

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: April 11, 2025
Subject: March 2025 (Three Months) Flash Financial Report

Dear Council Members:

The following is my Flash Financial Report for March 31, 2025. This covers the first three months of Calendar 2025 subject to any changes after the month-end accounting closes. The first table lists cash and investment balances for selected funds on March 31, 2025, and March 31, 2024.

City of Evansville - Cash and Investment Balances – Selected Funds					
3/31/2025		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	3/31/2025	3/31/2024	3/31/2025	2025 vs 2024
1101	General Fund	\$ 22,034,034	\$ 25,849,637	\$ (3,815,603)	-14.8%
1176	American Rescue Plan Fund	20,681,736	31,818,144	(11,136,408)	-35.0%
2201	Motor Vehicle Highway Fund	2,151,469	2,048,255	103,214	5.0%
2202	Local Roads & Streets Fund	6,914,417	8,737,786	(1,823,369)	-20.9%
2203	Motor Veh. Hwy. Fd - Restrict	6,065,672	4,445,116	1,620,556	36.5%
2204	Parks and Recreation Fund	3,530,966	2,128,074	1,402,892	65.9%
2236	Rainy Day Fund	3,420,385	3,297,735	122,650	3.7%
2240	Local Income Tax - Public Sal	3,853,824	4,441,525	(587,701)	-13.2%
4437	Casino Gaming Capital Fund	29,908,054	24,619,872	5,288,182	21.5%
4445	Jacobsville TIF Fund	4,405,007	3,452,122	952,885	27.6%
4446	Downtown Master TIF	3,582,593	460,912	3,121,681	677.3%
6101	Water Utility Operating Fund	29,060,580	19,018,337	10,042,243	52.8%
6201	Sewer Utility Operating Fund	59,087,986	37,777,273	21,310,713	56.4%
7704	Hospitalization Insurance Fun	2,055,764	(1,516,990)	3,572,754	N/A
8801	Fire Pension Fund	3,276,623	3,214,071	62,552	1.9%
8802	Police Pension Fund	3,738,456	3,676,350	62,106	1.7%
	TOTAL SELECTED FUNDS	\$ 203,767,566	\$ 173,468,219	\$ 30,299,347	17.5%

The overall cash and investments for these selected accounts increased over \$30.3 million or 17.5% compared to March 2024. The largest variances were with the Water Utility Operating Fund, which was up \$10 million or 52.8%, Sewer Utility Operating Fund which was up \$21.3 million or 56.4%, and the American Rescue Plan (ARPA) with an \$11.1 million/35.0% decrease. The City is required to have the ARPA funds spent by December 31, 2026. So, to meet grant requirements, over the next 21 months, we should see further decreases in the fund. Reflected below are the selected funds without the Water Utility Operating, Sewer Utility Operating, and the ARPA Funds. Net of those three funds, the cash and investments for the selected funds increased \$10 million or 11.9% over March 2024.

City of Evansville - Cash and Investment Balances – Selected Funds					
3/31/2025	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	3/31/2025	3/31/2024	3/31/2025	2025 vs 2024
1101	General Fund	\$ 22,034,034	\$ 25,849,637	\$ (3,815,603)	-14.8%
2201	Motor Vehicle Highway Fund	2,151,469	2,048,255	103,214	5.0%
2202	Local Roads & Streets Fund	6,914,417	8,737,786	(1,823,369)	-20.9%
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8801	Fire Pension Fund	3,276,623	3,214,071	62,552	1.9%
8802	Police Pension Fund	3,738,456	3,676,350	62,106	1.7%
	TOTAL SELECTED FUNDS	\$ 94,937,264	\$ 84,854,465	\$ 10,082,799	11.9%

The General Fund's cash/investments decreased \$3.8 million or 14.8% from the prior. There are a few items to note. The PILOT from EWSU was received in March of last year; however, the \$2.65 million payment for 2025 was not received until April 3rd. 2025 also includes the new \$1.15 million payment on the 2024B bonds for the 5th and Main parking garage. We have paid an additional \$924,000 in health insurance premiums on behalf of the Fire and Police employees. Finally, an additional \$1.1 million was paid due to the cost-of-living increases per the new union contracts. As in prior years, until the General Fund receives its May and December property tax distributions, the fund will see decreases in cash and investments.

The General Fund's \$22 million in cash and investments as of March 31, 2025, equates to 1.9 months of operating funds when compared to the revised 2025 operating budget of \$140.2 million. Our goal is to maintain reserves of at least 3 months' operating expenditures. The Casino Fund continues to see monthly increases. Compared to March 2024, the cash and investments have increased nearly \$5.3 million or 21.5%.

Another positive improvement was seen in the Health Insurance Fund with a \$3.5 million increase compared to the prior year. We continue to be current on all our outstanding invoices to KBA and Central States insurance for teamsters. Total health care expenses increased by over \$1 million or 23.9%; however, employer contributions increased by over \$2.5 million or 39.4%. Claims have increased \$969,000 or 42.5%; however, they are down \$3.3 million from 2023. Expense for teamsters' insurance was up 4.9% or \$61,060 over the prior year.

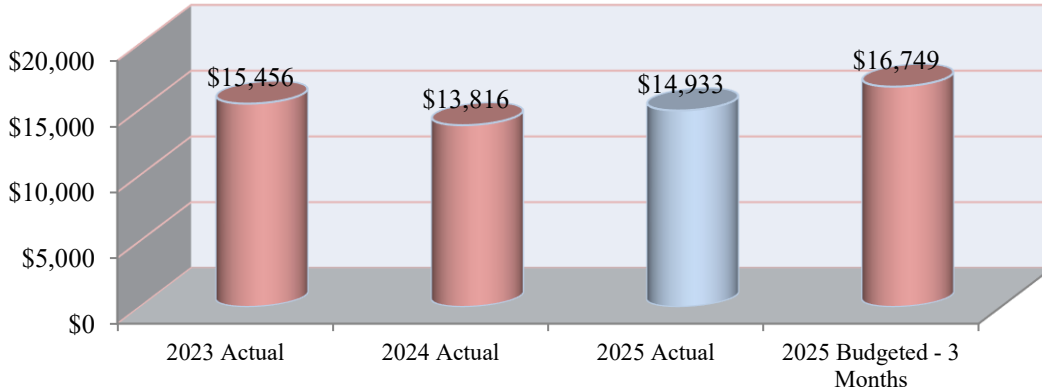
To start the year, we set the contribution rate for non-bargaining at \$1,227 per pay period and set the allocation for the police and fire departments at \$1,775/pay. We will use the difference between the two to fund the fire/police retiree's net \$7.2 million of estimated health insurance costs. Due to the large cash balance, we have decreased the non-bargaining rate to \$1,050/pay and the fire/police to \$1,600/pay. We will continue to monitor the cash balance and adjust the allocations as needed.

The only other selected fund with a decrease was the Local Roads and Street Fund. As noted in prior months, nearly \$1.2 million of the cash was used to pay for the 2024 milling and paving. The Motor Vehicle Highway (MVH) fund had over \$2.1 million in cash and investments at month-end with a revised annual budget of \$5.5 million. Revenue for this fund comes from 50% of the Indiana gasoline tax, vehicle registration/license fees, and the Vanderburgh County wheel tax. The Local Roads and Street (LRS) fund had over \$6.9 million in cash and investments with a revised budget of \$8 million. The LRS includes the paving of local streets. As of March 31st, \$1.2 million in street-paving expenses had been paid with an additional \$2.6 million encumbered. The Motor Vehicle Highway Restricted fund had \$6.1 million in cash/investments with a revised budget of \$3 million. This fund receives the remaining 50% of the Indiana gasoline tax. As of March 31st, \$15,545 had been spent on milling and paving with another \$2.1 million encumbered for the Spring work.

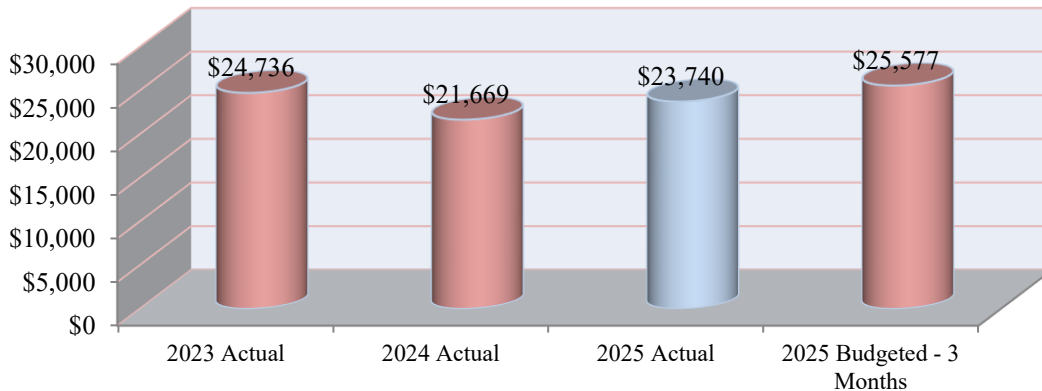
3/31/2025	Change In Fund Balances	Receipts (3 MO) YTD Current Year	Disbursements (3 MO) YTD Current Year	3 MO Change in Fund Balance Current Year	Cash + Inv. Balance Current Year
FUND NO.	FUND	3/31/2025	3/31/2025	3/31/2025	3/31/2025
2201	Motor Vehicle Highway Fund	1,146,729	1,109,307	37,422	2,151,469
2202	Local Roads & Streets Fund	687,179	1,607,173	(919,994)	6,914,417
2203	Motor Veh. Hwy. Fd - Restricted	682,024	214,119	467,905	6,065,672
	TOTAL SELECTED FUNDS	\$ 2,515,932	\$ 2,930,599	\$ (414,667)	\$ 15,131,558

The next two charts reflect the personnel expenditures for the General Fund with the first showing salaries only and the second all personnel expenditures. Although it will be difficult to make a year-to-year comparison for 2023 due to the COVID incentive pay, extra health insurance payments, etc., this chart does reflect how we are tracking against the 2025 actual and 2025 budget for the first three months. As of March 31, 2025 and based on modified accrual basis, we have spent 22.3% of the appropriated funds for salary and 23.2% of all personnel expenses that include salary, payroll taxes, pension, and health insurance.

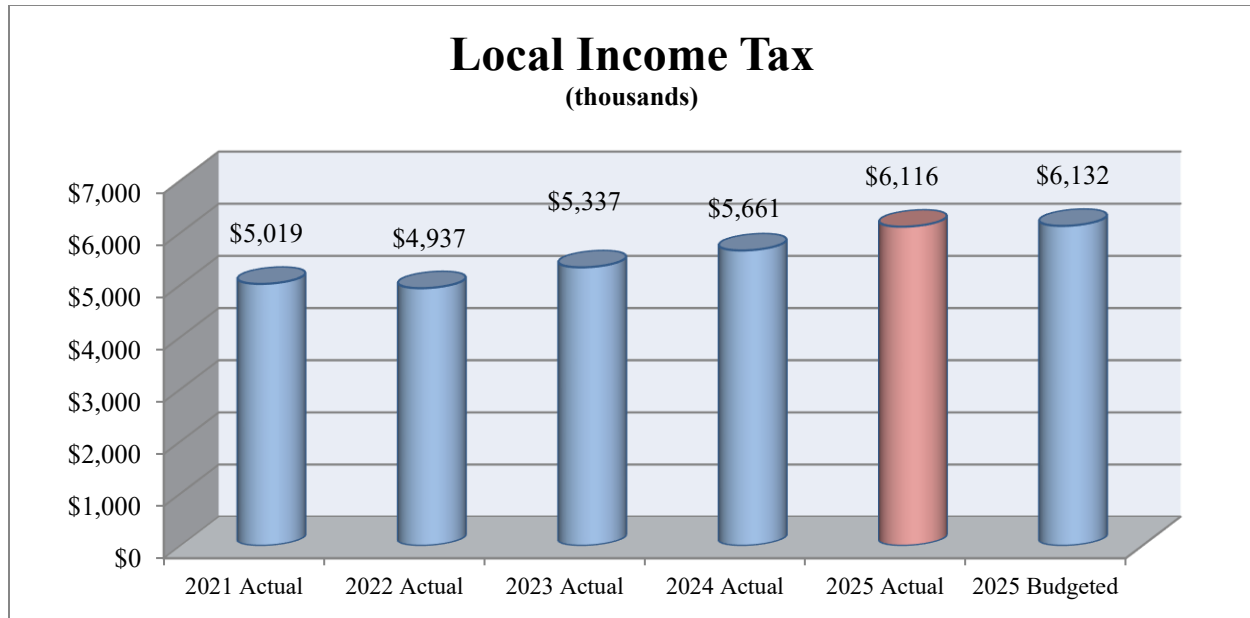
General Fund Salary Expenditures Vs. 3 Month Budget (thousands)



General Fund Personnel Expenditures Vs. 3 Month Budget (thousands)



The next chart reflects the local income taxes (LIT) received through March over the past five years, plus it includes what was budgeted for 2025. LIT revenue makes up approximately 20% of the 2025 General Fund revenue. Local income tax payments were up approximately \$455,000 or 8% over 2024. If the City receives the same supplemental payment in 2025 as in 2024, the actual payments for LIT taxes in 2025 could exceed \$26.80 million and the 2025 budget of \$26.57 million.



As mentioned last month, EWSU's management team has implemented some improvements whereas fewer projects are completed by outside contractors and more work is done in-house by EWSU's employees. The team has saved \$174,401 and reduced contractual costs by 60% just over the first three months.

The Fire and Police Pension Funds will reflect a decrease in fund balance until they receive their state subsidies in June and September. These two plans were closed to new participants in 1977. Pension benefits for the past three years as of March 31 are reflected below:

3/31/2025		Pension Benefits	Pension Benefits	Pension Benefits
FUND NO.	FUND	3/31/2023	3/31/2024	3/31/2025
8801	Fire Pension Fund	1,145,250	1,113,291	1,207,070
8802	Police Pension Fund	1,484,519	1,452,472	1,509,108
	TOTAL SELECTED FUNDS	\$ 2,629,769	\$ 2,565,763	\$ 2,716,178

This information is a preliminary snapshot as of today and subject to final month-end closing. Contact me if you have any questions or if there is an area that you would like to know more details.