

City of Bowling Green, Kentucky

MONTHLY FINANCIAL MEMORANDUM

For month ending September 30, 2025

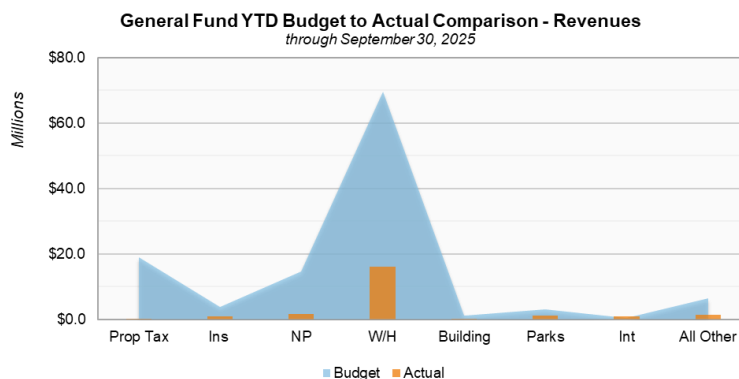
NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and other select funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional 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 September, \$22,613,000 has been collected, or 19.1% 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 fuel growth. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Property taxes and insurance premium taxes report negative or nominal decreases for September FY2026 compared to FY2025, while the remaining categories are reporting gains.

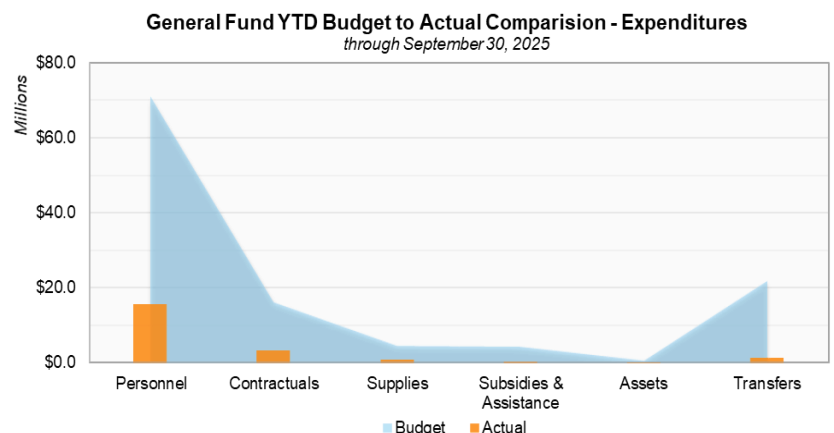
Please note that approximately 69% of the all other category is comprised of reversal of prior year fair market investment adjustment; this is "book" only and does not constitute actual cash collections. Additionally, net profit collections include \$8,000 of deferred revenue for collections of estimated payments and extensions that will be netted to revenue when filings occur, typically in October and November. The impact of this decreases net profit collections to \$1,704,000 and total revenue through September to \$22.6M.



Expenditure Highlights:

The total amended FY2026 General Fund expenditure budget is \$120,798,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2026 amended expenditure budget is \$8,550,000, 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 (+7.8%), contractual (+13.2%), subsidy (+22.1%), 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 Ballou

Chief Financial Officer

FY2026 YTD	
Compared to September 2025	
Total Revenues:	▼
-\$2,386,000 (-9.5%)	
Wage Withholding Fees:	▼
-\$357,000 (-2.2%)	
Total Expenses:	▲
+\$2,491,000 (+12.6%)	
Personnel Expenses:	▲
+\$1,167,000 (+8.1%)	



COMMUNITY.
SERVICE.
GROWTH.

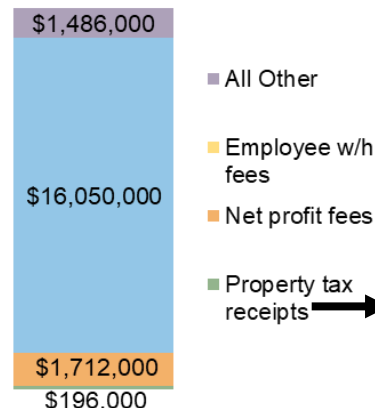
This financial report is designed to provide a general overview of the City of Bowling Green's finances. Questions or requests for information should be addressed to the Chief Financial Officer at City Hall Annex, Department of Finance, 1017 College Street, Bowling Green, KY 42101; or (270)393-3000;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

GENERAL FUND REVENUE ANALYSIS

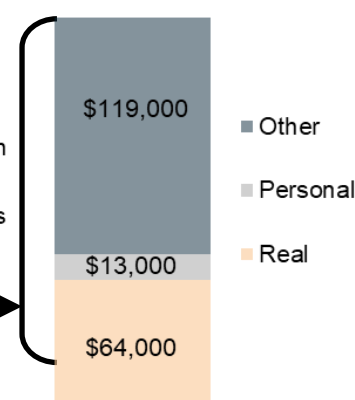
For month ending September 30, 2025

FY2025 YTD		FY2026 YTD		CHANGE (\$)		CHANGE (%)
\$24,999,000		\$22,613,000		-\$2,386,000		-9.5%
Revenue Category	FY2026 Amended Budget	FY2026 Actual	% Collected	Change compared to 9/30/2024	Highlights	
Property Taxes	\$18,926,500	\$196,000	1.0%	-\$131,000 (-40.1%)	Property tax revenue includes real and personal property, motor vehicle and boat, franchise, and payments in-lieu-of taxes. Invoices for the new property tax year are expected to be mailed early November due to the City's proposed rate election.	
Insurance Premium Taxes	3,724,000	872,000	23.4%	+\$3,000 (+0.3%)	This self-reported tax is collected in the General Fund and Fire Improvement Fund; five year totals are presented on page four.	
Net Profit Fees	14,708,000	1,712,000	11.6%	-\$1,688,000 (-49.6%)	The FY2026 budget was increased 15.3% over FY2025. CY2025 filings are continuing to be filed as a result of the IRS deadline of November 8. A total of -\$8,000 related to estimated payments and extensions is considered deferred and the balance will net to total revenue at fiscal year-end.	
Employee WH Fees	69,524,500	16,050,000	23.1%	-\$357,000 (-2.2%)	The FY2026 budget for this revenue source was increased by 9.8% compared to FY2025 and 8.2% compared to actual FY2025 collections. September returns report August wages with an increase of 4.2% vs. the same period last year. August 2024 and 2025 both had five Fridays reported in September resulting in an even comparison through three months.	
Building Fees	1,065,000	275,000	25.8%	-\$41,000 (-13.0%)	The FY2026 budget decreased 22.3% vs. FY2025 adopted budget, but increased 1.1% compared to FY2025 actual collections due to planned expansions for large projects. Two of the three revenue accounts report decreases through this month.	
Parks & Rec Receipts	3,073,500	1,218,000	39.6%	+\$128,000 (+11.7%)	The Hobson Golf Course and Driving Range produced \$1,000 more in collections this September vs. FY2025. Overall, Golf receipts are up \$86,000 and Aquatics receipts are up \$45,000 compared to last year. Cemetery collections are down \$20,000.	
Interest Earnings	542,000	804,000	148.3%	+\$20,000 (+2.6%)	Interest earnings include both bank balance earnings and investments.	
All Other	6,559,000	1,486,000	22.7%	-\$320,000 (-17.7%)	This category contains multiple grants including two COPS grants, two Homeland Security grants, and an EPA grant. Parks Development Fund distributions to Golf and a repayment by the Fire Improvement Fund to the General Fund are also included.	
Total	\$118,122,500	\$22,613,000	19.1%	-\$2,386,000 (-9.5%)	The negative change for this fiscal year is due to slower net profit collections due to the IRS deadline extension, a slow start to withholding collections, and an appreciation in investment values reducing the fair market value, non-cash reversal adjustment.	

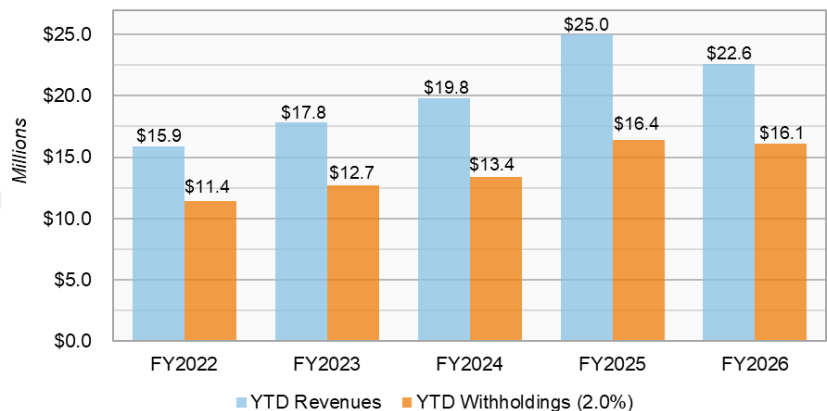
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through September 30, 2025



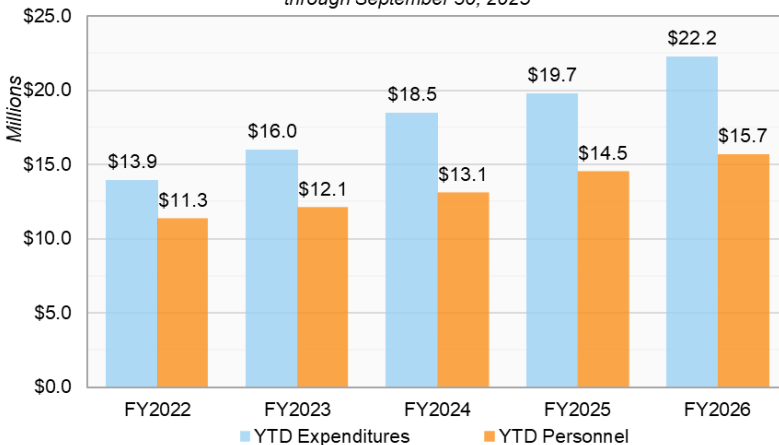
GENERAL FUND EXPENDITURE ANALYSIS

For month ending September 30, 2025

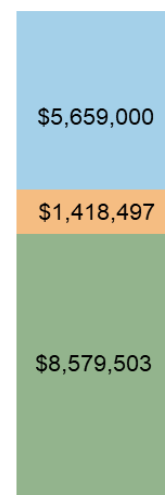
FY2025 YTD		FY2026 YTD		CHANGE (\$)	CHANGE (%)
\$19,746,000		\$22,238,000		+\$2,491,000	+12.6%
Expense Category	FY2026 Amended Budget	FY2026 Actual	% Expended	Change compared to 9/30/2024	Highlights
Personnel	\$71,091,000	\$15,657,000	22.0%	+\$1,167,000 (+8.1%)	Personnel costs for September were \$5,277,000 and are up when compared to last year by \$1,167,000, which is comprised of: wages (+\$600,000), overtime & recall (+\$113,000), CERS (+\$54,000), and other fringe benefits (+\$400,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	16,427,000	3,386,000	20.6%	+\$664,000 (+24.4%)	Contractual service costs totaled \$892,000 in September and are up compared to last year due to sinkhole repairs and tree removal.
Supplies	4,741,000	1,123,000	23.7%	+\$279,000 (+33.0%)	Costs for the month totaled \$499,000. 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	4,513,000	499,000	11.1%	+\$326,000 (+188.6%)	Subsidy payments totaled \$159,000 during September. The increase compared to the prior year is due to budgeted increases for agency distributions and the exterior property improvements program.
Property & Assets	764,000	98,000	12.8%	+\$96,000 (+6438.0%)	Asset costs were \$98,000 this month and include the purchase and installation of six fuel tanks.
Fund Transfers	21,985,000	1,475,000	6.7%	-\$41,000 (-2.7%)	Fund transfer costs during September were \$500,000 and fiscal year-to-date costs are slightly lower than the prior year.
Total	\$119,521,000	\$22,238,000	18.4%	+\$2,491,000 (+12.6%)	Total expenditures for the month were \$7,425,000 and are up compared to FY2025 due to budgeted personnel expenses, sinkhole expenses, and public safety equipment costs.

* Remaining Contingency budget as of 9/30/2025 is \$1,276,581.

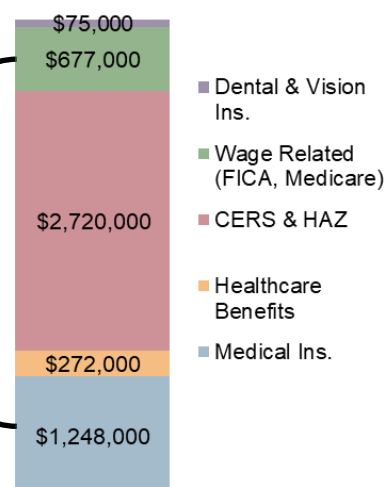
YTD General Fund Expenditure History
through September 30, 2025



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual



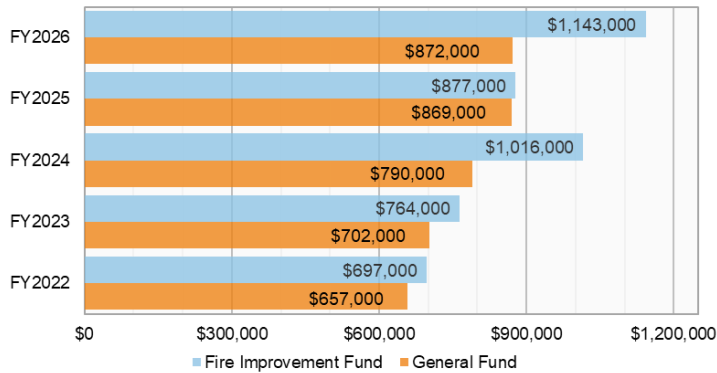
A CLOSER LOOK

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 September. Through three months, FY2026 figures show an increase of +30.3% vs. FY2025 over the same period.

YTD Insurance Premium Tax Revenue Comparison
through September 30, 2025



EMPLOYEE HEALTH CARE FUND

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

	FY2026 YTD Expenses	Change vs. FY2025
Medical claims	\$1,565,000	-\$118,000
Prescription claims	\$282,000	+\$26,000
Dental claims	\$166,000	+\$49,000
Vision claims	\$31,000	+\$8,000
Total claims	\$2,044,000	-\$35,000

Total claims are down \$35,000, or -1.7%, compared to last September. Total Health Care Fund expenditures are \$2,469,000, which is up \$21,000, or +0.8%, compared to this point in FY2025. The Employee Health Care Fund budget through September is 20.6% 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 September 30, 2025. The FY2026 total CIP budget, remaining budget available to spend, and the percent spent by department is shown.

CIP by Department

