

# City of Bowling Green, Kentucky

## MONTHLY FINANCIAL MEMORANDUM

For month ending September 30, 2024

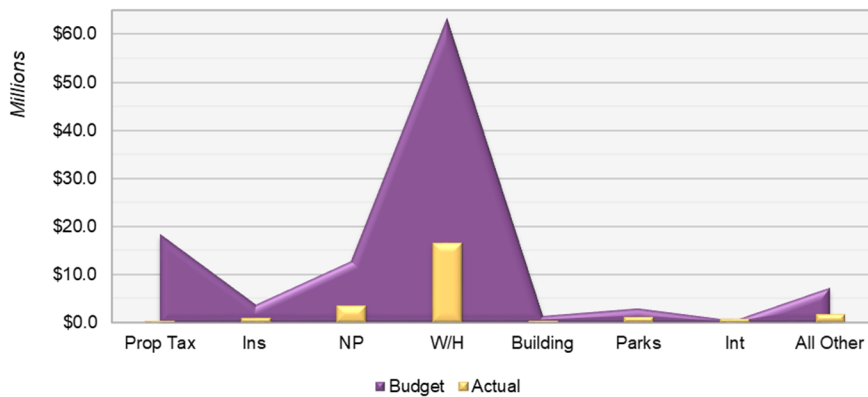
*NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and other select funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional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

### Assistant City Manager/CFO Commentary

#### Revenue Highlights:

The total FY2025 amended General Fund revenue budget is \$109,733,500. Through September, \$24,999,000 has been collected, or 22.8% of the amended revenue budget. The FY2025 adopted revenue budget was increased by +9.7% over the FY2024 adopted budget, aligning with business growth and expansion as well as a full year incorporation of the new 2.0% tax rate for both withholding fees and net profits. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Property taxes, insurance premiums, net profits, and parks and recreation show a negative or nominal decrease for September FY2025 vs. September FY2024. The other categories reflect increases over the prior year. Please note that approx. 70% of the all other category at this point in the year is comprised 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, 2024

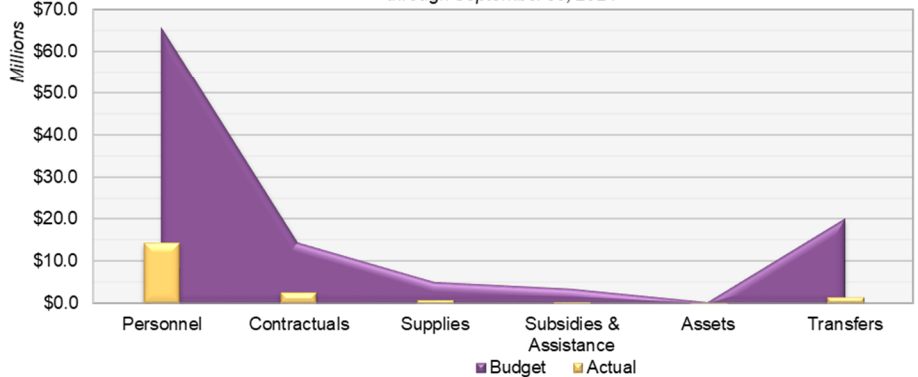


| FY2025 YTD  |   |
|---|---|
| Compared to September 2023                                |   |
| <b>Total Revenues:</b><br>+\$5,231,000<br>(+26.5%)        | ▲ |
| <b>Wage Withholding Fees:</b><br>+\$3,027,000<br>(+22.6%) | ▲ |
| <b>Total Expenses:</b><br>+\$1,519,000<br>(+8.2%)         | ▲ |
| <b>Personnel Expenses:</b><br>+\$1,417,000<br>(+10.8%)    | ▲ |

#### Expenditure Highlights:

The total amended FY2025 General Fund expenditure budget is \$112,248,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2025 amended expenditure budget is \$12,126,000, or 12.1%, more than the FY2024 amended budget through the current month of the fiscal year. The increase in the General Fund amended budget impacts the personnel (+11.4%), contractual (+17.4%), supply (+38.9%), asset (+221.8%), and transfer (+4.7%) expenditure categories.

General Fund YTD Budget to Actual Comparison - Expenditures  
through September 30, 2024



The Employee Health Care Trust Fund as a whole includes a budgetary increase of \$960,000, or 11.3%, 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 \$952,000, or 14.8%, 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

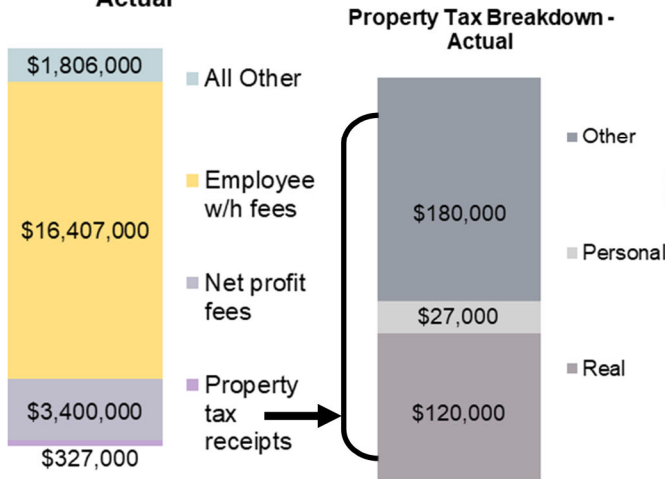
# GENERAL FUND REVENUE ANALYSIS

For month ending September 30, 2024

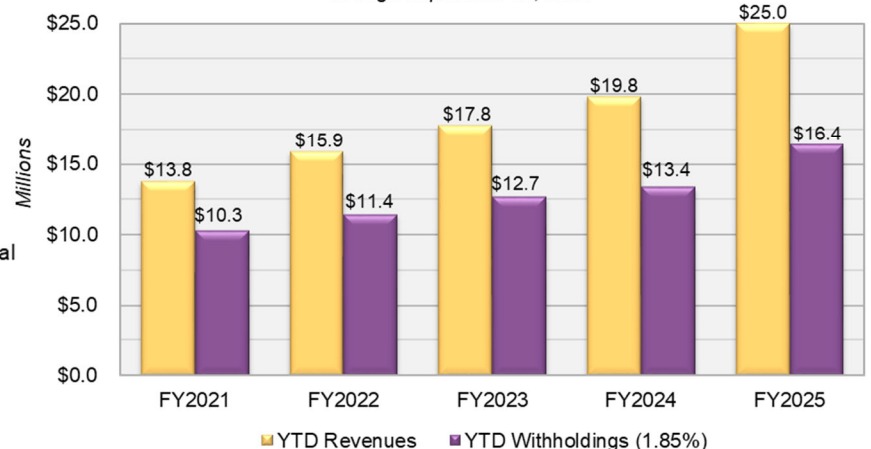
|                     |                     |                     |                   |
|---------------------|---------------------|---------------------|-------------------|
| <b>FY2024 YTD</b>   | <b>FY2025 YTD</b>   | <b>CHANGE (\$)</b>  | <b>CHANGE (%)</b> |
| <b>\$19,768,000</b> | <b>\$24,999,000</b> | <b>+\$5,231,000</b> | <b>+26.5%</b>     |

| Revenue Category        | FY2025 Amended Budget | FY2025 Actual       | % Collected  | Change compared to 9/30/2023 | Highlights  |
|-------------------------|-----------------------|---------------------|--------------|------------------------------|---|
| Property Taxes          | \$18,305,000          | \$327,000           | 1.8%         | +\$0 (+0.0%)                 | The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. Typically, invoices for the new property tax year are mailed in early October, but will be delayed until mid-November.  |
| Insurance Premium Taxes | 3,600,000             | 869,000             | 24.1%        | +\$79,000 (+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         | 12,753,000            | 3,400,000           | 26.7%        | +\$1,759,000 (+107.2%)       | The FY2025 budget was increased 8.9% from FY2024 to match the current business environment evidenced by lean and nimble operations as well as a full year at the new 2.0% net profit rate. CY2023 extensions are due October 2024.  |
| Employee WH Fees        | 63,306,000            | 16,407,000          | 25.9%        | +\$3,027,000 (+22.6%)        | The FY2025 budget for this revenue source was increased by +13.9% compared to FY2024 budget and 8.7% compared to actual FY24 collections to reflect the job growth related to new business announcements and natural growth as well as a full year at the new 2.0% employee withholding rate. September returns showing August wages posted an increase of +37.3% vs. the same period last year. August 2023 had four Fridays while August 2024 had five Fridays reported in September, when combined with the first two months, an even overall comparison of months exists. |
| Building Fees           | 1,370,000             | 316,000             | 23.1%        | +\$25,000 (+8.6%)            | The FY2025 budget increased +5.2% vs. FY2024 actual collections due to the next phase in a number of large revenue generating projects carrying over into FY25. Two of the three revenue accounts show increases through September.   |
| Parks & Rec Receipts    | 2,848,500             | 1,090,000           | 38.3%        | +\$115,000 (+11.8%)          | Hobson Golf Course & Driving Range produced +\$2,000 more in collections this September vs. FY2024. Overall, Golf operating receipts are up +\$45,000 and Aquatics receipts are up +\$65,000 compared to last fiscal year. Cemetery collections are up +\$1,000.  |
| Interest Earnings       | 416,000               | 784,000             | 188.5%       | +\$755,000 (+2,603.4%)       | Interest earnings include both bank balance earnings and investments. The City is taking advantage of good interest rates using a sweep account for some of its operating funds.  |
| All Other               | 7,135,000             | 1,806,000           | 25.3%        | -\$529,000 (-22.7%)          | This category contains multiple General Fund grants including two COPS grants for Police personnel, Assistance to Firefighters, two Homeland Security grants for a Cybersecurity position, hardware & software to enhance Cybersecurity, an EPA grant, Parks Development distributions to Golf and an increase in the repayment by Fire Improvement fund to the General fund.   |
| <b>Total</b>            | <b>\$109,733,500</b>  | <b>\$24,999,000</b> | <b>22.8%</b> | <b>+\$5,231,000 (+26.5%)</b> | The positive change for FY2025 thru September is attributable to growth with employee withholdings, net profits and interest earnings representing two of the top three largest revenue sources.  |

Top 4 Revenue Drivers - Actual



YTD General Fund Revenue Comparison through September 30, 2024



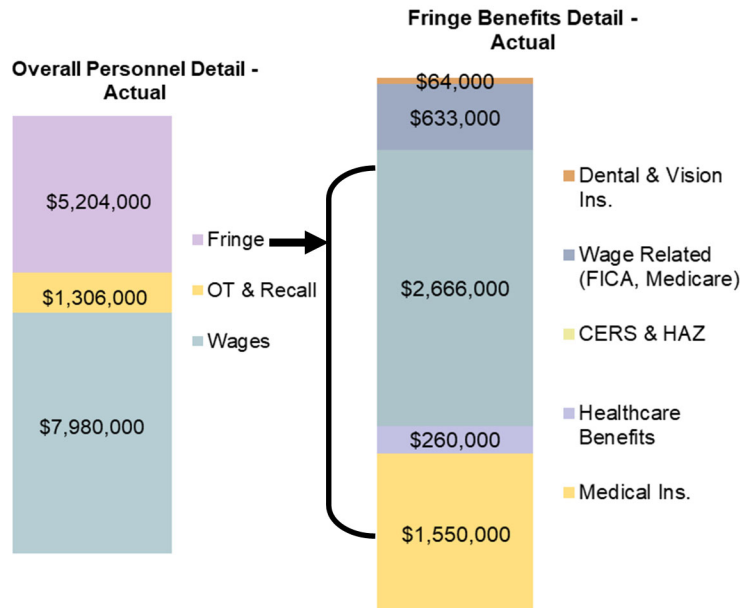
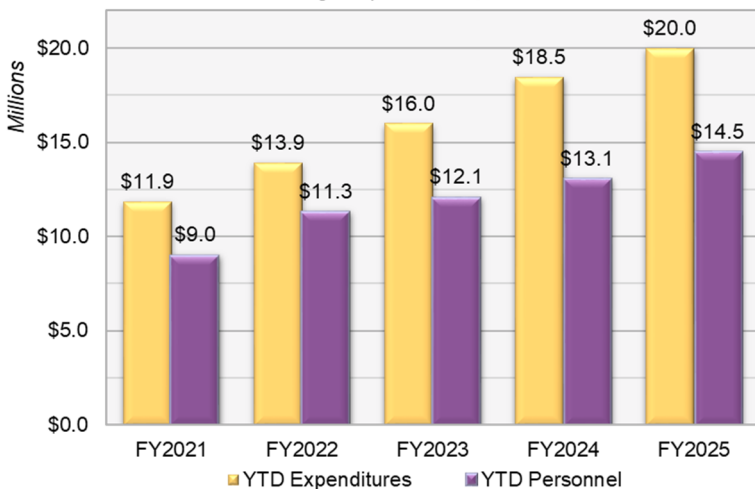
# GENERAL FUND EXPENDITURE ANALYSIS

For month ending September 30, 2024

| FY2024 YTD             |                       | FY2025 YTD          |              | CHANGE (\$)                  | CHANGE (%)   |
|------------------------|-----------------------|---------------------|--------------|------------------------------|--|
| <b>\$18,472,000</b>    |                       | <b>\$19,991,000</b> |              | <b>+\$1,519,000</b>          | <b>+8.2%</b>   |
| Expense Category       | FY2025 Amended Budget | FY2025 Actual       | % Expended   | Change compared to 9/30/2023 | Highlights   |
| Personnel              | \$65,942,000          | \$14,490,000        | 22.0%        | +\$1,417,000 (+10.8%)        | Personnel costs for September were \$4,871,000 and are up when compared to last year by \$1,417,000, which is comprised of: wages (+\$1,013,000), overtime & recall (+\$151,000), CERS (-\$71,000), and other fringe benefits (+\$324,000). See the charts below for trending information and a breakdown of personnel expenses. |
| Contractuals           | 14,511,000            | 2,717,000           | 18.7%        | +\$407,000 (+17.6%)          | Contractual service costs totaled \$731,000 in September and are up compared to last year due to the timing of annual software maintenance payments and the budgeted increase to vehicle maintenance fees.   |
| Supplies               | 5,253,000             | 845,000             | 16.1%        | -\$125,000 (-12.9%)          | Costs for the month totaled \$268,000. The year-to-date decrease is due to a reduction in the cost of the annual Police Department in-car and body cameras replacement contract.   |
| Subsidies & Assistance | 3,697,000             | 422,000             | 11.4%        | +\$68,000 (+18.9%)           | Subsidy payments totaled \$85,000 during September. The increase compared to the prior year is due to budgeted increases for agency distributions.   |
| Property & Assets      | 462,000               | 1,000               | 0.3%         | -\$13,000 (-89.9%)           | Asset costs were \$0 this month and reflect a slight decrease for the fiscal year.   |
| Fund Transfers         | 20,333,000            | 1,516,000           | 7.5%         | -\$235,000 (-13.4%)          | Fund transfer costs during September were \$516,000.   |
| <b>Total</b>           | <b>\$110,198,000</b>  | <b>\$19,991,000</b> | <b>17.8%</b> | <b>+\$1,519,000 (+8.0)</b>   | Total expenditures for the month were \$6,471,000 and are up compared to FY2024.   |

\* Remaining Contingency budget as of 9/30/2024 is \$2,049,611.

**YTD General Fund Expenditure History**  
through September 30, 2024

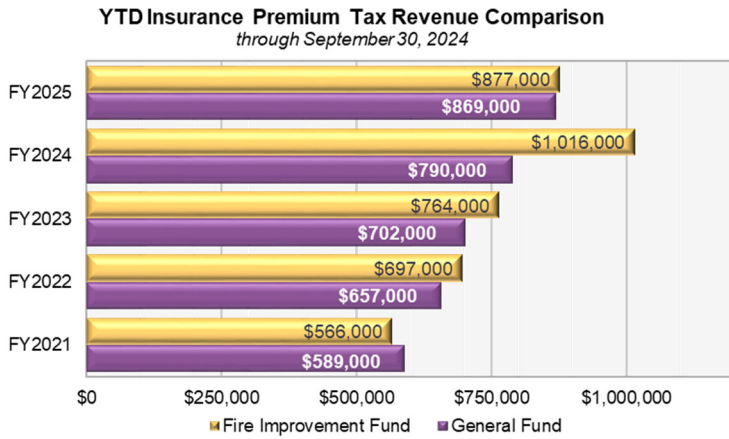


# A CLOSER LOOK

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, FY2025 figures show a decrease of -13.7% vs. FY2024 over the same period.



## EMPLOYEE HEALTH CARE FUND

A summary of paid claims through September 2024 and the comparison to the prior fiscal year is below:

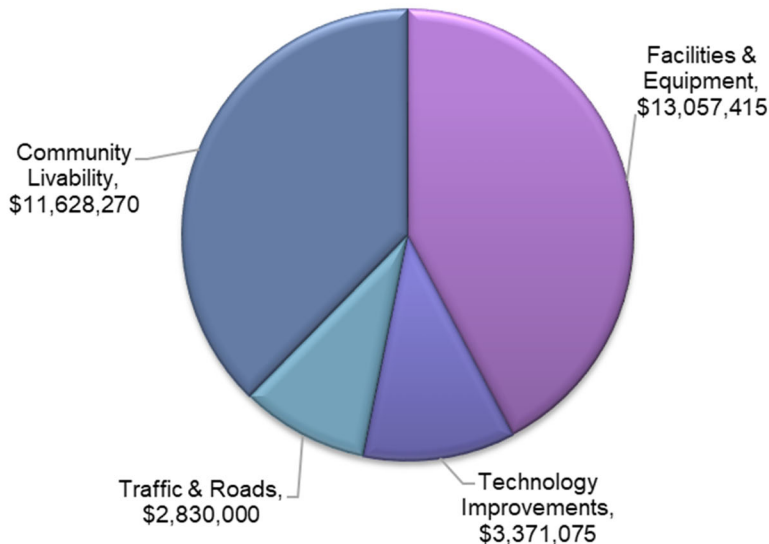
|                            | FY2025 YTD Expenses | Change vs. FY2024 |
|----------------------------|---------------------|-------------------|
| <b>Medical</b> claims      | \$1,684,000         | +\$336,000        |
| <b>Prescription</b> claims | \$256,000           | +\$10,000         |
| <b>Dental</b> claims       | \$117,000           | +\$1,000          |
| <b>Vision</b> claims       | \$23,000            | -\$1,000          |
| <b>Total</b> claims        | <b>\$2,080,000</b>  | <b>+\$346,000</b> |

Total claims are up \$346,000 or +19.9%, compared to last September. Total Health Care Fund expenditures are \$2,457,000, which is up \$409,000, or +19.9%, compared to this point in FY2024. The Employee Health Care Fund budget through September is 26.0% spent.

## CAPITAL IMPROVEMENT PROGRAM

The FY2025 Adopted Capital Improvement Program (CIP) totals nearly \$30,887,000, excluding debt, for all City departments with over 53% 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 FY2025 CIP



### Featured Capital Project



The server replacement CIP began in FY2016 and since that time 34 servers have been replaced or upgraded with funding of \$370,000. The FY2025 budget has allocated \$50,000 for this project.