City of Bowling Green, Kentucky

MONTHLY FINANCIAL BULLETIN



September 2026

COMMUNITY LED
SERVICE DRIVEN
POWERED BY GROWTH

INTRODUCTION

The Finance Department's mission is to provide sound financial management practices, exemplary custom service, and prudent stewardship of taxpayer funds for the residents of Bowling Green. This financial report helps fulfill that mission by tranparently presenting the financial position 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 should be used for informational purposes only.

Chief Financial Officer Commentary

This report summarizes financial activity for the first quarter of FY2027. General Fund total revenue collections are outpacing expenses; however, total revenues did not meet the target 25% for the first three months of the fiscal year. The collection of employee withholding fees, the City's largest and most important revenue source, is pacing at the expected 25% rate through the first quarter and has exceeded collections at this point last year by about $680,000. Net Profit fees are also tracking very close to budget expectations and are currently reporting an increase over the prior year due to the efforts of the Occupational License Division Inspectors. These revenue sources are being closely monitored. General Fund expense totals are slightly lower than the expected spending rate at 19.6%, this is due to the timing of transfers to other funds scheduled later in the fiscal year. Overall, the General Fund activity through the first quarter is meeting budget expectations.

Total General Fund (GF) Revenues

Actual revenue collected compared to the amended budget.

$24,457,000

Total Amended Budget: $110,883,000

Percent Collected: 22.1%

Target: 25%

Total General Fund (GF) Expenses

Actual expenses compared to the amended budget.

$23,001,000

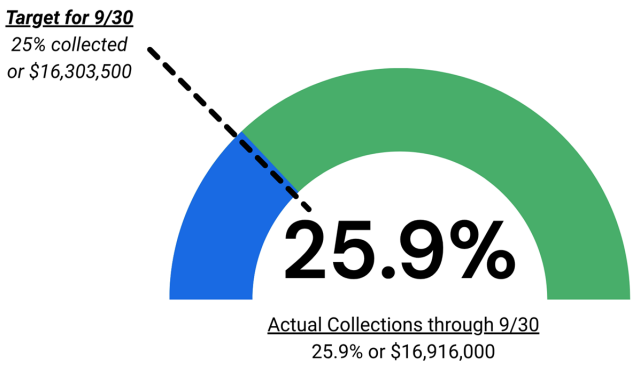
Total Amended* Budget: $117,233,000

Percent Spent: 19.6%

Target: 25%

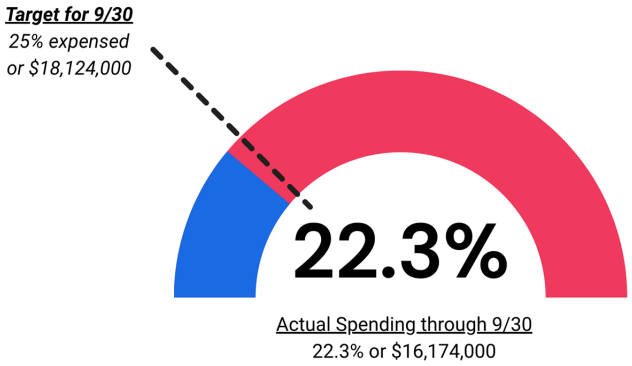
**Amended budget includes purchase orders and projects from prior years.*

Largest GF Revenue: Employee WH Fees



Employee withholding fees are meeting the expected collection threshold of 25%; however, collections for the month of September of FY2027 compared to September FY2026 fell short by $673,000 due to an extra Friday in the prior reporting period along with timing of payments.

Largest GF Expense: Personnel



Personnel expenses through this month are less than the expected spending threshold of 25%, primarily due to the lower occurrences of overtime and employee CERS leave purchases through the first quarter.

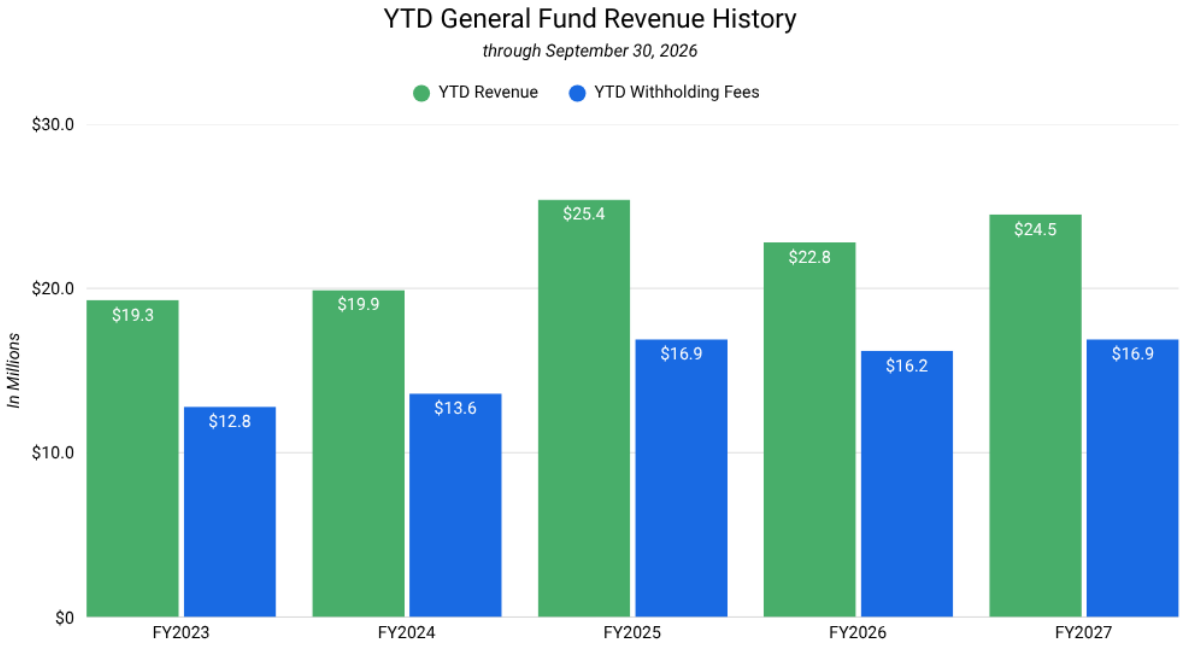
GENERAL FUND REVENUE ANALYSIS

For month ending September 30, 2026

	FY2027 Amended Budget	FY2027 YTD Transactions	% Collected	Change compared to Prior Year	% Change compared to Prior Year
Property & Other Taxes	$21,430,150	$445,907	2.1%	$162,533	57.4%
Ins. Prem. Taxes	$3,585,000	$828,230	23.1%	($43,185)	(5.0%)
Net Profit Fees	$11,693,000	$2,841,117	24.3%	$1,118,528	64.9%
Employee WH Fees	$65,214,000	$16,916,109	25.9%	$678,551	4.2%
Building Fees	$1,099,000	$396,509	36.1%	$53,555	15.6%
Parks & Rec Receipts	$3,140,631	$1,051,835	33.5%	($161,648)	(13.3%)
All Other	$4,721,108	$1,976,993	41.9%	($165,995)	(7.7%)
Grand Total	**$110,882,889**	**$24,456,700**	**22.1%**	**$1,642,338**	**7.2%**

General Fund Revenue highlights include:

- Property taxes include real, personal, motor vehicle, franchise (including bank and telecommunications), payments in lieu of, and penalty and interest receipts. A total of 24,585 property tax invoices were mailed on October 15, 2026, and are due December 31, 2026. The 2026 property tax rate remained at $0.203 per $100 of assessed property value, the same as 2025.
- Net profit fees are up $1.1M compared to the prior year, nearly reaching the 25% first quarter collection to budget milestone. The large increase compared to FY2026 is due to the collection of large delinquent accounts through the on-going efforts of the Finance Department's Business License Inspectors. A total of $1.1M, related to estimated payments and extensions, has accumulated and is currently classified as deferred revenue; this total will continue to accumulate throughout the year and may reduce FY2027 actual revenue at year-end.
- Employee withholding fees are up $287,000 and penalty & interest collections are also up $392,000, contributing to a total increase of $679,000 over FY2026 collections through September. With a full quarter of collections for employee withholdings representing a quarter of the budget reported, the increase in revenue compared to the prior year is primarily due to the delinquent collections.
- Parks & Recreation overall reciepts are down $162,000. Compared to last year, Golf receipts are down $107,000 and Aquatics receipts are reporting a decrease of $43,000.
- All other revenue includes interest earnings, grants from other governmental agencies, interfund loan repayments, and other miscellaneous receipts.
- The chart on the following page presents a five year history of total revenue collected through the current month compared to the City's largest revenue source, employee withholding fees. Current year totals are slightly higher than FY2026.


YTD General Fund Revenue History
through September 30, 2026
YTD Revenue
YTD Withholding Fees
$30.0
$20.0
$10.0
$0
In Millions
$19.3
$12.8
$19.9
$13.6
$25.4
$16.9
$22.8
$16.2
$24.5
$16.9
FY2023
FY2024
FY2025
FY2026
FY2027

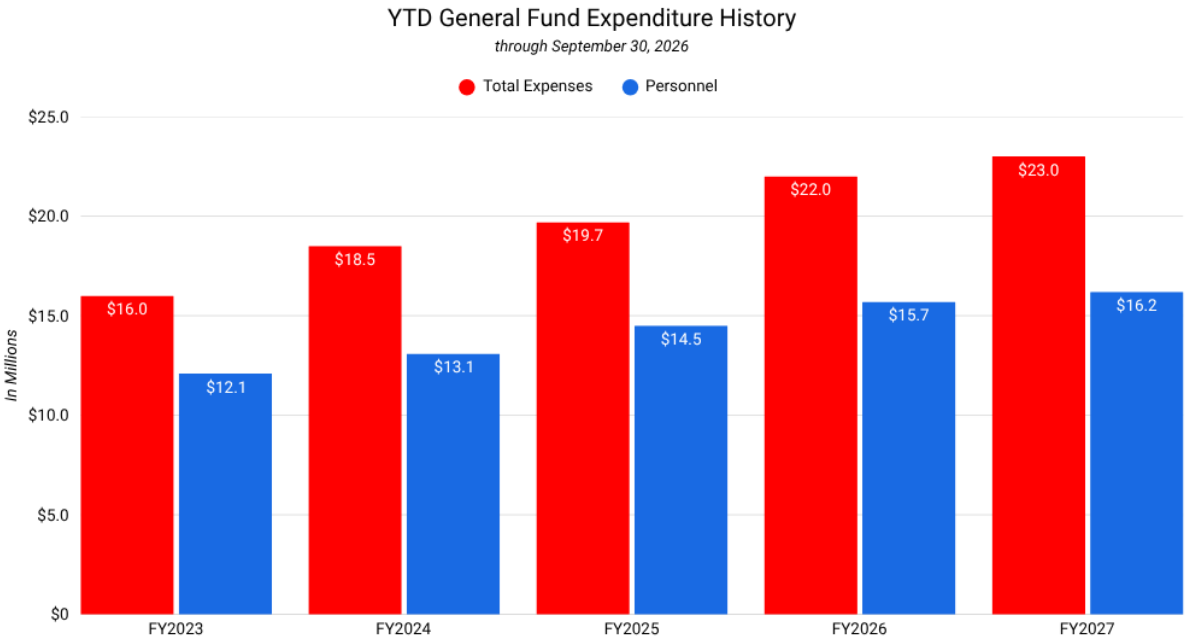
GENERAL FUND EXPENSE ANALYSIS

For month ending September 30, 2026

	FY2027 Amended Budget	YTD Transactions	% Expended	Change compared to PY	% Change compared to PY
Personnel	$72,494,260	$16,174,075	22.3%	$517,112	3.3%
Contractuals	$16,457,516	$3,979,844	24.2%	$593,381	17.5%
Supplies	$4,074,531	$1,000,197	24.5%	($122,168)	(10.9%)
Subsidies & Assistance	$4,764,985	$173,468	3.6%	($115,180)	(39.9%)
Assets	$221,644	$35,739	16.1%	($62,201)	(63.5%)
Transfers Out	$16,171,772	$1,637,500	10.1%	$162,500	11.0%
Contingency	$3,047,817	$0	0.0%	$0	0.0%
Grand Total	**$117,232,525**	**$23,000,823**	**19.6%**	**$973,444**	**4.4%**

General Fund Expense highlights include:

- Personnel costs for September were$5.6M and are up when compared to last year by $517,000, which is comprised of: wages (+$424,000), overtime & recall (+41,700), CERS (-$37,000), and other fringe benefits (+$88,000).
- Contractual service costs totaled $1.3M in September, including $175,000 for additional cyber security software, $145,000 for Moxley Community Center gym roof replacement, $94,000 for Kaz Abe maintenance shop improvements, and $85,000 for timing of the annual pavement condition survey. Year-to-date expenses are up $593,000 as compared to last year due to an increase in fleet lease rates, additional mowing expenses, and various facilities improvements.
- Supplies were $188,205 in September and include $50,000 for Hobson tree trimming and stump grinding.
- Subsidies & Assistance costs were $12,474 in September and are down for the year due to Live the Dream Development draws in FY2026.
- Fund transfer costs were $662,500 this month; year-to-date costs are up due to transfers to the Riverfront Park Development Fund.
- Monthly expenditures total $7.8M and year-to-date expenditures total $23.0M, reflecting a 4.4% increase over FY2026 due to facility improvements, Police Department in-car cameras, cyber security software, and planned personnel costs.
- The chart on the following page presents a five year history of total General Fund expenses through the current month compared to the largest expense, personnel costs. Current year expenses are more than in prior years, but within budget parameters.


YTD General Fund Expenditure History
through September 30, 2026
Total Expenses
Personnel
In Millions
$25.0
$20.0
$15.0
$10.0
$5.0
$0
$16.0
$12.1
$18.5
$13.1
$19.7
$14.5
$22.0
$15.7
$23.0
$16.2
FY2023
FY2024
FY2025
FY2026
FY2027

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.

Employee Health Care Fund

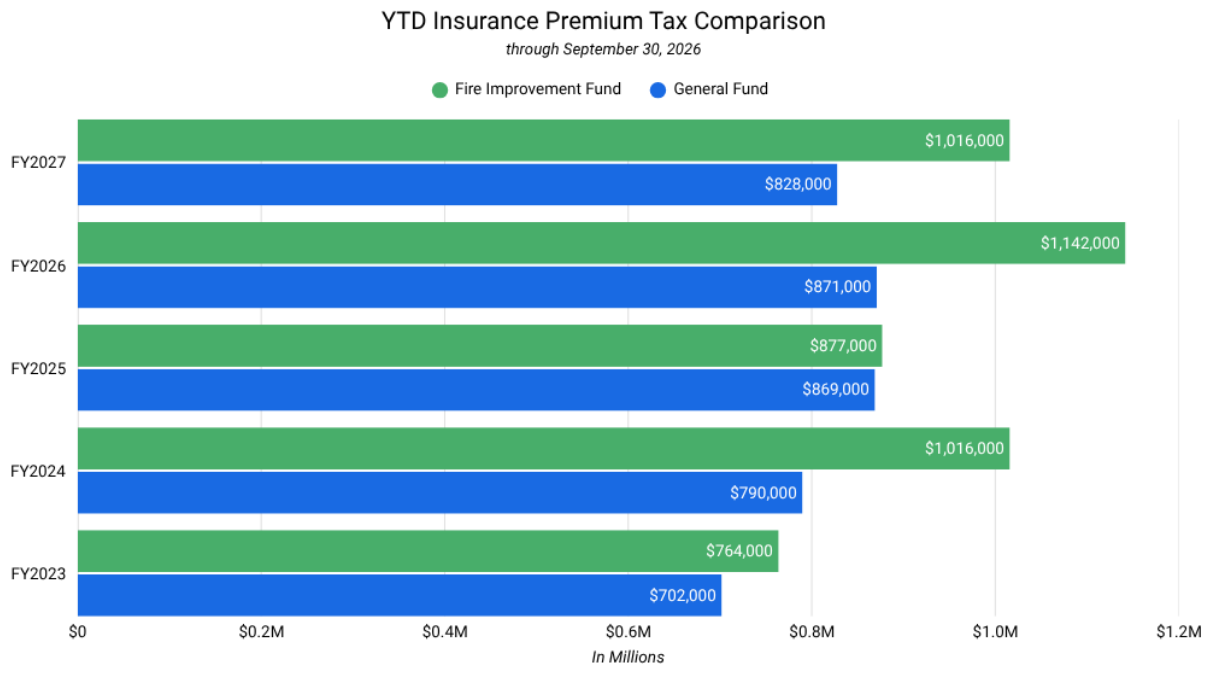
A summary of the City's self-insured employee insurance plan is presented to the right. The table compares current fiscal year-to-date expenses the prior fiscal year-to-date.

Total claims are up $600,000, or +29.4%, compared to last September. Total Health Care Fund expenditures are $3,062,000, which is up $593,000, or +24%, compared to this point in FY2026. The Employee Health Care Fund budget through September is 25.3% spent.

	FY2027 YTD Expenses	Change vs. CY2026
Medical claims	$1,675,000	$110,000
Prescription claims	$764,000	$482,000
Dental claims	$170,000	$5,000
Vision claims	$34,000	$3,000
Total claims	**$2,643,000**	**$600,000**

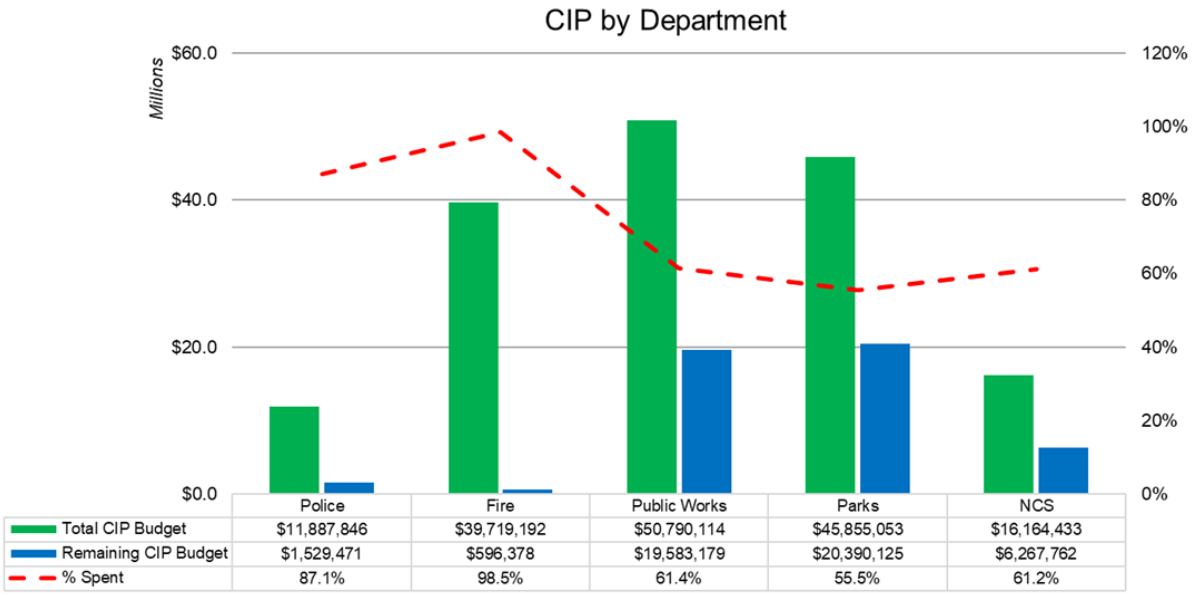
Insurance Premium Taxes

The below five-year chart compares insurance premium tax receipts for the General Fund and the Fire Improvement Fund. Through the date of this report, FY2027 results report a decrease of 11.1% compared to the prior year-to-date. Insurance premium tax actual collections total 21.3% of the FY2027 budget through September, which is 3.7% lower than the expected 25% collection milestone.



Capital Improvement Program

The FY2027 adopted Capital Improvement Program (CIP) totaled over $25,885,000, excluding debt, for all City departments with 43.6% of that amount represented by General Fund supported projects. CIP costs are defined as costs from capital related projects costing over $50,000 with an expected useful life of at least ten years. The below chart summarizes the City's active CIP projects from current and prior fiscal year budgets as of the date of this report. The life-to-date CIP budget, remaining budget available to spend, and the percent spent by department is shown.



	Police	Fire	Public Works	Parks	NCS
Total CIP Budget	$11,887,846	$39,719,192	$50,790,114	$45,855,053	$16,164,433
Remaining CIP Budget	$1,529,471	$596,378	$19,583,179	$20,390,125	$6,267,762
% Spent	87.1%	98.5%	61.4%	55.5%	61.2%