



City of Bowling Green, Kentucky

MONTHLY FINANCIAL MEMORANDUM

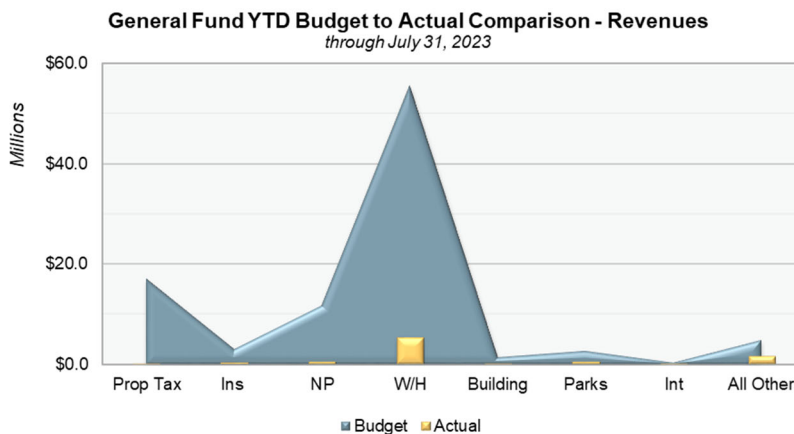
For month ending July 31, 2023

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 \$96,735,000. Through July, \$8,249,000 has been collected, or 8.5% 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 one category shows a negative or nominal decrease for July FY2024 vs. July FY2023 that being property taxes; with the overall July comparison at +\$1,211,000. Please note that approx. 91% 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.



FY2024 YTD

Compared to July 2023

Total Revenues:

+\$1,211,000
(+17.2%)



Wage Withholding Fees:

+\$663,000
(+14.5%)



Total Expenses:

+\$542,000
(+18.1%)



Personnel Expenses:

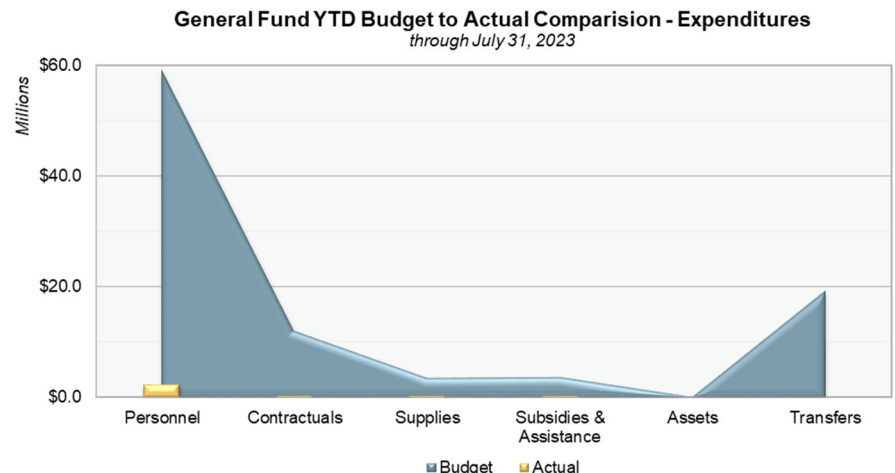
+\$82,000
(+3.6%)



Expenditure Highlights:

The total amended FY2024 General Fund expenditure budget is \$99,916,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2024 amended expenditure budget is +\$6,094,000 or 6.5% more than the FY2023 amended budget through the first month of the fiscal year. The increase in the General Fund amended budget impacts most expenditure categories, including: Personnel +9.8%, Supplies +0.8%, Assets +77.2%, and Transfers Out +31.6%. The Personnel budget increase represents nearly \$6.0 million in added expenses over the prior year adopted budget.

The Employee Health Care Trust Fund as a whole includes a budgetary increase of \$185,000, or +2.2%, 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



COMMUNITY.
SERVICE.
GROWTH.

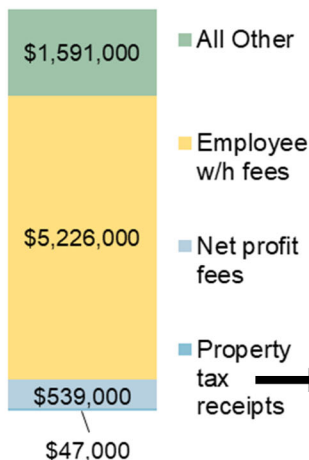
This financial report is designed to provide a general overview of the City of Bowling Green's finances. Questions or requests for information should be addressed to the Assistant City Manager/CFO at City Hall Annex, Department of Finance, 1017 College Street, Bowling Green, KY 42101; or (270)393-3000;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

GENERAL FUND REVENUE ANALYSIS

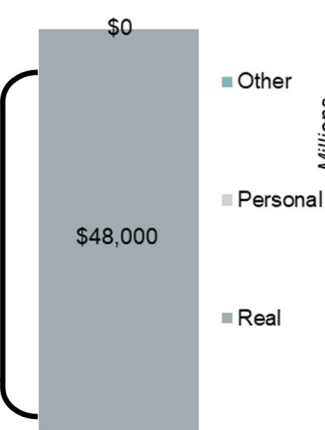
For month ending July 31, 2023

FY2023 YTD		FY2024 YTD		CHANGE (\$)	CHANGE (%)
\$7,038,000		\$8,249,000		+\$1,211,000	+17.2%
Revenue Category	FY2024 Amended Budget	FY2024 Actual	% Collected	Change compared to 7/31/2022	Highlights
Property Taxes	\$17,187,000	\$47,000	0.3%	-\$22,000 (-31.9%)	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.
Insurance Premium Taxes	3,060,000	257,000	8.4%	+\$21,000 (+8.9%)	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	11,710,000	539,000	4.6%	+\$254,000 (+89.1%)	The FY2024 budget was increased 14.2% from FY2023 to match the streamlined business practices tied to the current environment. Collections through July reflect a \$254,000 increase for July FY2024 vs. July FY2023. CY2022 extensions are due October 2023.
Employee WH Fees	55,571,000	5,226,000	9.4%	+\$663,000 (+14.5%)	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. July returns showing June wages posted an increase of +14.5% vs. last June. June 2022 had four Fridays whereas June 2023 had five Fridays reported in July, resulting in an uneven overall comparison.
Building Fees	1,400,000	139,000	9.9%	+\$45,000 (+47.9%)	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 decreases through July.
Parks & Rec Receipts	2,607,000	440,000	16.9%	+\$80,000 (+22.2%)	Hobson Golf Course & Driving Range produced +\$5,000 in collections this July vs. FY2023. Overall, Golf operating receipts are up +\$25,000 and Aquatics receipts are up +\$41,000 compared to last fiscal year. Cemetery collections are up +\$5,000.
Interest Earnings	365,000	10,000	2.7%	+\$7,000 (+233.3%)	Interest earnings include both bank balance earnings and investments.
All Other	4,835,000	1,591,000	32.9%	+\$163,000 (+11.4%)	This category contains multiple General Fund grants including COPS for Police personnel, Assistance to Firefighters, Parks Development distributions to Golf and other taxes and fees. \$1.45M of the current collections relates to a FMV account reversal adjustment that does not constitute actual cash collections.
Total	\$96,735,000	\$8,249,000	8.5%	+\$1,211,000 (+17.2%)	The positive change for FY2024 thru July 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.

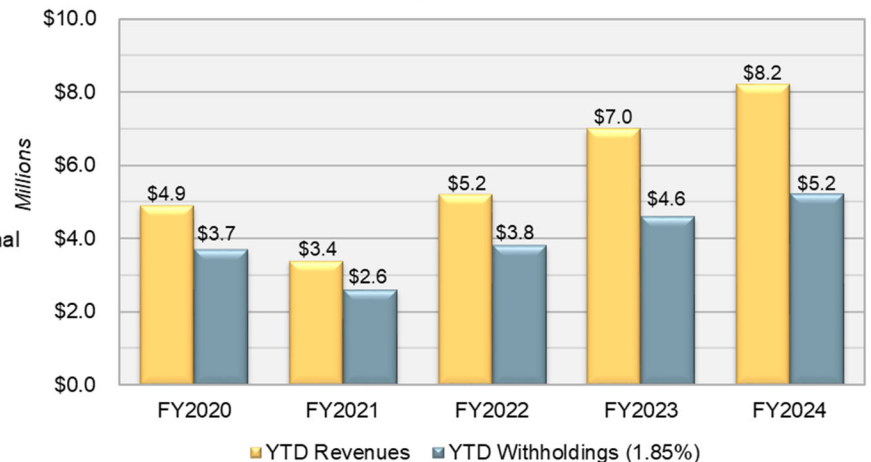
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through July 31, 2023



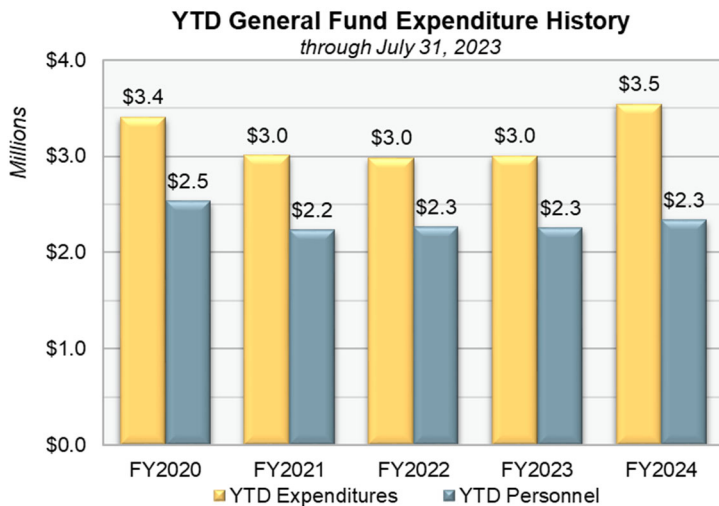
GENERAL FUND EXPENDITURE ANALYSIS

For month ending July 31, 2023

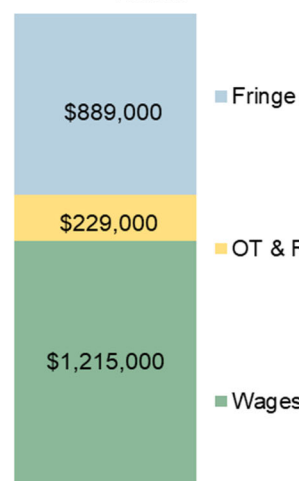


FY2023 YTD		FY2024 YTD		CHANGE (\$)	CHANGE (%)
\$2,998,000		\$3,540,000		+\$542,000	+18.1%
Expense Category	FY2024 Amended Budget	FY2024 Actual	% Expended	Change compared to 7/31/2022	Highlights
Personnel	\$59,198,000	\$2,333,000	3.9%	+\$82,000 (+3.6%)	Personnel costs for July were \$2,333,000 and are up when compared to last year by \$82,000, which is comprised of: wages (+73,000), overtime & recall (+23,000), CERS (-\$19,000), and other fringe benefits (+\$5,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	12,242,000	448,000	3.7%	+\$34,000 (8.3%)	Contractual service costs totaled \$448,000 in July and are up compared to last year at this point due to the expansion of the Parks and Recreation mowing contract.
Supplies	3,641,000	452,000	12.4%	+\$343,000 (+316.3%)	Costs for the month totaled \$452,000. 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	3,799,000	307,000	8.1%	+\$83,000 (+37.1%)	Subsidy payments totaled \$307,000 during July. The increase compared to last year is due to budgeted increases to eligible agencies.
Property & Assets	171,000	0	0.0%	\$0 N/A	Asset costs were \$0 during July.
Fund Transfers	19,429,000	0	0.0%	\$0 N/A	Fund transfer costs were \$0 in July.
Total	\$98,480,000	\$3,540,000	3.5%	+\$542,000 (+18.1%)	Total expenditures for the month were \$3,540,000 and are up compared to FY2023 due to increases in all expenditure categories.

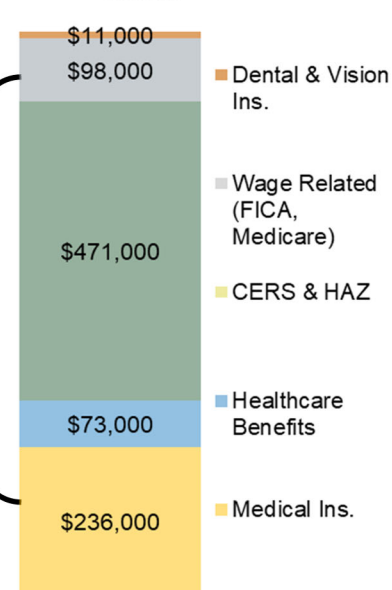
* Remaining Contingency budget as of 7/31/2023 is \$1,435,415.



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual





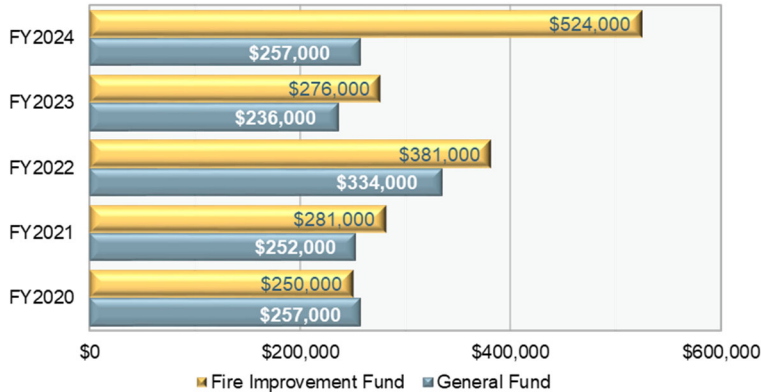
A CLOSER LOOK

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 July. Through one month, FY2024 figures show an increase of +89.9% vs. FY2023 over the same period.

YTD Insurance Premium Tax Revenue Comparison
through July 31, 2023



EMPLOYEE HEALTH CARE FUND

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

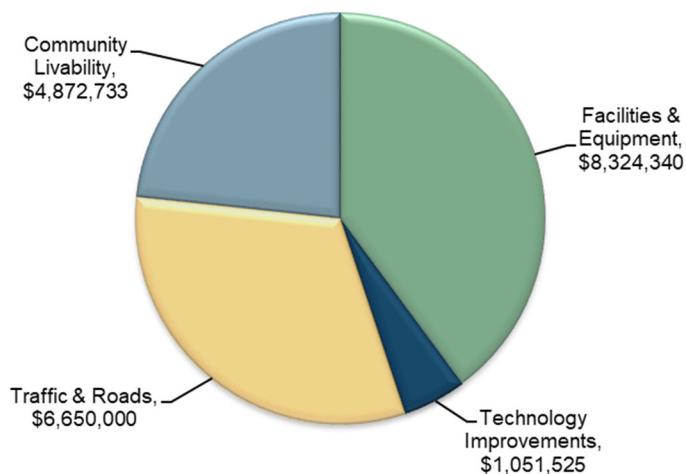
	FY2024 YTD Expenses	Change vs. FY2023
Medical claims	\$492,000	+\$209,000
Prescription claims	\$87,000	+\$76,000
Dental claims	\$39,000	+\$10,000
Vision claims	\$5,000	\$1,000
Total claims	\$623,000	+\$296,000

Total claims are up \$296,000 or +90.7%, compared to last July. Total Health Care Fund expenditures are \$707,000, which is up \$298,000, or +73.0%, compared to this point in FY2023. The Employee Health Care Fund budget through July is 8.3% spent.

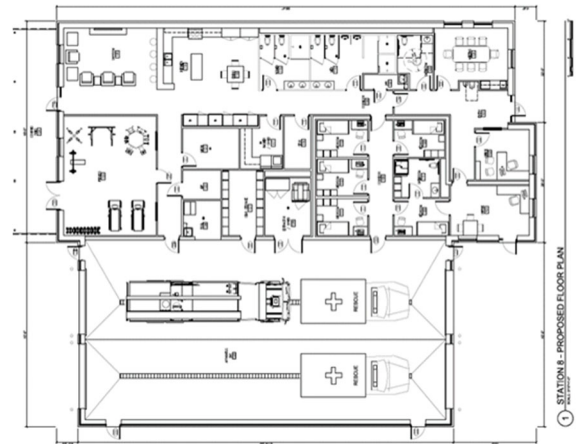
CAPITAL IMPROVEMENT PROGRAM

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



To suit the needs of an ever growing area of development in the Kentucky Transpark, an additional fire station was needed to be built in order to provide adequate fire protection to the surrounding area. This project began with the donation of land for the Fire Station from the ITA in 2019. In FY2022 funding was provided to begin design, and in FY2023 construction began. Fire and Public Works staff are managing the project.