



City of Bowling Green, Kentucky MONTHLY FINANCIAL MEMORANDUM

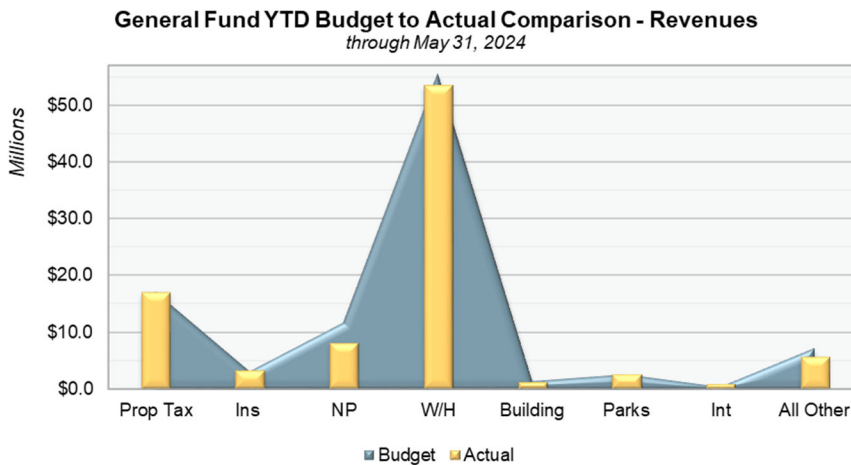
For month ending May 31, 2024

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 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 \$99,087,000. Through May, \$91,738,000 has been collected, or 92.6% of the amended revenue budget. The FY2024 adopted revenue budget was increased by +9.8% over the FY2023 adopted budget, aligning with new and expanded business announcements. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Insurance premiums and parks & recreation, show a negative or nominal decrease for May FY2024 vs. May FY2023. The other categories reflect increases over the prior year. Please note that approx. 26% 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.



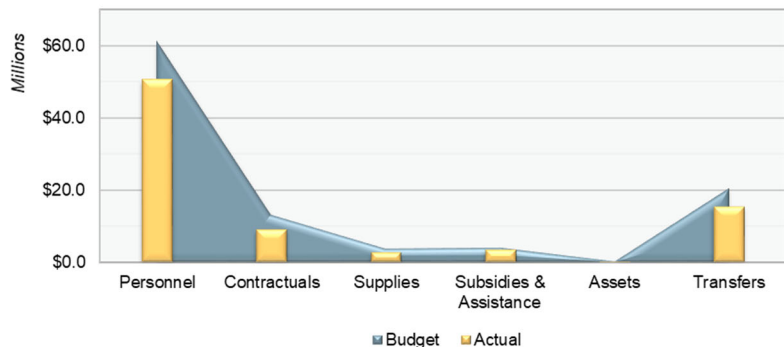
FY2024 YTD	
Compared to May 2023	
Total Revenues: +\$1,378,000 (+1.5%)	▲
Wage Withholding Fees: +\$4,100,000 (+8.3%)	▲
Total Expenses: +\$5,468,000 (+7.2%)	▲
Personnel Expenses: +\$4,645,000 (+10.1%)	▲

Expenditure Highlights:

The total amended FY2024 General Fund expenditure budget is \$104,232,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2024 amended expenditure budget is \$7,756,000, or 8.2%, more than the FY2023 amended budget through the current month of the fiscal year. The increase in the General Fund amended budget impacts the Personnel (+13.6%), and Fund Transfer (+27.1%) expenditure categories.

The Employee Health Care Trust Fund as a whole includes a budgetary increase of \$1,885,000, or +22.7%, 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 \$1,791,000, or 28.0%, 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 May 31, 2024



Katie Schaller-Ward

Assistant City Manager/Chief Financial Officer



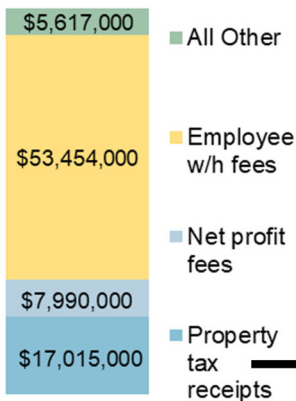
GENERAL FUND REVENUE ANALYSIS

For month ending May 31, 2024

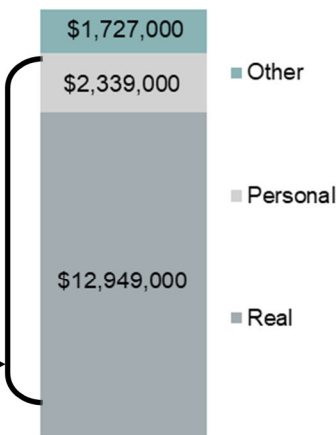
FY2023 YTD	FY2024 YTD	CHANGE (\$)	CHANGE (%)
\$90,360,000	\$91,738,000	+\$1,378,000	+1.5%

Revenue Category	FY2024 Amended Budget	FY2024 Actual	% Collected	Change compared to 5/31/2023	Highlights
Property Taxes	\$17,187,000	\$17,015,000	99.0%	+\$765,000 (+4.7%)	The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. 731 invoices remain unpaid from the 23k that were mailed in October. 0.5% interest will continue to be added each month until paid.
Insurance Premium Taxes	3,060,000	3,219,000	105.2%	+\$271,000 (+9.2%)	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	7,990,000	68.2%	-\$4,321,000 (-35.1%)	The FY2024 budget was increased 14.2% from FY2023 to match the streamlined business practices tied to the current environment. With the new software, \$7.016M has been collected to date representing estimated payments for extensions not yet considered as true revenues. The final balance will be re-categorized at year end as Net Profit revenue.
Employee WH Fees	55,571,000	53,454,000	96.2%	+\$4,100,000 (+8.3%)	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. May returns showing April wages posted an increase of +10.9% vs. the same period last year. April 2023 and 2024 had four Fridays reported in May, resulting in an even overall comparison.
Building Fees	1,400,000	1,175,000	83.9%	-\$218,000 (-15.6%)	The FY2024 budget increased +26.7% vs. FY2023 budget due to a number of large revenue generating project announcements. Two of the three revenue accounts show decreases through May.
Parks & Rec Receipts	2,622,000	2,513,000	95.8%	+\$103,000 (+4.3%)	Hobson Golf Course & Driving Range produced +\$3,000 more in collections this May vs. FY2023. Overall, Golf operating receipts are up +\$60,000 and Aquatics receipts are up +\$36,000 compared to last fiscal year. Cemetery collections are down -\$9,000.
Interest Earnings	365,000	755,000	206.8%	+\$496,000 (+191.5%)	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	7,172,000	5,617,000	78.3%	+\$182,000 (+3.3%)	This category contains multiple General Fund grants including two COPS grants for Police personnel, Assistance to Firefighters, Jennings Creek United Way grant, Homeland Security grant for a Cybersecurity position, an EPA grant, and 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.
Total	\$99,087,000	\$91,738,000	92.6%	+\$1,378,000 (+1.5%)	The positive change for FY2024 thru May is attributable to growth with property taxes, employee withholdings, and interest earnings representing two of the top three largest revenue sources.

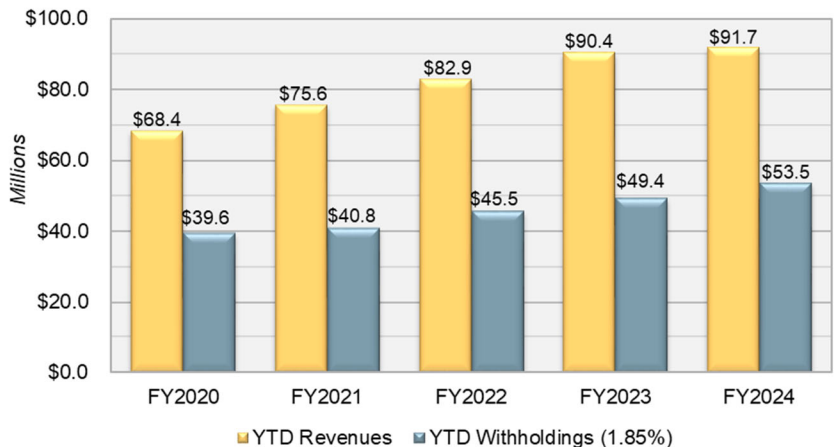
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through May 31, 2024



GENERAL FUND EXPENDITURE ANALYSIS

For month ending May 31, 2024

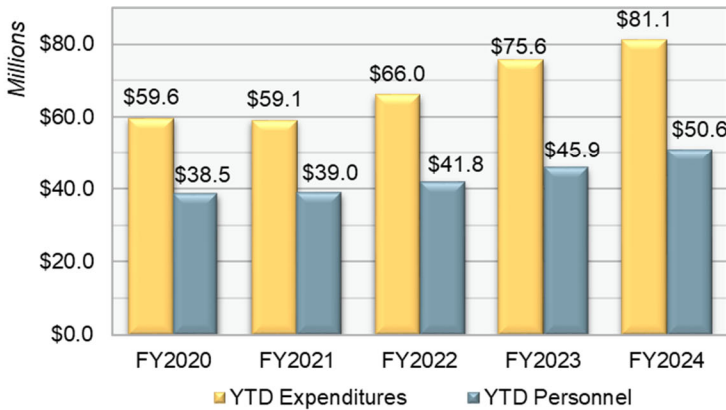


FY2023 YTD	FY2024 YTD	CHANGE (\$)	CHANGE (%)
\$75,594,000	\$81,062,000	+\$5,468,000	+7.2%

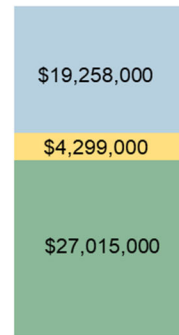
Expense Category	FY2024 Amended Budget	FY2024 Actual	% Expended	Change compared to 5/31/2023	Highlights
Personnel	\$61,280,000	\$50,572,000	82.5%	+\$4,645,000 (+10.1%)	Personnel costs for May were \$4,446,000 and are up when compared to last year by \$4,645,000, which is comprised of: wages (+\$3,454,000), overtime & recall (+\$508,000), CERS (+\$197,000), and other fringe benefits (+\$486,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	12,986,000	8,971,000	69.1%	+\$18,000 (+0.2%)	Contractual service costs totaled \$1,107,000 in May and are flat compared to last year due to the implementation of a new internal service fund for facilities maintenance where the majority of utility and building maintenance costs are now tracked rather than the General Fund.
Supplies	3,807,000	2,710,000	71.2%	-\$183,000 (-6.3%)	Costs for the month totaled \$270,000. The year-to-date decrease is due to savings realized in the second year of the Police Department in-car and body cameras replacement contract.
Subsidies & Assistance	3,926,000	3,397,000	86.5%	-\$3,039,000 (-47.2%)	Subsidy payments totaled \$21,000 during May. The decrease compared to the prior year is due to the one-time payment last October to the ITA for property acquisition costs to expand the Kentucky Transpark.
Property & Assets	242,000	118,000	48.8%	-\$205,000 (-63.4%)	Asset costs were \$8,000 this month and reflect a decrease due to property acquisitions in October 2022. Purchases this fiscal year include a personal protective equipment machine and a water quality monitoring station.
Fund Transfers	20,533,000	15,294,000	74.5%	+\$4,232,000 (+38.2%)	Fund transfer costs during May were \$1,854,000 and are up compared to the prior year due to funding for the newly created Facilities Maintenance Internal Service Fund.
Total	\$102,774,000	\$81,062,000	77.8%	+\$5,468,000 (+7.2%)	Total expenditures for the month were \$7,706,000 and are up compared to FY2023 due to budgeted increases in personnel costs and fund transfers.

* Remaining Contingency budget as of 5/31/2024 is \$1,457,796.

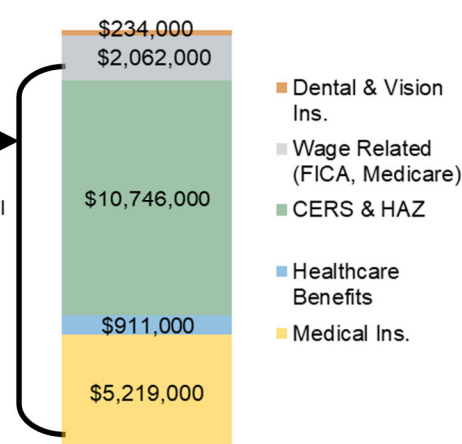
YTD General Fund Expenditure History
through May 31, 2024



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual



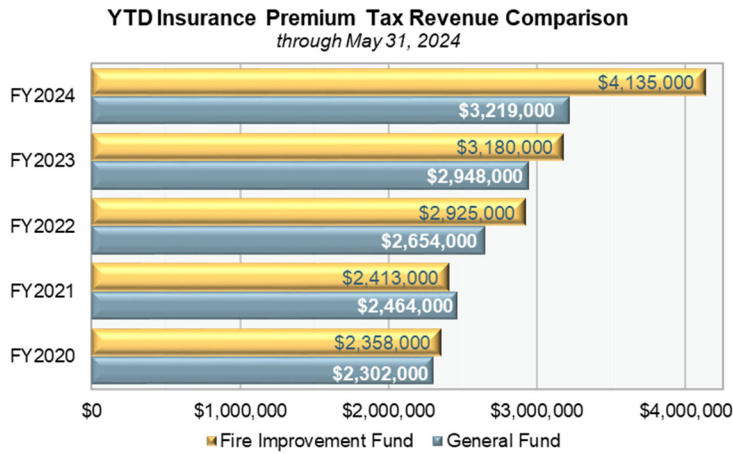


A CLOSER LOOK

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 May. Through eleven months, FY2024 figures show an increase of +30.0% vs. FY2023 over the same period.



EMPLOYEE HEALTH CARE FUND

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

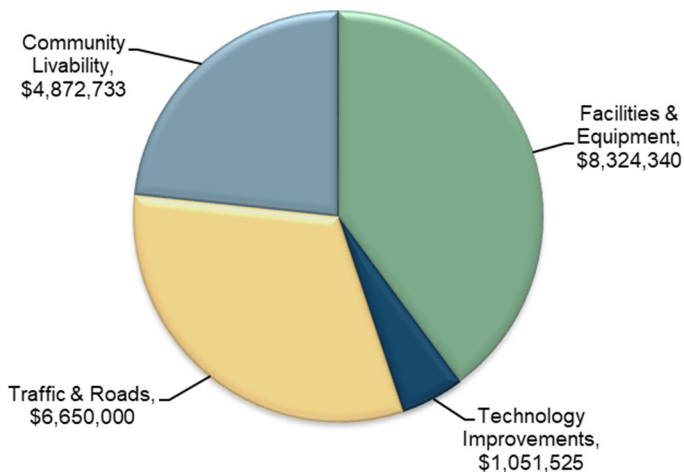
	FY2024 YTD Expenses	Change vs. FY2023
Medical claims	\$5,126,000	+\$1,218,000
Prescription claims	\$790,000	+\$226,000
Dental claims	\$434,000	+\$40,000
Vision claims	\$94,000	+\$5,000
Total claims	\$6,444,000	+\$1,489,000

Total claims are up \$1,489,000 or +30.0%, compared to last May. Total Health Care Fund expenditures are \$7,947,000, which is up \$1,450,000, or +22.3%, compared to this point in FY2023. The Employee Health Care Fund budget through May is 78.0% 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



A new fire station was recently constructed at the Kentucky Transpark, which created the need to acquire a new fully outfitted fire apparatus. The apparatus was ordered in early FY2023 and is still in production. It cost \$925,105 and will need another \$90,000 of equipment added once delivered.