

BUDGET, FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

Financial Update
September 20, 2022



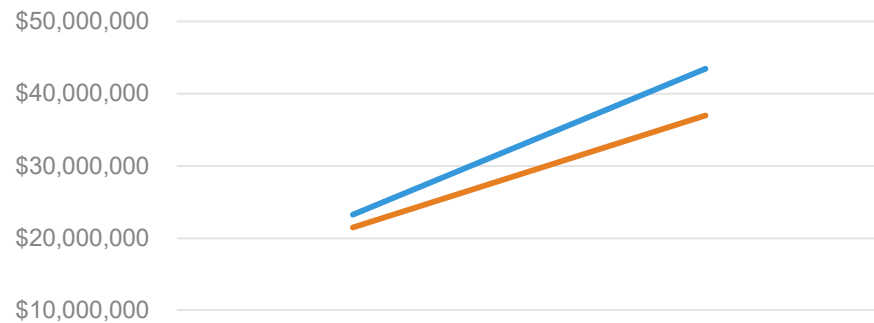
LEXINGTON



2 Month Performance Review (Actuals)

August FY23	
Revenues	66,650,069
Expenses	(53,432,483)
Transfers	<u>(5,010,378)</u>
Surplus/(Deficit)	8,207,208

FY23 Two Month Actual Performance



	July	August
Revenues	\$23,215,367	\$43,434,702
Exp/Xfers	\$21,462,431	\$36,980,430

Factors to Consider

- Variances in capital accounts should not be considered as permanent savings. Significant cash funding in these accounts will create larger than normal fluctuations. **(\$1,040,561)**
- FY23 operating expenses are 19% over FY22, but currently remain within budgeted funds. Budgets are being released quarterly for operations accounts which will help monitor and allow for adjustment throughout the year.
- Some large financial posting entries are delayed due to year end, and create large variances
 - Example: Vehicle accounts increased **\$500,000** between August and September in 2022 due to posting
- Adjustment for Ad Valorem will increase partner agencies by **\$1,008,530** and reduce **\$252,530** from budgeted fund balance.



August 2022 YTD Actual Compared to Adopted Budget

<u>Revenue Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>
OLT- Employee Withholding	40,824,289	39,000,000	1,824,289	4.7%
OLT - Net Profit	3,913,057	1,750,000	2,163,057	123.6%
Insurance	9,491,616	8,550,000	941,616	11.0%
Franchise Fees	4,779,903	4,400,000	379,903	8.6%
TOTALS	59,008,865	53,700,000	5,308,865	9.9%



August 2022 YTD/August 2021 YTD Current Year Compared to Prior Year

<u>Revenue Category</u>	<u>Aug-22</u>	<u>Aug-21</u>	<u>Variance</u>	<u>% Var</u>
OLT- Employee Withholding	40,824,289	38,741,290	2,082,999	5.4%
OLT - Net Profit	3,913,057	2,308,084	1,604,973	69.5%
Insurance	9,491,616	9,021,541	470,075	5.2%
Franchise Fees	4,779,903	4,273,901	506,002	11.8%
TOTALS	59,008,865	54,344,816	4,664,049	8.6%



2023 Fiscal year – Cash Flow Variance Revenue (Actual to Budget)

<i>For the two months ended August 31, 2022</i>				
	Actuals	Budget	Variance	% Var
<u>Revenue</u>				
Payroll Withholding	40,824,289	39,000,000	1,824,289	4.7%
Net Profit	3,913,057	1,750,000	2,163,057	123.6%
Insurance	9,491,616	8,550,000	941,616	11.0%
Franchise Fees	4,779,903	4,400,000	379,903	8.6%
Other Licenses & Permits	834,294	651,620	182,674	28.0%
Property Tax Accounts	438,123	384,667	53,456	13.9%
Services	4,326,364	4,973,101	(646,737)	-13.0%
Fines and Forfeitures	37,325	32,000	5,325	16.6%
Intergovernmental Revenue	34,564	85,172	(50,608)	-59.4%
Property Sales	95,708	16,667	79,041	474.2%
Investment Income	30,745	17,318	13,427	77.5%
Other Financing Sources	40,000	40,000	0	0.0%
Other Income	1,804,081	415,479	1,388,602	334.2%
Total Revenues	\$66,650,069	\$60,316,024	\$6,334,045	10.5%



2023 Fiscal Year - Cash Flow Variance Revenue (CY to PY)

<i>For the two months ended August 31, 2022</i>				
	FY 2023	FY 2022	Variance	% Var
<u>Revenue</u>				
Payroll Withholding	40,824,289	38,741,290	2,082,999	5.4%
Net Profit	3,913,057	2,308,084	1,604,973	69.5%
Insurance	9,491,616	9,021,541	470,075	5.2%
Franchise Fees	4,779,903	4,273,901	506,002	11.8%
Other Licenses & Permits	834,294	502,897	331,397	65.9%
Property Tax Accounts	438,123	303,748	134,375	44.2%
Services	4,326,364	4,175,200	151,164	3.6%
Fines and Forfeitures	37,325	27,685	9,640	34.8%
Intergovernmental Revenue	34,564	84,663	(50,099)	-59.2%
Property Sales	95,708	51,072	44,636	87.4%
Investment Income	30,745	-	30,745	0.0%
Other Financing Sources	40,000	40,000	0	0.0%
Other Income	1,804,081	441,894	1,362,187	308.3%
Total Revenues	\$66,650,069	\$59,971,975	\$6,678,094	11.1%



2023 Fiscal Year – Cash Flow Variance Expense (Actual to Budget)

<i>For the two months ended August 31, 2022</i>				
	Actuals	Budget	Variance	% Var
<u>Expense</u>				
Personnel	29,422,491	30,942,942	1,520,451	4.9%
Operating	8,680,228	13,165,581	4,485,353	34.1%
Insurance Expense	1,566,053	1,481,915	(84,138)	-5.7%
Debt Service	7,862,947	7,862,947	0	0.0%
Partner Agencies	3,812,796	4,200,510	387,714	9.2%
Capital	2,087,968	3,128,529	1,040,561	33.3%
Total Expenses	\$53,432,483	\$60,782,424	\$7,349,941	12.1%
Transfers	5,010,378	5,071,544	61,166	1.2%
Change in Fund Balance	\$8,207,208	(\$5,537,944)	\$13,745,152	



2023 Fiscal Year - Cash Flow Variance Expense (CY to PY)

<i>For the two months ended August 31, 2022</i>				
	FY 2023	FY 2022	Variance	% Var
<u>Expense</u>				
Personnel	29,422,491	29,722,599	(300,108)	-1.0%
Operating	8,680,228	7,291,288	1,388,940	19.0%
Insurance Expense	1,566,053	1,263,377	302,676	24.0%
Debt Service	7,862,947	4,538,622	3,324,325	73.2%
Partner Agencies	3,812,796	3,026,661	786,135	26.0%
Capital	2,087,968	33,054	2,054,914	6,216.8%
Total Expenses	\$53,432,483	\$45,875,601	(\$7,556,882)	-16.5%
 Transfers	 5,010,378	 6,727,714	 (1,717,335)	 -25.5%
Change in Fund Balance	\$8,207,208	\$7,368,660	\$838,548	

ARPA DASHBOARD



■ Obligated/Expended ■ Remaining Budget

Total ARPA Received
\$121.2 Million

Total ARPA Expected
\$121.2 Million

Total ARPA Budgeted
\$119.8 Million

Total ARPA Obligated
\$38.0 Million

Funding Overview by ARPA Expenditure Category

1. Public Health

\$ 1,325,000

- Eligible projects include services and programs to contain and mitigate COVID-19 spread and services to address behavioral healthcare needs exacerbated by the pandemic.

2. Negative Economic Impacts

\$ 28,353,108

- Eligible projects include those that address the negative impacts caused by the public health emergency including assistance to workers; small business support; speeding the recovery of tourism, travel, and hospitality sectors; and rebuilding public sector and non-profit capacity. This category also includes programs and projects that support long-term housing security and promote strong, healthy communities.

3. Economic Impact: Public Sector/Health Capacity

\$ 6,000,000

- Eligible projects include expenses for payroll, rehiring, enhanced service delivery, and administrative needs for public sector health, safety, or human services workers.

4. Premium Pay

\$12,954,007

- ARPA funding provides resources to local government to recognize the heroic contributions of essential workers. Eligible workers include a broad range of essential workers who must be physically present at their job.

5. Infrastructure

\$ -

- Eligible projects include necessary improvements in water, sewer, and broadband infrastructure

6. Revenue Replacement for General Government

\$ 63,912,536

- Local governments facing budget shortfalls are permitted to use funding to replace lost revenue for the purpose of providing governmental services. These services may include recreation, transportation, economic development, and other general government services.

7. Administration

\$ 7,256,629

- Local governments are permitted to use funding for administering ARPA funds, including costs of in-house staff or consultants to support effective oversight and ensuring compliance with legal, regulatory, and other requirements. A project contingency is also held in this Expenditure Category.

Please see ARPA Revenue and Expense Report for details



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

<i>For the period through August 31, 2022</i>			Actuals	Budget	Variance
Revenue					
LFUCG Allocation			\$ 121,178,058	\$ 121,178,058	\$ -
Total Revenues			\$ 121,178,058	\$ 121,178,058	\$ -

<i>For the period through August 31, 2022</i>			Obligated	Budget	Variance
EC 1: Public Health			\$ 710,131	\$ 1,325,000	\$ (1,118,632)
1.05	Personal Protective Equipment	Personal Protective Equipment for LFUCG	\$ 4,972	\$ 225,000	\$ (220,028)
1.11	Community Violence Interventions	Safety Net	\$ 350,000	\$ 350,000	\$ -
1.11	Community Violence Interventions	It Takes a Village - Mentoring Program (Personnel)	\$ 15,159	\$ 240,000	\$ (224,841)
1.12	Mental Health Services	NAMI - Mental Health Court Funding (FY22)	\$ 170,000	\$ 170,000	\$ -
1.12	Mental Health Services	NAMI - Mental Health Court Funding (FY23)	\$ 170,000	\$ 170,000	\$ -
1.12	Mental Health Services	NAMI - Mental Health Court Funding (FY24)	\$ -	\$ 170,000	\$ (170,000)



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through August 31, 2022

			Obligated	Budget	Variance
Expense (Continued)					
EC 2: Negative Economic Impacts			\$ 8,753,698	\$ 28,353,108	\$ (22,891,031)
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY22)	\$ 232,161	\$ 240,846	\$ (8,685)
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY23)	\$ 48,530	\$ 200,000	\$ (151,470)
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Recovery Supportive Living Assistance (FY22)	\$ 199,600	\$ 200,000	\$ (400)
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Recovery Supportive Living Assistance (FY23)	\$ 63,400	\$ 200,000	\$ (136,600)
2.10	Assistance to Unemployed or Underemployed Workers	Workforce Development (Other)	\$ -	\$ 150,000	\$ (150,000)
2.10	Assistance to Unemployed or Underemployed Workers	Summer Youth Work Readiness Program	\$ 145,575	\$ 960,000	\$ (814,425)
2.15	Long-Term Housing Security: Affordable Housing	Shropshire Affordable Housing Project Site Improvements	\$ -	\$ 750,000	\$ (750,000)
2.15	Long-Term Housing Security: Affordable Housing	Affordable Housing	\$ 1,630,100	\$ 10,000,000	\$ (8,369,900)
2.16	Long-Term Housing Security: Services for Unhoused Per	OHPI Homelessness Allocation (FY22)	\$ 624,836	\$ 750,000	\$ (125,164)
2.16	Long-Term Housing Security: Services for Unhoused Per	OHPI Homelessness Allocation (FY23)	\$ 590,922	\$ 750,000	\$ (159,078)
2.16	Long-Term Housing Security: Services for Unhoused Per	OHPI Homelessness Allocation (FY24)	\$ -	\$ 750,000	\$ (750,000)
2.16	Long-Term Housing Security: Services for Unhoused Per	Homelessness Contracts via Department of Housing and Community Development RFP	\$ 711,391	\$ 4,000,000	\$ (3,288,609)
2.16	Long-Term Housing Security: Services for Unhoused Per	Homelessness Contracts - Non-Shelter Eligible Families/Individuals	\$ -	\$ 1,000,000	\$ (1,000,000)
2.16	Long-Term Housing Security: Services for Unhoused Per	COVID-19 Alternate Shelter for Winter Warming	\$ 1,315,762	\$ 1,315,762	\$ (0)
2.16	Long-Term Housing Security: Services for Unhoused Per	Domestic Violence Sheltering: Greenhouse 17	\$ 400,000	\$ 400,000	\$ -
2.22	Strong Healthy Communities: Neighborhood Features the	Village Branch Library Construction	\$ -	\$ 1,000,000	\$ (1,000,000)
2.22	Strong Healthy Communities: Neighborhood Features the	Black and Williams Center Improvements - Gymnasium	\$ 187,594	\$ 1,040,000	\$ (852,406)
2.22	Strong Healthy Communities: Neighborhood Features the	BCTC Dental Hygiene Clinic	\$ -	\$ 2,000,000	\$ (2,000,000)
2.30	Technical Assistance, Counseling, or Business Planning	Minority Business Accelerator - Commerce Lex	\$ 948,326	\$ 991,000	\$ (42,674)
2.34	Aid to Nonprofit Organizations	Explorium of Lexington - Children's Museum Assistance	\$ 125,000	\$ 125,000	\$ -
2.34	Aid to Nonprofit Organizations	LexArts Nonprofit Services Contract (FY22)	\$ 325,000	\$ 325,000	\$ -
2.34	Aid to Nonprofit Organizations	Lyric Theater Assistance	\$ 127,500	\$ 127,500	\$ -
2.34	Aid to Nonprofit Organizations	Radio Lex	\$ 78,000	\$ 78,000	\$ -
2.35	Aid to Tourism, Travel, or Hospitality	Visit LEX/Hospitality Industry Recovery	\$ 1,000,000	\$ 1,000,000	\$ -



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through August 31, 2022			Obligated	Budget	Variance
Expense (Continued)					
EC 3: Public Health - Negative Economic Impact: Public Sector Capacity			\$ -	\$ 6,000,000	\$ (6,000,000)
3.01	Public Sector Workforce	Social Services Department Personnel Expenses	\$ -	\$ 6,000,000	\$ (6,000,000)
EC 4: Premium Pay			\$ 12,954,007	\$ 12,954,007	\$ (0)
4.01	Premium Pay	Premium Pay for High Exposure LFUCG Staff	\$ 12,592,084	\$ 12,592,084	\$ (0)
4.01	Premium Pay	Premium Pay for Fayette County Sheriff's Office	\$ 361,923	\$ 361,923	\$ 0
EC 5: Infrastructure			\$ -	\$ -	\$ -

Public Sector Workforce expenses will be expensed to the ARPA fund at the close of FY23.

Expenditures represent a point-in-time and are subject to change as result of FY2022 closeout processes.



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through August 31, 2022

Obligated

Budget

Variance

Expense (Continued)

EC 6: Revenue Replacement/Government Services			\$ 15,402,556	\$ 63,912,536	\$ (56,302,874)
6.01	Provision of Government Services	Economic Development Grants to Service Partners	\$ 298,745	\$ 298,745	\$ (0)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Berry Hill Park - Basketball Court	\$ 19,599	\$ 175,000	\$ (155,401)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Buckhorn Park - Phase II Improvements	\$ 44,999	\$ 45,000	\$ (1)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Dogwood Park - Basketball Court	\$ 11,770	\$ 95,000	\$ (83,230)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Gardenside Park - Playground	\$ 147,927	\$ 150,000	\$ (2,073)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Ecton Park Restrooms and Concessions	\$ 457,400	\$ 457,400	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Lakeside Irrigation Replacement	\$ 1,420,408	\$ 1,421,000	\$ (592)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Masterson Station Park - Playground	\$ 147,478	\$ 150,000	\$ (2,522)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Meadowthorpe Park - Roof Repair	\$ 78,585	\$ 78,585	\$ 0
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Raven Run Park - Prather House Roof Repair	\$ 150,096	\$ 150,096	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Shilito Park - Access Imprvmnt Parking Lot Construction	\$ 43,720	\$ 400,000	\$ (356,280)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Southland Park - Access Imprvmnt Parking Repairs	\$ 14,069	\$ 100,000	\$ (85,931)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Woodland Park - Restroom Facilities	\$ 523,913	\$ 529,259	\$ (5,346)
6.01	Provision of Government Services	Access to Quality Green Space for Disadvantaged Pop - ADA Imprvmnts at Parks for Inclusivity	\$ -	\$ 125,000	\$ (125,000)
6.01	Provision of Government Services	Cardinal Run North Park Development	\$ 700,000	\$ 10,100,000	\$ (9,400,000)
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Douglass Park - Pool Imprvmnts	\$ 5,800	\$ 175,000	\$ (169,200)
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Mary Todd Park - Basketball Court	\$ 98,129	\$ 118,000	\$ (19,871)
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Northeastern Park - Playground	\$ 191,111	\$ 250,000	\$ (58,889)
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Phoenix Park - Inclusive Use and Development Study	\$ 148,800	\$ 150,000	\$ (1,200)
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Pine Meadows Park - Playground and Park Imprvmnts	\$ 153,404	\$ 153,735	\$ (331)
6.01	Provision of Government Services	Access to Quality Green Space in QCT - River Hill Park - Sports Courts	\$ 11,146	\$ 165,000	\$ (153,854)
6.01	Provision of Government Services	General Neighborhood Parks and Recreation Improvements	\$ 620,523	\$ 3,960,549	\$ (3,340,026)
6.01	Provision of Government Services	Parks Master Plan - QCT Areas	\$ 232,211	\$ 3,345,000	\$ (3,112,789)
6.01	Provision of Government Services	Parks Master Plan - Maintenance	\$ 506,876	\$ 1,000,000	\$ (493,124)
6.01	Provision of Government Services	Parks Master Plan - Aquatics	\$ 440,937	\$ 1,870,000	\$ (1,429,063)



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through August 31, 2022

Obligated

Budget

Variance

Expense (Continued)

EC 6: Revenue Replacement/Government Services (Continued)

6.01	Provision of Government Services	Pam Miller Downtown Arts Center Renovation	\$ 155,030	\$ 2,500,000	\$ (2,344,970)
6.01	Provision of Government Services	Government Employee Pay Supplements	\$ 4,436,928	\$ 4,436,928	\$ 0
6.01	Provision of Government Services	Critical Government Needs - Broadband Study with Scott County	\$ 25,865	\$ 30,000	\$ (4,135)
6.01	Provision of Government Services	Coldstream Industrial Park Campus Infrastructure	\$ -	\$ 9,500,000	\$ (9,500,000)
6.01	Provision of Government Services	Bike/Ped Planning and Design	\$ -	\$ -	\$ -
6.01	Provision of Government Services	Bike/Ped - Brighton	\$ -	\$ 132,500	\$ (132,500)
6.01	Provision of Government Services	Bike/Ped - Harrodsburg	\$ -	\$ 1,040,000	\$ (1,040,000)
6.01	Provision of Government Services	Bike/Ped - Town Branch Trail (Manchester)	\$ 67,500	\$ 67,500	\$ -
6.01	Provision of Government Services	Fire SCBA	\$ 2,828,413	\$ 3,100,000	\$ (271,587)
6.01	Provision of Government Services	Public Safety Fleet	\$ 1,416,349	\$ 1,500,000	\$ (83,651)
6.01	Provision of Government Services	Code Enforcement Grants for Residents with Low Income (FY22)	\$ 4,825	\$ 200,000	\$ (195,175)
6.01	Provision of Government Services	Code Enforcement Grants for Residents with Low Income (FY23)	\$ -	\$ 200,000	\$ (200,000)
6.01	Provision of Government Services	Code Enforcement Grants for Residents with Low Income (FY24)	\$ -	\$ 200,000	\$ (200,000)
6.01	Provision of Government Services	Workforce Development Grants to Service Partners (FY22)	\$ -	\$ 400,000	\$ (400,000)
6.01	Provision of Government Services	Workforce Development Grants to Service Partners (FY23)	\$ -	\$ 400,000	\$ (400,000)
6.01	Provision of Government Services	LexArts (FY24)	\$ -	\$ 325,000	\$ (325,000)
6.01	Provision of Government Services	Non-Profit Capital Grants	\$ -	\$ 6,418,239	\$ (6,418,239)
6.01	Provision of Government Services	Farmers Market Construction (Match)	\$ -	\$ 4,000,000	\$ (4,000,000)
6.01	Provision of Government Services	Housing Stabilization - Salvation Army Pledge	\$ -	\$ 2,000,000	\$ (2,000,000)
6.01	Provision of Government Services	Housing Stabilization - Hope Center Roof	\$ -	\$ 2,000,000	\$ (2,000,000)

EC 7: Administrative

7.01	Administrative Expenses	ARPA Administrative Services	\$ 203,565	\$ 7,256,629	\$ (7,053,064)
7.01	Administrative Expenses	Hold for Construction Contingency	\$ -	\$ 2,256,629	\$ (2,256,629)

Total Expenses

			\$ 38,023,956	\$ 119,801,280	\$ (93,366,616)
TOTAL - ARPA SLFRF			\$ 83,154,102	\$ 1,376,778	\$ 93,366,616