



City of Bowling Green, Kentucky MONTHLY FINANCIAL MEMORANDUM

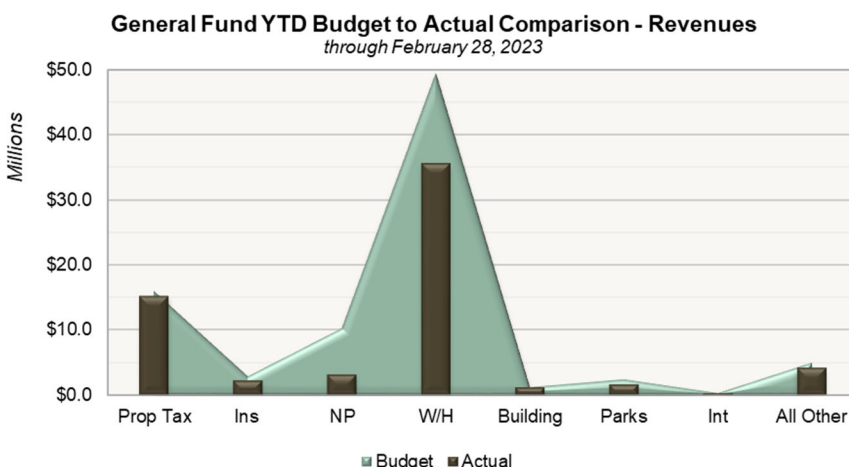
For month ending February 28, 2023

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 FY2023 amended General Fund revenue budget is \$87,031,000. Through February, \$63,188,000 has been collected, or 72.6% 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. Only three categories show a negative or nominal decrease for February FY2023 vs. February FY2022, property taxes, insurance premium taxes and withholding fees; however, the overall February comparison is +\$151,000. Please note that approx. 31% of the all other category at this point in the year is composed of a reversal of a prior year-end fair market value adjustment on investments and is an "on paper" only revenue that does not constitute cash collections.



FY2023 YTD

Compared to February 2022

Total Revenues:

+\$6,651,000
(+11.8%)



Wage Withholding Fees:

+\$3,185,000
(+9.8%)



Total Expenses:

+\$8,551,000
(+18.9%)



Personnel Expenses:

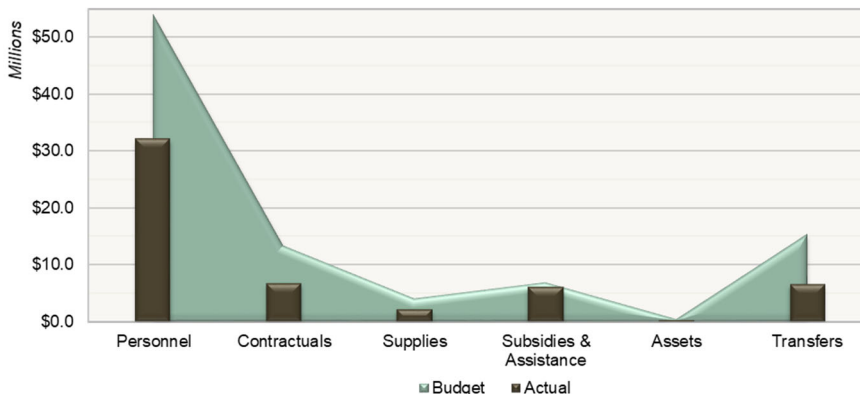
+\$2,622,000
(+8.9%)



Expenditure Highlights:

The total amended FY2023 General Fund expenditure budget is \$94,324,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2023 amended expenditure budget is +\$15,725,000 or 19.9% more than the FY2022 amended budget through the eighth month of the fiscal year. The increase in the General Fund amended budget impacts most expenditure categories, including: Personnel +11.4%, Contractuals +24.4%, Supplies +45.4%, Subsidies & Assistance +115.3%, Assets +64.0%, and Transfers Out +24.5%. 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 February 28, 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@bakv.org.

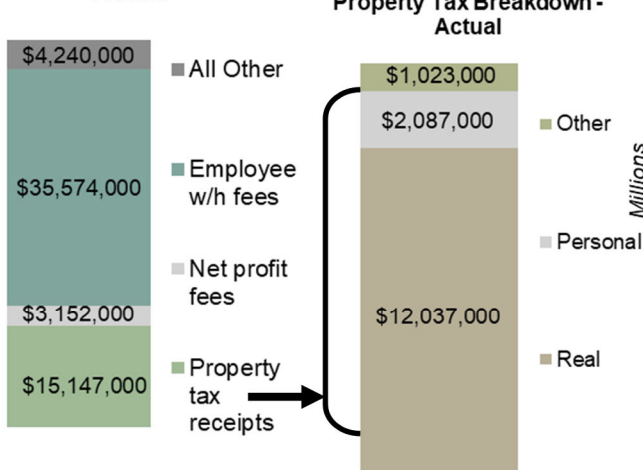


GENERAL FUND REVENUE ANALYSIS

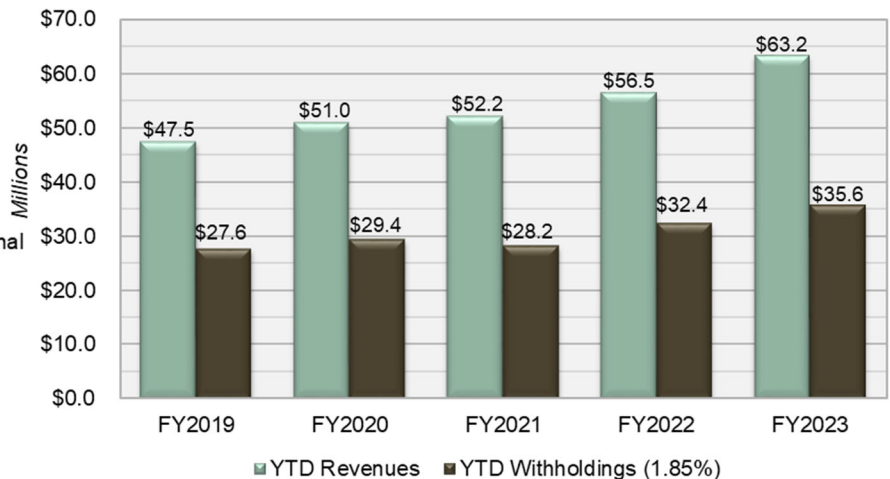
For month ending February 28, 2023

FY2022 YTD		FY2023 YTD		CHANGE (\$)	CHANGE (%)
\$56,537,000		\$63,188,000		+\$6,651,000	+11.8%
Revenue Category	FY2023 Amended Budget	FY2023 Actual	% Collected	Change compared to 2/28/2022	Highlights
Property Taxes	\$15,935,000	\$15,147,000	95.1%	+\$966,000 (+6.8%)	The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. 1,273 invoices remain unpaid from the 23k that were mailed in October. 0.5% interest is added each month until paid starting February 1st.
Insurance Premium Taxes	2,800,000	2,171,000	77.5%	+\$198,000 (+10.0%)	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	3,152,000	30.8%	+\$413,000 (+15.1%)	The FY2023 budget was increased 28.8% from FY2022 to account for a continued resurgence of the economy coming out of COVID-19. CY2021 extensions were due October 2022. Collections through February reflect a \$238,000 increase for FY2023 vs. February FY2022 post extension processing.
Employee WH Fees	49,395,000	35,574,000	72.0%	+\$3,185,000 (+9.8%)	The FY2023 budget for this revenue source was increased by +14.2% compared to FY2022 to reflect the job growth related to new and expanded business announcements. February returns showing January wages posted a decrease of -2.3% vs. last January. January 2022 and 2023 both had four Fridays reported in February, resulting in an even overall comparison.
Building Fees	1,105,000	1,133,000	102.5%	+\$350,000 (+44.7%)	The FY2023 budget increased +20.1% vs. FY2022 budget due to a number of large revenue generating project announcements. All three revenue accounts show increases through February.
Parks & Rec Receipts	2,386,000	1,573,000	65.9%	+\$182,000 (+13.1%)	Hobson Golf Course & Driving Range produced +\$1,000 more in collections this February vs. FY2022. Overall, Golf operating receipts are up +\$108,000 and Aquatics receipts are up +\$2,000 compared to last fiscal year. Cemetery collections are up +\$9,000.
Interest Earnings	199,000	198,000	99.5%	+\$77,000 (+63.6%)	Interest earnings include both bank balance earnings and investments.
All Other	4,961,000	4,240,000	85.5%	+\$1,280,000 (+43.2%)	This category contains multiple General Fund grants including COPS for Police personnel, Assistance to Firefighters for Fire training overtime reimb, grant for Taser replacements, SAFE funds helping with tree removal and replacement, Parks Development Fund distributions to Golf and Aquatics, and other taxes and fees.
Total	\$87,031,000	\$63,188,000	72.6%	+\$6,651,000 (+11.8%)	The positive change for FY2023 is attributable to the reversal of fair market adjustments related to investments as well as growth with employee withholding fees, property taxes, and net profits representing all of the top three largest revenue sources.

Top 4 Revenue Drivers - Actual



YTD General Fund Revenue Comparison through February 28, 2023



GENERAL FUND EXPENDITURE ANALYSIS

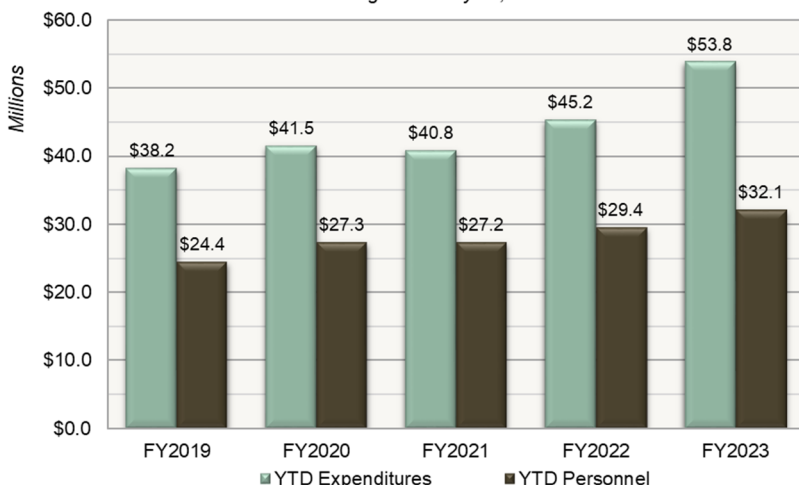
For month ending February 28, 2023



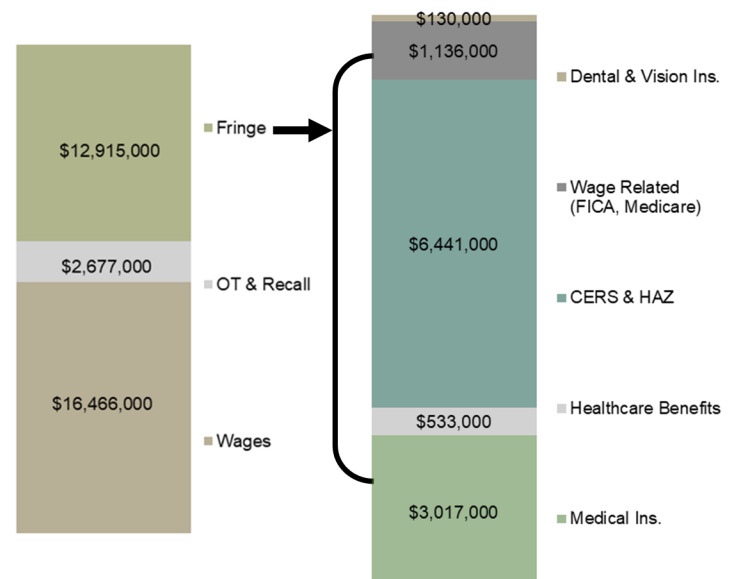
FY2022 YTD		FY2023 YTD		CHANGE (\$)	CHANGE (%)
\$45,244,000		\$53,795,000		+\$8,551,000	+18.9%
Expense Category	FY2023 Amended Budget	FY2023 Actual	% Expended	Change compared to 02/28/2022	Highlights
Personnel	\$53,999,000	\$32,058,000	59.4%	+\$2,622,000 (+8.9%)	Personnel costs for February were \$3,938,000 and are up when compared to last year, which is comprised of: wages (+\$1,517,000), overtime & recall (-\$22,000), CERS (+\$1,073,000), and other fringe benefits (+\$54,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	13,334,000	6,636,000	49.8%	-\$623,000 (-8.6%)	Contractual service costs totaled \$1,083,000 in February and are down compared to last year at this point due to prior year expenses related to the December 2021 tornado cleanup.
Supplies	3,960,000	2,205,000	55.7%	+\$1,019,000 (+85.9%)	Costs for the month totaled \$156,000. The year-to-date increase is the result of increased costs, replacement of BCPD tasers, and the first year payment for replacement of Police Department in-car and body cameras.
Subsidies & Assistance	6,904,000	6,014,000	87.1%	+\$3,994,000 (+197.6%)	Subsidy payments totaled \$7,000 during February. The increase compared to last year is due to additional TIF distributions in the current year and a one-time \$3.4M adjusted payment to the ITA for expansion of the Kentucky Transpark.
Property & Assets	437,000	310,000	71.0%	+\$232,000 (+295.1%)	Asset costs were \$0 during February. Purchases made this year include the acquisition of property for the Neighborhood Improvement Program and a water quality monitoring station.
Fund Transfers	15,334,000	6,572,000	42.8%	+\$1,307,000 (+24.8%)	Fund transfer costs were \$1,450,000 in February. 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.
Total	\$93,968,000	\$53,795,000	56.8%	+\$8,551,000 (+18.9%)	Total expenditures for the month were \$6,634,000 and are up compared to FY2022 due to increases in all expenditure categories, additional TIF distributions, and the one time payment to the ITA.

* Remaining Contingency budget as of 02/28/2023 is \$767,111.

YTD General Fund Expenditure History
through February 28, 2023



Overall Personnel Detail - Actual





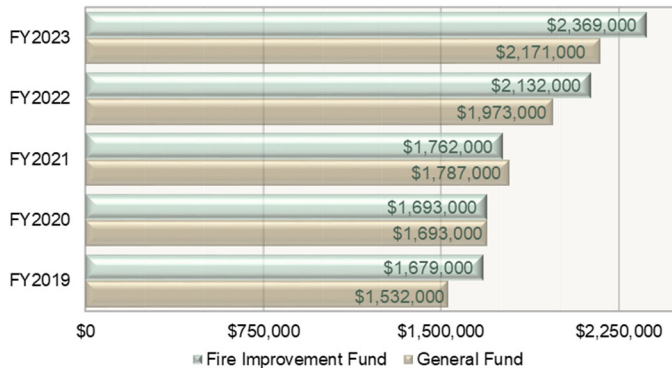
A CLOSER LOOK

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 vs. Fire Improvement Fund through February. Through eight months, FY2023 figures show an increase of +11.1% vs. FY2022 over the same period.

YTD Insurance Premium Tax Revenue Comparison
through February 28, 2023



EMPLOYEE HEALTH CARE FUND

A summary of FY2023 paid claims through February 28, 2023, and the comparison to the prior fiscal year is below:

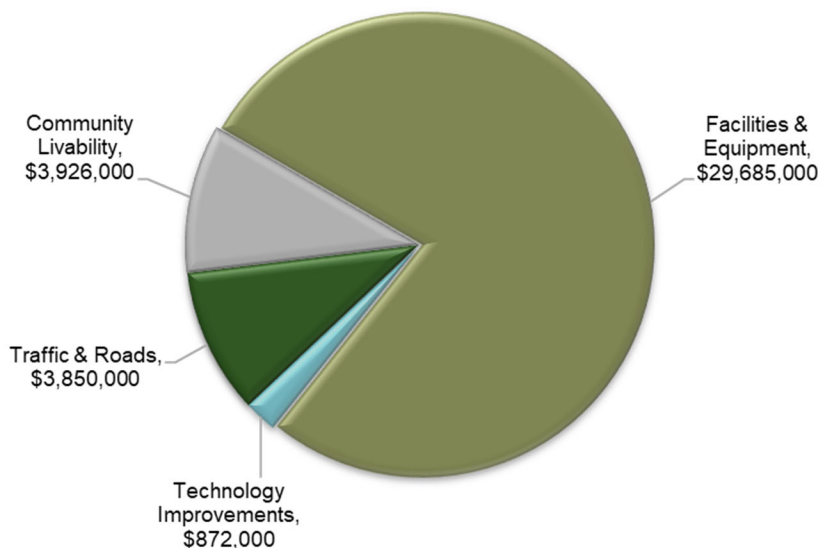
	FY2023 YTD Expenses	Change vs. FY2022
Medical claims	\$2,669,000	-\$343,000
Prescription claims	\$360,000	-\$466,000
Dental claims	\$287,000	+\$45,000
Vision claims	\$64,000	-\$2,000
Total claims	\$3,380,000	-\$766,000

Total **claims are down \$766,000**, or -18.5%, compared to last February. Total Health Care Fund expenditures are \$4,388,000, which is down \$626,000, or -12.5%, compared to this point in FY2023. The Employee Health Care Fund budget through February is 52.8% 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



The Fleet Management Division privacy fence capital improvement project was initially approved and budgeted in FY2021. The fence outlines the perimeter of the property and is adjacent to both Veteran's Memorial Boulevard and Raven Avenue. The project was completed in FY2022 for \$90,000 and was managed by the Public Works Facilities Division.