

City of Bowling Green, Kentucky

MONTHLY FINANCIAL MEMORANDUM

For month ending February 28, 2026

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.

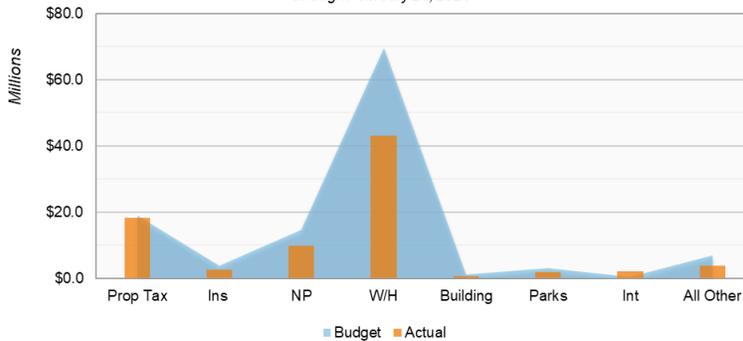
Chief Financial Officer Commentary

Revenue Highlights:

The total FY2026 amended General Fund revenue budget is \$118,470,000. Through February, \$82,322,000 has been collected, or 69.5% of the amended revenue budget. The FY2026 adopted revenue budget increased 8.9% over the FY2025 adopted budget as a result of prior year business growth and expansion experienced within the City limits. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. The property taxes and parks & recreation are reporting positive increases for February FY2026 as compared to FY2025, while the remaining categories are reporting decreases.

Please note that approximately 27% of the "all other" category is the reversal of prior year fair market investment value; this is a "book" only adjustment and does not impact actual cash collections. Additionally, net profit collections include \$5,717,000 of deferred revenue for collections of estimated payments and extensions that will be applied to revenue as filings occur, typically October through January. The impact of this decreases net profit collections to \$4,155,000 and total revenue through February to \$76,605,000.

General Fund YTD Budget to Actual Comparison - Revenues
through February 28, 2026



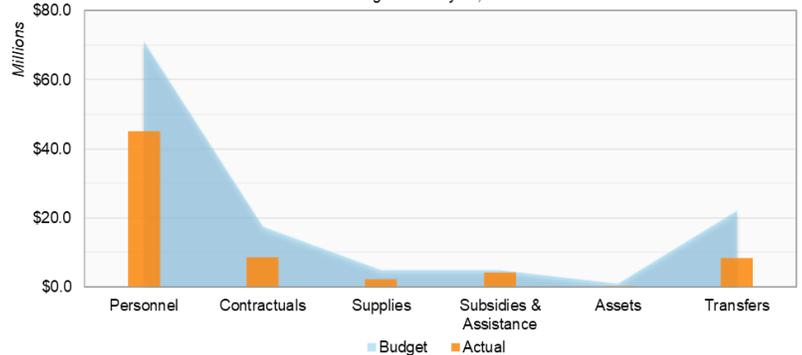
FY2026 YTD	
Compared to February 2025	
Total Revenues: +\$1,878,000 (+2.3%)	▲
Wage Withholding Fees: -\$650,000 (-1.5%)	▼
Total Expenses: +\$4,665,000 (+7.3%)	▲
Personnel Expenses: +\$3,322,000 (+7.9%)	▲

Expenditure Highlights:

The total amended FY2026 General Fund expenditure budget is \$121,813,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2026 amended expenditure budget is \$8,029,000, or 7.1%, more than the FY2025 amended budget through the eighth month of the fiscal year. The increase in the General Fund amended budget impacts the personnel (+7.3%), contractual (+19.1%), subsidy (+13.6%), asset (+82.2%), and transfer-out (+3.9%) 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 most significant expenses of the fund are claims for medical, dental, vision, and prescription costs. These costs are also budgeted to increase by \$1,937,000, or 26.3%, 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 February 28, 2026



Erin Ballou

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

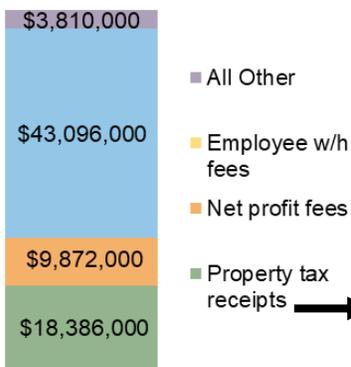
GENERAL FUND REVENUE ANALYSIS

For month ending February 28, 2026

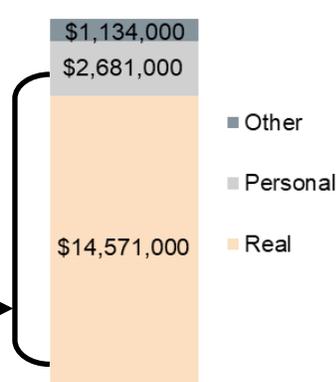
FY2025 YTD	FY2026 YTD	CHANGE (\$)	CHANGE (%)
\$80,444,000	\$82,322,000	+\$1,878,000	+2.3%

Revenue Category	FY2026 Amended Budget	FY2026 Actual	% Collected	Change compared to 2/28/2025	Highlights
Property Taxes	\$18,926,500	\$18,386,000	97.1%	+\$1,805,000 (+10.9%)	Property tax revenue includes real and personal property, motor vehicle and boat, franchise, and payments in-lieu-of taxes. 1,277 invoices remain unpaid from 23,800 mailed in November and 0.5% interest was added on February 1, 2026.
Insurance Premium Taxes	3,724,000	2,573,000	69.1%	+\$20,000 (+0.8%)	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	9,872,000	67.1%	+\$1,079,000 (+12.3%)	The FY2026 adopted budget increased by 15.3% over the prior year. A total of -\$5,717,000 is related to estimated payments and extensions; this is considered deferred revenue and will be applied to revenue as filings occur.
Employee WH Fees	69,524,500	43,096,000	62.0%	-\$650,000 (-1.5%)	The FY2026 budget for this revenue source increased 9.8% over the prior year adopted budget and 8.2% over actual collections. February returns reporting January wages are down 2.4% compared to the same period last year.
Building Fees	1,065,000	661,000	62.1%	+\$110,000 (+20.0%)	The FY2026 budget decreased 22.3% compared to prior year adopted budget, but increased 1.1% compared to actual collections due to planned expansions for large projects. All three revenue accounts report increases through this month.
Parks & Rec Receipts	3,127,000	1,919,000	61.4%	+\$142,000 (+8.0%)	Golf receipts are up \$110,000 and Aquatics receipts are up \$42,000 compared to last year. Cemetery collections are down \$60,000.
Interest Earnings	542,000	2,005,000	369.9%	-\$22,000 (-1.1%)	Interest earnings include both bank balance and investment earnings and are down slightly this fiscal year.
All Other	6,853,000	3,810,000	55.6%	-\$606,000 (-13.7%)	This category contains multiple grants, including COPS, Homeland Security, and EPA grants. Parks Development Fund distributions to Golf Fund and a repayment by the Fire Improvement Fund to the General Fund are also included.
Total	\$118,470,000	\$82,322,000	69.5%	+\$1,878,000 (+2.3%)	Revenue collections this fiscal year are more than the prior year due to a strong property tax collection season. Net Profits are off to a strong eight month start, while employee withholding fee payments along with estimates and extensions are being closely monitored.

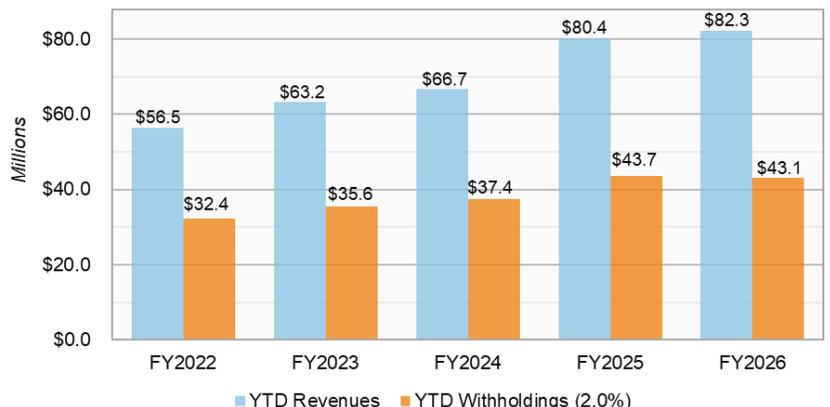
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through February 28, 2026



GENERAL FUND EXPENDITURE ANALYSIS

For month ending February 28, 2026

FY2025 YTD	FY2026 YTD	CHANGE (\$)	CHANGE (%)
\$63,872,000	\$68,537,000	+\$4,665,000	+7.3%

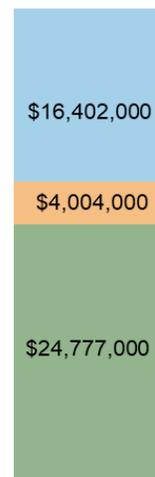
Expense Category	FY2026 Amended Budget	FY2026 Actual	% Expended	Change compared to 2/28/2025	Highlights
Personnel	\$71,120,000	\$45,183,000	63.5%	+\$3,322,000 (+7.9%)	Personnel costs for February were \$5,330,000 and are up when compared to last year by \$3,322,000, which is comprised of: wages (+\$1,798,000), overtime & recall (+\$276,000), CERS (+\$28,000), and other fringe benefits (+\$1,220,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	17,392,000	8,488,000	48.8%	+\$868,000 (+11.4%)	Contractual service costs totaled \$1,230,000 in February. Year-to-date expenses are up compared to last year due to sinkhole repairs and park improvements at Covington Woods and Reservoir Hill.
Supplies	4,783,000	2,125,000	44.4%	-\$764,000 (-26.5%)	Supplies were \$132,000 for the month. Costs through this month reflect a decrease from prior year due to one-time purchase of Police radios in January 2025.
Subsidies & Assistance	4,877,000	4,166,000	85.4%	+\$1,106,000 (+36.1%)	Subsidy payments totaled \$5,000 for February. The increase over prior year is attributable to the timing of TIF distribution payments.
Property & Assets	817,000	256,000	31.4%	+\$136,000 (+113.7%)	Asset costs were \$61,000 this month, including \$32,500 for two traffic message signs. Year-to-date costs reflect an increase over prior year, inclusive of the purchase air quality monitoring equipment and fuel tank replacements.
Fund Transfers	22,015,000	8,319,000	37.8%	-\$3,000 (-0.0%)	Fund transfer costs during February were \$2,029,000 and fiscal year-to-date costs remain consistent with prior year.
Total	\$121,004,000	\$68,537,000	56.3%	+\$4,665,000 (+7.3%)	Monthly expenditures totaled \$8,787,000, reflecting a 7.3% increase over FY2025 due to the timing of TIF payments, planned personnel costs, sinkhole remediation expenses, and park improvements.

* Remaining Contingency budget as of 2/28/2026 is \$808,492.

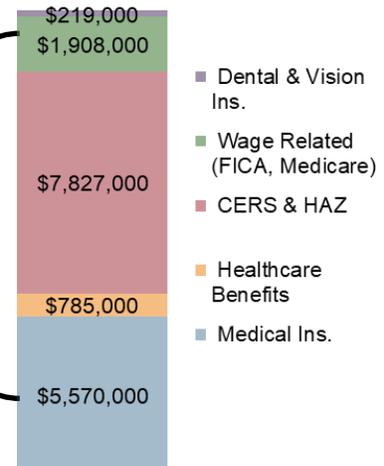
YTD General Fund Expenditure History
through February 28, 2026



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual

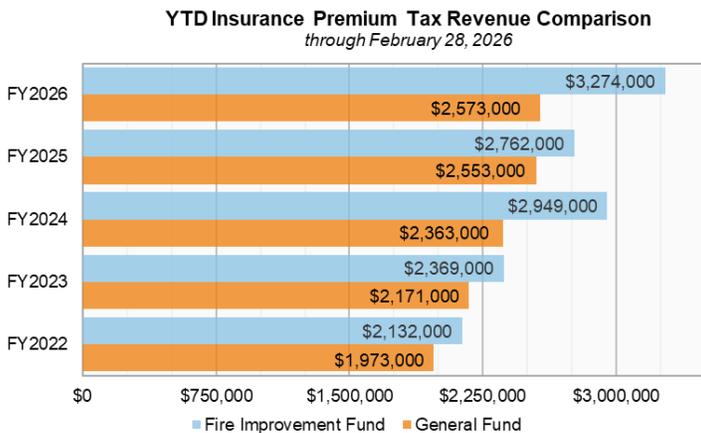


A CLOSER LOOK

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 and Fire Improvement Fund. Through eight months, FY2026 figures show an increase of +18.5% compared to FY2025 over the same period.



EMPLOYEE HEALTH CARE FUND

A summary of paid claims through February 28, 2026, and the comparison to the prior fiscal year is below:

	FY2026 YTD Expenses	Change vs. FY2025
Medical claims	\$3,870,000	-\$1,274,000
Prescription claims	\$741,000	-\$10,200
Dental claims	\$417,000	+\$80,000
Vision claims	\$74,000	+\$2,000
Total claims	\$5,102,000	-\$1,202,000

Total claims are down \$1,202,000, or -19.1%, compared to last February. Total Health Care Fund expenditures are \$6,375,000, which is down \$1,190,000, or -15.7%, compared to this point in FY2025. The Employee Health Care Fund budget through February is 53.3% 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 February 28, 2026. The life-to-date CIP budget, remaining budget available to spend, and the percent spent by department is shown.

