

City of Bowling Green, Kentucky

MONTHLY FINANCIAL MEMORANDUM

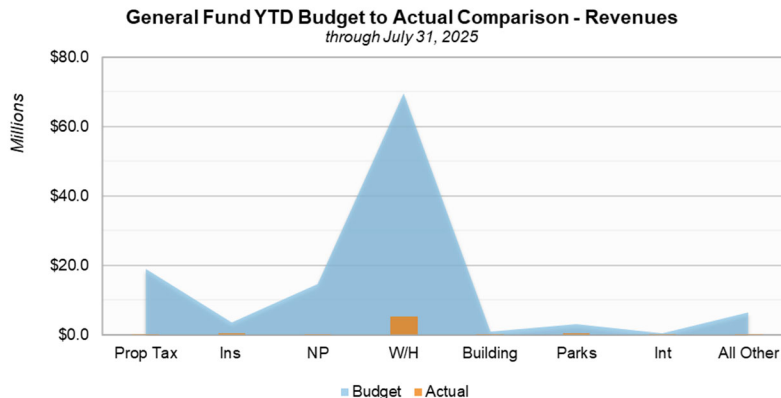
For month ending July 31, 2025

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.

Assistant City Manager/CFO Commentary

Revenue Highlights:

The total FY2026 amended General Fund revenue budget is \$118,122,500. Through July, \$6,958,000 has been collected, or 5.9% 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 and parks & rec show a positive or nominal increase for July FY2026 vs. FY2025, while the remainder of the categories show decreases. **Please note, net profit collections include \$470,000 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 \$620,000 and total revenue through July to \$7.4M.**



Expenditure

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 \$8,647,000, or 7.7%, more than the FY2025 amended budget through the first month of the fiscal year. The increase in the General Fund amended budget impacts the personnel (+7.5%), contractual (+12.9%), subsidy (+21.7%), asset (+65.4%), and transfer-out (+8.1%) expenditure categories.

The Employee Health Care Trust Fund as a whole includes a budgetary increase of \$704,000, 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.

Katie Schaller-Ward

Assistant City Manager/Chief Financial Officer

FY2026 YTD

Compared to July 2025

Total Revenues:

-\$2,139,000
(-23.5%)



Wage Withholding Fees:

-\$1,127,000
(-18.5%)



Total Expenses:

+\$3,259,000
(+108.2%)



Personnel Expenses:

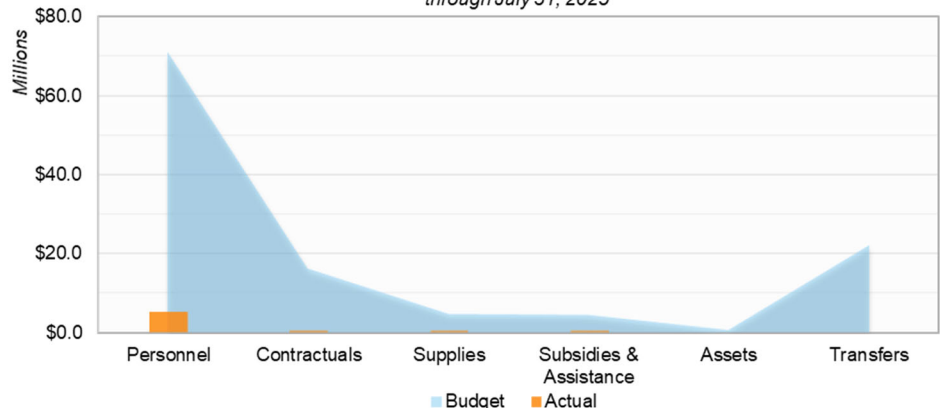
+\$2,742,000
(+117.1%)



Highlights:

General Fund YTD Budget to Actual Comparison - Expenditures

through July 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 Assistant City Manager/CFO at City Hall Annex, Department of Finance, 1017 College Street, Bowling Green, KY 42101; or (270)393-3000; or accounting@baky.org.

GENERAL FUND REVENUE ANALYSIS

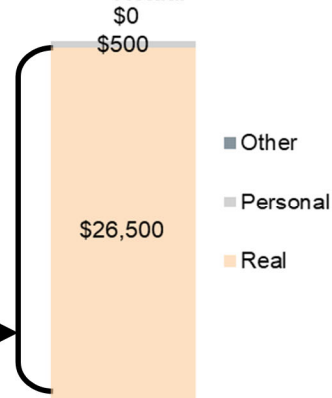
For month ending July 31, 2025

FY2025 YTD		FY2026 YTD		CHANGE (\$)	CHANGE (%)
\$9,097,000		\$6,958,000		-\$2,139,000	-23.5%
Revenue Category	FY2026 Amended Budget	FY2026 Actual	% Collected	Change compared to 7/31/2024	Highlights
Property Taxes	\$18,926,500	\$27,000	0.1%	+\$7,000 (+35.0%)	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	372,000	10.0%	-\$13,000 (-3.4%)	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	150,000	1.0%	-\$875,000 (-85.4%)	The FY2026 budget was increased 15.3% from FY2025. CY2025 filings are continuing to be filed following the IRS deadline. \$470,000 is considered deferred for estimated payments and extensions, the balance of which at year end will be netted to the FY2026 revenue.
Employee WH Fees	69,524,500	5,400,000	7.8%	-\$1,227,000 (-18.5%)	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 the job growth related to new business announcements and incorporating natural growth. July returns showing June wages posted a decrease of -18.5% vs. the same period last year. June 2024 and 2025 both had four Fridays reported in July.
Building Fees	1,065,000	94,000	8.8%	-\$82,000 (-46.6%)	The FY2026 budget decreased -22.3% vs. FY2025 adopted budget but increased +1.1% compared with FY2025 actuals collections due to planned phased expansions for a few large projects. All three revenue accounts show decreases through July.
Parks & Rec Receipts	3,073,500	535,000	17.4%	+\$65,000 (+13.8%)	Hobson Golf Course & Driving Range produced -\$2,000 less collections this July vs. FY2025. Overall, Golf operating receipts are up +\$8,000 and Aquatics receipts are up +\$52,000 compared to last fiscal year. Cemetery collections are down -\$5,000.
Interest Earnings	542,000	265,000	48.9%	-\$2,000 (-0.7%)	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	6,559,000	115,000	1.8%	-\$12,000 (-9.4%)	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	\$6,958,000	5.9%	-\$2,139,000 (-23.5%)	The negative change for FY2026 thru July is attributable to slower collections with net profits due to the IRS extension along with a slow start to withholdings.

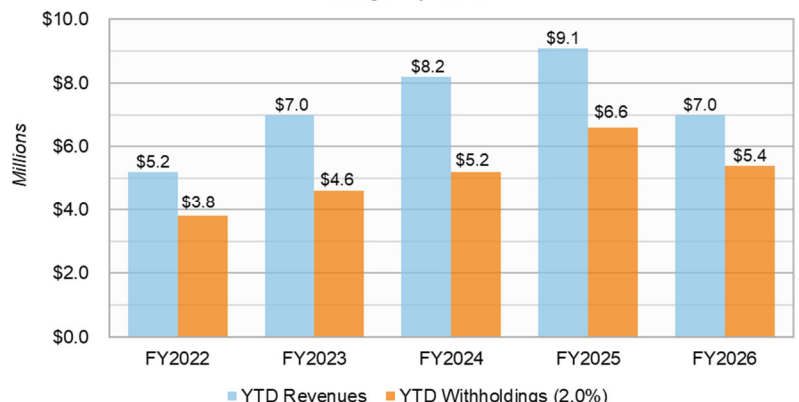
Top 4 Revenue Drivers - Actual



Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison through July 31, 2025



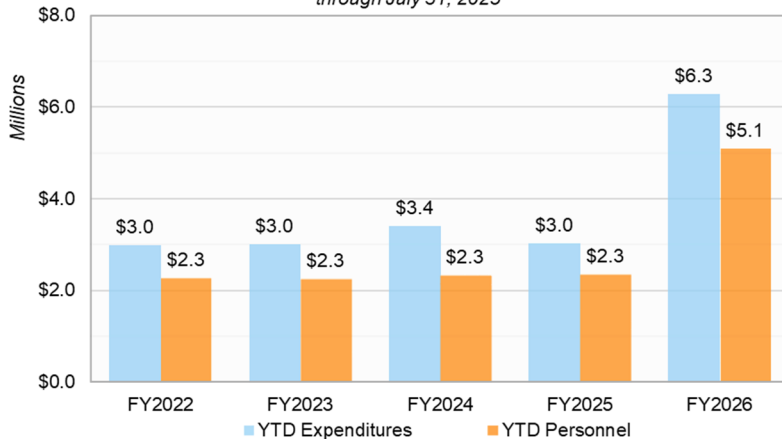
GENERAL FUND EXPENDITURE ANALYSIS

For month ending July 31, 2025

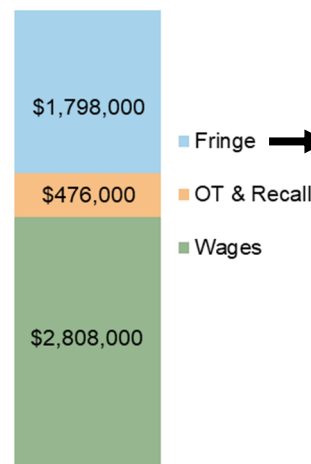
FY2025 YTD		FY2026 YTD			CHANGE (\$)	CHANGE (%)
\$3,010,000		\$6,269,000			+\$3,259,000	+108.2%
Expense Category	FY2026 Amended Budget	FY2026 Actual	% Expended	Change compared to 7/31/2024	Highlights	
Personnel	\$70,870,000	\$5,082,000	7.2%	+\$2,742,000 (+117.1%)	Personnel costs for July were \$5,082,000 and are up when compared to last year by \$2,742,000, which is comprised of: wages (+\$1,520,000), overtime & recall (+\$260,000), CERS (+\$423,000), and other fringe benefits (+\$539,000). See the charts below for trending information and a breakdown of personnel expenses. The significant increase is due to the timing of payments.	
Contractuals	16,323,000	540,000	3.3%	+\$86,000 (+19.0%)	Contractual service costs totaled \$540,000 in July and are up compared to last year due to timing of software maintenance renewal costs.	
Supplies	4,742,000	310,000	6.5%	+\$184,000 (+145.9%)	Costs for the month totaled \$310,000. 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	337,000	7.5%	+\$248,000 (+278.2%)	Subsidy payments totaled \$337,000 during July. 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	0	0.0%	+\$0 N/A	Fund transfer costs during July were \$0.	
Total	\$119,189,000	\$6,269,000	5.2%	+\$3,259,000 (+108.2%)	Total expenditures for the month were \$6,269,000 and are up compared to FY2025 primarily due to the timing of payroll expenses.	

* Remaining Contingency budget as of 7/31/2025 is \$1,592,201.

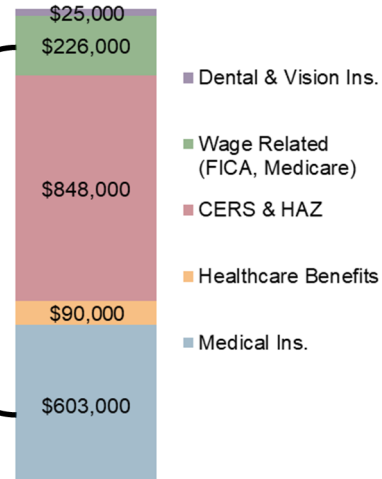
YTD General Fund Expenditure History
through July 31, 2025



Overall Personnel Detail - Actual



Fringe Benefits Detail - Actual

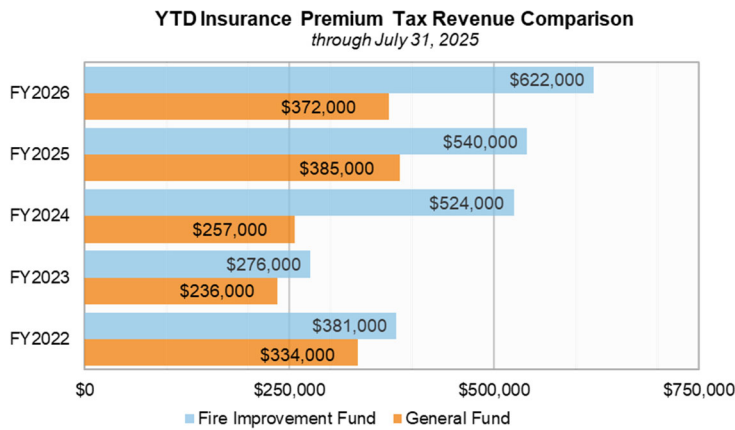


A CLOSER LOOK

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 July. Through one month, FY2026 figures show an increase of +15.2% vs. FY2025 over the same period.



EMPLOYEE HEALTH CARE FUND

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

	FY2026 YTD Expenses	Change vs. FY2025
Medical claims	\$727,000	-\$125,000
Prescription claims	\$102,000	+\$8,000
Dental claims	\$51,000	+\$7,000
Vision claims	\$6,000	+\$1,000
Total claims	\$886,000	-\$109,000

Total **claims are down \$109,000**, or -11.0%, compared to last July. Total Health Care Fund expenditures are \$987,000, which is down \$116,000, or -10.5%, compared to this point in FY2025. The Employee Health Care Fund budget through July is 8.3% 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 years budgets as of July 31, 2025. The FY2026 total CIP budget, remaining budget available to spend, and the percent spent by department is shown.

