

City of Bowling Green, Kentucky

MONTHLY FINANCIAL MEMORANDUM

For month ending August 31, 2025

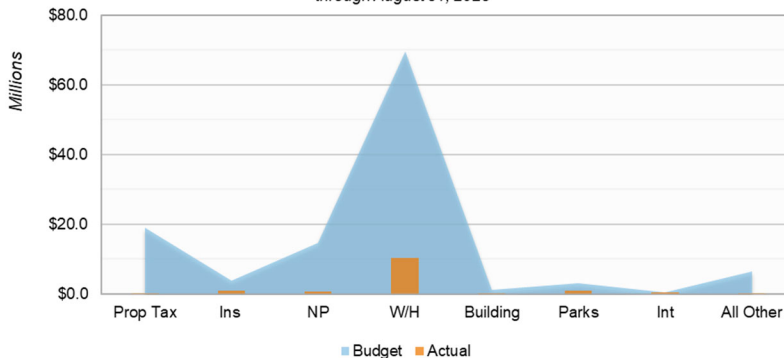
NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and other select funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional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

Chief Financial Officer Commentary

Revenue Highlights:

The total FY2026 amended General Fund revenue budget is \$118,122,500. Through August, \$13,862,000 has been collected, or 11.7% of the amended revenue budget. The FY2026 adopted revenue budget was increased by +8.9% over the FY2025 adopted budget, building on the business growth and expansion the City has experienced. As businesses work to fill open positions and retain employees, increased wages help fuel projected growth. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Property taxes, net profits and the all other category show negative or nominal decreases for August FY2026 vs. FY2025, while the remainder of the categories show gains. **Please note, net profit collections include \$80,000 of deferred revenue for collections of estimated payments and extensions that will be netted to revenue when the filings actually occur, typically in October. The impact of this increases net profit total collections to \$663,000 and total revenue through August to \$13.9M.**

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



Expenditure Highlights:

The total amended FY2026 General Fund expenditure budget is \$120,781,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2026 amended expenditure budget is \$8,583,000, or 7.6%, more than the FY2025 amended budget through the second month of the fiscal year. The increase in the General Fund amended budget impacts the personnel (+7.5%), contractual (+13.0%), subsidy (+21.7%), asset (+65.2%), and transfer-out (+8.1%) expenditure categories.

The Employee Health Care Trust Fund as a whole includes a budgetary increase of \$2,508,000, or 26.5%, 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 \$1,935,000, or 26.2%, to fully cover rising costs to operate the on-site health clinic and the City's self-funded employee health insurance program.

Erin Balfour

Chief Financial Officer

FY2026 YTD

Compared to August 2025

Total Revenues:

-\$4,020,000
(-22.5%)



Wage Withholding Fees:

-\$589,000
(-5.4%)



Total Expenses:

+\$1,533,000
(+11.5%)

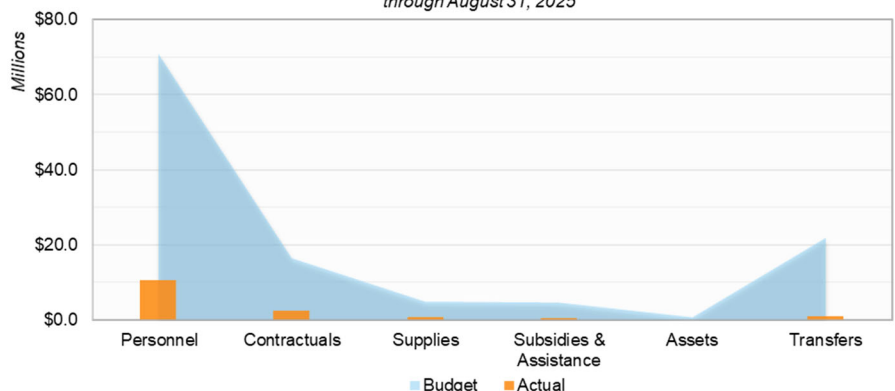


Personnel Expenses:

+\$761,000
(+7.9%)



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



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 Chief Financial Officer at City Hall Annex, Department of Finance, 1017 College Street, Bowling Green, KY 42101; or (270)393-3000; or accounting@bqky.org.

GENERAL FUND REVENUE ANALYSIS

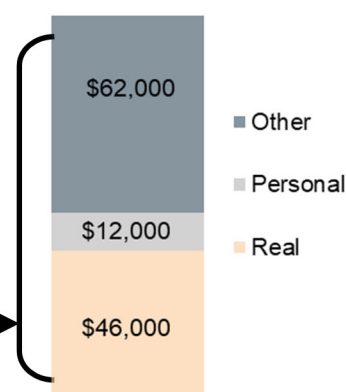
For month ending August 31, 2025

FY2025 YTD		FY2026 YTD		CHANGE (\$)	CHANGE (%)
\$17,882,000		\$13,862,000		-\$4,020,000	-22.5%
Revenue Category	FY2026 Amended Budget	FY2026 Actual	% Collected	Change compared to 8/31/2024	Highlights
Property Taxes	\$18,926,500	\$120,000	0.6%	-\$60,000 (-33.3%)	The property tax revenue source includes real and personal property, motor vehicle & boat, franchise and payments in-lieu-of taxes. Invoices for the new property tax year are expected to be mailed in late October due to the City's proposed rate election.
Insurance Premium Taxes	3,724,000	873,000	23.4%	+\$6,000 (+0.7%)	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	14,708,000	583,000	4.0%	-\$2,153,000 (-78.7%)	The FY2026 budget was increased 15.3% from FY2025. CY2025 filings are continuing to be filed following the IRS deadline. \$80,000 is considered deferred for estimated payments and extensions, the balance of which at year end will net to FY2026 revenue.
Employee WH Fees	69,524,500	10,290,000	14.8%	-\$589,000 (-5.4%)	The FY2026 budget for this revenue source was increased by +9.8% compared to FY2025 budget and +8.2% compared to actual FY2025 collections to reflect job growth related to new business announcements and natural job growth. August returns showing July wages posted an increase of +15.0% vs. the same period last year. July 2024 and 2025 both had four Fridays reported in August resulting in an even comparison through two months.
Building Fees	1,065,000	187,000	17.6%	-\$42,000 (-18.3%)	The FY2026 budget decreased -22.3% vs. FY2025 adopted budget, but increased +1.1% compared to FY2025 actual collections due to planned phased expansions for large projects. All three revenue accounts show decreases through August.
Parks & Rec Receipts	3,073,500	951,000	30.9%	+\$98,000 (+11.5%)	Hobson Golf Course & Driving Range produced \$5,000 more collections this August vs. FY2025. Overall, Golf operating receipts are up +\$56,000 and Aquatics receipts are up +\$48,000 compared to last fiscal year. Cemetery collections are down -\$15,000.
Interest Earnings	542,000	546,000	100.7%	+\$4,000 (+0.7%)	Interest earnings include both bank balance earnings and investments. The City is taking advantage of current interest rates using a sweep account for operating funds.
All Other	6,559,000	312,000	4.8%	-\$1,284,000 (-80.5%)	This category contains multiple General Fund grants including two COPS grants for Police personnel, two Homeland Security grants for personnel, hardware and software to enhance Cybersecurity, an EPA grant, Parks Development distributions to Golf, and a repayment by Fire Improvement Fund to the General Fund.
Total	\$118,122,500	\$13,862,000	11.7%	-\$4,020,000 (-22.5%)	The negative change for FY2026 through August is attributable to slower collections with net profits due to the IRS extension, a slow start to withholdings as well as timing for the fair market value, non-cash reversal adjustment.

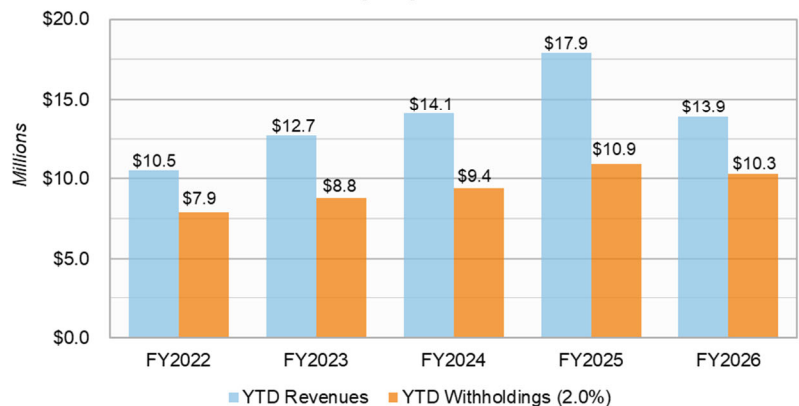
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through August 31, 2025



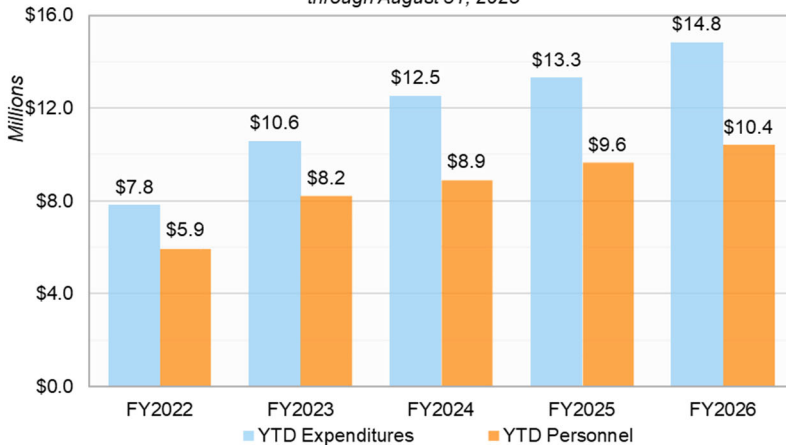
GENERAL FUND EXPENDITURE ANALYSIS

For month ending August 31, 2025

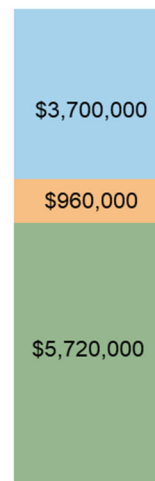
FY2025 YTD		FY2026 YTD		CHANGE (\$)	CHANGE (%)
\$13,280,000		\$14,812,000		+\$1,533,000	+11.5%
Expense Category	FY2026 Amended Budget	FY2026 Actual	% Expended	Change compared to 8/31/2024	Highlights
Personnel	\$70,870,000	\$10,380,000	14.6%	+\$761,000 (+7.9%)	Personnel costs for August were \$5,298,000 and are up when compared to last year by \$761,000, which is comprised of: wages (+\$404,000), overtime & recall (+\$107,000), CERS (-\$8,000), and other fringe benefits (+\$258,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	16,336,000	2,493,000	15.3%	+\$502,000 (+25.2%)	Contractual service costs totaled \$1,952,000 in August and are up compared to last year due to sinkhole repairs and tree removal.
Supplies	4,740,000	624,000	13.2%	+\$48,000 (+8.4%)	Costs for the month totaled \$314,000. The year-to-date increase is due to the annual subscription and maintenance contract costs for public safety in-car and body-worn camera replacements.
Subsidies & Assistance	4,504,000	340,000	7.5%	+\$249,000 (+276.3%)	Subsidy payments totaled \$3,000 during August. The increase compared to the prior year is due to budgeted increases for agency distributions.
Property & Assets	764,000	0	0.0%	-\$1,000 (-100.0%)	Asset costs were \$0 this month.
Fund Transfers	21,986,000	975,000	4.4%	-\$25,000 (-2.5%)	Fund transfer costs during August were \$975,000.
Total	\$119,200,000	\$14,812,000	12.3%	+\$1,533,000 (+11.5%)	Total expenditures for the month were \$8,543,000 and are up compared to FY2025 primarily due to budgeted personnel expenses.

* Remaining Contingency budget as of 8/31/2025 is \$1,580,606.

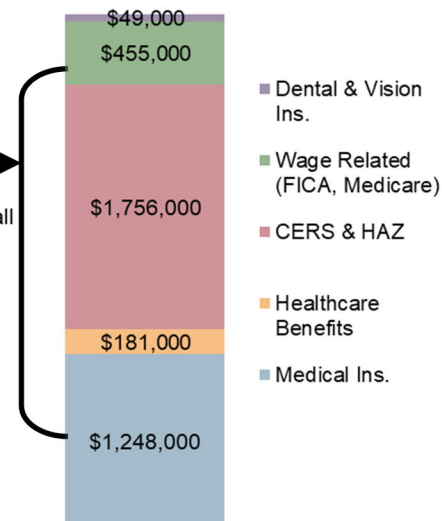
YTD General Fund Expenditure History
through August 31, 2025



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual



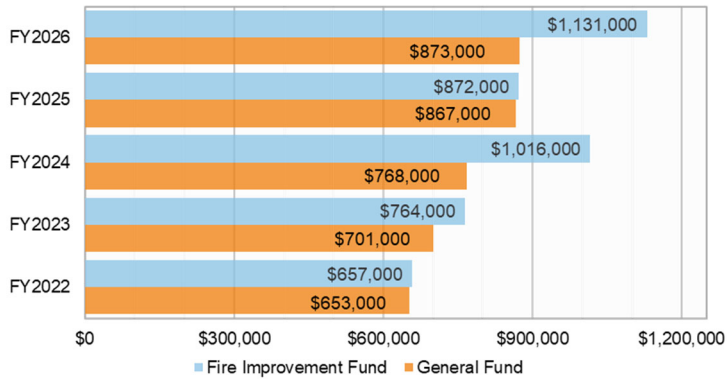
A CLOSER LOOK

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 August. Through two months, FY2026 figures show an increase of +29.7% vs. FY2025 over the same period.

YTD Insurance Premium Tax Revenue Comparison
through August 31, 2025



EMPLOYEE HEALTH CARE FUND

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

	FY2026 YTD Expenses	Change vs. FY2025
Medical claims	\$1,081,000	-\$154,000
Prescription claims	\$97,000	-\$77,000
Dental claims	\$116,000	+\$34,000
Vision claims	\$18,000	+\$2,000
Total claims	\$1,312,000	-\$195,000

Total claims are down \$195,000, or -13.0%, compared to last August. Total Health Care Fund expenditures are \$1,488,000, which is down \$252,000, or -14.5%, compared to this point in FY2025. The Employee Health Care Fund budget through August is 12.4% spent.

CAPITAL IMPROVEMENT PROGRAM

The FY2026 adopted Capital Improvement Program (CIP) totals nearly \$31,941,000, excluding debt, for all City departments with 43.6% of that amount represented by General Fund supported projects. CIP costs were redefined during the FY2026 budget process as capital related projects costing over \$40,000 with an expected useful life of at least ten years. The below chart summarizes the City's active CIP projects from both current and prior fiscal year budgets as of August 31, 2025. The FY2026 total CIP budget, remaining budget available to spend, and the percent spent by department is shown.

CIP by Department

