

**City of Evansville**  
**Controller's Office**  
**Room 300, 1 NW Martin Luther King Jr., Blvd.**  
**Evansville, IN 47708**  
(812) 436-4919

**MEMORANDUM**

To: Honorable Members of Common Council - City of Evansville  
From: Robert Gunter CPA, Controller  
Date: September 22, 2024  
Subject: August 31, 2024 (8 Mo. YTD) Flash Financial Report

Dear Council Members:

I've attached the Flash Financial Report for August 31, 2024. This covers the first eight months for Calendar 2024 subject to any changes after the month-end accounting closes. The first chart lists cash and investment balances for selected funds for 08/31/2024 and 8/31/2023.

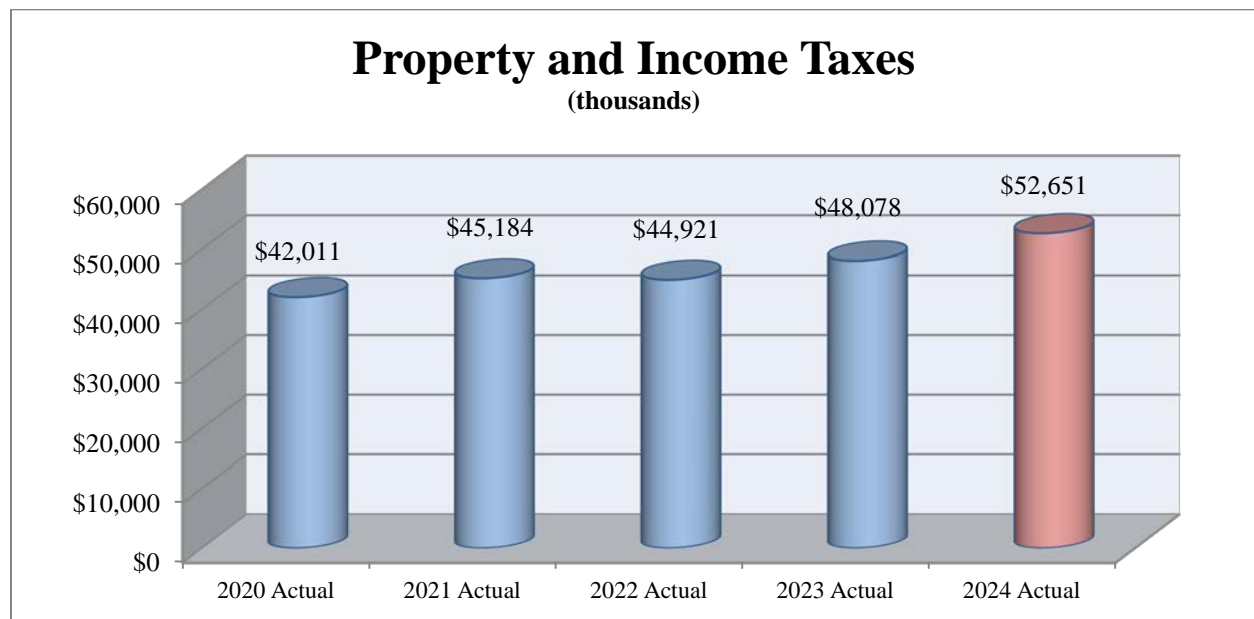
8/31/2024	Cash + Investment Balances	Cash + Inv. Balance Current Year	Cash + Inv. Balance Prior Year	Dollar Change Current Year vs. Prior Year	Percent Change Current vs. Prior Year
FUND NO.	FUND	8/31/2024	8/31/2023	8/31/2024	2024 vs 2023
1101	General Fund	\$ 43,863,436	\$ 35,329,368	\$ 8,534,067	24.2%
1176	American Rescue Plan Fund	26,901,926	45,243,972	(18,342,046)	-40.5%
2201	Motor Vehicle Highway Fund	1,899,636	2,206,508	(306,872)	-13.9%
2202	Local Roads & Streets Fund	9,058,164	10,285,002	(1,226,837)	-11.9%
2203	Motor Veh. Hwy. Fd - Restrict	5,046,712	4,788,176	258,535	5.4%
2204	Parks and Recreation Fund	4,186,671	3,286,296	900,375	27.4%
2236	Rainy Day Fund	3,345,011	3,214,628	130,383	4.1%
2240	Local Income Tax - Public Sal	2,845,804	6,213,424	(3,367,620)	-54.2%
4437	Casino Gaming Capital Fund	24,666,043	19,849,545	4,816,498	24.3%
4445	Jacobsville TIF Fund	3,990,878	3,598,478	392,400	10.9%
4446	Downtown Master TIF	2,942,050	1,762,590	1,179,460	66.9%
6101	Water Utility Operating Fund	19,741,618	10,800,166	8,941,453	82.8%
6201	Sewer Utility Operating Fund	39,151,019	25,827,636	13,323,383	51.6%
7704	Hospitalization Insurance Fun	411,761	(755,118)	1,166,879	154.5%
8801	Fire Pension Fund	3,622,733	3,388,293	234,441	6.9%
8802	Police Pension Fund	4,139,449	3,912,158	227,291	5.8%
	<b>TOTAL SELECTED FUNDS</b>	<b>\$ 195,812,911</b>	<b>\$ 178,951,121</b>	<b>\$ 16,861,790</b>	<b>9.4%</b>

The overall cash and investments for these selected accounts increased \$16.9 million or 9.4% compared to August 2023. Excluding Water/Sewer, cash/investments decrease \$5.4 million or 3.8%. The largest variance was with the American Rescue Plan with an \$18.3 million decrease.

The General Fund's cash/investments increased \$8.5 million from the prior year but were down \$5.4 million from the improvement seen last month. The General Fund's \$43.9 million in cash and investments on August 31, 2024, equates to 4.5 months of operating funds when compared to the 2024 revised operating budget of \$117.9 million. Approximately \$35.1 million in property taxes was received by June 30<sup>th</sup> compared to \$31.7 million in June of last year.

As of August 31, 2024, total general fund actual expenditures were \$78.3 million or 66.4% of approved appropriations and an increase of \$8.8 million or 12.7% from the \$69.5 million on August 31, 2023. Including the \$4.8 million in encumbrances for 2024, the \$83.1 million equates to 70.5% of appropriations.

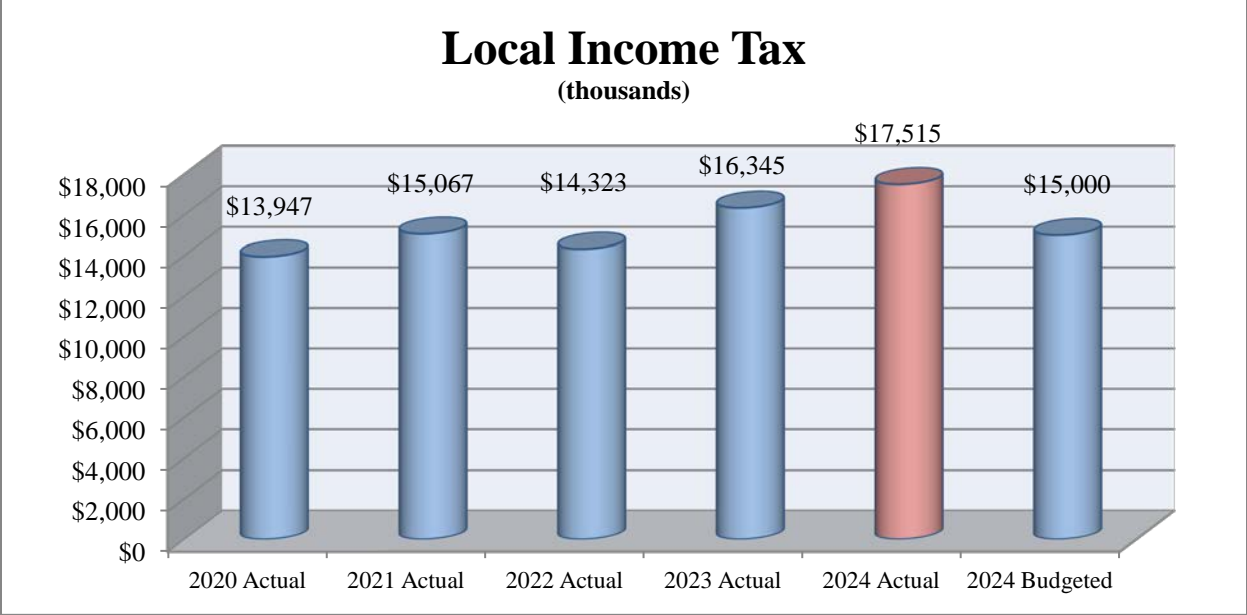
Approximately 69.8% of the General Fund's revenue for the eight months came from property and local income taxes. As noted on the chart below, through the first eight months of 2024, these taxes are tracking ahead of last year by \$4.6 million and an increase of \$108,000 from the improvement seen last month.



The chart on the next page reflects only the property taxes over the past five years. The 2020 year was at the peak of COVID, and tax collections were delayed a bit. As you will notice, property tax payments were up approximately \$3.4 million or 10.7% over 2023.



The next chart shows only the local income taxes over the past five years, and it does include what was budgeted for 2024. Again, the 2020 year was at the peak of COVID, and tax collections were delayed a bit. Local income tax payments were up approximately \$1,170,000 or 7.2% over 2023. The future payments and what has been received so far will total nearly \$25.1 million and will exceed by \$3.4 million the 2024 budget amount of \$21.7 million.



Below reflects how Vanderburgh County's local income tax rate of 1.25% compares to those of the 15 largest cities in Indiana. This information was obtained from the Indiana Department of Revenue and the effective rates as of January 1, 2024.

Indianapolis -Marion County 2.02%  
 Fort Wayne – Allen County 1.59%  
 Evansville – Vanderburgh County 1.25%  
 South Bend – St. Joseph County 1.75%  
 Carmel – Hamilton County 1.1%  
 Fishers – Hamilton County 1.1%  
 Bloomington – Monroe County 2.035%  
 Hammond – Lake County 1.5%  
 Lafayette – Tippecanoe County 1.28%  
 Noblesville – Hamilton County 1.1%  
 Gary – Lake County 1.5%  
 Muncie – Delaware County 1.5%  
 Greenwood – Johnson County 1.4%  
 Kokomo – Howard County 1.95%  
 Terre Haute – Vigo County 2.0%

Other than Hamilton County, Vanderburgh County has the lowest local income tax. Excluding Hamilton and Vanderburgh counties, the average was 1.68% and a median of 1.59%.

For the first eight months of the year, the general fund’s interest income was \$1.9 million, which was up \$482,000 or 34.5% over the same period in the prior year. For all funds and agencies, the interest income for the first eight months was \$9.8 million which was an increase of nearly \$1.4 million or 16.7% from the \$8.4 million earned during previous year for the same period. Excluding the ARPA and EWSU funds, interest was up \$1,415,883 or 49.9% from the previous year.

8/31/2024		Receipts (8 MO) YTD	Disbursements (8 MO) YTD	8 MO Change in Fund Balance	Cash + Inv. Balance Current Year
	Change In Fund Balances	Current Year	Current Year	Current Year	Year
FUND NO.	FUND	8/31/2024	8/31/2024	8/31/2024	8/31/2024
2201	Motor Vehicle Highway Fund	\$ 3,773,639	\$ 4,471,447	\$ (697,808)	\$ 1,899,636
2202	Local Roads & Streets Fund	4,855,230	5,146,978	(291,749)	9,058,164
2203	Motor Veh. Hwy. Fd - Restrict	1,755,501	1,244,791	510,710	5,046,712
	<b>TOTAL SELECTED FUNDS</b>	<b>\$10,384,370</b>	<b>\$ 10,863,217</b>	<b>\$ (478,847)</b>	<b>\$ 16,004,512</b>

The Motor Vehicle Highway (MVH) fund had nearly \$1.9 million in cash and investments at month-end which is up slightly from the \$1.8 million from last month. With an annual budget of \$6.3 million, the fund has approximately 3.6 months’ worth of reserves. Revenue for this fund comes from 50% of the Indiana gasoline tax, vehicle registration/license fees, and the Vanderburgh County wheel tax. The two payments in the amount of \$1,342,000 were made for the lease rental on the new garage. The City will make future payments from the Casino Fund so that more highway funds are available for road projects.

The Local Roads and Street (LRS) fund had \$9.1 million in cash and investments with a revised budget of \$6.3 million. The LRS includes the paving of local streets. As of August 31st, \$3.3 million in paving expenses had been expensed with \$2.1 million of that encumbered.

The Motor Vehicle Highway Restricted fund had \$5.0 million in cash/investments and with a revised budget of \$2.3 million the fund has over 2.2 years' worth of reserves. This fund receives the remaining 50% of the Indiana gasoline tax. As of August 31st, \$513,759 had been spent on milling and paving with another \$655,731 encumbered.

The Parks and Recreation Fund's cash increased over \$900,000 over August of last year. Property taxes were up \$255,947 and total revenue was up \$279,188 over the prior year. On the expense side, 2024 expenses exceeded 2023 by \$603,579. The largest variance from the prior was a \$418,776 increase in Zoo expenditures with electric expenses up \$274,276. ARPA funds were used to pay electric bills in the prior year. The net for 2024 was a loss of \$94,735 versus a surplus of \$229,653 in the prior year. The \$4.2 million in cash and investments equate to 4.1 months of the Park and Recreation Fund's revised budget of \$12.3 million.

The Casino Gaming Capital Fund had an increase in cash and investments of nearly \$4.8 million or 24.3%. When compared to the prior year, revenue tied solely to the casino revenue was down \$138,549. METS received \$1.63 million more in FTA funding this year than last. Only \$6.9 million of a revised Casino expenditure budget of \$16.2 million had been spent as of August 31<sup>st</sup> with \$2.6 million of that encumbered. City Engineer accounted for \$1,778,247 million and Mesker Park Zoo had \$775,162 of total expenditures.

The Health Insurance Fund had an increase in cash of \$1,166,879 from December 2023. The City was contributing \$1,035 per period, per employee for the benefit to start the year. However, we have increased the contribution to \$1,227 to try to pull us out of the negative territory. We do anticipate that the increase in allocation will necessitate budget amendments until the end of the year. To cover for the retired police and fire employees that are covered by the plan, we are considering incorporating a separate allocation. We will continue to monitor the cash situation and make additional adjustments when needed.

When compared to the first eight months of last year, claims increased by \$1,007,620 while total revenue increased by \$56,582 over the same period. It does appear that the third-party administrator has caught up with processing payments. Over \$4.65 million in ARPA funds were contributed during 2023 and is not available for 2024.

The Fire and Police Pension Funds each ended the first eight months of the year with a decrease in fund balance. Fire Pension had a deficit of \$663,432 compared to a deficit of \$654,274 last year. The Police Pension had a deficit of \$935,642 compared to a deficit of \$875,087 in the prior. Both pension funds have sufficient cash reserves with Fire Pension holding \$3.6 million or 77.4% of a full year's expense and Police Pension holding \$4.1 million or 63.9%. The next state subsidy will come in October 2024. The state subsidy for the Police Pension decreased \$133,063 or 4.4% while the subsidy for the Fire Pension decreased \$105,755 or 4.7%. These two plans were closed to new participants in 1977. Pension benefits for the past three years as of August 31 are reflected below:

8/31/2024		Pension Benefits	Pension Benefits	Pension Benefits
FUND NO.	FUND	8/31/2022	8/31/2023	8/31/2024
8801	Fire Pension Fund	\$ 3,146,396	\$ 3,044,420	\$ 2,971,145
8802	Police Pension Fund	4,115,306	4,016,633	3,976,821
	<b>TOTAL SELECTED FUNDS</b>	<b>\$ 7,261,702</b>	<b>\$ 7,061,053</b>	<b>\$ 6,947,965</b>

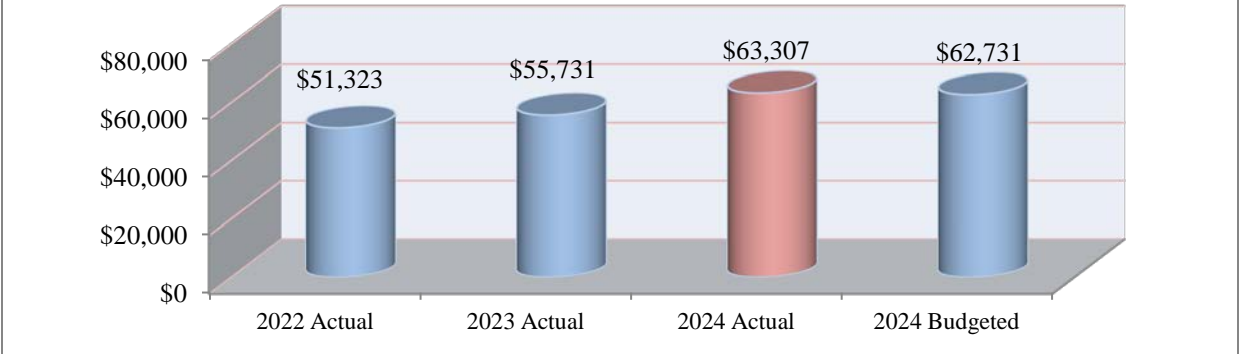
The chart below reflects receipts and expenditures for the eight months of the calendar year with the cash and investments as of August 31, 2024, for a few selected funds.

8/31/2024		Receipts (8 MO) YTD	Disbursements (8 MO) YTD	8 MO Change in Fund Balance	Cash + Inv. Balance
FUND NO.	Change In Fund Balances FUND	Current Year 8/31/2024	Current Year 8/31/2024	Current Year 8/31/2024	Current Year 8/31/2024
1101	General Fund	\$ 78,300,013	\$ 78,941,788	\$ (641,775)	\$ 43,863,436
1176	American Rescue Plan Fund	1,194,795	10,117,925	(8,923,130)	26,901,926
2236	Rainy Day Fund	72,585	-	72,585	3,345,011
2240	Local Income Tax - Public Saf	4,696,483	5,665,031	(968,548)	2,845,804
4437	Casino Gaming Capital Fund	11,529,501	6,933,167	4,596,334	24,666,043
4445	Jacobsville TIF Fund	1,346,034	1,606,037	(260,003)	3,990,878
4446	Downtown Master TIF	5,708,760	6,916,715	(1,207,955)	2,942,050
6101	Water Utility Operating Fund	47,666,416	46,992,793	673,623	19,741,618
6201	Sewer Utility Operating Fund	60,185,447	59,881,638	303,809	39,151,019
7704	Hospitalization Insurance Fund	20,170,299	19,731,442	438,857	411,761
	<b>TOTAL SELECTED FUNDS</b>	<b>\$ 230,870,333</b>	<b>\$ 236,786,536</b>	<b>\$ (5,916,203)</b>	<b>\$ 167,859,546</b>

Personnel expenses account for 79.8% or \$94.1 million of the General Fund’s \$117.9 million budget. This includes salary, payroll taxes, pension, health insurance, etc. The chart below reflects the personnel expenditures for the General Fund through August 31<sup>st</sup>. Although it will be difficult to make a year-to-year comparison due to the COVID incentive pay, extra health insurance payments, etc., this chart does reflect how we are tracking versus the 2024 budget for the first eight months. We are \$576,000 over the prorated budget for 2024 and \$7,576,000 or 13.6% higher than actual expenditures from August of 2023.

# General Fund Personnel Expenditures

(thousands)



As always, this information is preliminary subject to final month end closing. Contact me if you have any questions or if there is an area that you would more detail.