



# City of Bowling Green, Kentucky MONTHLY FINANCIAL MEMORANDUM

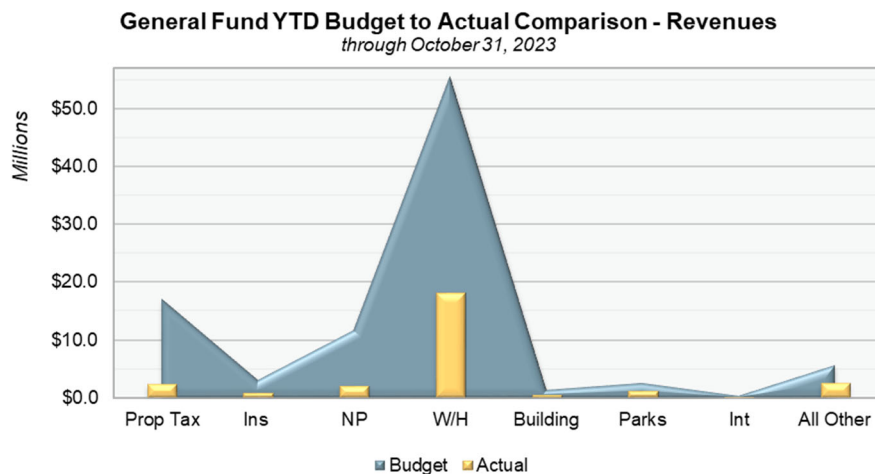
For month ending October 31, 2023

*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:

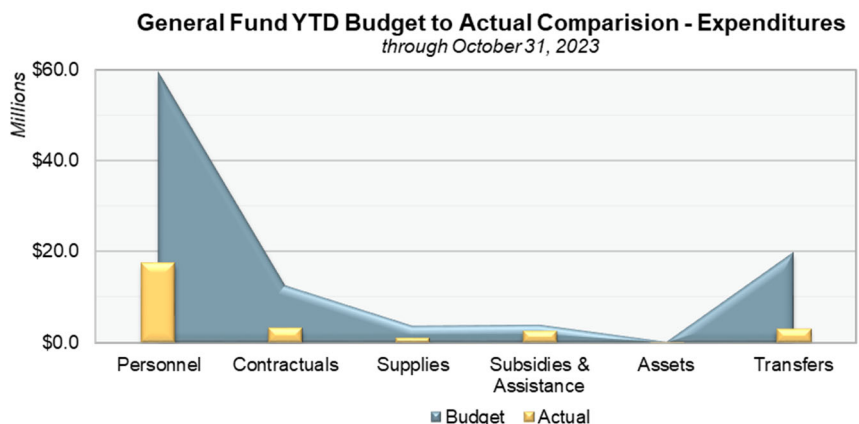
The total FY2024 amended General Fund revenue budget is \$97,460,000. Through October, \$27,622,000 has been collected, or 28.3% of the amended revenue budget. The FY2024 adopted revenue budget was increased by +9.8% over the FY2023 adopted budget, aligning with new and expansion business announcements. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Only property taxes show a negative or nominal decrease for October FY2024 vs. October FY2023. The other categories reflect increases over the prior year. Please note that approx. 57% 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.



### Expenditure Highlights:

The total amended FY2024 General Fund expenditure budget is \$100,640,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2024 amended expenditure budget is +\$6,699,000, or +7.1%, more than the FY2023 amended budget through the fourth month of the fiscal year. The increase in the General Fund amended budget impacts most expenditure categories, including: Personnel +10.2%, Supplies +1.7%, and Transfers Out +35.0%.

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.



*Katie Schaller-Ward*

Assistant City Manager/Chief Financial Officer

FY2024 YTD	
Compared to October 2023	
Total Revenues:	▲
+\$1,947,000 (+7.6%)	
Wage Withholding Fees:	▲
+\$1,085,000 (+6.4%)	
Total Expenses:	▼
-\$893,000 (-3.1%)	
Personnel Expenses:	▲
+\$1,319,000 (+8.3%)	



COMMUNITY.  
SERVICE.  
GROWTH.

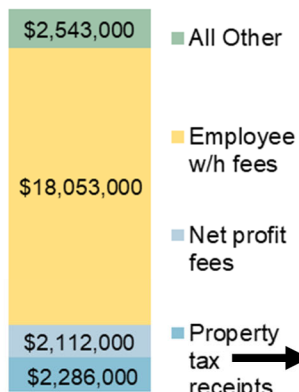
This financial report is designed to provide a general overview of the City of Bowling Green's finances. Questions or requests for information should be addressed to the Assistant City Manager/CFO at City Hall Annex, Department of Finance, 1017 College Street, Bowling Green, KY 42101; or (270)393-3000;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

# GENERAL FUND REVENUE ANALYSIS

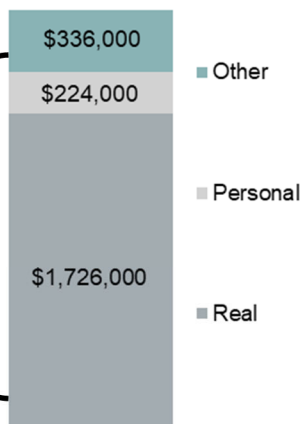
For month ending October 31, 2023

FY2023 YTD		FY2024 YTD		CHANGE (\$)	CHANGE (%)
\$25,675,000		\$27,622,000		+\$1,947,000	+7.6%
Revenue Category	FY2024 Amended Budget	FY2024 Actual	% Collected	Change compared to 10/31/2022	Highlights
Property Taxes	\$17,187,000	\$2,286,000	13.3%	-\$740,000 (-24.5%)	The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. The large deficit compared to FY2023 relates to the delay in Warren County property tax bills being sent out the 1st week of November, with customers waiting until they could pay both bills.
Insurance Premium Taxes	3,060,000	879,000	28.7%	+\$142,000 (+19.3%)	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	2,112,000	18.0%	+\$687,000 (+48.2%)	The FY2024 budget was increased 14.2% from FY2023 to match the streamlined business practices tied to the current environment. Collections through October reflect a \$225,000 increase for FY2024 vs. October FY2023. CY2022 extensions are still being processed.
Employee WH Fees	55,571,000	18,053,000	32.5%	+\$1,085,000 (+6.4%)	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. October returns showing September wages posted an increase of +9.3% vs. last September. September 2022 and 2023 had five Fridays reported in October, resulting in an even overall comparison.
Building Fees	1,400,000	412,000	29.4%	+\$12,000 (+3.0%)	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 October.
Parks & Rec Receipts	2,614,000	1,211,000	46.3%	+\$74,000 (+6.5%)	Hobson Golf Course & Driving Range produced the same in collections this October vs. FY2023. Overall, Golf operating receipts are up +\$43,000 and Aquatics receipts are up +\$15,000 compared to last fiscal year. Cemetery collections are down - \$4,000.
Interest Earnings	365,000	126,000	34.5%	+\$51,000 (+68.0%)	Interest earnings include both bank balance earnings and investments.
All Other	5,553,000	2,543,000	45.8%	+\$636,000 (+33.4%)	This category contains multiple General Fund grants including COPS for Police personnel, Assistance to Firefighters, Jennings Creek United Way grant, Homeland Security grant for a Cybersecurity position, 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.
<b>Total</b>	<b>\$97,460,000</b>	<b>\$27,622,000</b>	<b>28.3%</b>	<b>+\$1,947,000 (+7.6%)</b>	The positive change for FY2024 thru October 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.

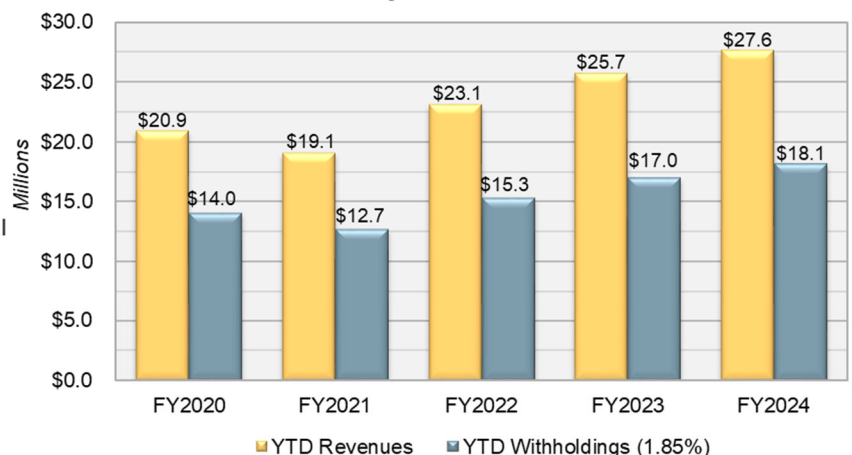
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through October 31, 2023



# GENERAL FUND EXPENDITURE ANALYSIS

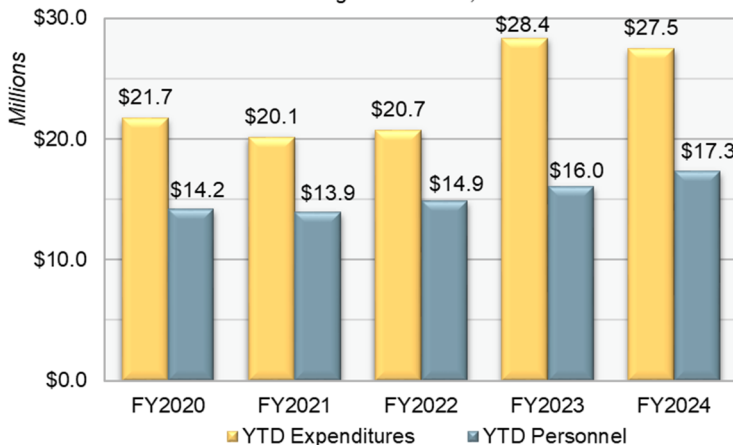
For month ending October 31, 2023



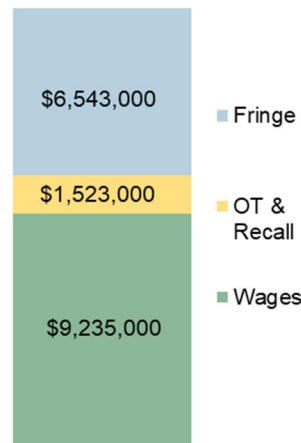
FY2023 YTD		FY2024 YTD		CHANGE (\$)		CHANGE (%)
\$28,357,000		\$27,465,000		-\$893,000		-3.1%
Expense Category	FY2024 Amended Budget	FY2024 Actual	% Expended	Change compared to 10/31/2022	Highlights	
Personnel	\$59,526,000	\$17,302,000	29.1%	+\$1,319,000 (+8.3%)	Personnel costs for October were \$4,228,000 and are up when compared to last year by \$1,319,000, which is comprised of: wages (+\$1,012,000), overtime & recall (+\$152,000), CERS (+\$14,000), and other fringe benefits (+\$141,000). See the charts below for trending information and a breakdown of personnel expenses.	
Contractuals	12,451,000	3,263,000	26.2%	+\$371,000 (+12.8%)	Contractual service costs totaled \$955,000 in October and are up compared to last year at this point due to increased fleet costs, pool bottom repair costs at Russell Sims Aquatic Center, and energy efficiency improvements at various city facilities.	
Supplies	3,662,000	1,128,000	30.8%	+\$271,000 (+31.6%)	Costs for the month totaled \$159,000. 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	3,849,000	2,638,000	68.5%	-\$3,068,000 (-53.8%)	Subsidy payments totaled \$2,128,000 during October. The decrease is due to the one-time payment last October to the ITA for property acquisition costs to expand the Kentucky Transpark.	
Property & Assets	143,000	46,000	31.9%	-\$228,000 (-83.3%)	Asset costs were \$31,000 this month and reflect a decrease due to property acquisitions last October. Purchases this fiscal year include a personal protective equipment machine and a water quality monitoring station.	
Fund Transfers	19,941,000	3,088,000	15.5%	+\$442,000 (+16.7%)	Fund transfer costs during October were \$1,338,000 and are up compared to the prior year due to funding for the newly created Facilities Maintenance Internal Service Fund.	
<b>Total</b>	<b>\$99,572,000</b>	<b>\$27,465,000</b>	<b>27.3%</b>	<b>-\$893,000 (-3.1%)</b>	Total expenditures for the month were \$8,839,000 and are down compared to FY2023 due to one-time expenses posted last October for the Kentucky Transpark and City property acquisitions.	

\* Remaining Contingency budget as of 10/31/2023 is \$1,068,044.

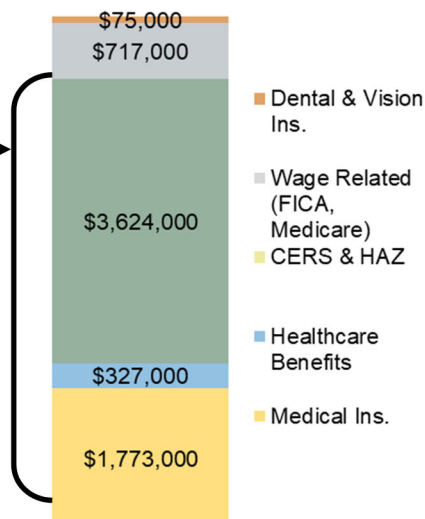
**YTD General Fund Expenditure History**  
through October 31, 2023



**Overall Personnel Detail - Actual**



**Fringe Benefits Detail - Actual**



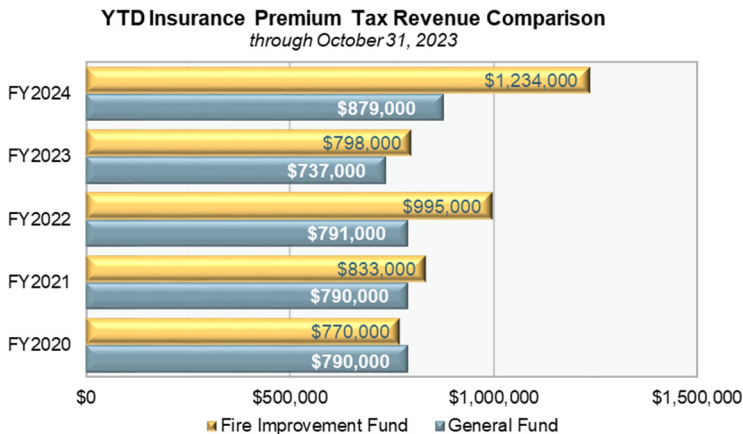


# A CLOSER LOOK

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 October. Through four months, FY2024 figures show an increase of +54.6% vs. FY2023 over the same period.



## EMPLOYEE HEALTH CARE FUND

A summary of FY2024 paid claims through October 31, 2023, and the comparison to the prior fiscal year is below:

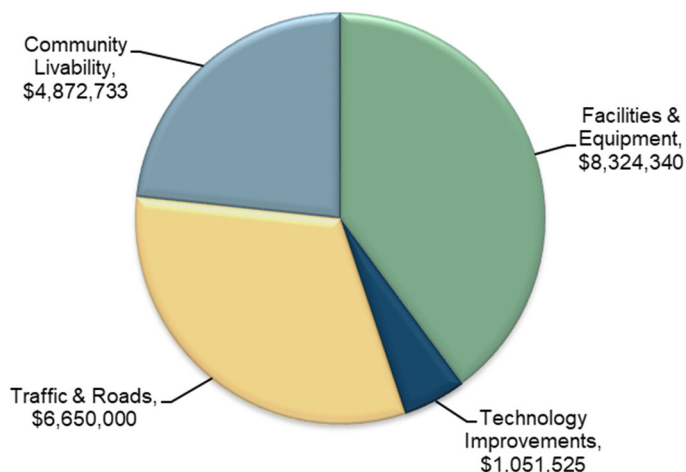
	FY2024 YTD Expenses	Change vs. FY2023
Medical claims	\$1,740,000	+\$558,000
Prescription claims	\$363,000	+\$257,000
Dental claims	\$155,000	+\$29,000
Vision claims	\$32,000	+\$7,000
Total claims	\$2,290,000	+\$851,000

Total claims are up **\$851,000** or +59.1%, compared to last October. Total Health Care Fund expenditures are \$2,706,000, which is up \$789,000, or +41.2%, compared to this point in FY2023. The Employee Health Care Fund budget through October is 31.9% 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.

### Approved FY2024 CIP



### Featured Capital Project



The City Hall Annex lobby remodel was included in the FY2023 budget to improve License Division customer space and to expand the office area as well as add an additional office space for the IT Department. A total of \$50,000 was allocated to the project.