



City of Bowling Green, Kentucky MONTHLY FINANCIAL MEMORANDUM

For month ending September 30, 2023

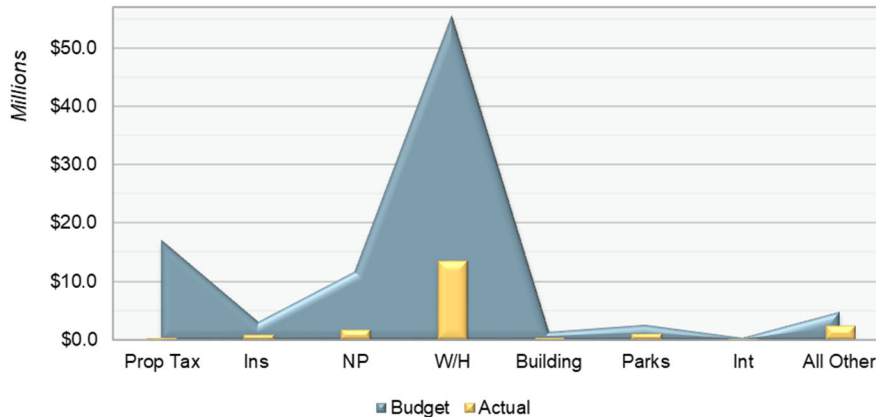
NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and a few other funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional anomalies may occur. This report should be used for informational purposes only.

Assistant City Manager/CFO Commentary

Revenue Highlights:

The total FY2024 amended General Fund revenue budget is \$96,735,000. Through September, \$19,768,000 has been collected, or 20.4% of the amended revenue budget. The FY2024 adopted revenue budget was increased by +9.8% over the FY2023 adopted budget, aligning with new and expansion business announcements. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Only one category shows a negative or nominal decrease for September FY2024 vs. September FY2023, that being building fees. Please note that approx. 62% of the all other category at this point in the year is composed of a net reversal of a prior year-end fair market value adjustment on investments. It is an "on paper" only revenue that does not constitute cash collections.

General Fund YTD Budget to Actual Comparison - Revenues
through September 30, 2023

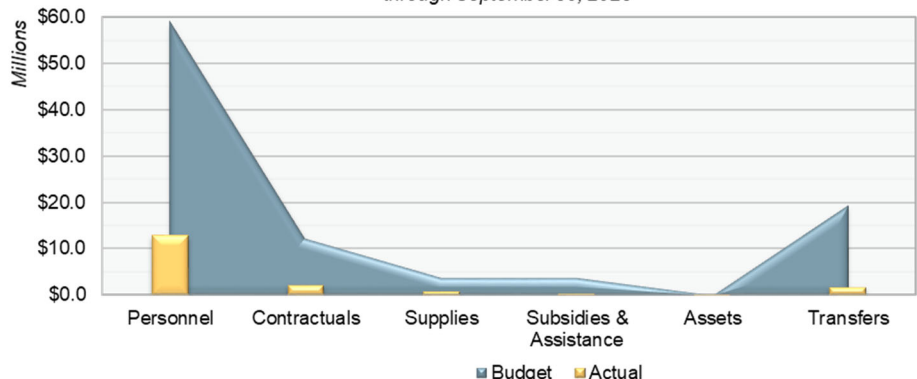


Expenditure Highlights:

The total amended FY2024 General Fund expenditure budget is \$100,121,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2024 amended expenditure budget is +\$6,182,000, or +6.6%, more than the FY2023 amended budget through the third month of the fiscal year. The increase in the General Fund amended budget impacts most expenditure categories, including: Personnel +9.6%, Supplies +5.1%, and Transfers Out +31.5%.

The Employee Health Care Trust Fund as a whole includes a budgetary increase of \$124,000, or +1.5%, over the prior year. The largest expenses of the fund are claims for medical, dental, vision, and prescription costs. These costs are also budgeted to narrowly increase by \$41,000 or +0.6% to fully cover rising costs to operate the on-site health clinic and the City's self-funded employee health insurance program.

General Fund YTD Budget to Actual Comparison - Expenditures
through September 30, 2023



Katie Schaller-Ward

Assistant City Manager/Chief Financial Officer

FY2024 YTD

Compared to September 2023

Total Revenues:

+\$1,945,000
(+10.9%)



Wage Withholding Fees:

+\$688,000
(+5.4%)



Total Expenses:

+\$2,634,000
(+16.5%)



Personnel Expenses:

+\$987,000
(+8.2%)



COMMUNITY.
SERVICE.
GROWTH.

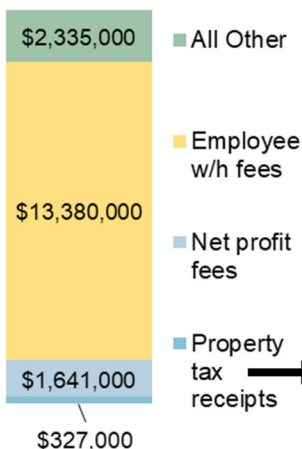
This financial report is designed to provide a general overview of the City of Bowling Green's finances. Questions or requests for information should be addressed to the Assistant City Manager/CFO at City Hall Annex, Department of Finance, 1017 College Street, Bowling Green, KY 42101; or (270)393-3000; or accounting@bakv.org.

GENERAL FUND REVENUE ANALYSIS

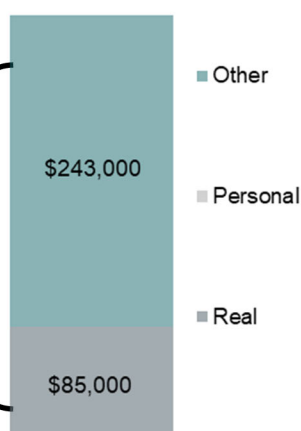
For month ending September 30, 2023

FY2023 YTD		FY2024 YTD		CHANGE (\$)	CHANGE (%)
\$17,823,000		\$19,768,000		+\$1,945,000	+10.9%
Revenue Category	FY2024 Amended Budget	FY2024 Actual	% Collected	Change compared to 9/30/2022	Highlights
Property Taxes	\$17,187,000	\$327,000	1.9%	+\$17,000 (+5.5%)	The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. The invoices for the new property tax year were mailed the first week of October.
Insurance Premium Taxes	3,060,000	790,000	25.8%	+\$88,000 (+12.5%)	This self-reported tax is collected in both the General Fund and Fire Improvement Fund; five year totals are presented on page four.
Net Profit Fees	11,710,000	1,641,000	14.0%	+\$462,000 (+39.2%)	The FY2024 budget was increased 14.2% from FY2023 to match the streamlined business practices tied to the current environment. Collections through September reflect a \$199,000 increase for FY2024 vs. September FY2023. CY2022 extensions are being processed.
Employee WH Fees	55,571,000	13,380,000	24.1%	+\$688,000 (+5.4%)	The FY2024 budget for this revenue source was increased by +12.5% compared to FY2023 to reflect the job growth related to new and expanded business announcements. September returns showing August wages posted an increase of +4.2% vs. last August. August 2022 and 2023 had four Fridays reported in September, resulting in an even overall comparison.
Building Fees	1,400,000	291,000	20.8%	+\$5,000 (+1.7%)	The FY2024 budget increased +26.7% vs. FY2023 budget due to a number of large revenue generating project announcements. Two out of three revenue accounts show increases through September.
Parks & Rec Receipts	2,607,000	975,000	37.4%	+\$74,000 (+8.2%)	Hobson Golf Course & Driving Range produced +\$1,000 in collections this September vs. FY2023. Overall, Golf operating receipts are up +\$38,000 and Aquatics receipts are up +\$15,000 compared to last fiscal year. Cemetery collections are up +\$14,000.
Interest Earnings	365,000	29,000	7.9%	-\$21,000 (-42.0%)	Interest earnings include both bank balance earnings and investments.
All Other	4,835,000	2,335,000	48.3%	+\$632,000 (+37.1%)	This category contains multiple General Fund grants including COPS for Police personnel, Assistance to Firefighters, Jennings Creek United Way grant, Parks Development distributions to Golf and other taxes and fees. \$1.45M of the current collections relate to a FMV account reversal adjustment that does not constitute actual cash collections.
Total	\$96,735,000	\$19,768,000	20.4%	+\$1,945,000 (+10.9%)	The positive change for FY2024 thru September is attributable to growth with employee withholding fees and net profits representing two of the top three largest revenue sources along with the all other category representing a FMV adjustment.

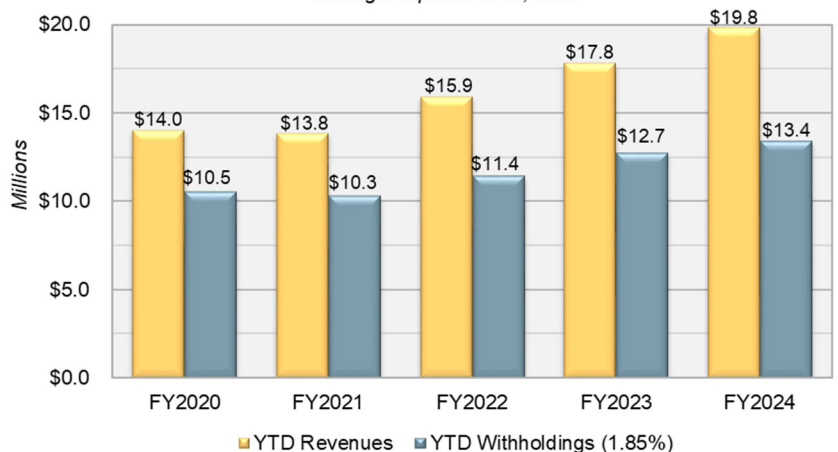
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through September 30, 2023



GENERAL FUND EXPENDITURE ANALYSIS

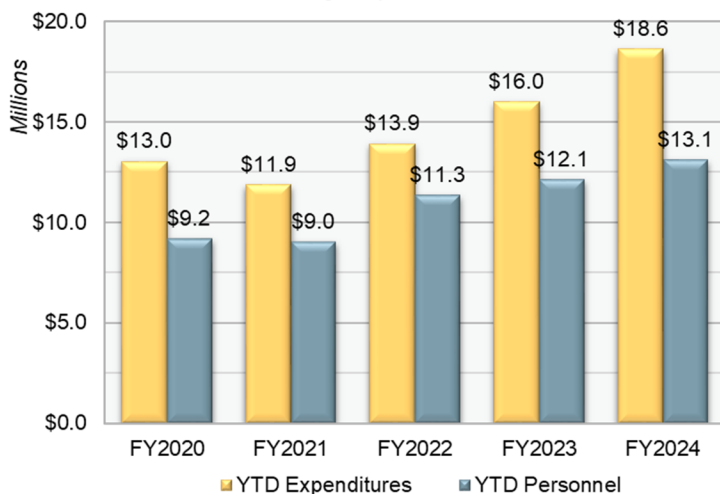
For month ending September 30, 2023



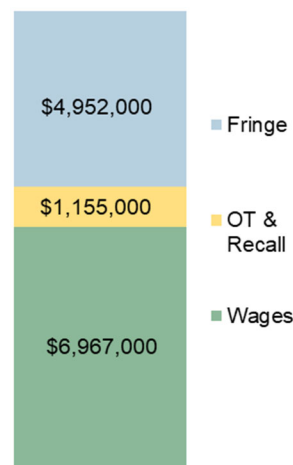
FY2023 YTD		FY2024 YTD		CHANGE (\$)	CHANGE (%)
\$15,991,000		\$18,624,000		+\$2,634,000	+16.5%
Expense Category	FY2024 Amended Budget	FY2024 Actual	% Expended	Change compared to 9/30/2022	Highlights
Personnel	\$59,198,000	\$13,073,000	22.1%	+\$987,000 (+8.2%)	Personnel costs for September were \$4,198,000 and are up when compared to last year by \$987,000, which is comprised of: wages (+\$729,000), overtime & recall (+\$135,000), CERS (+\$13,000), and other fringe benefits (+\$110,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	12,357,000	2,305,000	18.7%	+\$17,000 (+0.7%)	Contractual service costs totaled \$592,000 in September and are up slightly compared to last year at this point due to the expansion of the Parks and Recreation mowing contract and increased fleet costs.
Supplies	3,782,000	970,000	25.6%	+\$345,000 (+55.2%)	Costs for the month totaled \$232,000. The year-to-date increase is the result of a timing of payment difference for the second year of the Police Department in-car and body cameras replacement contract.
Subsidies & Assistance	3,816,000	511,000	13.4%	+\$269,000 (+111.6%)	Subsidy payments totaled \$77,000 during September. The increase compared to last year is due to the Neighborhood Exterior Property Improvements program, which began last October.
Property & Assets	144,000	15,000	10.3%	-\$234,000 (-94.1%)	Asset costs were \$0 this month. Purchases this fiscal year include a personal protective equipment machine at the PW Operations Division.
Fund Transfers	19,423,000	1,750,000	9.0%	+\$1,250,000 (+250.0%)	Fund transfer costs during September were \$850,000 compared to \$500,000 last year at this point in time.
Total	\$98,720,000	\$18,624,000	18.9%	+\$2,634,000 (+16.5%)	Total expenditures for the month were \$5,949,000 and are up compared to FY2023 primarily due to budgeted increases in the personnel and transfer-out expenditure categories.

* Remaining Contingency budget as of 9/30/2023 is \$1,400,912.

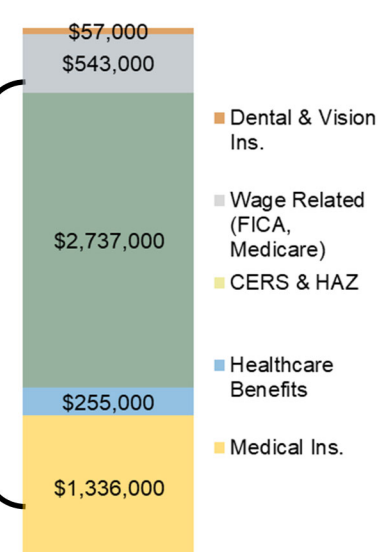
YTD General Fund Expenditure History
through September 30, 2023



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual



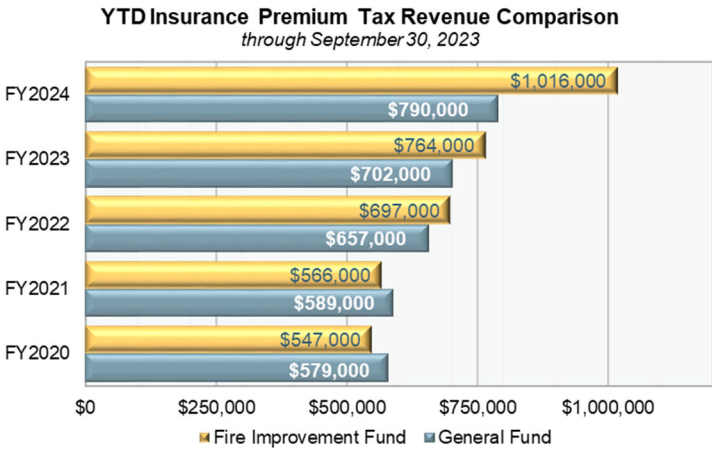


A CLOSER LOOK

Additional detail on the City's Capital Improvement Program and the financial status of the Fire Improvement and Employee Health Care Funds

INSURANCE PREMIUM TAXES

The below five year chart compares insurance premium tax receipts for the General Fund vs. Fire Improvement Fund through September. Through three months, FY2024 figures show an increase of +33.0% vs. FY2023 over the same period.



EMPLOYEE HEALTH CARE FUND

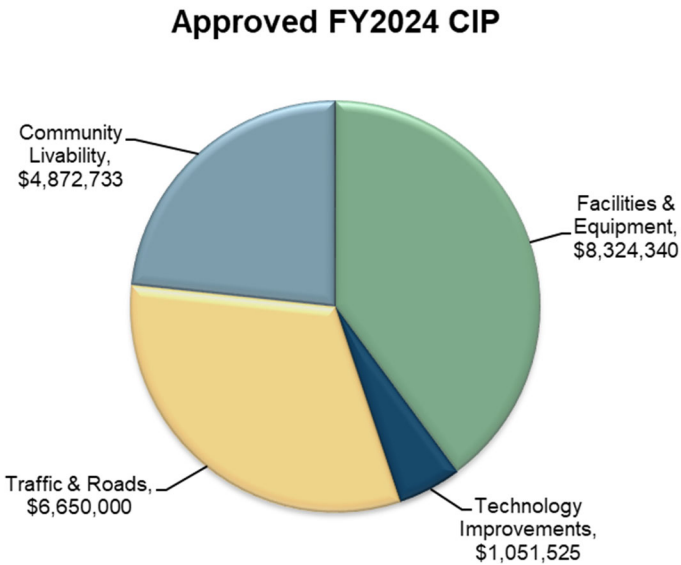
A summary of FY2024 paid claims through September 30, 2023, and the comparison to the prior fiscal year is below:

	FY2024 YTD Expenses	Change vs. FY2023
Medical claims	\$1,353,000	+\$405,000
Prescription claims	\$300,000	+\$157,000
Dental claims	\$115,000	+\$13,000
Vision claims	\$24,000	+\$6,000
Total claims	\$1,792,000	+\$581,000

Total claims are up \$581,000 or +47.9%, compared to last September. Total Health Care Fund expenditures are \$2,108,000, which is up \$534,000, or +34.0%, compared to this point in FY2023. The Employee Health Care Fund budget through September is 24.8% spent.

CAPITAL IMPROVEMENT PROGRAM

The FY2024 Adopted Capital Improvement Program (CIP) totals nearly \$20,899,000, excluding debt, for all City departments with over 48% of that amount represented by General Fund supported projects. CIP costs are defined as those costing over \$25,000 with an expected useful life of at least five years. The CIP is also categorized by the impact to the City, including: Community Livability, Facilities & Equipment, Technology Improvements, and Traffic & Roads. Multiple funding sources are utilized to provide the budget for CIPs, including from the General Fund, Special Revenue funds, Capital Project funds, and grants.



Featured Capital Project



In-car and body camera systems were recommended for replacement in FY2023 due to the age of equipment, ongoing battery failure, maintenance issues, and lack of customer support from the current provider. The replacement plan provides for the purchase of approximately 20 cameras annually for a term of five years. Funding comes primarily from the General Fund and supplemented with Justice Assistance Grant (JAG) funds.