City of Bowling Green, Kentucky
MONTHLY FINANCIAL MEMORANDUM

*For month ending June 30, 2026 **(UNAUDITED)***

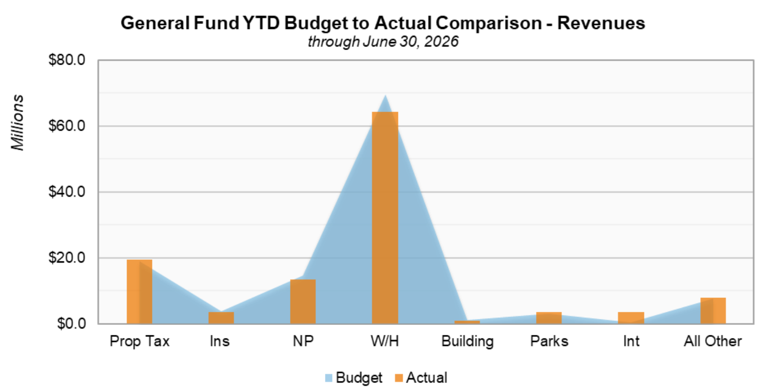
NOTE: The Monthly Financial memorandum is prepared each month and is utilized to analyze and assess the current financial condition of the City's General Fund and other select funds. The information found in this report is drawn from the City's general ledger as of the last day of each month, and occasional anomalies June 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 $119,200,000. Through June, $116,574,000 has been collected, or 97.8% of the amended revenue budget, resulting in a $2.6M budgetary shortfall, or 2.2%. The most significant components of the revenue budget include withholding fees, net profits, and property taxes. Insurance premiums, net profits, building fees, and interest earnings are reporting decreases for June FY2026 as compared to FY2025, while the remaining categories are reporting increases.

***Please note** that approximately 0.5% 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 $2,487,000 of deferred revenue representing collections of estimated payments and extensions to be applied to revenue as filings occur, typically October through January. The impact of this is included in net profit and total revenue through June as a reduction to the respective totals.*



FY2026 YTD

Compared to June 2025

Total Revenues:
+$2,956,000
(+2.6%)

Wage Withholding Fees:
-$7,000
(-0.0%)

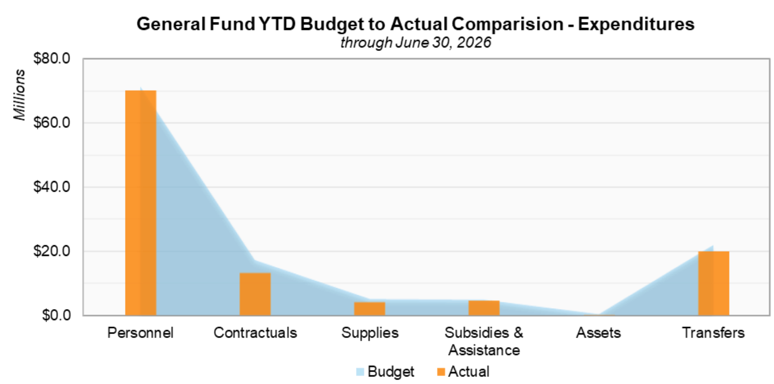
Total Expenses:
-$3,054,000
(-2.6%)

Personnel Expenses:
+$4,985,000
(+7.7%)

Expenditure Highlights:

The total amended FY2026 General Fund expenditure budget is $122,381,000, which includes carryover projects and purchase orders from the prior fiscal year and approved current year budget amendments. The FY2026 amended expenditure budget is $1,530,000, or 1.2%, more than the FY2025 amended budget through the twelve month of the fiscal year. The increase in the General Fund amended budget impacts the personnel (+7.9%), contractual (+16.8%), supplies (+3.8%) subsidy (+15.2%), and asset (+11.1%) expenditure categories.

The Employee Health Care Trust Fund as a whole includes a budgetary increase of $508,000, or 4.4%, 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 decrease by $63,000, or -0.7%, 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**.

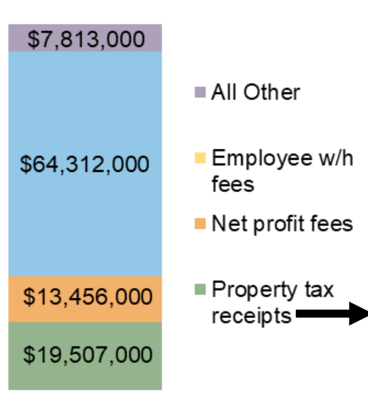
GENERAL FUND REVENUE ANALYSIS

For month ending June 30, 2026

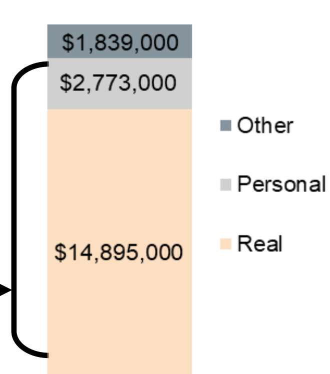
FY2025 YTD	FY2026 YTD	CHANGE ($)	CHANGE (%)
$113,618,000	**$116,574,000**	**+$2,956,000**	**+2.6%**

Revenue Category	FY2026 Amended Budget	FY2026 Actual	% Collected	Change compared to 6/30/2025	Highlights
Property Taxes	$18,926,500	$19,507,000	103.1%	+$1,738,000 (+9.8%)	Property tax revenue includes real and personal property, motor vehicle and boat, franchise, and payments in lieu of taxes. Only 721 invoices remain unpaid from the 23,800 mailed in November and 0.5% interest was added starting February 1.
Insurance Premium Taxes	3,724,000	3,526,000	94.7%	+$50,000 (+1.4%)	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	13,456,000	91.5%	+$380,000 (+2.9%)	The FY2026 revenue for this category was 8.5% or $1.25M short of the adopted budget. A total of -$2,487,000 is related to estimated payments and extensions; this is deferred throughout the year and converted to revenue at fiscal year-end.
Employee WH Fees	69,524,500	64,312,000	92.5%	-$7,000 (-0.0%)	The FY2026 revenue fell short of the budget set by $5.2M or 7.5%; consequently, the FY27 budget was reduced by 7.2%. June returns reporting May wages are up 6.8% compared to the same period last year.
Building Fees	1,065,000	948,000	89.0%	-$105,000 (-10.0%)	The FY2026 budget decreased 22.3% compared to prior year adopted budget, but increased 1.1% compared to actual collections. The increase is due to planned expansions for large projects. All three revenue accounts report decreases through this month.
Parks & Rec Receipts	3,138,000	3,500,000	111.5%	+$331,000 (+10.4%)	Golf and Aquatics receipts are up compared to last year, $239,000 and $80,000, respectively. Cemetery collections are down $73,000.
Interest Earnings	542,000	3,512,000	648.0%	+$36,000 (+1.0%)	Interest earnings include both bank balance and investment earnings and are up modestly this fiscal year.
All Other	7,572,000	7,813,000	103.2%	+$533,000 (+7.3%)	This category contains multiple grants, including COPS, Homeland Security, and EPA grants. Parks Development Fund distributions and a repayment by the Fire Improvement Fund to the General Fund are also included.
Total	**$119,200,000**	**$116,574,000**	**97.8%**	**+$2,956,000 (+2.6%)**	Property taxes are the main driver for overall gains resulting from commercial expansions and new construction. FY2026 Net profits are higher than FY2025 due to the deferred revenue reduction and employee withholdings finished the fiscal year with no growth compared to the prior year.

Top 4 Revenue Drivers - Actual

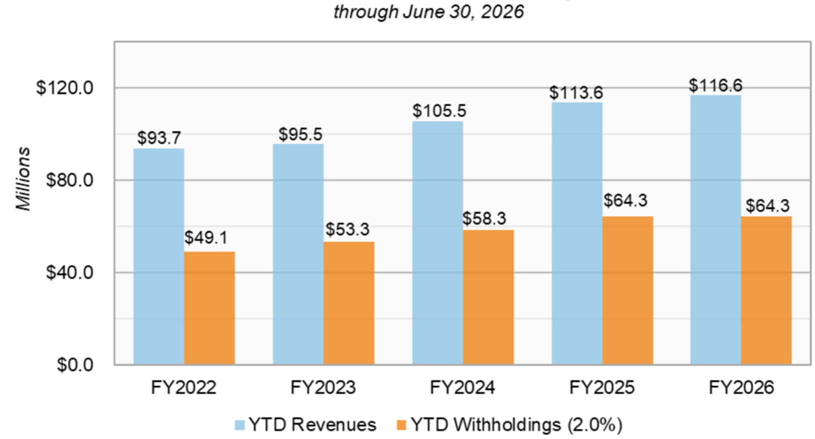


Property Tax Breakdown - Actual



YTD General Fund Revenue Comparison

through June 30, 2026



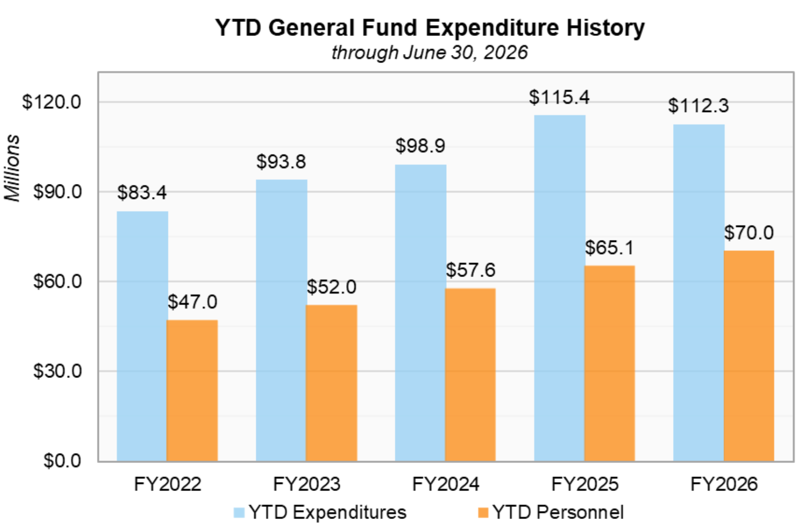
GENERAL FUND EXPENDITURE ANALYSIS

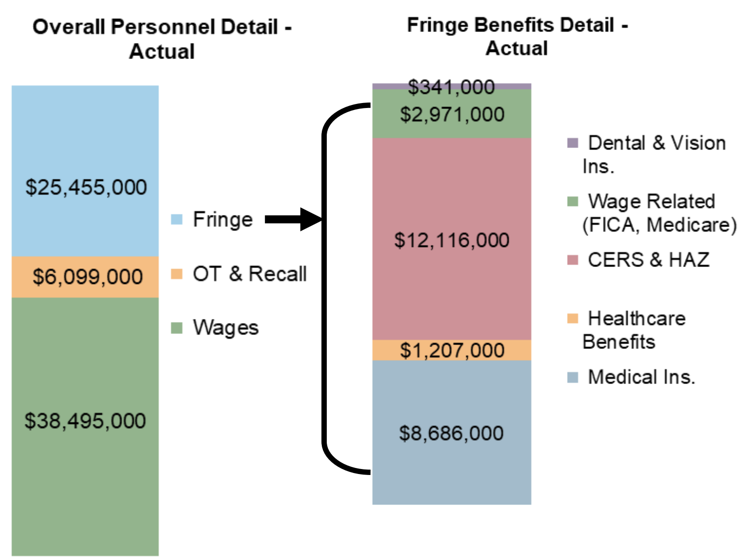
For month ending June 30, 2026

FY2025 YTD	FY2026 YTD	CHANGE ($)	CHANGE (%)
$117,096,000	**$112,301,000**	**-$3,054,000**	**-2.6%**

Expense Category	FY2026 Amended Budget	FY2026 Actual	% Expended	Change compared to 6/30/2025	Highlights
Personnel	$71,210,000	$70,049,000	98.4%	+$4,985,000 (+7.7%)	Personnel costs for June were $8,828,000 and are up when compared to last year by $4,985,000, which is comprised of: wages (+$2,796,000), overtime & recall (+$305,000), CERS (+$12,000), and other fringe benefits (+$1,872,000). See the charts below for trending information and a breakdown of personnel expenses.
Contractuals	17,290,000	13,286,000	76.8%	+$1,276,000 (+10.6%)	Contractual service costs totaled $823,000 in June, including $242,000 for sinkhole repairs, $125,000 for cancer screenings, and $321,000 of playground improvements at Lovers Lane Soccer Complex. Year-to-date expenses increased over prior year due to sinkhole repairs and park improvements.
Supplies	5,069,000	4,145,000	81.8%	-$34,000 (-0.8%)	Supplies were $1,032,000 for the month, including deicer for the upcoming season and fuel tank replacement costs. Overall, costs for FY2026 remained consistent with prior year.
Subsidies & Assistance	4,880,000	4,551,000	93.3%	+$878,000 (+23.9%)	Subsidy payments totaled $39,000 for June. The increase over prior year is attributable to TIF distribution payments.
Property & Assets	513,000	182,000	35.4%	-$63,000 (-25.5%)	Asset costs were -$289,000 for the month due to reclasses that did not meet thresholds. Year-to-date costs reflect a slight decrease from FY2025 due to fewer asset purchases.
Fund Transfers	22,015,000	20,088,000	91.2%	-$10,096,000 (-33.4%)	Fund transfer costs were $5,030,000 for June. Fiscal year-to-date costs are below prior year due to $7,100,000 less in Capital Project fund transfers and the one-time transfer to the Employee Health Care Trust Fund in FY2025.
Total	**$120,977,000**	**$112,301,000**	**91.8%**	**-$3,054,000 (-2.6%)**	Monthly expenditures totaled $15,463,000, or -2.6% less than FY2025 due to the timing of TIF payments, planned personnel costs, sinkhole remediation expenses, budgeted park improvements, and a reduction in fund transfers.

** Remaining Contingency budget as of 6/30/2026 is $1,403,824.*



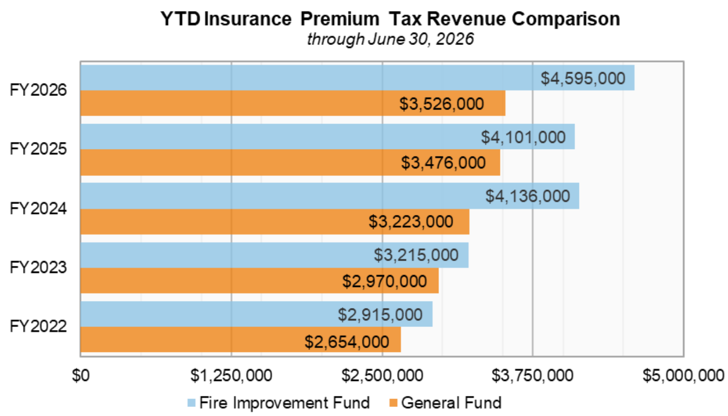


A CLOSER LOOK

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 twelve months, FY2026 figures show an increase of +12.0% compared to FY2025 over the same period.



EMPLOYEE HEALTH CARE FUND

A summary of paid claims through June 30, 2026, and the comparison to the prior fiscal year is below:

	FY2026 YTD Expenses	Change vs. FY2025
Medical claims	$6,279,000	-$592,000
Prescription claims	$1,586,000	+$354,000
Dental claims	$627,000	+$69,000
Vision claims	$109,000	-$1,000
Total claims	**$8,601,000**	**-$169,000**

Total **claims are down $169,000,** or -1.9%**,** compared to last June. Total Health Care Fund expenditures are $10,807,000, which is up $71,000, or +0.7%, compared to this point in FY2025. The Employee Health Care Fund budget through June is 90.4% spent.

CAPITAL IMPROVEMENT PROGRAM

The FY2026 adopted Capital Improvement Program (CIP) totaled 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 June 30, 2026. The life-to-date CIP budget, remaining budget available to spend, and the percent spent by department is shown.