



# City of Bowling Green, Kentucky MONTHLY FINANCIAL MEMORANDUM

For month ending June 30, 2023 (unaudited)

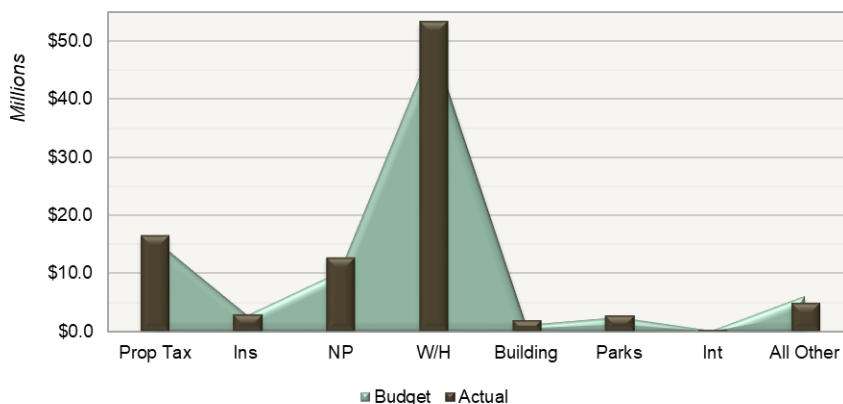
*NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and a few other funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional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

## Assistant City Manager/CFO Commentary

### Revenue Highlights:

The total FY2023 amended General Fund revenue budget is \$88,136,000. Through June, \$95,512,000 has been collected, or 108.4% of the amended revenue budget. The FY2023 adopted revenue budget represents a continued alignment to match the City's growth with a 13.7% increase over the FY2022 adopted budget. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. In June, four revenue categories posted a negative or nominal decrease for when comparing the month of June FY2023 to June FY2022, including property taxes, net profits, parks and recreation and all other. Please note that approximately 5% 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 and the current year fair market value adjustment. It is an "on paper" only revenue that does not constitute cash collections.

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



## FY2023 YTD

Compared to June 2022

### Total Revenues:

+\$1,806,000  
(+1.9%)



### Wage Withholding Fees:

+\$4,279,000  
(+8.7%)



### Total Expenses:

+\$10,973,000  
(+13.2%)



### Personnel Expenses:

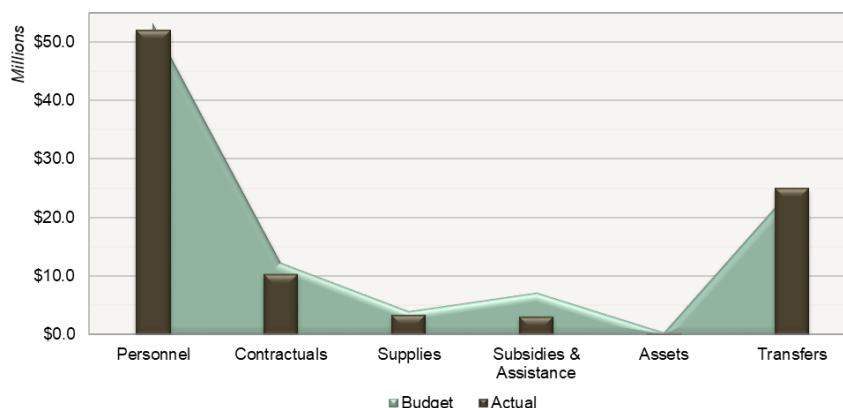
+\$4,929,000  
(+10.5%)



### Expenditure Highlights:

The total amended FY2023 General Fund expenditure budget is \$102,994,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2023 amended expenditure budget is +\$10,260,000 or 11.1% more than the FY2022 amended budget through the twelfth month of the fiscal year. The increase in the General Fund amended budget impacts most expenditure categories, including: Personnel +10.5%, Contractuals +15.5%, Supplies +44.2%, Subsidies & Assistance +9.8%, Assets +289.7%, and Transfers Out +3139.3%. The Personnel budget increase represents nearly \$6.0 million in added expenses over the prior year adopted budget and includes approximately 12% increase in employer retirement costs for CERS hazardous duty.

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



The Employee Health Care Trust Fund as a whole includes a budgetary increase of \$531,000, or +6.8%, 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 increase by \$400,000 or +6.7% to fully cover rising costs to operate the on-site health clinic and the City's self-funded employee health insurance program.

*Katie Schaller-Ward*

Assistant City Manager/Chief Financial Officer



**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@bgky.org](mailto:accounting@bgky.org).

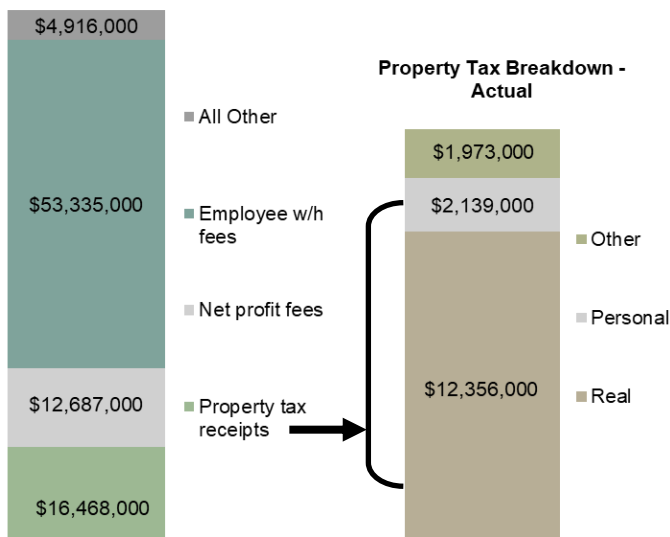


# GENERAL FUND REVENUE ANALYSIS

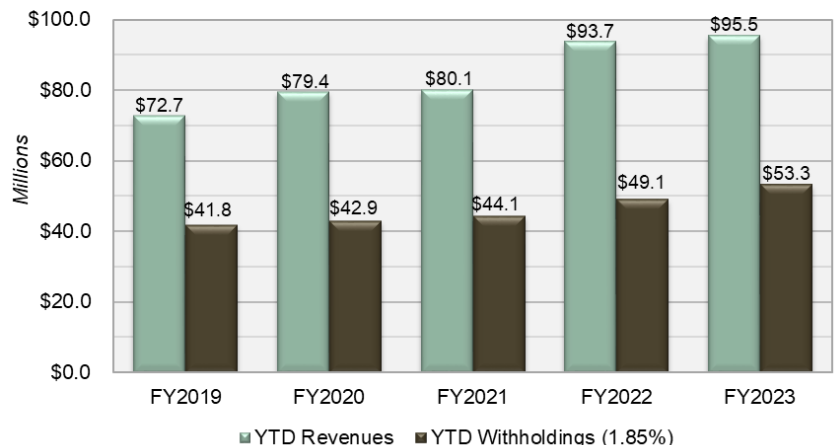
For month ending June 30, 2023

FY2022 YTD		FY2023 YTD		CHANGE (\$)	CHANGE (%)
\$93,706,000		\$95,512,000		+\$1,806,000	+1.9%
Revenue Category	FY2023 Amended Budget	FY2023 Actual	% Collected	Change compared to 6/30/2022	Highlights
Property Taxes	\$15,935,000	\$16,468,000	103.3%	+\$863,000 (+5.5%)	The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. Over 680 invoices remain unpaid from October and 0.5% interest is added monthly until payment is received.
Insurance Premium Taxes	2,800,000	2,970,000	106.1%	+\$316,000 (+11.9%)	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	10,250,000	12,687,000	123.8%	+\$26,000 (+0.2%)	The FY2023 budget was increased 28.8% over FY2022 to account for a continued resurgence of the economy coming out of COVID-19. Collections through June reflect a \$402,000 decrease compared to June FY2022 due to the 90 day extension last year due to the December 2021 tornadoes.
Employee WH Fees	49,395,000	53,335,000	108.0%	+\$4,279,000 (+8.7%)	The FY2023 budget for this revenue source was increased by 14.2% compared to FY2022 to reflect job growth related to new and expanded business announcements. June returns showing May wages posted an increase of 12.2% vs. last May.
Building Fees	1,105,000	1,939,000	175.5%	+\$361,000 (+22.9%)	The FY2023 budget increased 20.1% due to a number of large revenue generating project announcements. Two of three revenue accounts reflect increases in FY2023.
Parks & Rec Receipts	2,394,000	2,861,000	119.5%	+\$250,000 (+9.6%)	Hobson Golf Course & Driving Range produced +\$5,000 in collections this June vs. FY2022. Overall, Golf operating receipts are up \$152,000, Aquatics receipts are up \$2,000, and Cemetery collections have increased \$20,000 compared to last fiscal year.
Interest Earnings	199,000	336,000	168.8%	+\$99,000 (+41.8%)	Interest earnings include both bank balance earnings and investments.
All Other	6,058,000	4,916,000	81.1%	-\$4,388,000 (-47.2%)	The negative in this category is a combination of the end of year fair market value adjustments for investments netted and a significant receivable booked in June of FY2022 for FEMA relief related to the December 2021 tornadoes totaling \$4.3M.
<b>Total</b>	<b>\$88,136,000</b>	<b>\$95,512,000</b>	<b>108.4%</b>	<b>+\$1,806,000 (+1.9%)</b>	The positive change for FY2023 is attributable to growth in each of the top three largest revenue sources of employee withholding fees, property taxes, and net profits. Revenue growth is 6.8% after removal of the one-time FEMA receivable posted in FY2022.

## Top 4 Revenue Drivers - Actual



## YTD General Fund Revenue Comparison through June 30, 2023



# GENERAL FUND EXPENDITURE ANALYSIS

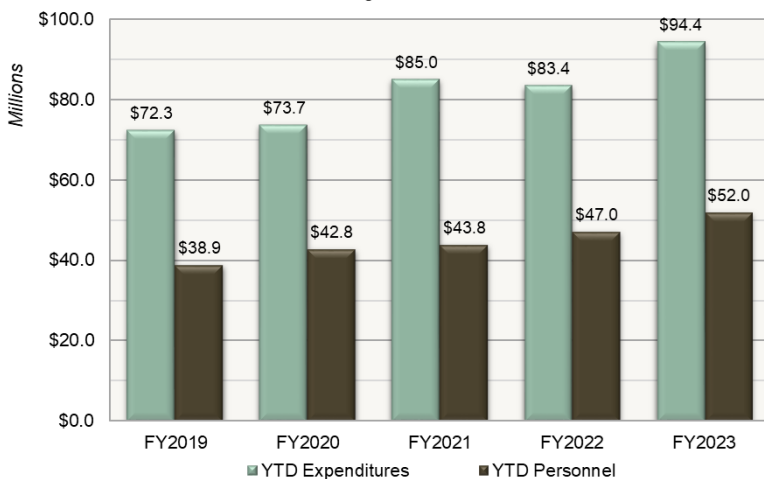
For month ending June 30, 2023



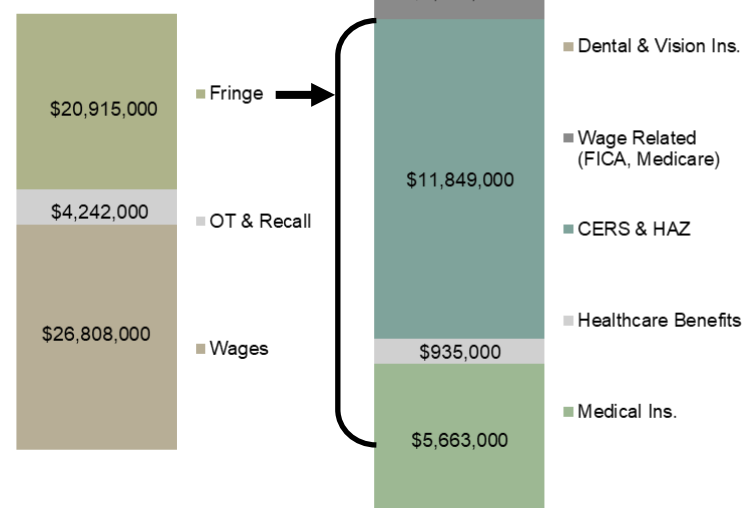
FY2022 YTD		FY2023 YTD		CHANGE (\$)	CHANGE (%)
\$83,396,000		\$94,369,000		+\$10,973,000	+13.2%
Expense Category	FY2023 Amended Budget	FY2023 Actual	% Expended	Change compared to 06/30/2022	Highlights
Personnel	\$53,265,000	\$51,965,000	97.6%	+\$4,929,000 (+10.5%)	Personnel costs for June were \$6,038,000 and are up when compared to last year, which is comprised of: wages (+\$2,795,000), overtime & recall (+\$80,000), CERS (+\$1,813,000), and other fringe benefits (+\$241,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	12,398,000	10,433,000	84.2%	-\$1,672,000 (-13.8%)	Contractual service costs totaled \$1,264,000 in June and are down compared to last year at this point due to prior year expenses related to the December 2021 tornado cleanup.
Supplies	4,124,000	3,437,000	83.3%	+\$1,204,000 (+54.4%)	Costs for the month totaled \$545,000. The year-to-date increase is the result of rising costs, replacement of BGPD tasers, and the first year payment for replacement of Police Department in-car and body cameras.
Subsidies & Assistance	7,319,000	3,152,000	89.2%	+\$626,000 (+24.8%)	Subsidy payments totaled \$96,000 during June. The increase compared to last year is due to additional TIF distributions in the current year.
Property & Assets	462,000	353,000	76.2%	+\$273,000 (+348.8%)	Asset costs were \$29,000 during June. Purchases made this year include the acquisition of property for the Neighborhood Improvement Program and a water quality monitoring station.
Fund Transfers	25,030,000	25,029,000	100.0%	+\$5,613,000 (+28.9%)	Fund transfer costs were \$13,967,000 in June. The current year increase is a result of planning fund transfer distributions more strategically throughout the fiscal year, with more occurring earlier compared to the prior year.
<b>Total</b>	<b>\$102,598,000</b>	<b>\$94,369,000</b>	<b>94.9%</b>	<b>+10,973,000 (+13.2%)</b>	Total expenditures for the month were \$21,939,000 and are up compared to FY2022 due to increases in all expenditure categories, additional TIF distributions, and increased fund transfers.

\* Remaining Contingency budget as of 06/30/2023 is \$396,473.

YTD General Fund Expenditure History  
through June 30, 2023



Overall Personnel Detail - Actual





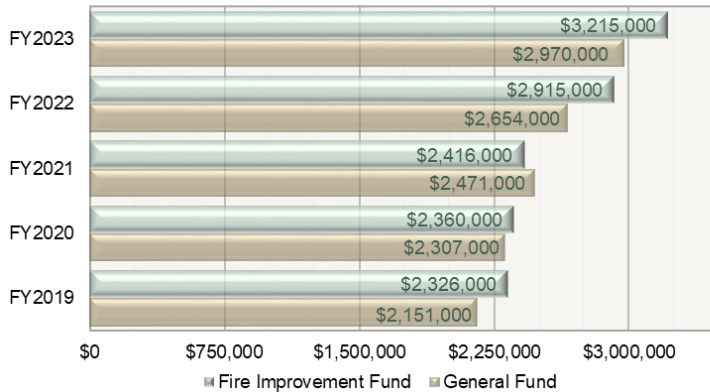
# A CLOSER LOOK

*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 to the Fire Improvement Fund. Through twelve months, FY2023 figures show an increase of 9.9% vs. FY2022 over the same period.

**YTD Insurance Premium Tax Revenue Comparison**  
through June 30, 2023



## EMPLOYEE HEALTH CARE FUND

A summary of FY2023 paid claims through June 30, 2023, and the comparison to the prior fiscal year is below:

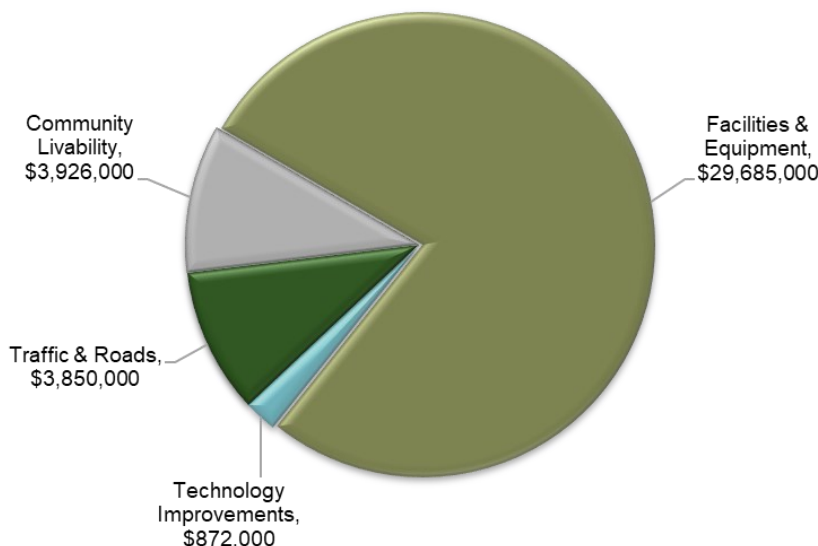
	FY2023 YTD Expenses	Change vs. FY2022
<b>Medical</b> claims	\$4,261,000	-\$186,000
<b>Prescription</b> claims	\$649,000	-\$539,000
<b>Dental</b> claims	\$419,000	+\$29,000
<b>Vision</b> claims	\$96,000	\$0
<b>Total</b> claims	<b>\$5,425,000</b>	<b>-\$696,000</b>

Total **claims are down \$696,000**, or -11.4%, compared to last June. Health Care Fund expenditures total \$7,140,000, which is down \$472,000, or -6.2%, compared to this point in FY2023. The Employee Health Care Fund budget through June is 86.0% spent.

## CAPITAL IMPROVEMENT PROGRAM

The FY2023 Adopted Capital Improvement Program (CIP) totals over \$38,333,000, excluding debt, for all City departments with over 25% 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, grants, and debt. Facilities & Equipment is significantly more for FY2023 due to the construction of two fire stations and a public safety training center.

**FY2023 CIP Budget**



**Featured Capital Project**



Since FY2011, the City has dedicated funding totaling over \$6.1 million to stormwater mitigation projects. The FY2023 budget provided \$200,000 of budget to deepen an existing basin, construct a new retention basin, and complete smaller scale projects. This project has been and will continue to be managed by the Public Works Planning and Design staff.