MUNICIPAL ORDER NO. **2026 - 245**

MUNICIPAL ORDER ACCEPTING THE CITY OF BOWLING GREEN, KENTUCKY ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 2026 AS PREPARED BY THE DEPARTMENT OF FINANCE AND AUDITED BY CHERRY BEKAERT LLP

WHEREAS, the City of Bowling Green, Kentucky contracts for an annual audit examination of its financial statements, funds, records and accounts in accordance with applicable Kentucky Revised Statutes; and,

WHEREAS, the firm of Cherry Bekaert LLP was retained to conduct said audit examination in accordance with generally accepted auditing standards; and,

WHEREAS, the audit examination has been completed and the auditor's opinion and notes have been included in the City's Annual Comprehensive Financial Report; and,

WHEREAS, by Ordinance No. BG2006-41, the City of Bowling Green Audit Committee was created, which has among other duties, the duty to review the Annual Comprehensive Financial Report and provide recommendation for approval to the Board of Commissioners; and,

WHEREAS, at a special meeting on October 29, 2026, the Audit Committee reviewed the Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2026, as prepared by the Department of Finance and audited by Cherry Bekaert LLP; and,

WHEREAS, by Resolution No. 2026-1 of the Audit Committee, the Committee approved the Annual Comprehensive Financial Report and recommended approval of this Financial Report to the City of Bowling Green Board of Commissioners.

NOW, THEREFORE, BE IT ORDERED by the City of Bowling Green, Kentucky as follows:

1. The Annual Comprehensive Financial Report prepared for the period ended June 30, 2026 by the Department of Finance and audited by Cherry Bekaert LLP, which was recommended for approval

by the City of Bowling Green Audit Committee, is hereby accepted.

2. The Office of City Clerk and all other City officials are hereby authorized and directed to publish the Annual Audit pursuant to Kentucky Revised Statutes.

3. This Municipal Order shall be in full force and effect upon signature and recordation.

ADOPTED: November 3, 2026

APPROVED: _____
Mayor, Chairman of Board of Commissioners

ATTEST: _____
City Clerk

SPONSORED BY: Jeffery B. Meisel, City Manager

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Honorable Mayor Todd Alcott and Members of the Board of Commissioners
City of Bowling Green, Kentucky
Bowling Green, Kentucky

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City Bowling Green, Kentucky, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the City of Bowling Green, Kentucky's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Kentucky, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police and Firefighters' Retirement Fund, which represent 91%, 100%, and 3% of the assets, net position, and revenues of the fiduciary funds as of June 30, 2026. We also did not audit the financial statements of Bowling Green Municipal Utilities, which represent 100% of the assets, net position, and revenues of the discretely presented component units as of June 30, 2026. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Police and Firefighters' Retirement Fund and Bowling Green Municipal Utilities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City of Bowling Green, Kentucky, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bowling Green, Kentucky's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Bowling Green, Kentucky's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bowling Green, Kentucky's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB schedules and the Modified Approach for City Streets Infrastructure Capital Assets be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We and other auditors do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bowling Green, Kentucky's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2026 on our consideration of the City of Bowling Green, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bowling Green, Kentucky's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bowling Green, Kentucky's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Lexington, Kentucky
October 29, 2026

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Postive (Negative)	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
Taxes					
Real estate	$ 14,543,000	$ 14,543,000	$ -	$ 14,894,445	$ 351,445
Personal property	2,543,000	2,543,000	-	2,773,343	230,343
Insurance premium	3,724,000	3,724,000	-	3,526,150	(197,850)
Motor vehicle and boat	1,250,000	1,250,000	-	1,049,929	(200,071)
Payment in lieu of taxes	253,500	253,500	-	314,412	60,912
Franchise	1,393,000	1,393,000	-	1,616,791	223,791
Other taxes	16,150	16,150	-	16,151	1
Penalties and Interest	147,000	147,000	-	142,503	(4,497)
Total taxes	23,869,650	23,869,650	-	24,333,724	464,074
Licenses and permits					
Occupational:					
Employees' withholding	69,524,500	69,524,500	-	64,312,383	(5,212,117)
Net profits	14,760,000	14,760,000	-	13,451,355	(1,308,645)
Other fees	575,000	575,000	-	794,093	219,093
Special licenses	285,000	285,000	-	300,365	15,365
Permits	1,096,500	1,096,500	-	983,799	(112,701)
Total licenses and permits	86,241,000	86,241,000	-	79,841,995	(6,399,005)
Intergovernmental					
Federal grants	-	1,531,201	1,531,201	1,463,936	(67,265)
State grants	-	207,445	207,445	315,686	108,241
Local grants	-	-	-	1,000	1,000
Total intergovernmental	-	1,738,646	1,738,646	1,780,622	41,976
Charges for services					
School tax collection fees	475,000	475,000	-	389,256	(85,744)
Other general government fees	7,250	7,250	-	6,304	(946)
Public safety fees	151,500	151,500	-	183,461	31,961
Cemetery lot sales	29,345	29,345	-	18,944	(10,401)
Cemetery fees	200,050	200,050	-	180,271	(19,779)
Other	146,304	146,304	-	105,963	(40,341)
Total charges for services	1,009,449	1,009,449	-	884,199	(125,250)
Parks and recreation	2,826,940	2,826,940	-	3,204,903	377,963
Miscellaneous					
Investment income	558,004	558,004	-	3,565,635	3,007,631
Parking violations fees	2,000	2,000	-	1,325	(675)
Contributions and donations	37,000	343,851	306,851	337,601	(6,250)
Judgements and settlements	22,000	22,000	-	36,974	14,974
Other	208,700	457,061	248,361	483,270	26,209
Total miscellaneous	827,704	1,382,916	555,212	4,424,805	3,041,889
Total revenues	$ 114,774,743	$ 117,068,601	$ 2,293,858	$ 114,470,248	$ (2,598,353)

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Postive (Negative)	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
EXPENDITURES					
General government					
Legislative	$ 352,512	$ 373,960	$ 21,448	$ 369,351	$ 4,609
Executive	1,183,355	1,301,645	118,290	1,292,109	9,536
Finance	2,530,122	2,601,504	71,382	2,488,891	112,613
Human resources	1,860,258	1,705,211	(155,047)	1,530,703	174,508
Law	917,947	970,995	53,048	946,925	24,070
Information technology	4,300,013	4,154,109	(145,904)	4,761,355	(607,246)
Administrative services	687,105	740,753	53,648	730,575	10,178
Total general government	11,831,312	11,848,177	16,865	12,119,909	(271,732)
Public safety					
Police	25,914,460	26,792,596	878,136	25,768,251	1,024,345
Fire	23,603,231	24,449,973	846,742	24,327,991	121,982
Total public safety	49,517,691	51,242,569	1,724,878	50,096,242	1,146,327
Public works					
Public works administration	1,984,445	2,342,241	357,796	2,308,991	33,250
Highway and streets	4,427,788	4,478,755	50,967	4,285,320	193,435
Building and plant	1,477,000	1,421,001	(55,999)	1,380,884	40,117
Environmental Compliance	1,086,237	1,951,340	865,103	1,807,602	143,738
Total public works	8,975,470	10,193,337	1,217,867	9,782,797	410,540
Parks and recreation					
Parks	5,416,443	5,628,271	211,828	5,271,302	356,969
Recreation	1,692,911	1,693,004	93	1,552,758	140,246
Athletics	858,475	727,418	(131,057)	665,152	62,266
Community centers	2,127,052	1,907,843	(219,209)	1,857,764	50,079
Golf Courses	2,816,582	2,895,517	78,935	2,569,895	325,622
Other parks	2,430,996	2,182,110	(248,886)	2,110,168	71,942
Total parks and recreation	15,342,459	15,034,163	(308,296)	14,027,039	1,007,124
Neighborhood & Community Services	3,718,461	4,401,030	682,569	3,559,970	841,060
Agency services					
Agency services	1,294,075	1,314,075	20,000	1,296,107	17,968
Intergovernmental	4,212,000	4,513,380	301,380	3,180,904	1,332,476
Total agency services	5,506,075	5,827,455	321,380	4,477,011	1,350,444
Total expenditures	94,891,468	98,546,731	3,655,263	94,062,968	4,483,763
Excess of revenues over expenditures	19,883,275	18,521,870	1,361,405	20,407,280	1,885,410
Other financing sources (uses)					
Transfers in	2,002,757	2,031,602	28,845	1,291,345	(740,257)
Transfers out	(21,986,032)	(22,014,877)	(28,845)	(20,088,388)	1,926,489
Proceeds from sale of capital assets	100,000	100,000	-	122,675	22,675
Lease & SBITA liabilities issued	-	-	-	944,841	944,841
Total other financing sources (uses)	(19,883,275)	(19,883,275)	-	(17,729,527)	2,153,748
Net change in budgetary fund balances	-	(1,361,405)	(1,361,405)	2,677,753	4,039,158
Fund balances, beginning of year	43,277,457	43,277,457	-	43,277,457	-
Fund balances, end of year	$ 43,277,457	$ 41,916,052	$ (1,361,405)	$ 45,955,210	$ 4,039,158

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Municipal Aid Special Revenue Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive (Negative)	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
Property taxes	$ 200,000	$ 200,000	$ -	$ 200,000	$ -
Intergovernmental	4,228,992	13,927,975	9,698,983	6,718,368	(7,209,607)
Investment income	33,725	33,725	-	116,102	82,377
Charges for services	102,000	102,000	-	124,330	22,330
Miscellaneous	158,000	158,000	-	211,085	53,085
Total revenues	4,722,717	14,421,700	9,698,983	7,369,885	(7,051,815)
EXPENDITURES					
Current:					
General government	77,402	830,202	752,800	29,770	800,432
Public safety	2,723,186	3,373,254	650,068	3,068,938	304,316
Public works	3,061,000	7,260,731	4,199,731	4,241,589	3,019,142
Capital outlay	1,202,700	7,674,571	6,471,871	2,846,472	4,828,099
Total expenditures	7,064,288	19,138,758	12,074,470	10,186,769	8,951,989
Excess (deficiency) of revenues over (under) expenses	(2,341,571)	(4,717,058)	(2,375,487)	(2,816,884)	1,900,174
Other financing sources (Uses)					
Transfers in	2,587,232	3,044,720	457,488	3,043,661	(1,059)
Net change in budgetary fund balances	245,661	(1,672,338)	(1,917,999)	226,777	1,899,115
Fund balances, beginning of year	9,014,208	9,014,208	-	9,014,208	-
Fund balances, end of year	$ 9,259,869	$ 7,341,870	$ (1,917,999)	$ 9,240,985	$ 1,899,115

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Municipal Aid Special Revenue Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive (Negative)	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
Property taxes	$ 200,000	$ 200,000	$ -	$ 200,000	$ -
Intergovernmental	4,228,992	13,927,975	9,698,983	6,718,368	(7,209,607)
Investment income	33,725	33,725	-	116,102	82,377
Charges for services	102,000	102,000	-	124,330	22,330
Miscellaneous	158,000	158,000	-	211,085	53,085
Total revenues	4,722,717	14,421,700	9,698,983	7,369,885	(7,051,815)
EXPENDITURES					
Current:					
General government	77,402	830,202	752,800	29,770	800,432
Public safety	2,723,186	3,373,254	650,068	3,068,938	304,316
Public works	3,061,000	7,260,731	4,199,731	4,241,589	3,019,142
Capital outlay	1,202,700	7,674,571	6,471,871	2,846,472	4,828,099
Total expenditures	7,064,288	19,138,758	12,074,470	10,186,769	8,951,989
Excess (deficiency) of revenues over (under) expenses	(2,341,571)	(4,717,058)	(2,375,487)	(2,816,884)	1,900,174
Other financing sources (Uses)					
Transfers in	2,587,232	3,044,720	457,488	3,043,661	(1,059)
Net change in budgetary fund balances	245,661	(1,672,338)	(1,917,999)	226,777	1,899,115
Fund balances, beginning of year	9,014,208	9,014,208	-	9,014,208	-
Fund balances, end of year	$ 9,259,869	$ 7,341,870	$ (1,917,999)	$ 9,240,985	$ 1,899,115

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
ITA Bond Debt Service Fund
Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	$ 77,000	$ 77,000	$ 77,056	$ 56
Total revenues	77,000	77,000	77,056	56
EXPENDITURES				
Current:				
General government	750	2,417,319	2,702,804	285,485
Debt service				
Principal	305,000	305,000	305,000	-
Interest expense	890,000	889,850	889,000	(850)
Total expenditures	1,195,750	3,612,169	3,896,804	284,635
Excess (deficiency) of revenues over (under) expenses	(1,118,750)	(3,535,169)	(3,819,748)	(284,579)
Other financing sources (uses)				
Transfers in	1,195,000	1,195,000	442,975	(752,025)
Total other financing sources (uses)	1,195,000	1,195,000	442,975	(752,025)
Net change in budgetary fund balances	76,250	(2,340,169)	(3,376,773)	(1,036,604)
Fund balances, beginning of year	48,410,920	48,410,920	48,410,920	-
Fund balances, end of year	$ 48,487,170	$ 46,070,751	$ 45,034,147	$ (1,036,604)

See accompanying report of the independent auditor.

City of Bowling Green, Kentucky
Budgetary Comparison Schedule
Debt Service Fund
Year Ended June 30, 2026

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Debt service				
Principal	$ 1,942,900	$ 1,942,622	$ 1,941,765	$ 857
Interest expense	318,100	318,378	316,852	1,526
Total expenditures	2,261,000	2,261,000	2,258,617	2,383
Excess (deficiency) of revenues over (under) expenditures	(2,261,000)	(2,261,000)	(2,258,617)	2,383
Other financing sources (uses)				
Transfers in	2,261,000	2,261,000	2,258,617	(2,383)
Total other financing sources (uses)	2,261,000	2,261,000	2,258,617	(2,383)
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -

See accompanying report of the independent auditor.