



LEXINGTON

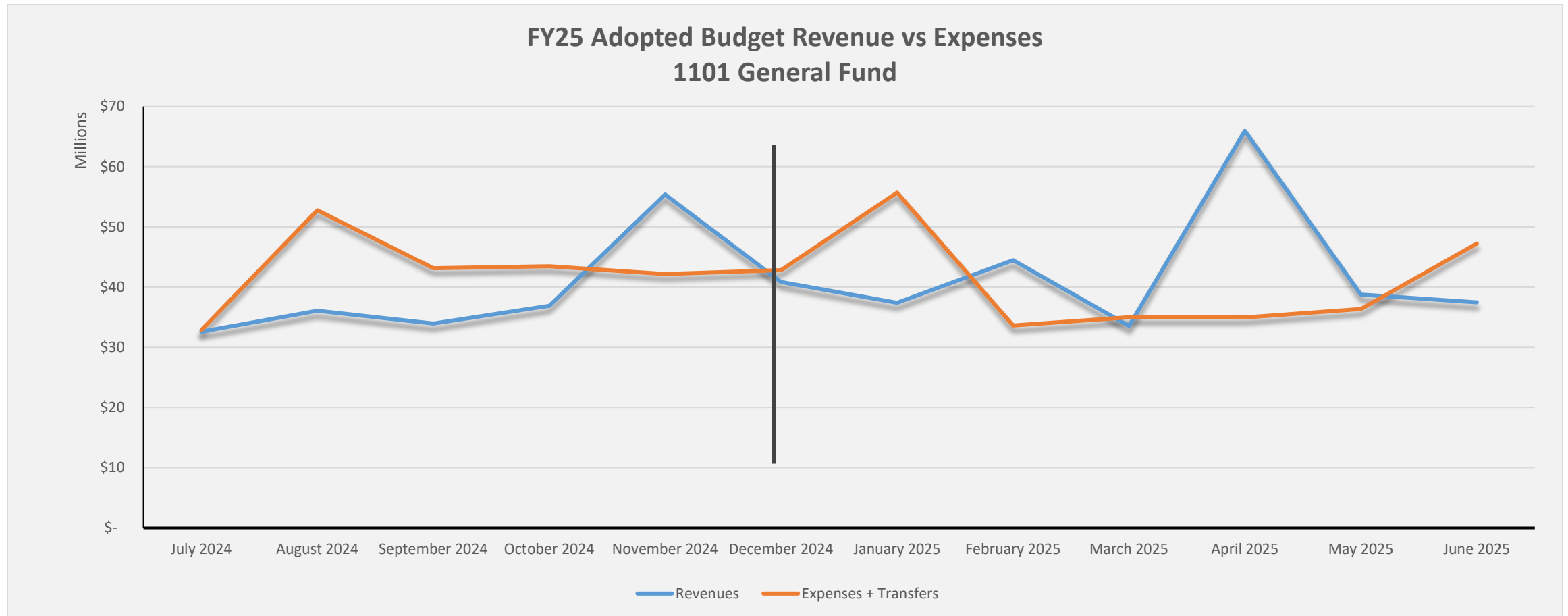
FY2025 SECOND QUARTER FINANCIAL UPDATE

*Urban County Council
Budget, Finance and Economic Development Committee
January 21, 2025*





FY25 Adopted Budgeted Revenues v. Expenses



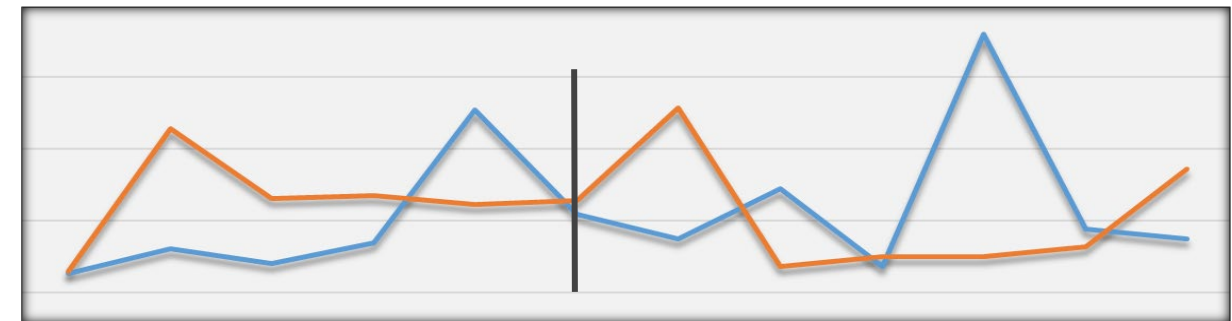
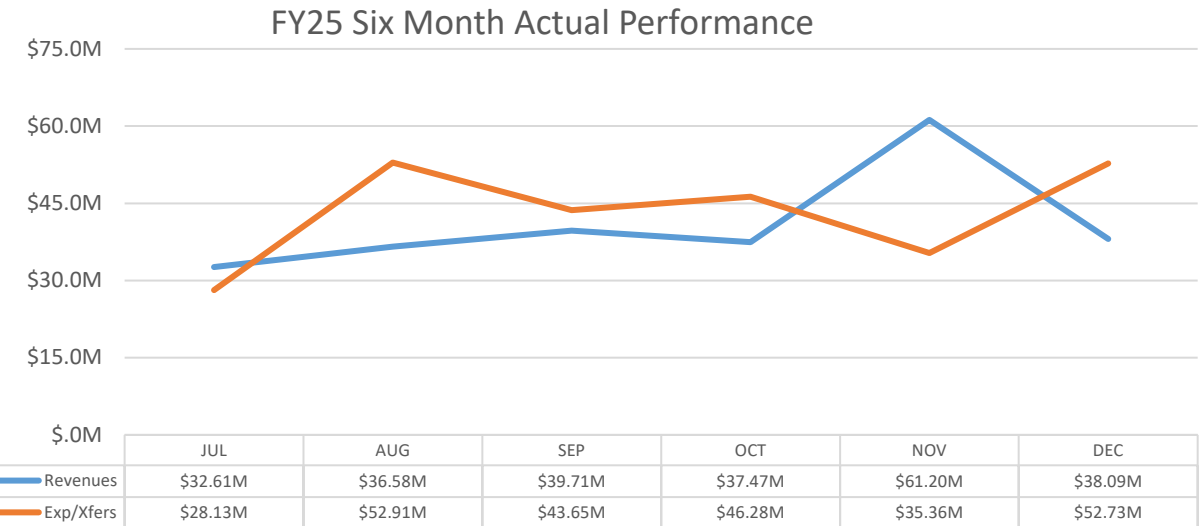


Quarter 2 Performance Review (Actuals)

December FY25	
Revenues	\$245,670,843
Expenses	(\$233,465,194)
Transfers	(\$ 25,595,487)
One-Year Surplus/(Deficit)	(\$ 13,389,838)

Factors to Consider

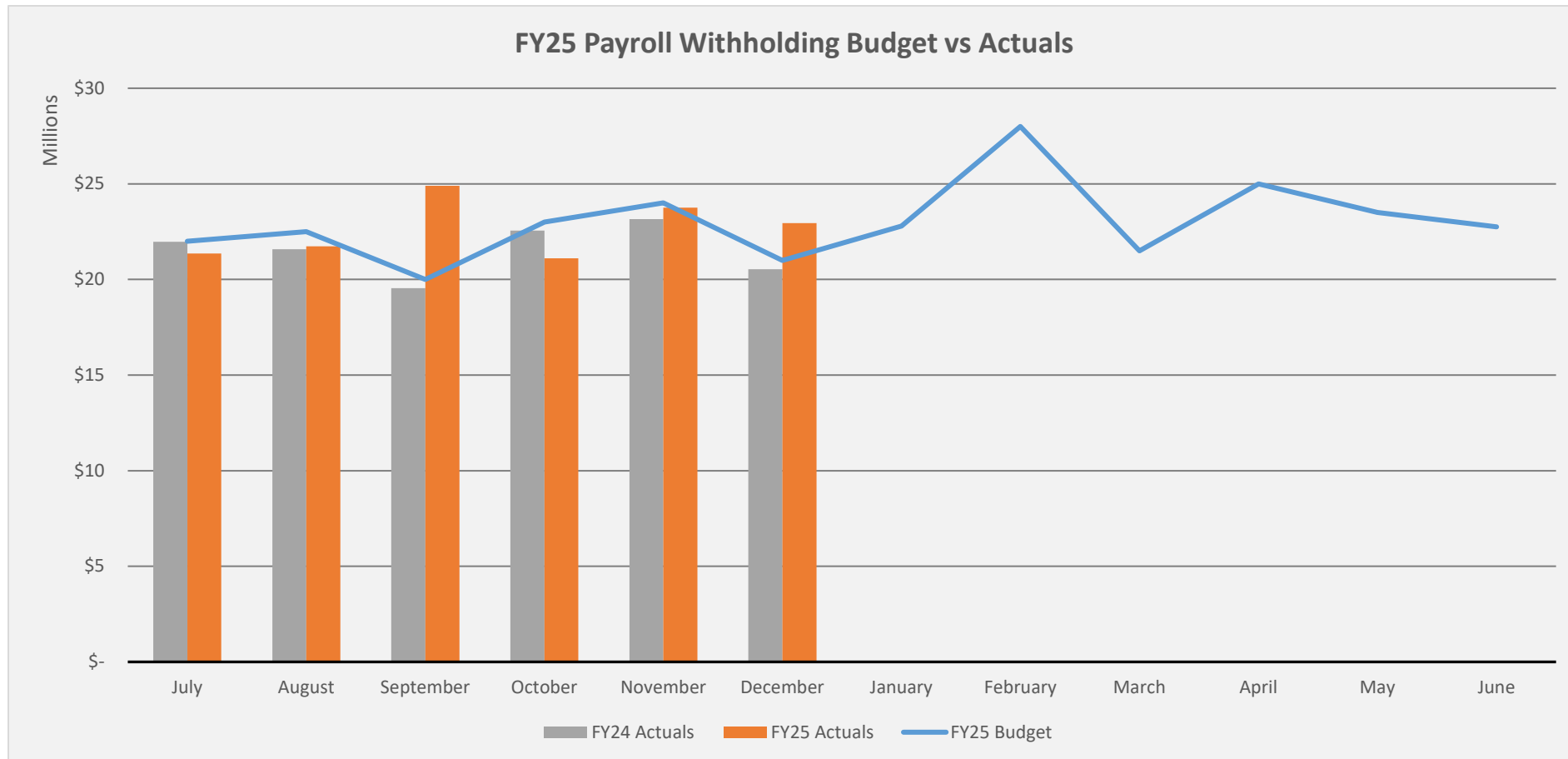
- December reporting includes transfers made for budget allocations added during the October Fund Balance conversation. Additional revenue transfers are not yet reflected.
- Revenue collections are slightly exceeding budget through Quarter 2 with a positive variance of 2.6%. At the end of Q1, a 5% variance was shown. Revenues have trended closer to budget over the past three months, showing a tightening of the revenue variance that we have not experienced in recent years.
- Personnel is running within one percent of budget through the second quarter.
- Budget staff continue to monitor the Operating variance and to assess if dollars may become available for reallocation. To date, much of the variance is encumbered for contracted expenditures.



FY2025 Adopted Budget

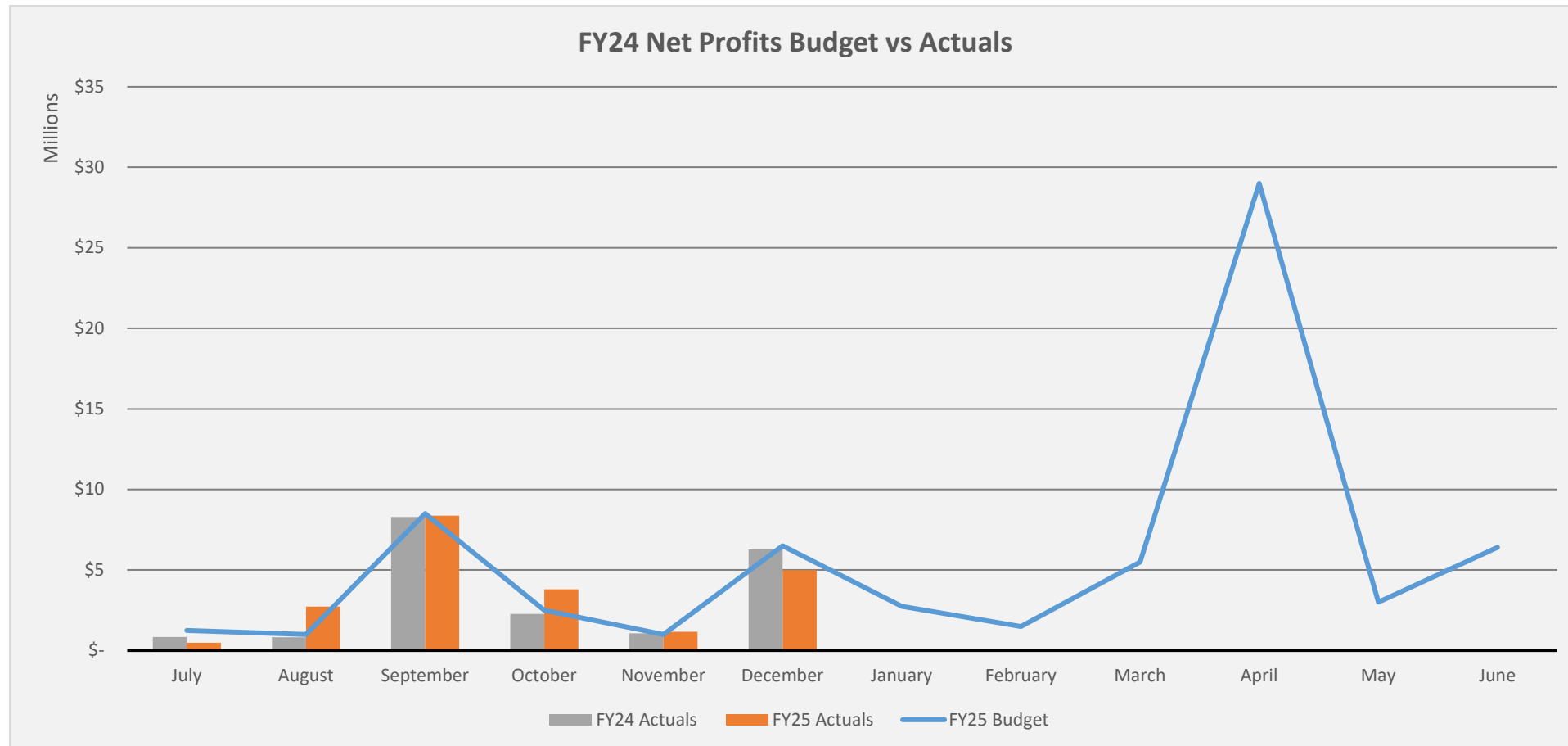


FY25 Payroll WH Actuals vs. Budget





FY25 Net Profit WH Actuals vs. Budget





2025 Fiscal Year – Cash Flow Variance Revenue (Actual to Budget)

<i>For the six months ended December 31, 2024</i>				
	Actuals	Budget	Variance	% Var
<u>Revenue</u>				
Payroll Withholding	135,792,750	132,500,000	3,292,750	2.5%
Net Profit	21,567,317	20,750,000	817,317	3.9%
Insurance	23,902,752	22,500,000	1,402,752	6.2%
Franchise Fees	12,826,071	13,250,000	(423,929)	-3.2%
Other Licenses & Permits	4,855,821	4,300,872	554,949	12.9%
Property Tax Accounts	27,514,875	27,105,439	409,436	1.5%
Services	13,698,616	13,972,377	(273,761)	-2.0%
Fines and Forfeitures	38,095	114,243	(76,148)	-66.7%
Intergovernmental Revenue	445,677	253,638	192,039	75.7%
Property Sales	232,070	92,085	139,985	152.0%
Investment Income	282,279	138,209	144,070	104.2%
Other Financing Sources	1,540,125	2,423,101	(882,976)	-36.4%
Other Income	2,974,395	2,118,399	855,996	40.4%
Total Revenues	\$245,670,843	\$239,518,363	\$6,152,480	2.6%





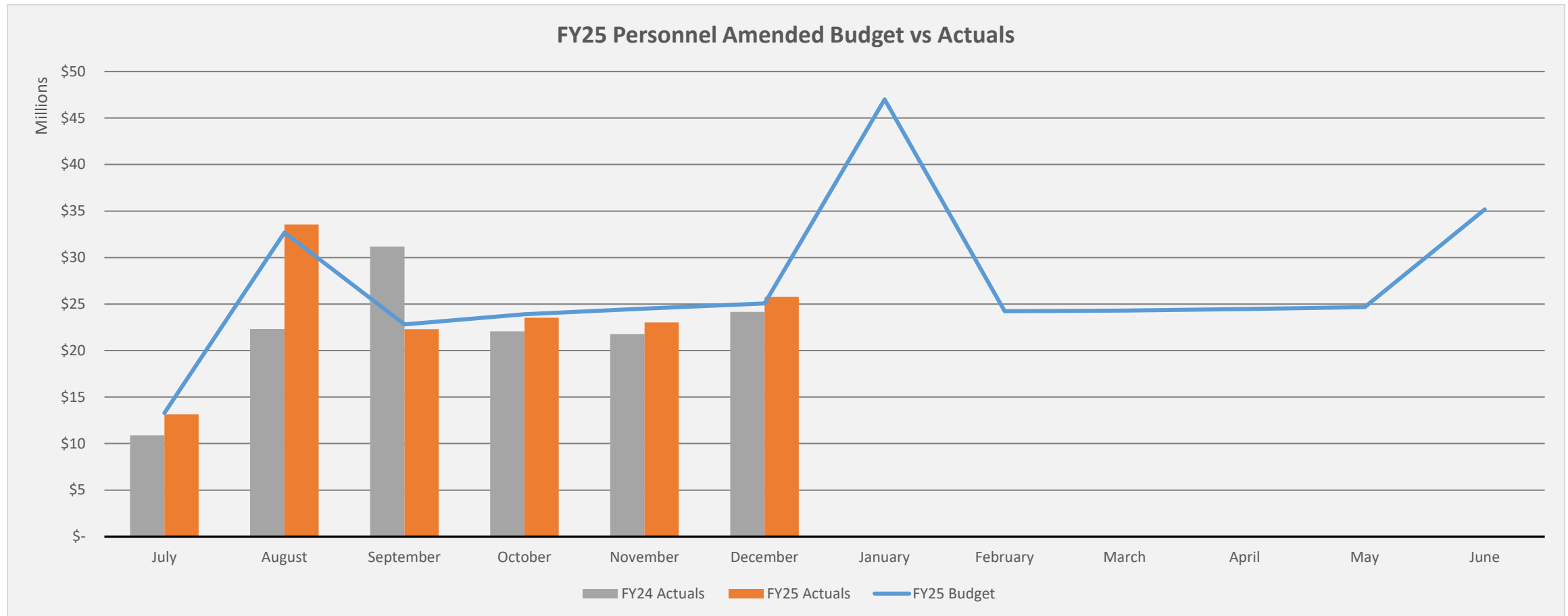
2025 Fiscal Year – Cash Flow Variance Revenue (CY to PY)

<i>For the six months ended December 31, 2024</i>				
	FY 2025	FY 2024	Variance	% Var
<u>Revenue</u>				
Payroll Withholding	135,792,750	129,327,580	6,465,170	5.0%
Net Profit	21,567,317	19,573,381	1,993,936	10.2%
Insurance	23,902,752	21,301,382	2,601,370	12.2%
Franchise Fees	12,826,071	12,844,991	(18,920)	-0.1%
Other Licenses & Permits	4,855,821	4,029,433	826,388	20.5%
Property Tax Accounts	27,514,875	25,794,425	1,720,450	6.7%
Services	13,698,616	14,997,413	(1,298,797)	-8.7%
Fines and Forfeitures	38,095	139,675	(101,580)	-72.7%
Intergovernmental Revenue	445,677	295,987	149,690	50.6%
Property Sales	232,070	181,302	50,768	28.0%
Investment Income	282,279	1,250,622	(968,343)	-77.4%
Other Financing Sources	1,540,125	202,457	1,337,668	660.7%
Other Income	2,974,395	2,404,449	569,946	23.7%
Total Revenues	\$245,670,843	\$232,343,097	\$13,327,746	5.7%



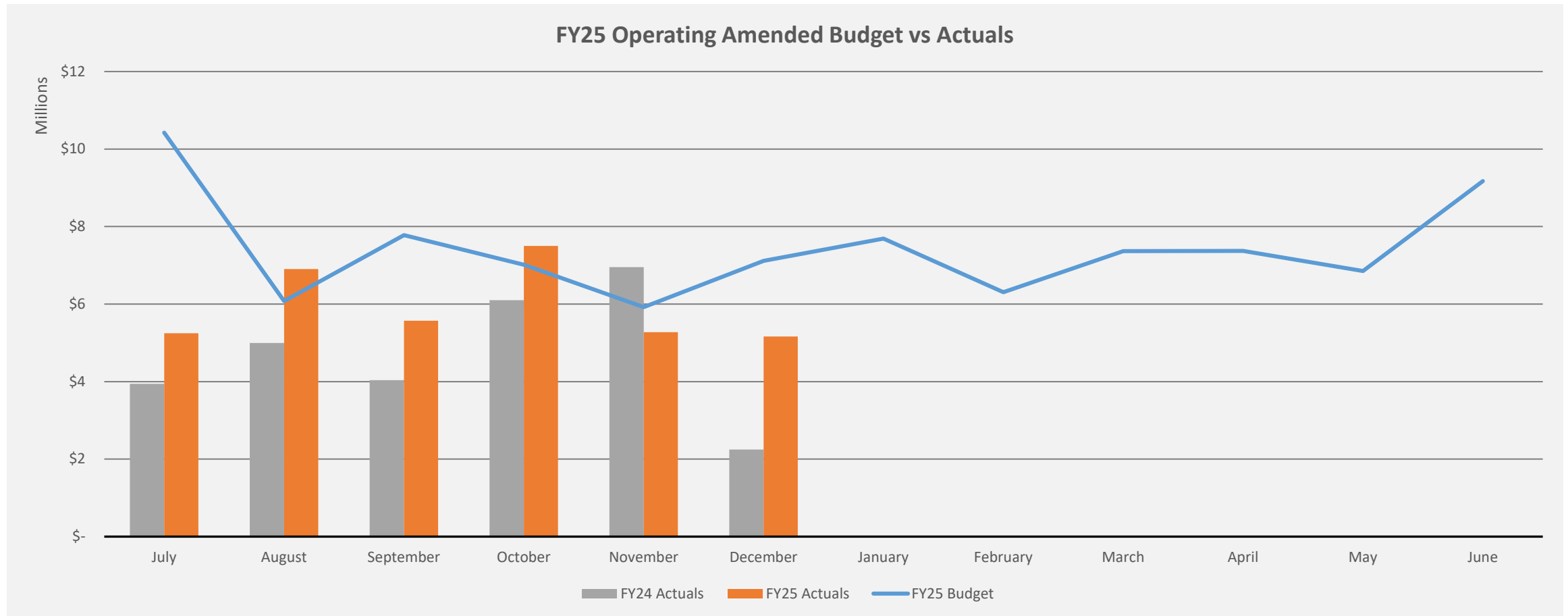


FY25 Personnel Actuals vs. Budget





FY25 Operating Actuals vs. Budget





2025 Fiscal Year – Cash Flow Variance Expense (Actual to Budget)

<i>For the six months ended December 31, 2024</i>				
	Actuals	Budget	Variance	% Variance
<u>Expense</u>				
Personnel	141,339,186	142,302,133	962,947	0.7%
Operating	35,657,637	44,330,171	8,672,534	19.6%
Insurance Expense	2,063,242	2,030,119	(33,123)	-1.6%
Debt Service	37,101,124	37,088,073	(13,051)	-0.0%
Partner Agencies	14,792,827	15,265,435	472,608	3.1%
Capital	2,511,178	2,355,163	(156,015)	-6.6%
Total Expenses	\$233,465,194	\$243,371,094	\$9,905,900	4.1%
Transfers	25,595,487	26,722,942	1,127,455	4.2%
Change in Fund Balance	(\$13,389,838)	(\$30,575,673)	\$17,185,835	





2025 Fiscal Year – Cash Flow Variance Expense (CY to PY)

<i>For the six months ended December 31, 2024</i>				
	FY 2025	FY 2024	Variance	% Var
<u>Expense</u>				
Personnel	141,339,186	132,376,868	8,962,318	6.8%
Operating	35,657,637	28,276,539	7,381,098	26.1%
Insurance Expense	2,063,242	1,835,719	227,523	12.4%
Debt Service	37,101,124	35,267,909	1,833,215	5.2%
Partner Agencies	14,792,827	13,869,039	923,788	6.7%
Capital	2,511,178	3,892,612	(1,381,434)	-35.5%
Total Expenses	\$233,465,194	\$215,518,686	\$17,946,508	8.3%
Transfers	25,595,487	56,683,655	(31,088,168)	-54.8%
Change in Fund Balance	(\$13,389,838)	(\$39,859,244)	\$26,469,406	



Questions?



LEXINGTON



ARPA FINANCIAL UPDATE

*Approved Budget and Actual Expenditures
Through December 31, 2024*



LEXINGTON



ARPA DASHBOARD

as of December 31, 2024



□ Unobligated □ Obligated □ Expended

Total ARPA Allocated
\$121.2 Million
100%

Total ARPA Obligated
\$121.2 Million
100%

✓✓✓ December 31, 2024 Deadline ✓✓✓

Total ARPA Expended
\$105.4 Million
87%

December 31, 2026 Deadline

Funding Overview by ARPA Expenditure Category

Total Grant Budget

1. Public Health

\$ 1,084,388

• 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

\$ 36,404,308

• 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

\$ 6,791,327

• 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

\$ 62,614,351

• 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

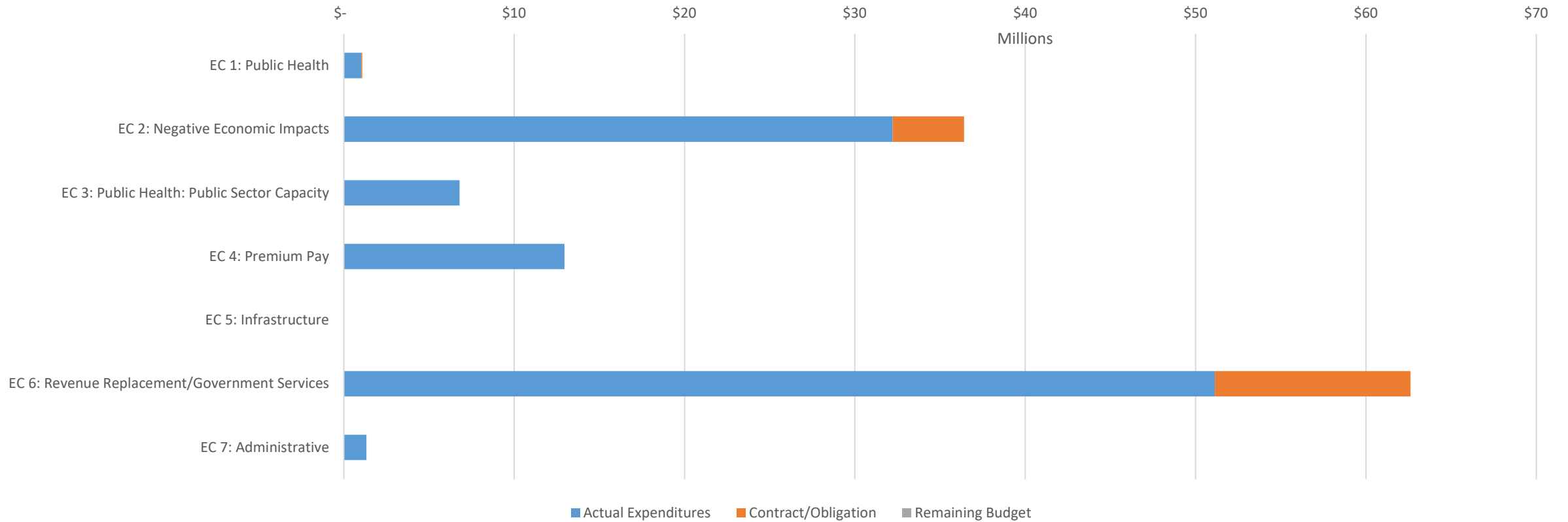
\$ 1,329,677

• 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. Less than 1.2% of all ARPA funds received were used for administration.

Please see ARPA Revenue and Expense Report for details



ARPA Budget, Expenditures, and Obligations by Category
as of December 31, 2024



TOTAL EXPENDITURES THROUGH DECEMBER 31, 2024
\$105,442,410

ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

<i>For the period through December 31, 2024</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 December 31, 2024</i>					
			Actuals	Budget	Variance
Expense					
EC 1: Public Health			\$ 1,024,675	\$ 1,084,388	\$ 59,714
1.05	Personal Protective Equipment	Personal Protective Equipment for LFUCG	\$ 5,763	\$ 5,763	\$ 0
1.11	Community Violence Interventions	Safety Net Program - Project Peace (Lexington Rescue Mission	\$ 246,845	\$ 306,559	\$ 59,714
1.11	Community Violence Interventions	It Takes a Village - Mentoring Program (Personnel)	\$ 262,067	\$ 262,067	\$ -
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	\$ -

All ARPA SLFRF funds have been obligated as of December 31, 2024, as required by the program guidelines. This report will now reflect actual expenditures compared to project budgets for all ARPA projects as we move towards the December 31, 2026 expenditure deadline.

ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through December 31, 2024

			Actuals	Budget	Variance
Expense (Continued)					
EC 2: Negative Economic Impacts			\$ 32,217,444	\$ 36,404,308	\$ 4,186,865
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY22)	\$ 240,846	\$ 240,846	\$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY23)	\$ 251,776	\$ 251,776	\$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY24)	\$ 297,365	\$ 297,365	\$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Recovery Supportive Living Assistance (FY22)	\$ 200,000	\$ 200,000	\$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Recovery Supportive Living Assistance (FY23)	\$ 200,000	\$ 200,000	\$ 0
2.10	Assistance to Unemployed or Underemployed Workers	Summer Youth Work Readiness Program	\$ 960,000	\$ 960,000	\$ -
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	\$ 9,820,000	\$ 10,000,000	\$ 180,000
2.15	Long-Term Housing Security: Affordable Housing	Affordable Housing - Additional Allocation	\$ 2,762,000	\$ 3,125,000	\$ 363,000
2.15	Long-Term Housing Security: Affordable Housing	Affordable Housing - Additional Allocation - FY24	\$ 643,214	\$ 4,001,790	\$ 3,358,576
2.16	Long-Term Housing Security: Services for Unhoused Persons	OHPI Homelessness Allocation (FY22)	\$ 642,893	\$ 642,893	\$ (0)
2.16	Long-Term Housing Security: Services for Unhoused Persons	OHPI Homelessness Allocation (FY23)	\$ 794,909	\$ 824,764	\$ 29,855
2.16	Long-Term Housing Security: Services for Unhoused Persons	OHPI Homelessness Allocation (FY24)	\$ 627,177	\$ 750,000	\$ 122,823
2.16	Long-Term Housing Security: Services for Unhoused Persons	Homelessness Contracts via Department of Housing and Community Development	\$ 3,717,025	\$ 3,717,025	\$ (0)
2.16	Long-Term Housing Security: Services for Unhoused Persons	Homelessness Contracts - Non-Shelter Eligible Families/Individuals	\$ 159,828	\$ 159,828	\$ 0
2.16	Long-Term Housing Security: Services for Unhoused Persons	COVID-19 Alternate Shelter for Winter Warming - 2022/2023	\$ 1,315,762	\$ 1,315,762	\$ 0
2.12	Long-Term Housing Security: Services for Unhoused Persons	COVID-19 Alternate Shelter for Winter Warming - 2023/2024	\$ 1,072,000	\$ 1,072,000	\$ 0
2.16	Long-Term Housing Security: Services for Unhoused Persons	Domestic Violence Sheltering: Greenhouse 17	\$ 400,000	\$ 400,000	\$ -
2.22	Strong Healthy Communities: Promote Health and Safety	Village Branch Library Construction	\$ 1,000,000	\$ 1,000,000	\$ -
2.22	Strong Healthy Communities: Promote Health and Safety	Black and Williams Center Improvements - Gymnasium	\$ 1,848,759	\$ 1,848,759	\$ (0)
2.22	Strong Healthy Communities: Promote Health and Safety	BCTC Dental Hygiene Clinic	\$ 2,000,000	\$ 2,000,000	\$ -
2.30	Technical Assistance, Counseling, or Business Planning	Minority Business Accelerator II - Reflect Lex	\$ 858,389	\$ 991,000	\$ 132,611
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 December 31, 2024

			Actuals	Budget	Variance
Expense (Continued)					
EC 3: Public Health - Negative Economic Impact: Public Sector Capacity			\$ 6,791,327	\$ 6,791,327	\$ (0)
3.01	Public Sector Workforce	Social Services Department Personnel Expenses (FY23 and FY24)	\$ 6,000,000	\$ 6,000,000	\$ -
3.01	Public Sector Workforce	Social Services Department Personnel Expenses (FY25)	\$ 791,327	\$ 791,327	\$ (0)
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			\$ -	\$ -	\$ -
EC 6: Revenue Replacement/Government Services			\$ 51,125,281	\$ 62,614,351	\$ 11,489,070
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	\$ 175,000	\$ 175,000	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Buckhorn Park - Phase II Improvement	\$ 44,999	\$ 44,999	\$ (0)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Dogwood Park - Basketball Court	\$ 69,073	\$ 69,073	\$ (0)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Gardenside Park - Playground	\$ 148,746	\$ 148,746	\$ 0
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	\$ 1,442,000	\$ 1,442,000	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Masterson Station Park - Playground	\$ 147,478	\$ 147,478	\$ -
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 Restoration	\$ 154,998	\$ 154,998	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Shilito Park - Access Imprvmnt Parking	\$ 297,206	\$ 297,206	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Southland Park - Access Imprvmnt Parking	\$ 202,794	\$ 202,794	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Woodland Park - Restroom Facilities	\$ 527,913	\$ 527,913	\$ -

ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through December 31, 2024

			Actuals	Budget	Variance
Expense (Continued)					
6.01	Provision of Government Services	Nbhood Rec Imprvmtns - Mary Todd Park - Basketball Court	\$ 97,442	\$ 97,442	\$ -
6.01	Provision of Government Services	Access to Quality Green Space for Disadvantaged Pop - ADA Im	\$ 125,000	\$ 125,000	\$ -
6.01	Provision of Government Services	Cardinal Run North Park Development	\$ 5,929,456	\$ 10,418,887	\$ 4,489,431
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Northeastern Park - Pl	\$ 250,000	\$ 250,000	\$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Phoenix Park - Inclusiv	\$ 150,000	\$ 150,000	\$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Pine Meadows Park - F	\$ 153,404	\$ 153,404	\$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - River Hill Park - Sports	\$ 190,876	\$ 190,876	\$ -
6.01	Provision of Government Services	General Neighborhood Parks and Recreation Improvements	\$ 3,198,395	\$ 3,954,465	\$ 756,070
6.01	Provision of Government Services	Parks Master Plan - QCT Areas	\$ 3,513,983	\$ 4,187,569	\$ 673,586
6.01	Provision of Government Services	Parks Master Plan - Maintenance	\$ 933,182	\$ 1,104,582	\$ 171,400
6.01	Provision of Government Services	Parks Master Plan - Aquatics	\$ 3,392,188	\$ 7,027,717	\$ 3,635,530
6.01	Provision of Government Services	ADA Transition Plan	\$ 200,000	\$ 200,000	\$ -
6.01	Provision of Government Services	Pam Miller Downtown Arts Center Renovation	\$ 2,658,000	\$ 2,675,000	\$ 17,000
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	\$ 19,571	\$ 19,571	\$ (0)
6.01	Provision of Government Services	Coldstream Industrial Park Campus Infrastructure	\$ 1,766,646	\$ 2,548,210	\$ 781,564
6.01	Provision of Government Services	Bike/Ped - Brighton	\$ 75,580	\$ 116,310	\$ 40,730
6.01	Provision of Government Services	Bike/Ped - Harrodsburg	\$ 338,345	\$ 713,892	\$ 375,547
6.01	Provision of Government Services	Bike/Ped - Town Branch Trail (Manchester)	\$ 67,500	\$ 67,500	\$ -
6.01	Provision of Government Services	Jefferson Street Viaduct	\$ 1,096,661	\$ 1,096,661	\$ -
6.01	Provision of Government Services	Fire SCBA	\$ 3,075,870	\$ 3,075,870	\$ 0
6.01	Provision of Government Services	Public Safety Fleet	\$ 1,500,000	\$ 1,500,000	\$ -
6.01	Provision of Government Services	Code Enforcement Grants for Residents with Low Income (FY22)	\$ 200,000	\$ 200,000	\$ -
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	Workforce Development Grants to Service Partners (FY22)	\$ 399,728	\$ 399,728	\$ -
6.01	Provision of Government Services	Workforce Development Grants to Service Partners (FY23)	\$ 397,995	\$ 400,000	\$ 2,005
6.01	Provision of Government Services	Workforce Development (Other)	\$ 113,117	\$ 150,000	\$ 36,883

ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through December 31, 2024

			Actuals	Budget	Variance
Expense (Continued)					
EC 6: Revenue Replacement/Government Services (Continued)					
6.01	Provision of Government Services	LexArts (FY24)	\$ 325,000	\$ 325,000	\$ -
6.01	Provision of Government Services	Non-Profit Capital Grants	\$ 6,148,296	\$ 6,148,296	\$ (0)
6.01	Provision of Government Services	Lexington Community Land Trust - Davis Bottom Community Ce	\$ 2,000,000	\$ 2,000,000	\$ -
6.01	Provision of Government Services	Housing Stabilization - Hope Center Transitional Housing	\$ 2,000,000	\$ 2,000,000	\$ -
6.01	Provision of Government Services	Family Care Center Improvements	\$ 60,000	\$ 60,000	\$ -
6.01	Provision of Government Services	Public Safety Technology Equipment Purchase - MDC	\$ 490,000	\$ 490,000	\$ 0
6.01	Provision of Government Services	Public Safety Technology Equipment Purchase - Laptop	\$ 99,820	\$ 99,820	\$ -
6.01	Provision of Government Services	Solarize Lexington Energy Efficiency Grant Program for Low Inc	\$ 1,477,360	\$ 1,986,684	\$ 509,324
EC 7: Administrative			\$ 1,329,677	\$ 1,329,677	\$ (0)
7.01	Administrative Expenses	ARPA Administrative Services	\$ 1,329,677	\$ 1,329,677	\$ (0)
7.01	Administrative Expenses	Hold for Construction Contingency	\$ -	\$ -	\$ 0
Total Expenses			\$ 105,442,410	\$ 121,178,058.00	\$ 15,735,648
TOTAL - ARPA SLFRF			\$ 15,735,648	\$ -	\$ (15,735,648)

Questions?

Hilary Angelucci

American Rescue Plan Act Project Manager
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LEXINGTON

