



City of Bowling Green, Kentucky

POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



Photo credit:
Wayne Garnon

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 FY2023 budgetary initiatives to show the City's planned investments for the upcoming year. The information reflected in this report was drawn from the FY2023 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 thirteenth Popular Annual Financial Report (PAFR) for the 2023 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, 2023.



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 17 years and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the last 12 years.

A special thank you goes out to the dedicated men and women 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 any questions, concerns, or recommendations you may have with us.

Respectfully,

Jeffery B. Meisel

City Manager

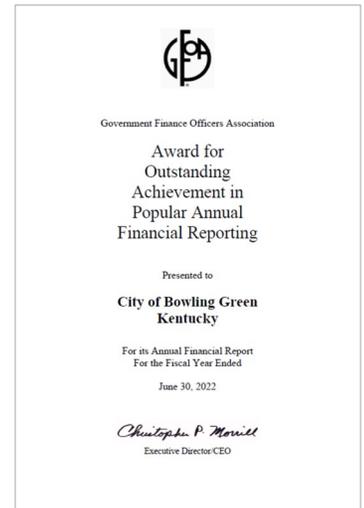


GOVERNMENT FINANCE OFFICERS ASSOCIATION

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Financial Reporting to the City of Bowling Green for the fiscal year ended June 30, 2022. This is the twelfth 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 FY2022 ACFR for the seventeenth consecutive year and the Distinguished Budget Presentation Award for the FY2024 budget for the twelfth consecutive year.



Additionally, from 2019 to 2022, 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 2023.

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 74,926, 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, 2023, was comprised of 512 authorized full-time and 300 part-time positions.

The City has received several awards and accolades during the past year, including:



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



Accredited by National Institute for Automotive Service Excellence,
Fleet



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

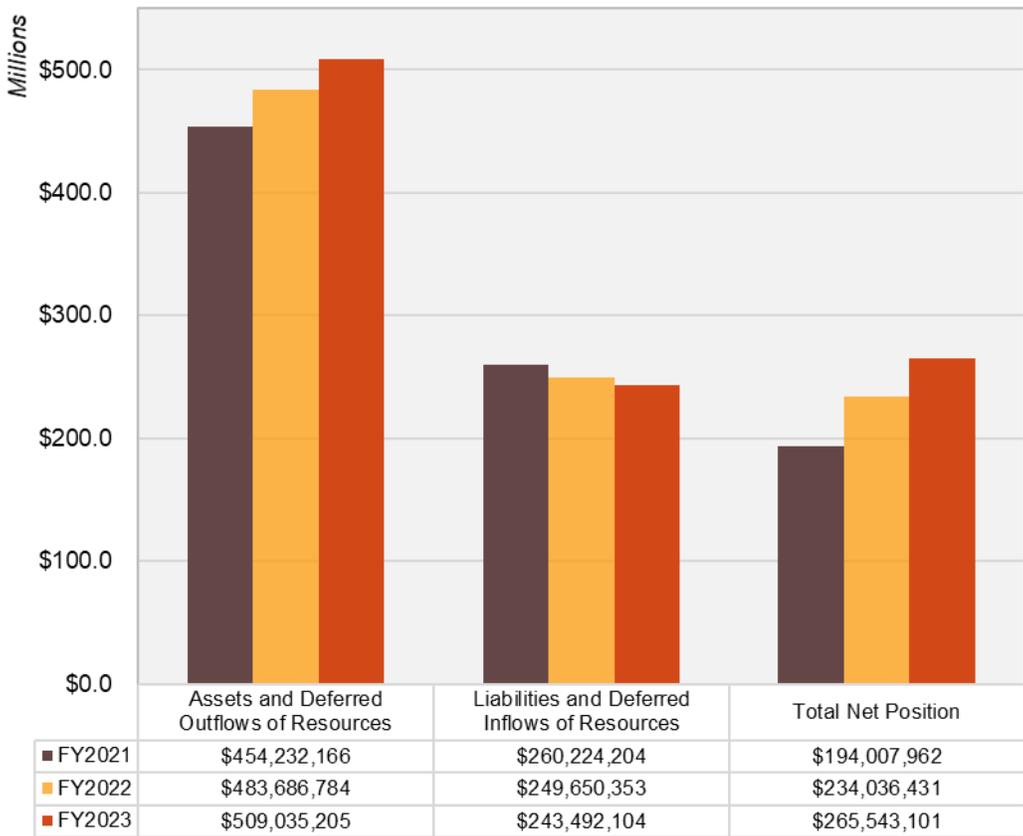
Governmental activities represent activities financed primarily through taxes and intergovernmental revenues. These activities include governmental and internal service funds. The Business-type activities are financed in-whole or in-part by fees charged to external parties for goods and services. These 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** from \$234.0M in FY2022 to **\$265.5M** in FY2023, **an increase of \$31.5M, or +13.5%**.



Governmental Activities Statement of Net Position History

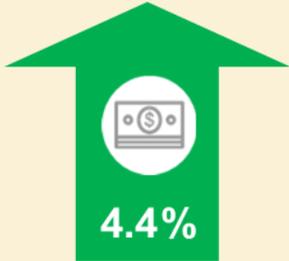


The City's governmental net position has grown \$71.5M since FY2021. The growth in net position is due to increasing assets resulting from investment in capital assets and increased cash holdings. Overall, liability totals have decreased due to regularly scheduled debt service payments and early retirements of debt.

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)*



4.4%

\$138,730,458
Annual Revenue



6.1%

\$70,300,741
Wage Withholding and
Net Profits



-16.8%

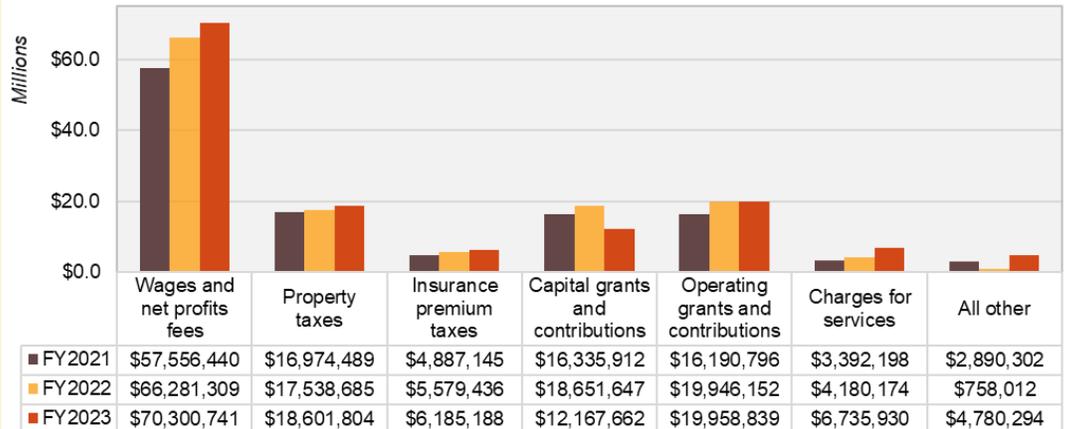
\$32,126,501
Operating & Capital
Grants



15.4%

\$107,123,788
Annual Expenditures

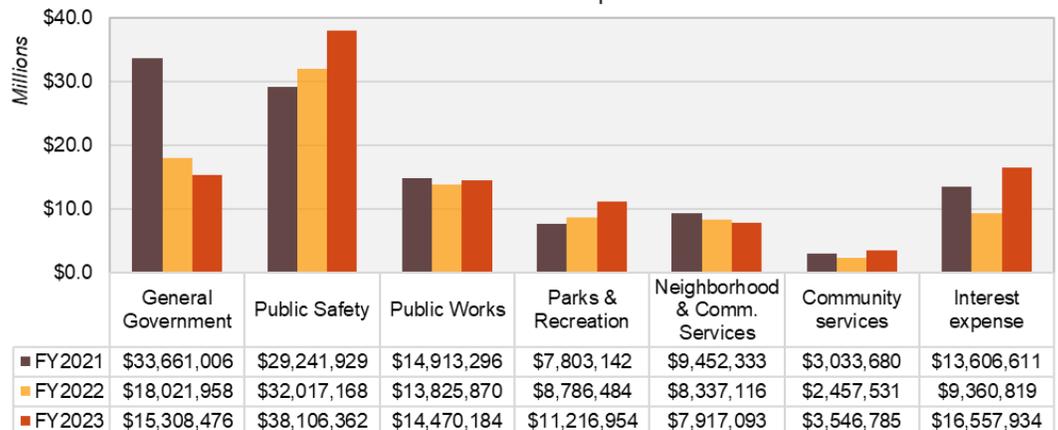
Government-wide Revenues



Revenues increased by \$5.8M, or +4.4% through June 30, 2023.

- The City's wage withholdings and net profits grew by \$4.0M in FY2023 and property taxes by \$1.1M due to continued population growth and economic base resulting from various expansions and new projects within the region.
- Investment earnings also increased, by \$4.5M, as a result of favorable market conditions through June 30, 2023.

Government-wide Expenses



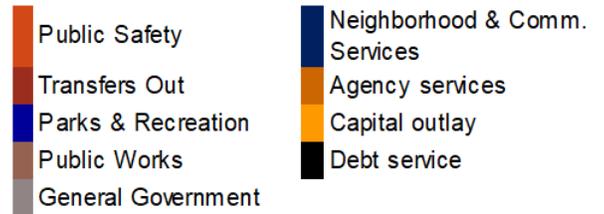
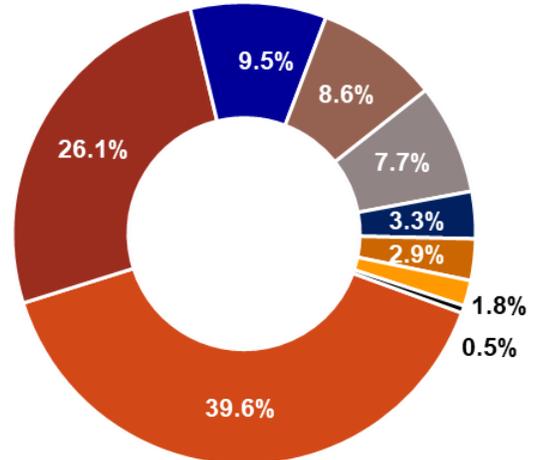
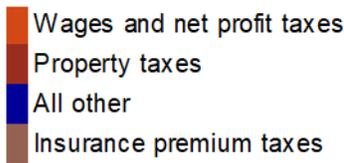
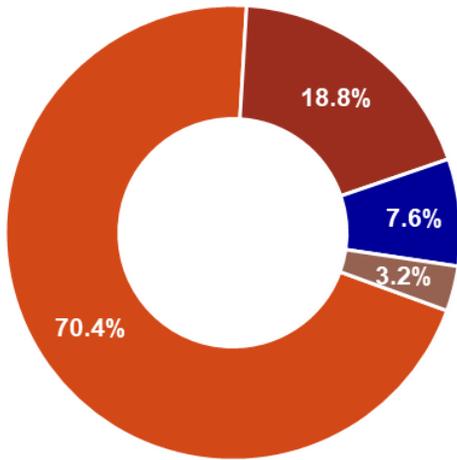
Expenses increased in FY2023 by \$14.3M, highlights include:

- Public safety expenses increased by \$6.1M, or +19.0%, as a result of the construction of a new fire station in the Kentucky Transpark and a Public Safety Training facility to be used by the Police and Fire Departments.
- Interest expense increased by \$7.2M due to the early retirement of debt.
- Parks and Recreation expenses increased by \$2.4M, or +27.7%, due to the commencement of an energy savings and improvement project and completion of capital projects at Hobson Grove Driving Range, Roland Bland Park, and Lovers Lane Soccer Complex.

GOVERNMENTAL FINANCIALS

GENERAL FUND FINANCIAL HIGHLIGHTS

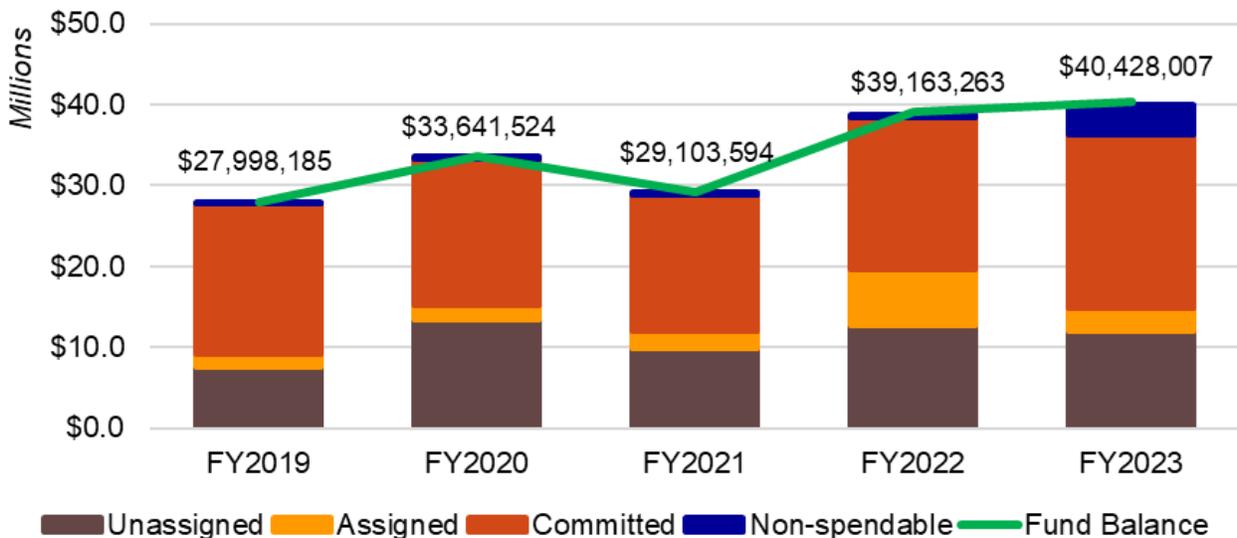
Where Did the General Fund Money Come From? How Was the General Fund Money Spent?



The General Fund accounts for revenues and expenditures to carry out basic governmental functions such as police and fire protection, recreation, maintenance of streets and sidewalks, and administrative services.

The fund balance of the General Fund increased by 3.2% in FY2023 over the previous fiscal year. The largest component of fund balance is the committed or 'rainy day' fund, which was equal to \$21.5M at June 30, 2023. The fund balance history is below.

Fund Balance History*

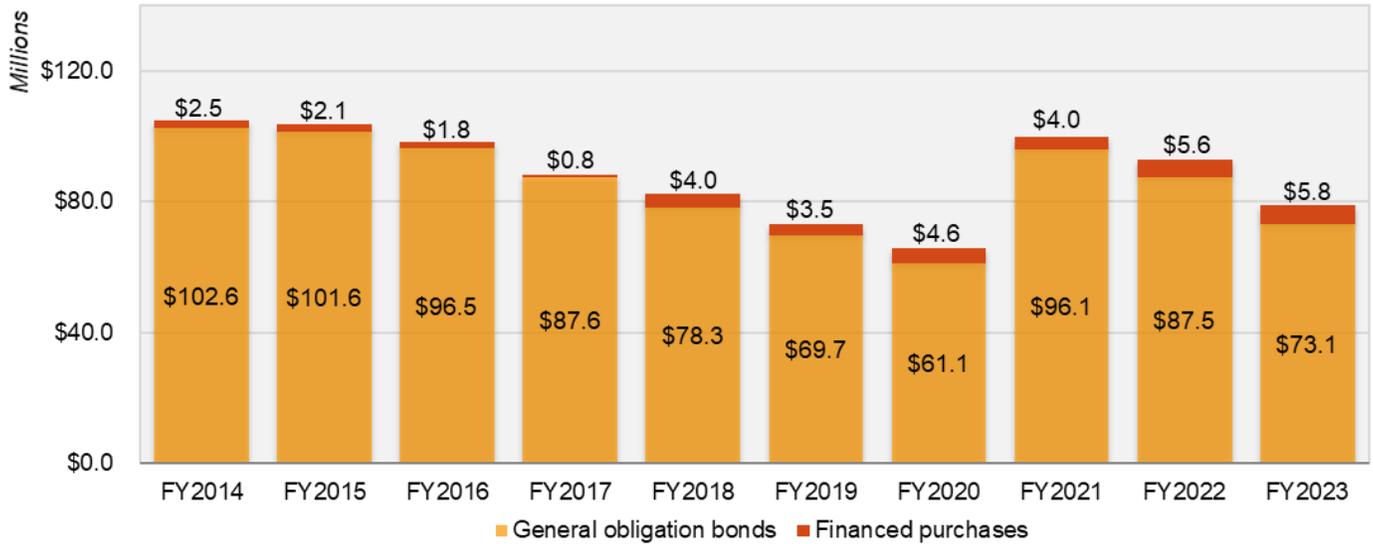


* Restricted fund balances of \$67,000 in FY2020, \$449,999 in FY2022, and \$416,165 in FY2023 are not reflected above.

DEBT AND CAPITAL ASSETS

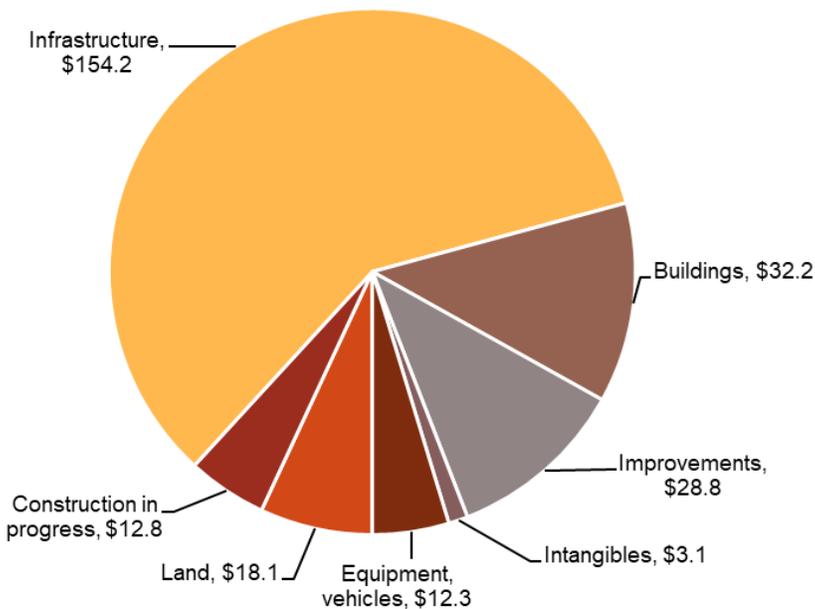
The total governmental long-term debt outstanding at June 30, 2023, was \$78.9M, net of discounts and premiums. Below is a 10 year graphical illustration of the City’s total governmental long-term debt, net of discounts and premiums. In FY2021, the City issued general obligation debt for the first time 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 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 network 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, 2023, excluding business-type assets, increased by \$17.7M over last year to \$261.6M.

Major additions during FY2023 include:

- Street and sidewalk infrastructure improvements and additions,
- Acquisition of 319 East 10th Avenue, and
- Various equipment and vehicle purchases and replacements.

HOW WE COMPARE

Below, Bowling Green is compared to Owensboro, Kentucky and Franklin, Tennessee. 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	74,926	60,037	83,454
Total taxable assessed real estate value	\$6,420,929,195	\$3,893,965,799	\$6,993,746,810 ⁴
Real estate tax rate ⁵	\$0.2050	\$0.2640	\$0.3261
Land area (square miles)	42.6	21.26	44.0
Unemployment rate ⁶	3.6%	4.1%	2.9%
General Fund revenues	\$94,564,880	\$69,685,660	\$105,028,680
Total governmental funds—revenue per capita	\$1,705	\$1,533	\$1,886
Total governmental funds—expenditure per capita	\$1,654	\$1,423	\$1,718

DEBT COMPARISONS

	Bowling Green	Owensboro, KY	Franklin, TN
Total outstanding debt—primary government	\$78,926,355	\$152,269,606	\$271,467,358
Debt per capita	\$1,053	\$2,536	\$3,253
Net general obligation debt as a percentage of assessed taxable real estate	1.23%	3.91%	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 FY2023 Annual Comprehensive Financial Report (ACFR).

² FY2022 ACFR (year ended June 30, 2023).

³ FY2022 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 2023).

CITY OF BOWLING GREEN BY THE NUMBERS

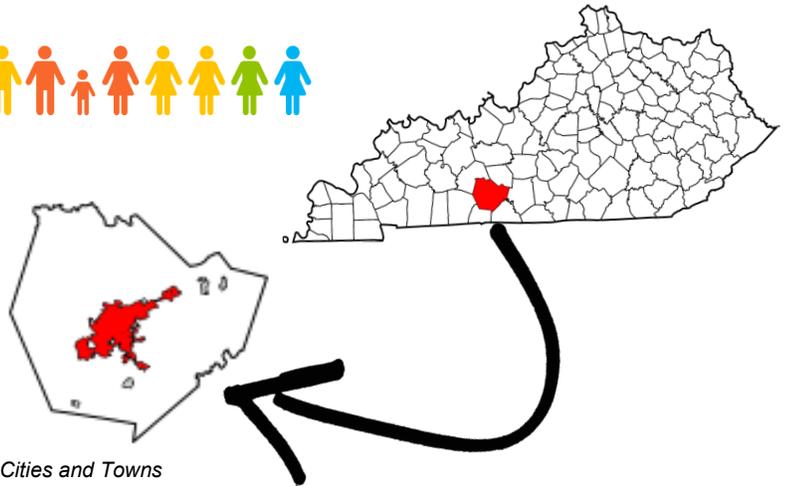
Population **74,926** 

Square Miles **42.6**

3rd Largest City in the State

Unemployment Rate **3.6%***

*Source: US Dept. of Labor, Local Area Unemployment Statistics for Cities and Towns Above 25,000 Population (preliminary rates for October 2023)



PUBLIC WORKS

13
miles of streets resurfaced



Maintained:
280 miles of streets
201 miles of sidewalks

108
potholes repaired



PUBLIC SAFETY



7
fire stations



1
police station



68,220
911 service calls
295
fire runs

NEIGHBORHOOD & COMM. SERVICES

25,077
building, code, and electrical inspections





894
households receiving assistance

PARKS & RECREATION



15
playgrounds



1,000
acres of parks

11,164
trees, plants, and shrubs planted



97,393
rounds of golf played

CITY OF BOWLING GREEN—DID YOU KNOW?

TOP EMPLOYERS

Owner-Occupied Housing Unit Rate

37.9%

Foreign Born Persons

13.9%

Median Value of Owner-Occupied Housing Units

\$215,300

Persons per Household

2.32

Mean Travel Time to Work (minutes)

19.1

Bachelor's Degree or Higher

31.0%

Western Kentucky University	3,334	
	2,997	Commonwealth Health Corp.
General Motors Corp.	1,415	
	1,302	BG Metalforming
Warren County Board of Education	1,216	
	1,113	Graves Gilbert Clinic PSC
Houchens Food Group	1,042	
	970	Henkel Corporation
Union Underwear	838	
	816	Kobe Aluminum Products LLC

Median Age

28

Median Income

\$43,812

School Enrollment

23,686

Median Gross Rent

\$815

Source: City of Bowling Green FY2023 ACFR Statistical Section and US Census Quick Facts for Bowling Green, Kentucky.



Photo Credit: Terry Chou

FY2024 BUDGET HIGHLIGHTS

This brief is a snapshot of the City's annual budget for Fiscal Year 2024 and the investment in each of the eight Strategic Plan Pillars in the upcoming budget year.



 <p>STRONG NEIGHBORHOODS 1 New Community Navigator Position \$1.0M for Code Compliance and Animal Protection services</p>	<p>EFFICIENT GOVERNANCE General Fund Reserve Balance \$24.0M Credit Ratings of Aa1 and AA Published Multi-Year Financial Plan</p> 
 <p>TRANSPORTATION \$2.6M for Public Transit Program 16+ Miles of Street to be paved</p>	<p>DOWNTOWN DEVELOPMENT New Position for Downtown Maintenance 1 Target Number of Downtown Events 200</p> 
 <p>CITY WORKFORCE DEVELOPMENT 6.5% Cost of Living increase for employees Increased Starting Salaries for Public Safety</p>	<p>RIVERFRONT & GREENWAY DEVELOPMENT Design and Public Input Underway Riverfront Park Development Project \$2.0M</p> 
 <p>HOUSING DEVELOPMENT 742 Total Housing Vouchers Over \$4.9M for Housing Assistance & Affordable Housing</p>	<p>TECHNOLOGY/INTERNET INFRASTRUCTURE Software Maintenance Investment \$1.25M+ Cybersecurity Investment \$388,000</p> 





POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



COMMUNITYSERVICEGROWTH