City of Bowling Green, Kentucky
MONTHLY FINANCIAL MEMORANDUM

For month ending August 31, 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 August occur. This report should be used for informational purposes only.

Chief Financial Officer Commentary

Revenue Highlights:

The total FY2027 amended General Fund revenue budget is $110,883,000. Through August, $17,280,000 has been collected, or 15.6% of the amended revenue budget. The overall adopted revenue budget was reduced by 5.7% and wage withholding fees reduced by 7.2% to account for current economic conditions. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Insurance premiums, net profits and parks & recreation are reporting decreases for August FY2027 as compared to FY2026, while the remaining categories are reporting increases.

***Please note** that approximately 49% of the "all other" category is the net fair market investment value; this is a "book" only adjustment and does not impact actual cash collections. **Additionally,** net profit collections include $643,000 of deferred revenue representing 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 $416,000 and total revenue through August to $16,637,000.*

FY2027 YTD

Compared to August 2025

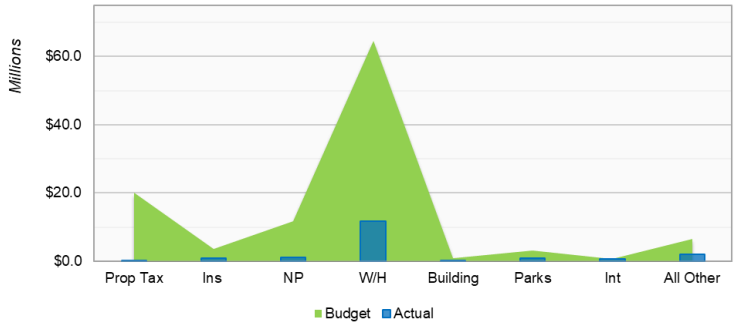
Total Revenues:
+$2,204,000
(+14.6%)

Wage Withholding Fees:
+$1,237,000
(+11.9%)

Total Expenses:
+$624,000
(+4.3%)

Personnel Expenses:
+$200,000
(+1.9%)

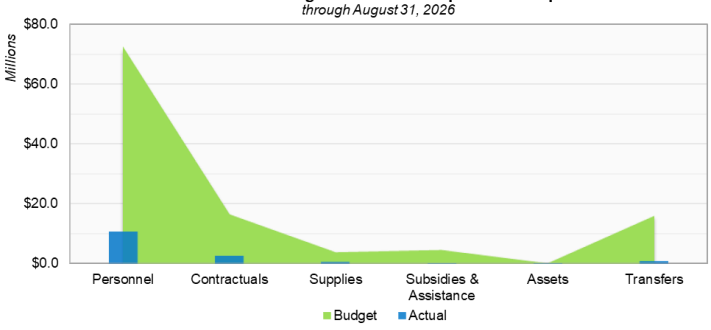
General Fund YTD Budget to Actual Comparison - Revenues
through August 31, 2026



Expenditure Highlights:

The total amended FY2027 General Fund expenditure budget is $117,233,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2027 amended expenditure budget is $3,548,000, or 2.9%, less than the FY2026 amended budget through the second month of the fiscal year. The decrease in the General Fund amended budget impacts, supplies (-14.0%), and assets (-70.4%) expenditure categories.

General Fund YTD Budget to Actual Comparision - Expenditures
through August 31, 2026



The Employee Health Care Trust Fund as a whole includes a budgetary increase of $132,000, or 1.1%, 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 $120,000, or +1.3%, 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

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.

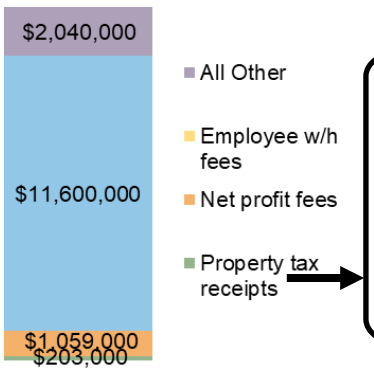
GENERAL FUND REVENUE ANALYSIS

For month ending August 31, 2026

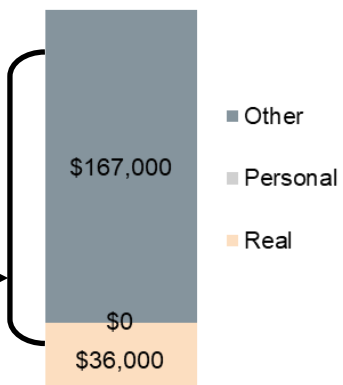
FY2026 YTD	FY2027 YTD	CHANGE ($)	CHANGE (%)
$15,076,000	$17,280,000	+$2,204,000	+14.6%

Revenue Category	FY2027 Amended Budget	FY2027 Actual	% Collected	Change compared to 8/31/2025	Highlights
Property Taxes	$20,168,000	$203,000	1.0%	+$83,000 (+69.2%)	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 in October.
Insurance Premium Taxes	3,585,000	805,000	22.5%	-$68,000 (-7.8%)	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	11,693,000	1,059,000	9.1%	+$466,000 (+78.6%)	FY2027 budget for this revenue category was reduced by 20.5% to align with current economic conditions. A total of -$643,000 is related to estimated payments and extensions; the balance will be applied to FY2027 revenue.
Employee WH Fees	64,539,000	11,600,000	18.0%	+$1,237,000 (+11.9%)	The FY2027 budget for this revenue category was also reduced, by 7.2%, due to weaker than expected performance in the prior twelve months. August returns reporting July wages are up 39.0% compared to the same period last year due to an additional Friday in July FY2027.
Building Fees	818,000	205,000	25.1%	+$18,000 (+9.6%)	This FY2027 budget decreased 23.2% compared to prior year due to the completion of several projects and a slowdown in the region. Two of three revenue accounts are reporting increases through this month.
Parks & Rec Receipts	3,139,000	774,000	24.7%	-$182,000 (-19.0%)	Golf and Aquatics receipts are down compared to last year, $98,000 and $57,000, respectively. Cemetery collections are down $3,000 vs. last year.
Interest Earnings	541,000	594,000	109.8%	-$23,000 (-3.7%)	Interest earnings include both bank balance and investment earnings and are up modestly this fiscal year.
All Other	6,400,000	2,040,000	31.9%	+$673,000 (+49.2%)	This category contains multiple continuing grants, including COPS, Homeland Security, EPA grants and FEMA reimbursements. Parks Development Fund distributions and a repayment by the Fire Improvement Fund to the General Fund are included.
Total	**$110,883,000**	**$17,280,000**	**15.6%**	**+$2,204,000 (+14.6%)**	The overall increase in revenue reported this August compared to last year is due to early net profit collections and a strong August withholding collection related to timing of payments. The all other revenue category is also contributing to the gain in revenue through grant collections.

Top 4 Revenue Drivers - Actual

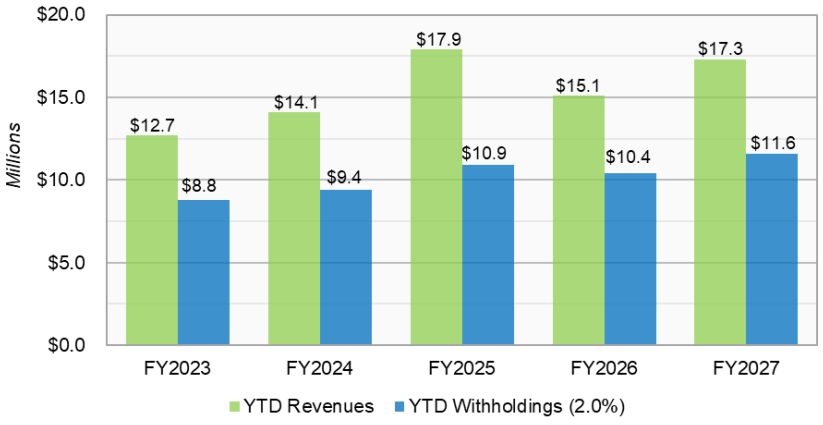


Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison

through August 31, 2026



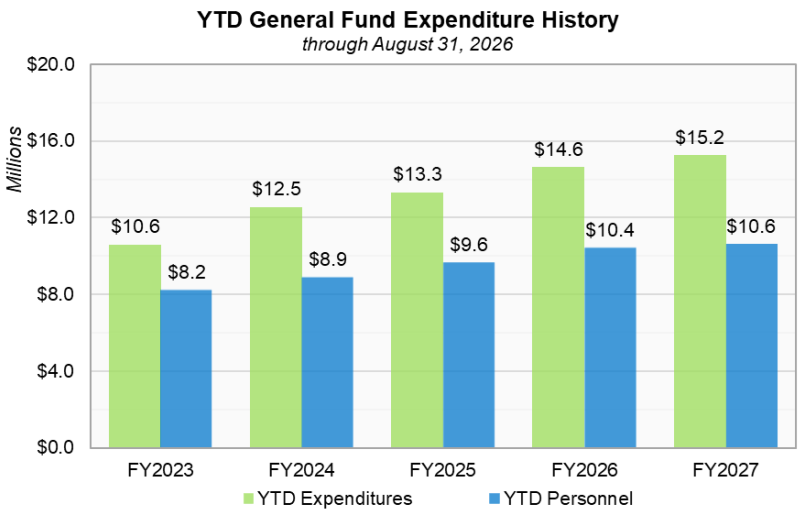
GENERAL FUND EXPENDITURE ANALYSIS

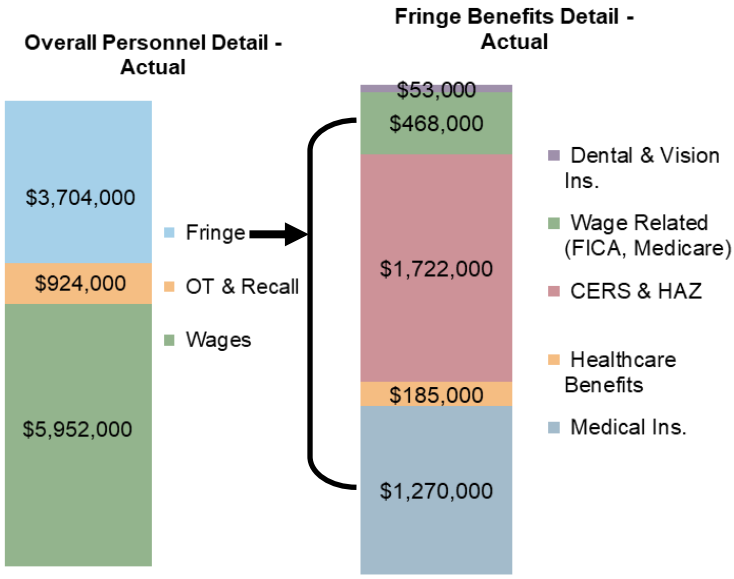
For month ending August 31, 2026

FY2026 YTD	FY2027 YTD	CHANGE ($)	CHANGE (%)
$14,607,000	$15,231,000	+$624,000	+4.3%

Expense Category	FY2027 Amended Budget	FY2027 Actual	% Expended	Change compared to 8/31/2025	Highlights
Personnel	$72,494,000	$10,580,000	14.6%	+$200,000 (+1.9%)	Personnel costs for August were $5,512,000 and are up when compared to last year by $200,000, which is comprised of: wages (+$232,000), overtime & recall (-$37,000), CERS (-$33,000), and other fringe benefits (+$38,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	16,528,000	2,671,000	16.2%	+$177,000 (+7.1%)	Contractual service costs totaled $2,082,000 in August. Year-to-date expenses increased $177,000 over prior year, primarily due to an increase in Fleet lease rates.
Supplies	4,074,000	812,000	19.9%	+$188,000 (+30.1%)	Supplies were $641,000 for the month. Costs through August reflect an increase of $188,000 over prior year due to the purchase of 106 Axon in-car cameras.
Subsidies & Assistance	4,685,000	161,000	3.4%	+$27,000 (+20.1%)	Subsidy payments totaled $3,000 for August. The increase over prior year is attributable to a receivable recorded for outstanding code compliance transactions in prior year.
Property & Assets	226,000	32,000	14.2%	$32,000 (N/A)	Asset costs were $32,000 for the month. This increase over prior year is due to the purchase of water quality sondes.
Fund Transfers	16,173,000	975,000	6.0%	$0 (N/A)	Fund transfer costs were $975,000 for August, with no variance to prior year transfer expenditures.
Total	**$114,180,000**	**$15,231,000**	**13.0%**	**+$624,000 (+4.3%)**	Monthly expenditures totaled $9,245,000, reflecting a 4.3% increase over FY2026 due to Axon in-car cameras, Fleet lease rate increases, and planned Personnel costs.

** Remaining Contingency budget as of 8/31/2026 is $3,052,967.*



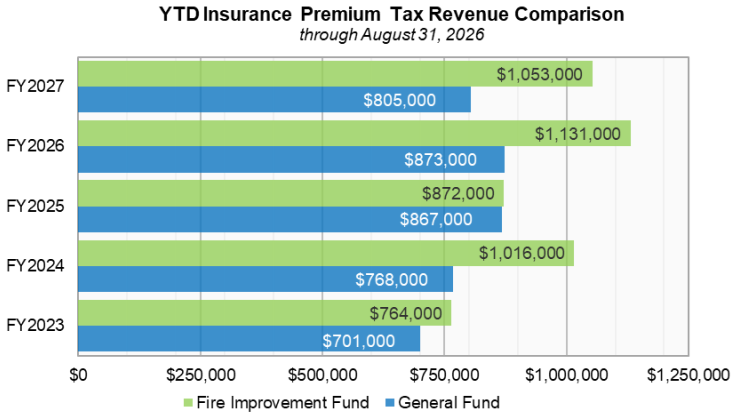


A CLOSER LOOK

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 two months, FY2027 figures show an decrease of -6.9% compared to FY2026 over the same period.



EMPLOYEE HEALTH CARE FUND

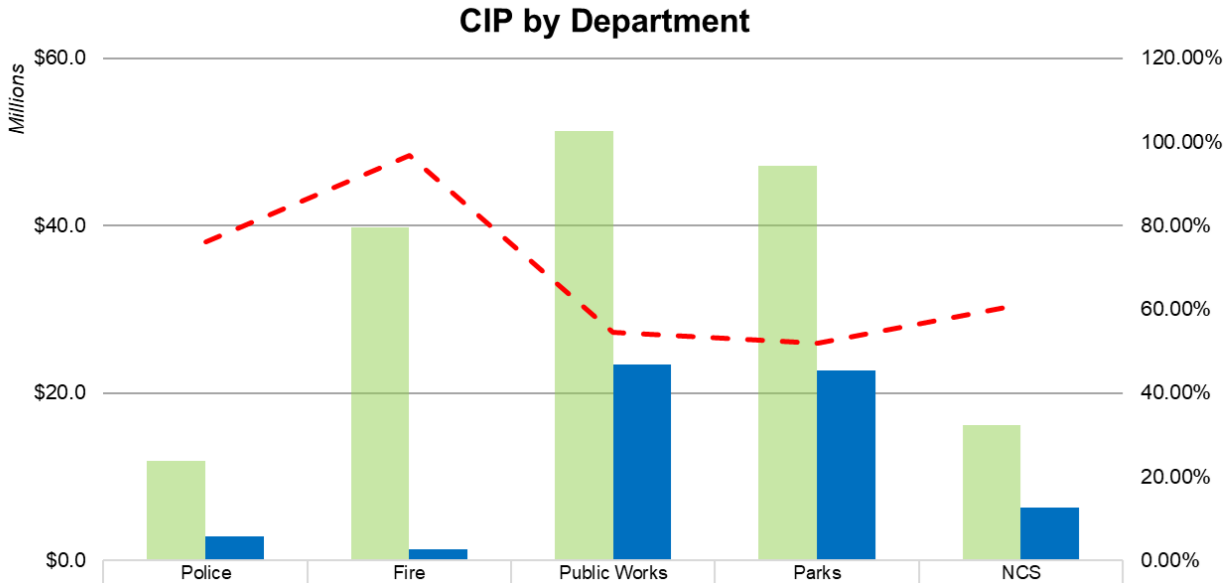
A summary of paid claims through August 31, 2026, and the comparison to the prior fiscal year is below:

	FY2027 YTD Expenses	Change vs. FY2026
Medical claims	$1,263,000	+$183,000
Prescription claims	$502,000	+$405,000
Dental claims	$118,000	+$3,000
Vision claims	$23,000	+$3,000
Total claims	**$1,906,000**	**+$594,000**

Total **claims are up $594,000,** or +45.3%**,** compared to last August. Total Health Care Fund expenditures are $2,178,000, which is up $690,000, or +46.4%, compared to this point in FY2026. The Employee Health Care Fund budget through August is 18.0% spent.

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 were redefined during the FY2027 budget process as 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 both current and prior fiscal year budgets as of August 31, 2026. 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	$51,285,450	$47,132,475	$16,103,849
Remaining CIP Budget	$2,835,989	$1,257,968	$23,360,397	$22,714,747	$6,267,762
% Spent	76.1%	96.8%	54.5%	51.8%	61.1%