

CITY OF TAKOMA PARK
City Manager's Office



November 2, 2023

Fiscal Year 2024 Financial Report (Q1)

David Eubanks
Acting City Manager



Introduction

- **Period:** July 1, 2023 to September 30, 2023
- **Purpose:**
 - Summarize revenue and expenditure (including all budget amendments),
 - Identify discrepancies in year-to-year trends, and
 - Enable inquiry and investigation of inconsistencies.
- **Limitations:**
 - Necessarily retrospective,
 - Influenced by the practices of external parties for both revenue and expenditure,
 - Is not an audit of revenues and expenditures,
 - Lump sum payments/installments that take place at specific points in the year,
 - An Imperfect forecasting tool.

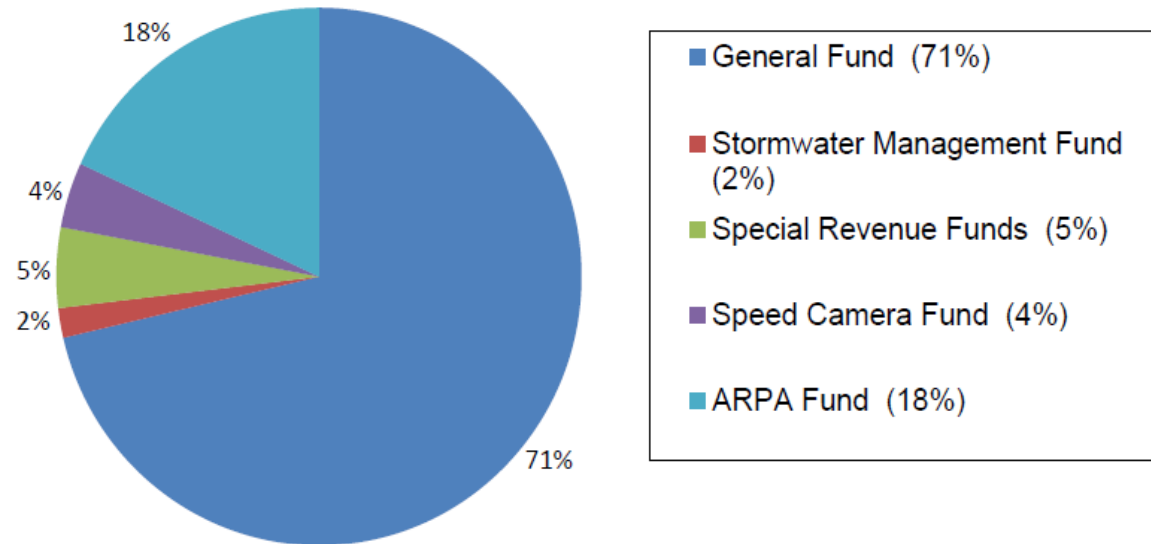
CITY OF TAKOMA PARK

FY24 Adopted Budget Recap

FY24 Adopted Budget
Recap

Expenditure by Fund

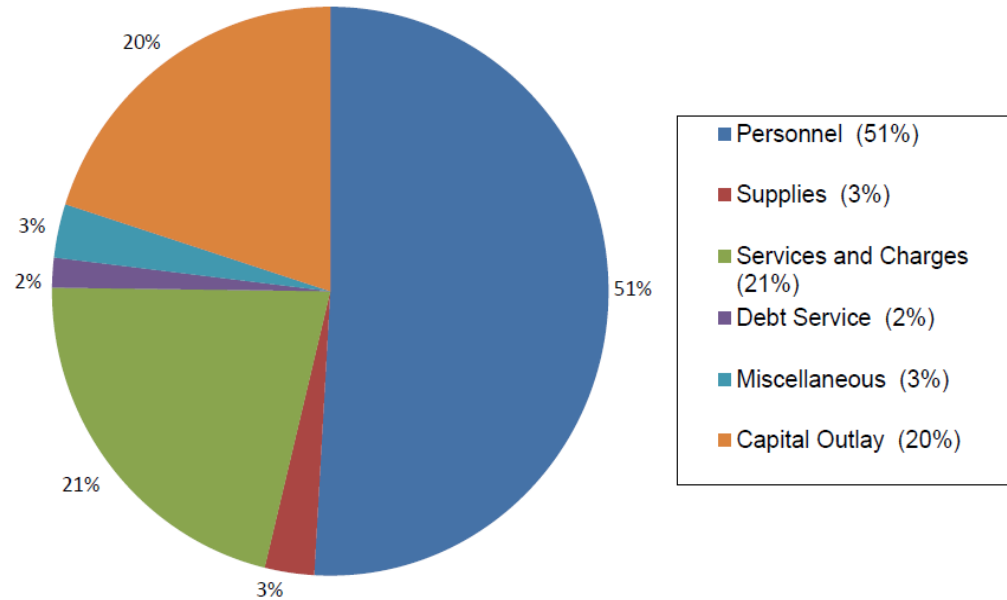
TOTAL	\$43,863,733
General Fund (71%)	\$31,294,353
Stormwater Management Fund (2%)	\$781,781
Special Revenue Funds (5%)	\$2,119,471
Speed Camera Fund (4%)	\$1,725,682
ARPA Fund (18%)	\$7,942,446



FY24 Adopted Budget Recap

Expenditure by Type

Total	\$43,863,733
Personnel (51%)	\$22,336,500
Supplies (3%)	\$1,259,026
Services and Charges (21%)	\$9,391,688
Debt Service (2%)	\$741,663
Miscellaneous (3%)	\$1,341,357
Capital Outlay (20%)	\$8,793,499



FY24 Adopted Budget Recap

	General Fund	Stormwater Management Fund	Special Revenue Funds	Speed Camera Fund	ARPA Fund	Total (\$)
FY 2024 Revenues	29,021,811	778,000	1,914,233	2,151,000	1,100	33,866,144
FY 2024 Expenditures	31,294,353	781,781	2,119,471	1,725,682	7,942,446	43,863,733
Excess (deficiency) of revenues over expenditure	(2,272,542)	(3,781)	(205,238)	425,318	(7,941,346)	(9,997,589)

	29,021,811	33,866,144
	1,222,063	8,947,110
Use of Reserves	1,050,479	1,050,479
Use of Bond Reserves	31,294,353	43,863,733

General Fund Budget Deficit Sources

Reserves (ERR, FMR, Housing, Etc.)

\$1.22M

Bond Reserves

\$1.05M

FY24 First Budget Amendment

	Adopted	1st Amendment	Current
	FY24	<u>Budget Increase</u>	FY24
Total Revenues	29,021,811	20,000	29,041,811
General Government	4,433,239	42,427	4,475,666
Police	9,299,721	3,000	9,302,721
Public Works	5,784,558		5,784,558
Recreation	2,160,020		2,160,020
Housing and Community Development	2,640,193		2,640,193
Communications	820,981	66,163	887,144
Library	1,491,232		1,491,232
Inter-Departmental	1,393,369	12,500	1,405,869
Capital Outlay**	2,529,377		2,529,377
Debt Service	741,663		741,663
Total Expenditures	31,294,353	124,090	31,420,443

- The total increase to the General Fund of the FY24 Adopted Budget was \$4.3M.
- Of the \$4.3M only \$124,000 represented new expenses. The remainder of the increase to the budget consisted of transfers from FY23 to FY24.
 - Ongoing Capital Projects
 - Grants in Progress
 - Delayed Equipment Purchases

CITY OF TAKOMA PARK

FY24 Quarterly Financial Report (Q1)

First Quarter Financial Report

<i>FY2024 Total Revenue/Expenses at September 30, 2023</i>	<i>General</i>	<i>Special Revenue</i>	<i>Stormwater Mgt</i>	<i>Speed Camera</i>	<i>ARPA</i>	<i>FY24 Actual</i>	<i>FY24 Budget</i>	<i>% Collected/</i>
	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>All Funds</i></u>	<u><i>All funds</i></u>	<u><i>Expended</i></u>
<i>FY2024 Revenue</i>	7,510,409	42,997	101,865	168,691	28,524	7,852,486	34,874,050	23%
<i>FY2024 Expenditure</i>	6,391,409	202,748	119,885	262,267	221,950	7,198,259	50,564,410	14%
<i>Excess revenue (deficit)</i>	1,119,000	(159,751)	(18,020)	(93,576)	(193,426)	654,227	(15,690,360)	

- Total revenue across all funds is \$7.9M or 23% of the budgeted amount.
 - A total of \$17.3M or 41% was collected in FY23.
 - This was due to the receipt of all the ARPA fund revenue (\$8.7M) in the 1st quarter.
 - Only \$1,100 of ARPA revenue is budgeted for FY24.
- Total expenditure is \$7.2M or 14% of the budgeted amount.
 - A similar amount was collected in FY23; \$6.7M or 12%.
- Excess of revenue over expenditure of \$654K due to unspent funds in the General Fund totaling \$1.1M.

First Quarter Financial Report

General Fund Highlights

<u>Total Revenues</u>	27,054,438	7,213,712	29,041,811	7,510,409	21,531,402	26%	27%
<u>Total Expenditures</u>	36,585,576	5,588,011	35,663,799	6,391,409	29,272,390	18%	15%

- General Fund revenue and expenses whose percentage collected or expended differs by 20% or more year-over-year is considered significant.
- General Fund revenues total \$7.5M or 26% of the FY24 budgeted amount.
 - In FY23 the Q1 General Fund revenues were \$7.2M or 27%.
 - Not a significant difference.
- General Fund expenditures are \$6.4M or 18% of the FY24 budgeted amount.
 - In FY23 the Q1 General Fund expenditures were \$5.6M or 15%.
 - Not a significant difference.
- Significant Differences:
 - Penalties and Interest
 - FY24: 13% FY23: 101%
 - No regular pattern for penalties and interest
 - Use of Money and Property
 - FY24: \$227K FY23:\$26K
 - Due to higher interest rates in FY24
 - Tree Fund
 - FY24: 100% FY23: 0%
 - Internal transfer from unearned revenue occurred earlier this year than it did last year.

First Quarter Financial Report

Other Fund Highlights

EXPENDITURES BY FUNDS	Budget <u>FY23</u>	Actual <u>FY23</u>	Budgeted <u>FY24</u>	Actual <u>FY24</u>	Available <u>Balance**</u>	FY24 % <u>Expended</u>	FY23 % <u>Expended</u>
Special Revenue Fund	6,344,979	512,264	3,253,704	202,748	3,050,956	6%	8%
Stormwater Management Fund	1,391,994	14,469	781,781	119,885	661,896	15%	1%
Speed Camera Fund	1,807,733	174,718	1,725,682	262,267	1,463,414	15%	10%
ARPA Fund	10,080,506	495,870	9,139,444	221,950	8,917,494	2%	5%

- **Speed Camera Fund Update:**
 - Expected revenue: \$2.1M. (Speed Cam: \$850K / Red Light: \$1.3M)
 - This year includes a new revenue source from the implementation of the red light camera program.
 - State Highway Administration (SHA) has approved the design review of the City's cameras.
 - The next step is for the district SHA staff to approve the proposal.
 - We anticipate the program to be up and running in 3-4 months.

- **Stormwater Fund:**
 - Report does not include the transfer of \$321,000 in reallocated funds from 1st budget amendment for stormwater projects not completed in FY23.
 - Transfer occurred in the City's financing system after September 30th.

Conclusion

- The FY24 Quarterly Financial Report does not suggest that there are any material inconsistencies in revenues or expenses with past years.
- Gaps between revenues and expenditures in all funds are in line with the expectations set in the FY24 Adopted Budget.

Next Steps

- November 15th
 - Presentation of Comprehensive FY23 Financial Report & Audit
 - Final Report on the City's Long-Term Financial Forecast
 - Police Pension Plan Actuarial Valuation
- November 20th
 - Presentation of City Manager FY25 Budget Forecast
 - Council FY25 Budget Priorities (Work Session)



QUESTIONS?



THANK YOU

TAKOMAPARKMD.GOV