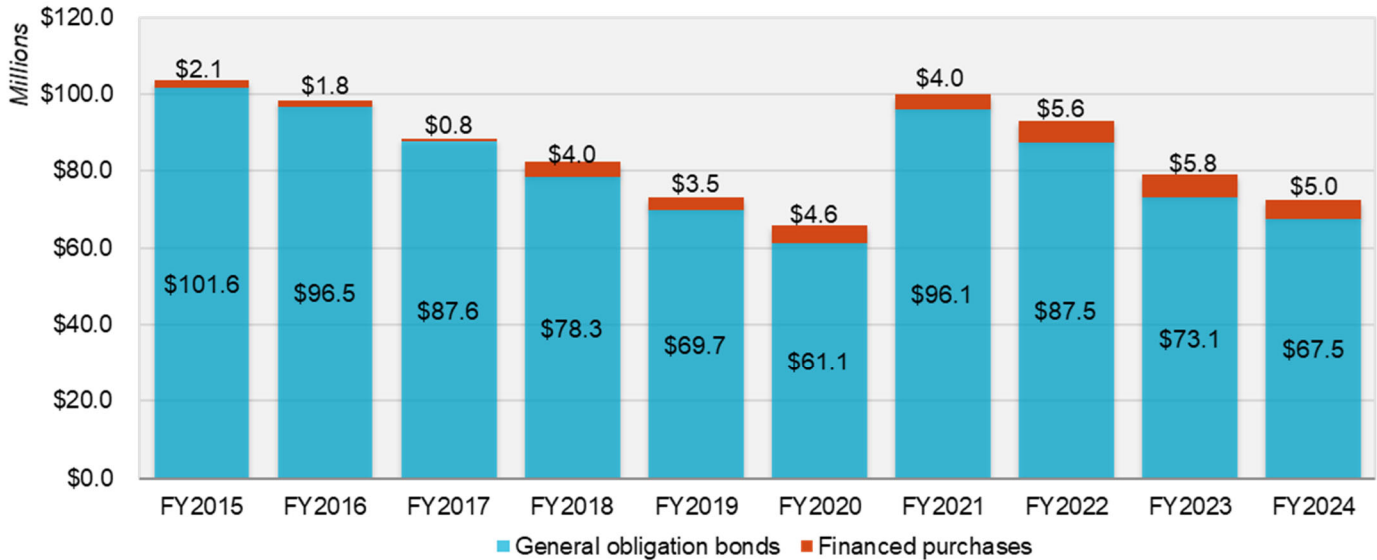


* Restricted fund balances of \$67,000 in FY2020, \$449,999 in FY2022, and \$416,165 in FY2023 are not reflected above.

DEBT AND CAPITAL ASSETS

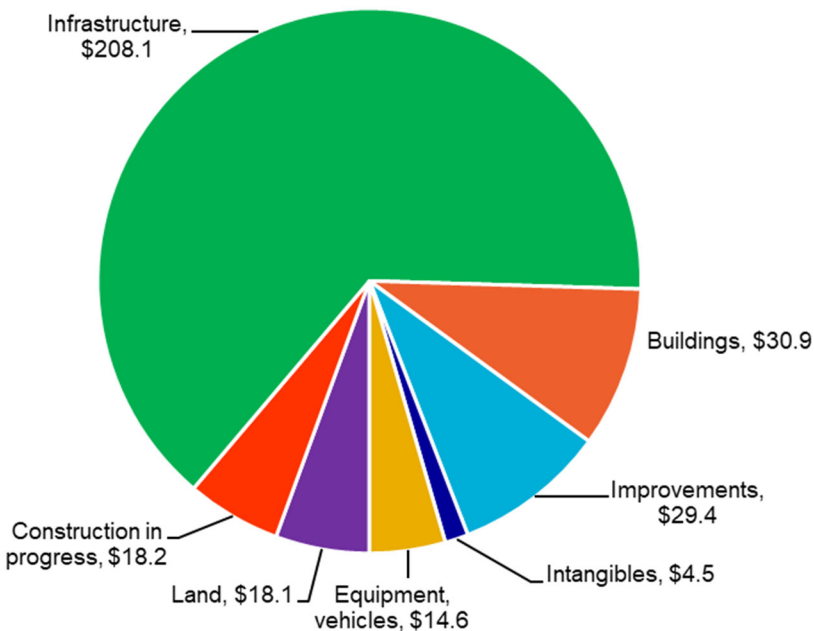
The total governmental long-term debt outstanding at June 30, 2024, was \$72.6M, net of discounts and premiums. Below is a 10 year graphical illustration of the City’s total governmental long-term debt, net of discounts and premiums. In FY2021, the City issued general obligation debt for the first time since 2008; over \$43.8M was financed to fund property acquisition and infrastructure costs associated with the expansion of the Kentucky Transpark.

Long-Term Debt History



In January 2021, Moody’s Investors Service assigned **Aa1 rating to the City’s \$43.8 million General Obligation Bonds**, Series 2021A and Series 2021B and **upgraded the City’s credit rating from Aa2**. This is the second highest rating and signifies the City’s debt is of high quality, subject to low credit risk, and allows the City to borrow at lower interest rates which saves taxpayers dollars.

Governmental Net Capital Assets (In Millions)



The City of Bowling Green uses capital assets to provide vital services and enhance the quality of life of its residents. This includes infrastructure networks of roads, sidewalks, and storm drainage in addition to land, buildings, and equipment.

The City’s governmental net investment in capital assets at June 30, 2024, excluding business-type assets, increased by \$62.3M over last year to \$323.9M.

Major additions during FY2024 include:

- Street, sidewalk, and storm drainage infrastructure additions,
- Various equipment and vehicle purchases and replacements, and
- Improvements to the College Street pedestrian bridge.

HOW WE COMPARE

A comparison of Bowling Green to Owensboro, Kentucky and Franklin, Tennessee is presented below. Per Capita is defined as the total dollar value divided by the population of each city. For example, Debt per Capita is the total bonded indebtedness divided by the population. This calculation allows the debt of each city to be easily compared based on population.

GENERAL COMPARISONS			
	Bowling Green ¹	Owensboro, KY ²	Franklin, TN ³
Population	76,212	60,183	83,454
Total taxable assessed real estate value	\$6,803,038,002	\$4,074,789,740	\$6,993,746,810 ⁴
Real estate tax rate ⁵	\$0.2050	\$0.2640	\$0.3261
Land area (square miles)	42.6	21.66	44.0
Unemployment rate ⁶	4.5%	5.0%	2.9%
General Fund revenues	\$104,057,521	\$69,685,660	\$105,028,680
Total governmental funds—revenue per capita	\$1,787	\$1,679	\$1,886
Total governmental funds—expenditure per capita	\$1,629	\$1,664	\$1,718

DEBT COMPARISONS			
	Bowling Green	Owensboro, KY	Franklin, TN
Total outstanding debt—primary government	\$72,565,107	\$141,226,689	\$271,467,358
Debt per capita	\$952	\$2,347	\$3,253
Net general obligation debt as a percentage of assessed taxable real estate	1.07%	3.47%	3.88%

BOND RATINGS COMPARISONS			
	Bowling Green	Owensboro, KY	Franklin, TN
Standard & Poor's (high to low: AAA, AA+, AA, AA-)	AA	AA	AAA
Moody's (high to low: Aaa, Aa1, Aa2, Aa3, A1)	Aa1	A1	Aaa

¹ FY2024 Annual Comprehensive Financial Report (ACFR).

² FY2024 ACFR (year ended June 30, 2024).

³ FY2023 ACFR (year ended June 30, 2023).

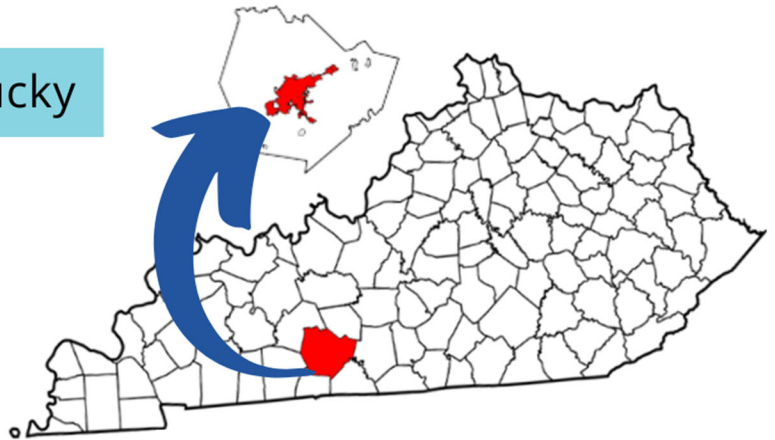
⁴ Real Property Assessment value obtained from Statistical Table "Revenue Capacity Information – Assessed Value and Estimated Actual Value of Taxable Property".

⁵ Real Estate Tax Rates are per \$100 of assessed value.

⁶ Source: US Dept. of Labor, Local Area Unemployment Statistics (preliminary rates for October 2024).

BOWLING GREEN FACTS

- 3rd** Largest city in Kentucky
- 42.6** Square miles
- 531** Total full time employees



11 miles of streets resurfaced	286 miles of streets maintained	289 potholes repaired	223 fire runs	63,367 911 service calls
26,680 building, code, and electrical inspections	889 households receiving assistance	10,257 trees, plants, and shrubs planted	99,159 rounds of golf played	1,000 acres of parks



BOWLING GREEN FACTS

Top Employers

Commonwealth Health Corporation

BG Metalforming LLC

Graves-Gilbert Clinic PSC

Kobelco Aluminum Automotive Products LLC

Houchens Food Group



Western Kentucky University

General Motors Corporation

Warren County Board of Education

Kentucky State Treasurer

City of Bowling Green

Owner Occupied Housing Unit Rate



37.3%

2019-2023

Median Gross Rent

\$948

Persons per household

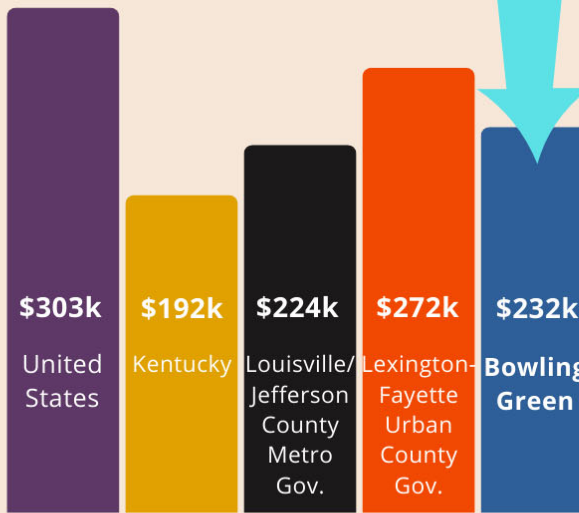
2.29

Median Age

28

Foreign born persons

14.5%



Median value of owner occupied homes with a mortgage

Population Timeline



Bachelor's Degree or higher

32.0%

Mean travel time to work (minutes)

18.8

School Enrollment

23,957

Median Income

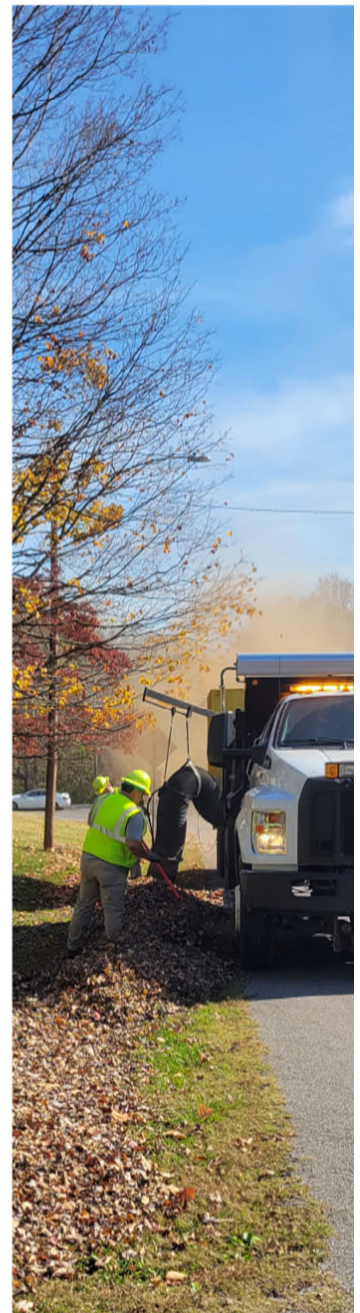
\$48,419

Civilian labor force

66.6%

Unemployment Rate

4.5%



Sources: U.S. Census Bureau Quickfacts and FY2024 City of Bowling Green ACFR

CITY OF BOWLING GREEN FY2025 BUDGET IN BRIEF



**COMMUNITY LED
SERVICE DRIVEN
POWERED BY GROWTH**

\$107.3M GENERAL FUND **+11.6%** | **ALL FUNDS** **+12.4%** **\$176.4M**

This brief is a snapshot of the City's annual budget for Fiscal Year 2025 and the investment in each of the Strategic Plan Pillars in the upcoming budget year.

Strong Neighborhoods

- \$2M+** Turf Soccer fields at Lovers Lane Soccer Complex
- \$700k** Playground upgrades at two locations
- \$700k** Sidewalk Construction



Efficient Governance

- General Fund Reserve Balance **\$26.8M**
- Standard & Poors and Moody's credit ratings **Aa1 / AA**
- Multi-Year Financial Plan **5 Year**

Transportation

- \$750k** Greenhill Street Extension
- \$2M** Street Overlay



Downtown Development

- New Downtown Informational Kiosks **3**
- Signage along Downtown Alleys & Heritage Trail **NEW**

City Employee Development

- 3.4%** Cost of Living increase for employees
- NEW** Starting salaries for General employees



Riverfront & Greenways

- Riverfront Park Development, Phase II & III funding **\$4M**
- New Greenways at Highland Way & Dragon Ave **\$1.4M**

Housing Development

- \$5.5M** Funding for Housing Assistance & Affordable Housing
- 750** Total Housing Vouchers



Other Significant Projects

- Networking & Furnishings for Public Safety Training Center **\$2.9M**
- Stormsewer Rehabilitation **\$1.5M**



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2024



**COMMUNITY LED
SERVICE DRIVEN
POWERED BY GROWTH**