

City of Bowling Green, Kentucky

MONTHLY FINANCIAL MEMORANDUM

For month ending December 31, 2025

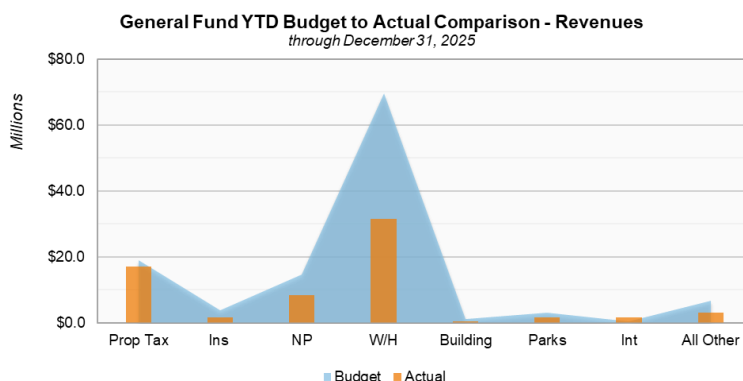
NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and other select funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional 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 \$118,363,000. Through December, \$65,541,000 has been collected, or 55.4% 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 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. Net Profits, employee withholdings, interest, and the all other category are the categories to report negative or nominal decreases for December FY2026 compared to FY2025, while the remaining categories are reporting gains.

Please note net profit collections include \$5,193,000 of deferred revenue for the application of estimated payments and extensions. This deferred revenue will be applied to current revenue as filings occur. The impact of this decreases net profit collections to \$3,289,000 and total revenue through December to \$60,348,000.



Expenditure Highlights:

The total amended FY2026 General Fund expenditure budget is \$121,772,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2026 amended expenditure budget is \$8,595,000, or 7.6%, more than the FY2025 amended budget through the sixth month of the fiscal year. The increase in the General Fund amended budget impacts the personnel (+8.1%), contractual (+21.0%), subsidy (+13.7%), asset (+64.4%), and transfer-out (+3.8%) 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.

Erin Ballou

Chief Financial Officer

FY2026 YTD

Compared to December 2024

Total Revenues:

+\$2,942,000
(+4.7%)



Wage Withholding Fees:

+\$310,000
(+1.0%)



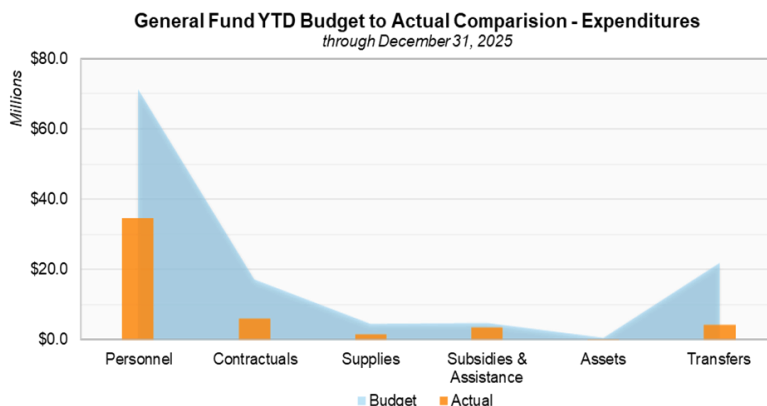
Total Expenses:

+\$6,820,000
(+15.4%)



Personnel Expenses:

+\$4,975,000
(+16.8%)



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.

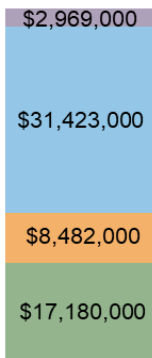
GENERAL FUND REVENUE ANALYSIS

For month ending December 31, 2025

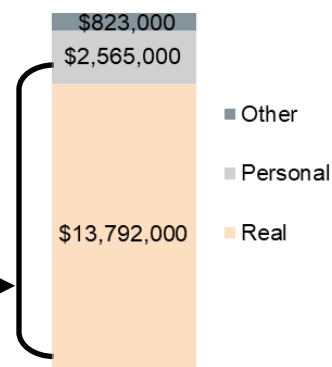
FY2025 YTD	FY2026 YTD	CHANGE (\$)	CHANGE (%)
\$62,599,000	\$65,541,000	+\$2,942,000	+4.7%

Revenue Category	FY2026 Amended Budget	FY2026 Actual	% Collected	Change compared to 12/31/2024	Highlights
Property Taxes	\$18,926,500	\$17,180,000	90.8%	+\$1,711,000 (+11.1%)	Property tax revenue includes real and personal property, motor vehicle and boat, franchise, and PILOT taxes. A total of 2,068 invoices remain unpaid, from over 23,800, and a 10% penalty was assessed on January 1, 2026.
Insurance Premium Taxes	3,724,000	1,697,000	45.6%	+\$50,000 (+3.0%)	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	8,482,000	57.7%	+\$1,147,000 (+15.6%)	The FY2026 adopted budget increased by 15.3% over the prior year budget. CY2025 filings were due in November due to the IRS extended deadline. A total of -\$5,193,000 is related to estimated payments and extensions and is considered deferred revenue that will be applied as filings occur.
Employee WH Fees	69,524,500	31,423,000	45.2%	+\$310,000 (+1.0%)	The FY2026 budget increased by 9.8% over the FY2025 adopted budget and 8.2% over actual FY2025 collections. December returns reporting November wages are down 6.8% compared to the same period last year.
Building Fees	1,065,000	537,000	50.4%	+\$88,000 (+19.6%)	The FY2026 budget decreased 22.3% compared to the FY2025 adopted budget, but increased 1.1% compared to actual collections due to planned expansions for large projects. All revenue accounts report increases through this month.
Parks & Rec Receipts	3,082,000	1,703,000	55.3%	+\$137,000 (+8.7%)	Golf and Aquatics receipts are up \$95,000 and \$41,000, respectively, compared last year; Cemetery collections are down \$33,000.
Interest Earnings	542,000	1,550,000	286.0%	-\$4,000 (-0.3%)	Interest earnings include both bank balance and investment earnings and are down slightly this fiscal year.
All Other	6,791,000	2,969,000	43.7%	-\$497,000 (-14.3%)	This category contains multiple grants, including two COPS grants, two Homeland Security grants, and an EPA grant. Parks Development Fund distributions to Golf Fund and repayment by Fire Improvement Fund to General Fund are also included.
Total	\$118,363,000	\$65,541,000	55.4%	+\$2,942,000 (+4.7%)	Revenue collections to-date this fiscal year are more than the prior year due to a strong property tax collection season. Net Profits are off to a strong six-month start, but the estimated payment and extension figure mentioned above will be monitored.

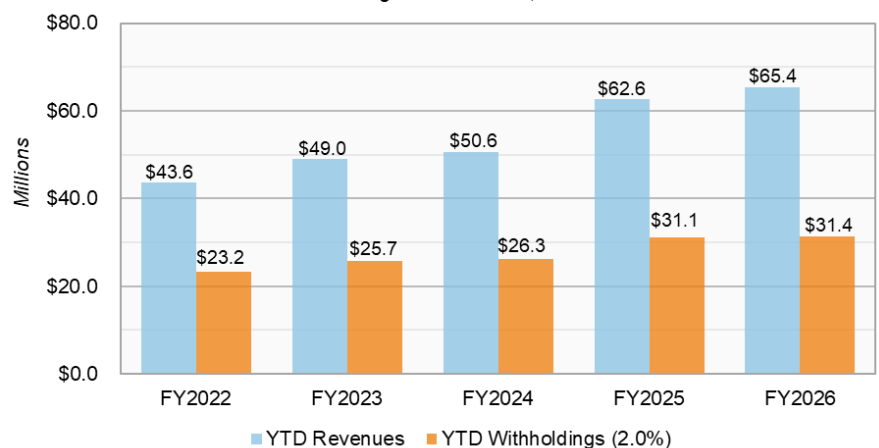
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through December 31, 2025



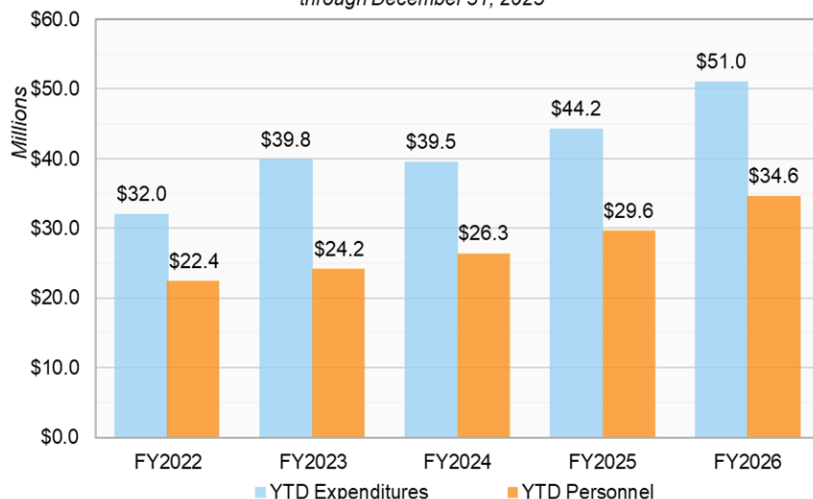
GENERAL FUND EXPENDITURE ANALYSIS

For month ending December 31, 2025

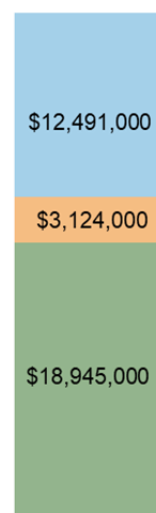
FY2025 YTD		FY2026 YTD		CHANGE (\$)	CHANGE (%)
\$44,203,000		\$51,023,000		+\$6,820,000	+15.4%
Expense Category	FY2026 Amended Budget	FY2026 Actual	% Expended	Change compared to 12/31/2024	Highlights
Personnel	\$71,121,000	\$34,560,000	48.6%	+\$4,975,000 (+16.8%)	Personnel costs for December were \$8,231,000 and are up when compared to last year by \$4,975,000, primarily due to the additional payroll processed for the month. The variance is comprised of: wages (+\$2,724,000), overtime & recall (+\$417,000), CERS (+\$493,000), and other fringe benefits (+\$1,340,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	17,362,000	6,182,000	35.6%	+\$976,000 (+18.8%)	Contractual service costs totaled \$633,000 in December and are up compared to last year due to sinkhole repairs and Reservoir Hill Park improvements.
Supplies	4,800,000	1,836,000	38.3%	+\$49,000 (+2.8%)	Supplies were \$194,000 for the month. YTD costs show a slight increase from prior year and are inclusive of the purchase of asphalt for new cart paths at Hobson.
Subsidies & Assistance	4,882,000	3,826,000	78.4%	+\$1,080,000 (+39.3%)	Subsidy payments totaled \$3,184,000 for December. The increase from prior year is attributable to the timing of TIF distribution payments.
Property & Assets	764,000	179,000	23.3%	+\$61,000 (+52.4%)	Asset costs were \$48,000 this month. Year-to-date costs show a slight increase over prior year, inclusive of the purchase air quality monitoring equipment.
Fund Transfers	21,986,000	4,440,000	20.2%	-\$321,000 (-6.7%)	Fund transfer costs during December were \$975,000 and fiscal year-to-date costs are slightly lower than the prior year due to scheduled debt service payments.
Total	\$120,915,000	\$51,023,000	41.9%	+\$6,820,000 (+15.4%)	Monthly expenditures totaled \$13,265,000, reflecting a 15.4% increase from FY2025 due to the additional December payroll, timing of TIF payments, planned personnel costs and sinkhole remediation expenses.

* Remaining Contingency budget as of 12/31/2025 is \$856,722.

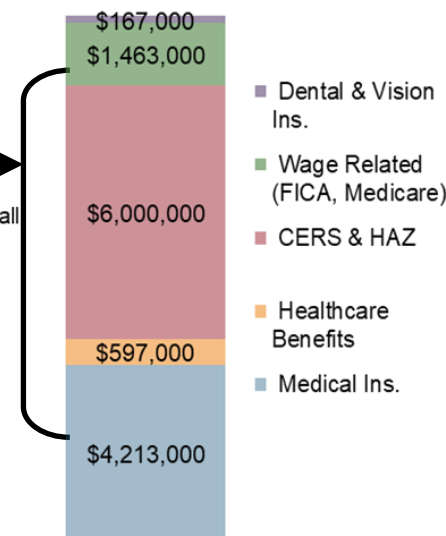
YTD General Fund Expenditure History
through December 31, 2025



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual



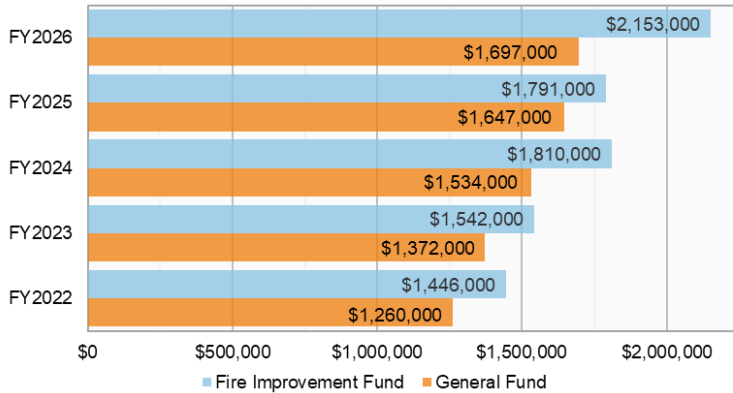
A CLOSER LOOK

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 and Fire Improvement Fund. Through six months, FY2026 figures show an increase of +20.2% compared to FY2025 over the same period.

YTD Insurance Premium Tax Revenue Comparison
through December 31, 2025



EMPLOYEE HEALTH CARE FUND

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

	FY2026 YTD Expenses	Change vs. FY2025
Medical claims	\$2,865,000	-\$874,000
Prescription claims	\$620,000	+\$63,000
Dental claims	\$308,000	+\$54,000
Vision claims	\$51,000	-\$4,000
Total claims	\$3,844,000	-\$761,000

Total claims are down \$761,000, or -16.5%, compared to last December. Total Health Care Fund expenditures are \$4,796,000, which is down \$531,000, or -10.0%, compared to this point in FY2025. The Employee Health Care Fund budget through December is 40.1% 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 December 31, 2025. The life to date CIP budget, remaining budget available to spend, and the percent spent by department is shown.

CIP by Department

