

City of Bowling Green, Kentucky

MONTHLY FINANCIAL MEMORANDUM

For month ending January 31, 2025

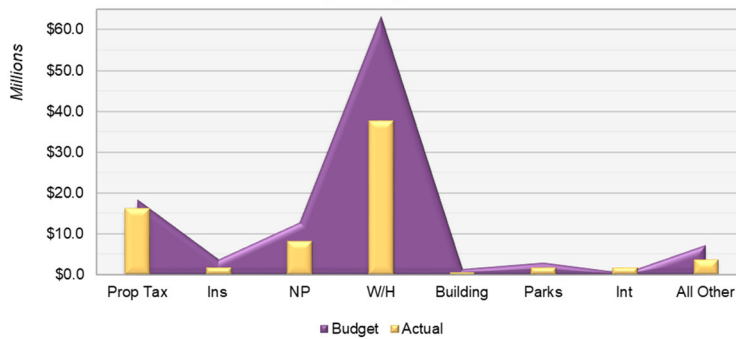
NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and other select funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional 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 January, \$71,243,000 has been collected, or 64.9% 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 premium taxes, withholding fees and building fees show a negative or nominal decrease for January FY2025 vs. January FY2024. The other categories reflect increases over the prior year. Please note that approximately 34% of the all other category is comprised of a net reversal of a prior year-end fair market value adjustment on investments; this is "book" only revenue and does not constitute actual cash collections. Additionally, net profit collections include \$3.6 million of deferred revenue for collections of estimated payments and extensions that will be converted to revenue when the filings actually occur, typically in April or October. The impact of this reduces net profit total collections to \$4.5M and total revenue through December to \$67.7M.

General Fund YTD Budget to Actual Comparison - Revenues through January 31, 2025



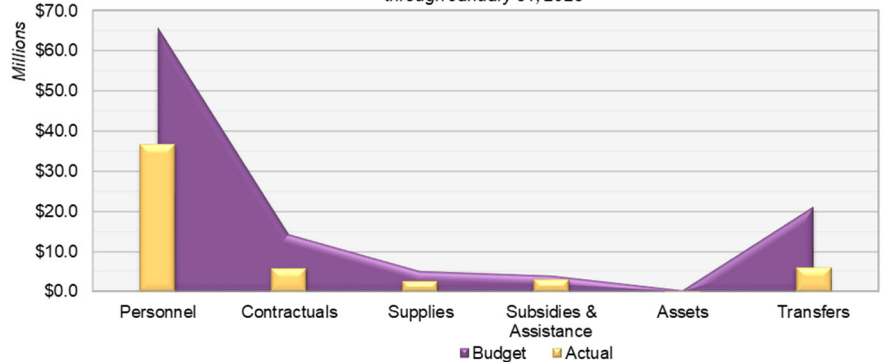
FY2025 YTD	
Compared to January 2024	
Total Revenues: +\$11,536,000 (+19.3%)	▲
Wage Withholding Fees: +\$4,780,000 (+14.6%)	▲
Total Expenses: +\$8,878,000 (+19.1%)	▲
Personnel Expenses: +\$6,217,000 (+20.3%)	▲

Expenditure Highlights:

The total amended FY2025 General Fund expenditure budget is \$113,197,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2025 amended expenditure budget is \$12,557,000, or 12.5%, 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 (+10.5%), contractual (+14.4%), supply (+45.0%), subsidy (+11.6%), asset (+263.1%), and transfer-out (+7.9%) expenditure categories.

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 \$950,000, 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.

General Fund YTD Budget to Actual Comparison - Expenditures through January 31, 2025



Katie Schaller-Ward

Assistant City Manager/Chief Financial Officer



COMMUNITY.
SERVICE.
GROWTH.

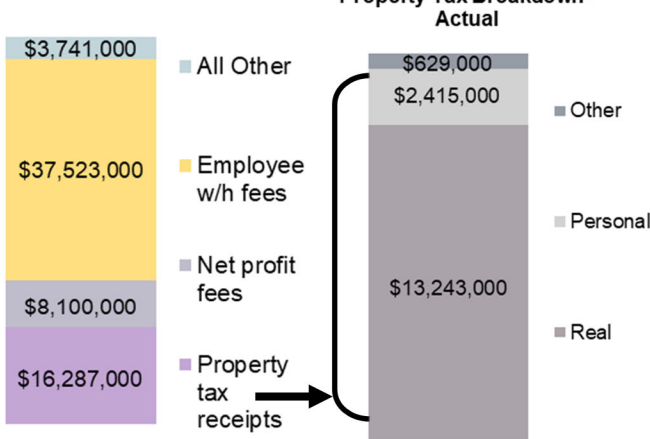
This financial report is designed to provide a general overview of the City of Bowling Green's finances. Questions or requests for information should be addressed to the Assistant City Manager/CFO at City Hall Annex, Department of Finance, 1017 College Street, Bowling Green, KY 42101; or (270)393-3000;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

GENERAL FUND REVENUE ANALYSIS

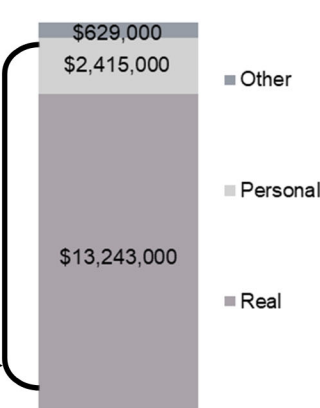
For month ending January 31, 2025

FY2024 YTD		FY2025 YTD		CHANGE (\$)	CHANGE (%)
\$59,707,000		\$71,243,000		+\$11,536,000	+19.3%
Revenue Category	FY2025 Amended Budget	FY2025 Actual	% Collected	Change compared to 1/31/2024	Highlights
Property Taxes	\$18,305,000	\$16,287,000	89.0%	+\$353,000 (+2.2%)	The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. 1,890 invoices remain unpaid from the 23k that were mailed in November. A 10% penalty was added on January 1, 2025.
Insurance Premium Taxes	3,600,000	1,646,000	45.7%	-\$183,000 (-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	8,100,000	63.5%	+\$5,214,000 (+180.7%)	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 were due October 2024.
Employee WH Fees	63,306,000	37,523,000	59.3%	+\$4,780,000 (+14.6%)	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. January returns showing December wages posted a decrease of -0.8% vs. the same period last year. December 2023 had five Fridays and 2024 had four Fridays reported in December, when combined with the first six months, an uneven overall comparison of Fridays exists.
Building Fees	1,370,000	487,000	35.5%	-\$174,000 (-26.3%)	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. All three revenue accounts show decreases through January.
Parks & Rec Receipts	2,848,500	1,668,000	58.6%	+\$170,000 (+11.3%)	Hobson Golf Course & Driving Range produced the same in collections this January vs. FY2024. Overall, Golf operating receipts are up +\$70,000 and Aquatics receipts are up +\$70,000 compared to last fiscal year. Cemetery collections are up +\$21,000.
Interest Earnings	416,000	1,791,000	430.5%	+\$1,544,000 (+625.1%)	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	3,741,000	52.4%	-\$168,000 (-4.3%)	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.
Total	\$109,733,500	\$71,243,000	64.9%	+\$11,536,000 (+19.3%)	The positive change for FY2025 thru January is attributable to growth with property taxes, employee withholdings, net profits and interest earnings.

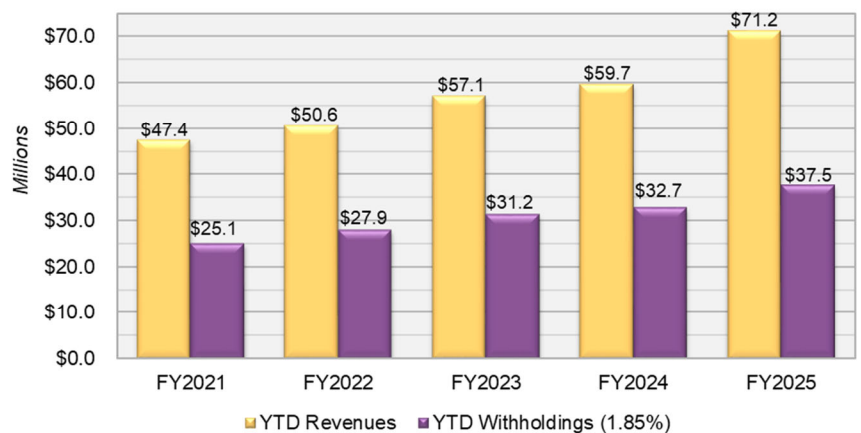
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through January 31, 2025



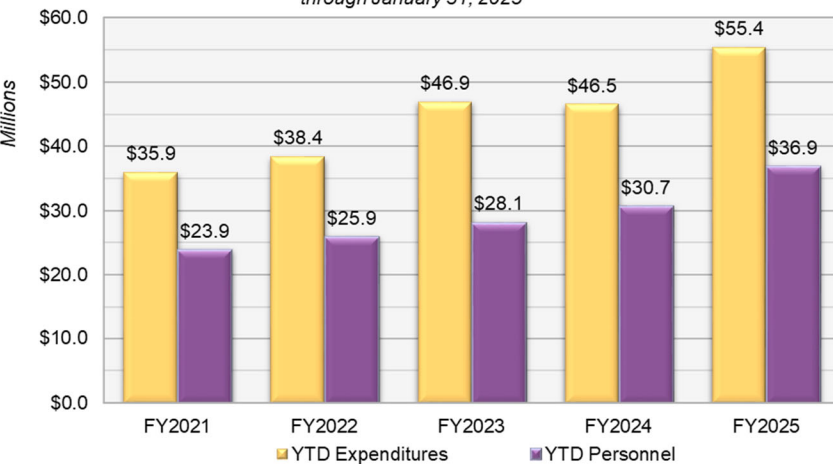
GENERAL FUND EXPENDITURE ANALYSIS

For month ending January 31, 2025

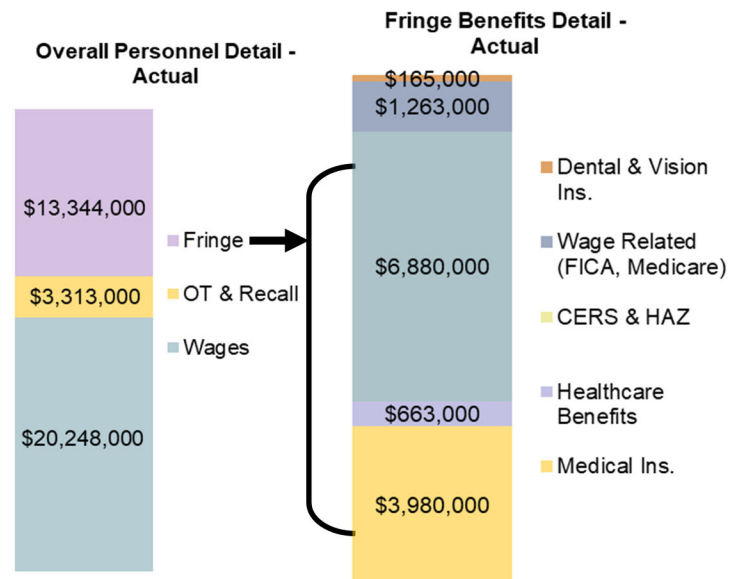
FY2024 YTD		FY2025 YTD		CHANGE (\$)	CHANGE (%)
\$46,541,000		\$55,419,000		+\$8,878,000	+19.1%
Expense Category	FY2025 Amended Budget	FY2025 Actual	% Expended	Change compared to 01/31/2024	Highlights
Personnel	\$65,800,000	\$36,905,000	56.1%	+\$6,217,000 (+20.3%)	Personnel costs for January were \$7,319,000 and are up when compared to last year by \$6,217,000, which is comprised of: wages (+\$3,845,000), overtime & recall (+\$679,000), CERS (+\$382,000), and other fringe benefits (+\$1,311,000). The increase this month is due to a third payroll cycle, which was posted in February last year. See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	14,369,000	6,045,000	42.1%	+\$564,000 (+10.3%)	Contractual service costs totaled \$840,000 in January and are up compared to last year due to the budgeted increase for fleet maintenance rates.
Supplies	5,292,000	2,709,000	51.2%	+\$952,000 (+54.2%)	Costs for the month totaled \$922,000. The year-to-date increase is due to the purchase of replacement fitness equipment by the Parks and Recreation Department and portable radios by the Police Department.
Subsidies & Assistance	4,293,000	3,319,000	77.3%	+\$309,000 (+10.3%)	Subsidy payments totaled \$316,000 during January. The increase compared to the prior year is due to the current year TIF distribution.
Property & Assets	460,000	120,000	26.1%	+\$63,000 (109.2%)	Asset costs were \$3,000 this month and are up compared to last year due to the budgeted purchase of resistivity equipment for the Public Works department.
Fund Transfers	21,186,000	6,321,000	29.8%	+\$773,000 (+13.9%)	Fund transfer costs during January were \$1,560,000.
Total	\$111,400,000	\$55,419,000	52.0%	+\$8,878,000 (+19.1%)	Total expenditures for the month were \$10,960,000 and are up compared to FY2024 due to budgeted personnel cost increases, a third payroll in January vs. February, and purchase of radios for the Police Department.

* Remaining Contingency budget as of 01/31/2025 is \$1,797,276.

YTD General Fund Expenditure History
through January 31, 2025



Overall Personnel Detail - Actual

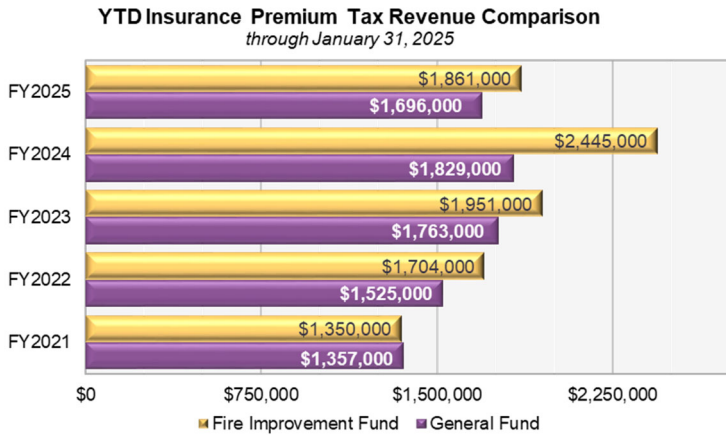


A CLOSER LOOK

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 January. Through seven months, FY2025 figures show a decrease of -23.9% vs. FY2024 over the same period.



EMPLOYEE HEALTH CARE FUND

A summary of paid claims through January 2025 and the comparison to the prior fiscal year is below:

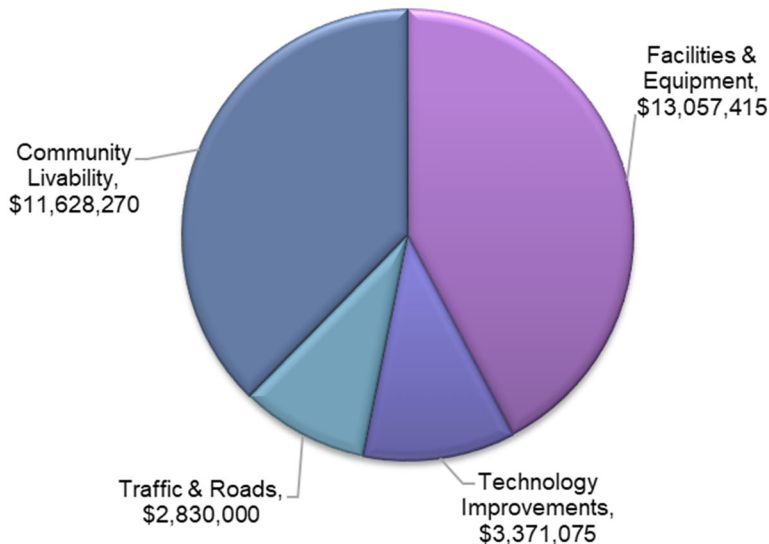
	FY2025 YTD Expenses	Change vs. FY2024
Medical claims	\$4,435,000	+\$10,000
Prescription claims	\$756,000	+\$173,000
Dental claims	\$292,000	+\$29,000
Vision claims	\$68,000	+\$7,000
Total claims	\$5,551,000	+\$219,000

Total claims are up \$219,000 or +4.1%, compared to last January. Total Health Care Fund expenditures are \$6,661,000, which is up \$490,000, or +57.9%, compared to this point in FY2024. The Employee Health Care Fund budget through January is 70.5% 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 City utilizes a Microsoft Exchange email server and Outlook email client to send and receive email; the current version in use will reach end of life in 2025. The FY2025 budget includes licensing costs to migrate to the 2019 version for all users, replace two servers, and obtain professional services to assist with the upgrade and configuration.