

CITY OF TAKOMA PARK

May 22, 2024



Fiscal Year 2024 Financial Report (Q3)

For the nine months ended
March 31, 2024

Presented by Robert DiSpirito
City Manager



Introduction

- Period: January 1, 2024 to March 31, 2024
- Purpose:
 - Summarize revenue and expenditure (including all budget amendment #1, #2 and #3),
 - 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,
 - An Imperfect forecasting tool.

FY2024 Third Quarter Financial Report:

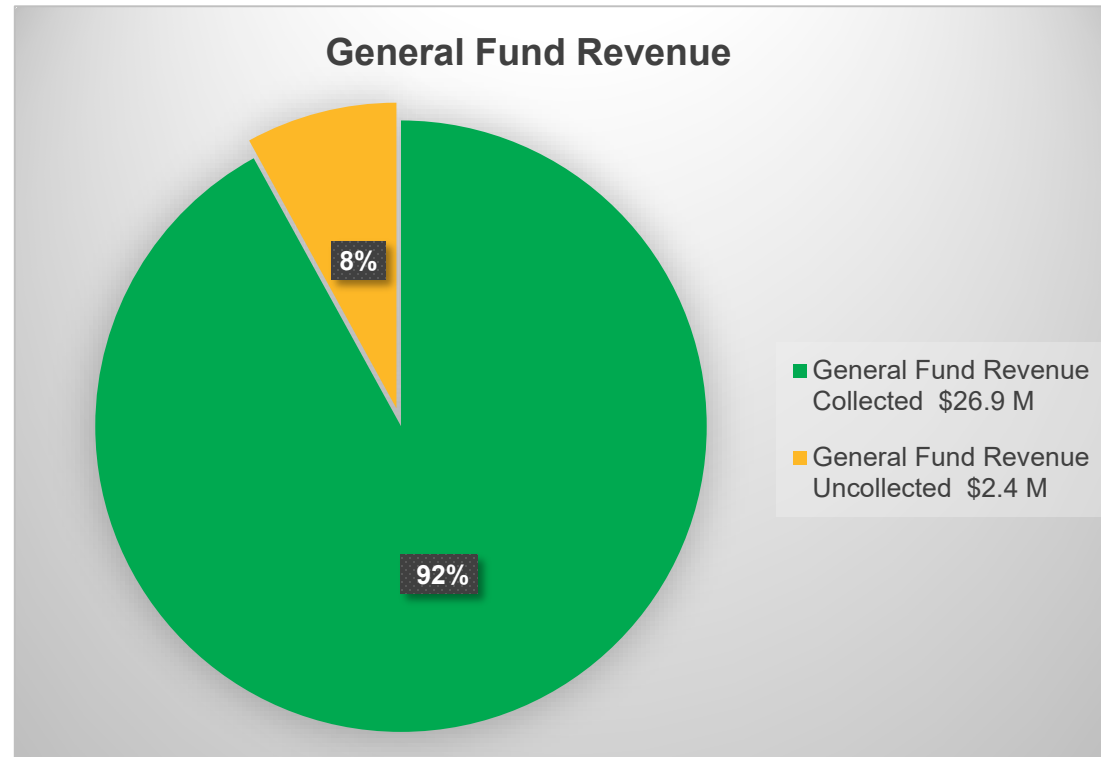
Executive Summary

- Total YTD actual revenue across all funds is \$29M or 82% of the budgeted amount.
- Total YTD actual expenditure is \$24.7M or 48% of the budgeted amount.
- Excess of revenue over expenditure of \$4.3M due to unspent funds in the General Fund, Stormwater Management Fund and Special Revenue Fund.
- Fund Summary:
 - General Fund: \$4.9M surplus
 - Special Revenue Fund: \$166.9K surplus due to pending projects
 - ARPA Fund: \$927.7k deficit due to delayed revenue recognition in the Federal Grant.
 - Stormwater Management Fund: \$355K surplus due to pending projects
 - Speed Camera Fund: \$266K deficit due to delayed revenue from red light cameras and reduced revenue from Speed Cameras

FY2024 Third Quarter Financial Report:

General Fund Summary

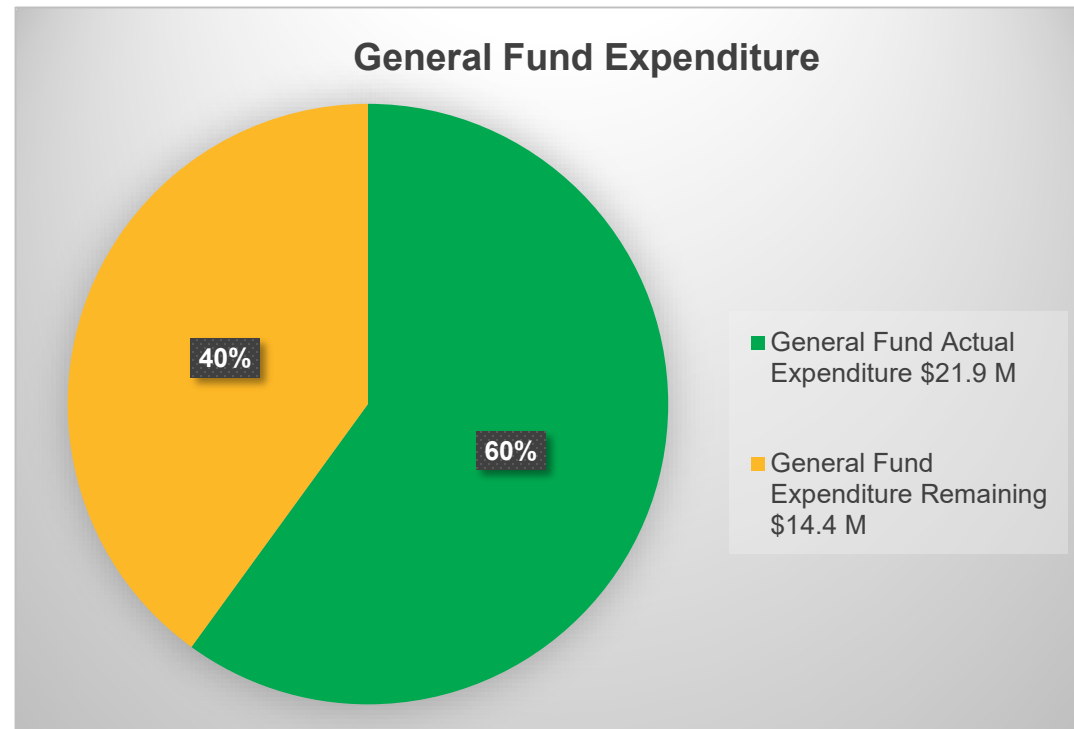
- The General Fund is chief operating fund of the City. It supports the regular daily activities; including: police protection, street and parking maintenance, and general administrative functions.
- Primary General Fund revenue sources:
 - Taxes and Utility Fees
 - Intergovernmental Revenue
- General Fund revenues total \$26.9M or 92% of the FY24 budgeted amount.
 - In FY23 the Q3 General Fund revenues were \$25.3M or 93%.



FY2024 Third Quarter Financial Report:

General Fund Summary

- General Fund expenditures are \$21.9M or 60% of the FY24 budgeted amount.
 - In FY23 the Q3 General Fund expenditures were \$20.2M or 55%.
- General Fund revenue and expenses whose percentage collected or expended differs by 25% or more year-over-year is considered significant.



FY2024 Third Quarter Financial Report:

General Fund Revenue

- Significant Differences in Revenue Collection FY23 to FY24 (Period ended March 31):
 - **Penalties and Interest (due to late payment):**
 - FY24: \$38K (50%) FY23: \$72K (161%)
 - No regular pattern for penalties and interest
 - **Additions and Abatements (Property Tax Refunds):**
 - FY24: \$-10,561 (53%) FY23: \$-5,041 (17%)
 - No regular pattern for additions and abatements
 - **Use of Money and Property**
 - FY24: \$532,119 (97%) FY23: \$301,359 (140%)
 - Due to the increased interest rate in FY24
 - **Passport Services**
 - FY24: \$34,545 (77%) FY23: \$46,250 (132%)
 - Decrease in the request for passport services compared to FY23
 - **Personal Property Tax**
 - FY24: \$129K (64%) FY23: \$156K (98%)
 - Due to the timing of receipt from the County
 - **Sale of City Property**
 - FY24: \$13,900 (278%) FY23: \$4,768 (32%)
 - The City sold more vehicles during the reporting period.

FY2024 Third Quarter Financial Report:

General Fund Expenditure

- Significant Differences in Expenditure Collection FY23 to FY24 (Period ended March 31):
 - **Police Investigation Services:**
 - FY24: \$1.7M (90%) FY23: \$1.1M (64%)
 - Due to increase in overtime for FY24 to address the increase in violent crime
 - **Recreation Community Programs**
 - FY24: \$155K (65%) FY23:\$101K (37%)
 - Due to staff vacancy for part of the period in FY23
 - **Recreation Camps**
 - FY24: \$92K (64%) FY23: \$132K (99%)
 - Due to the timing of camp programs between the two fiscal years
 - **Planning**
 - FY24: \$262K (50%) FY23: \$151K (24%)
 - Due to a staff vacancy in the division during the FY23 reporting period
 - **Community Economic Development**
 - FY24: \$74K (24%) FY23: \$171K (54%)
 - Due to a staff vacancy in the division

FY2024 Third Quarter Financial Report

Other Fund Highlights

<i>EXPENDITURES BY FUNDS</i>	<i>Budget FY23</i>	<i>Actual FY23 Q3</i>	<i>Budgeted FY24</i>	<i>Actual FY24 Q3</i>	<i>Available Balance</i>	<i>FY24 % Expended</i>	<i>FY23 % Expended</i>
<i>Special Revenue Fund</i>	6,716,932	2,166,877	3,268,704	418,360	2,850,344	13%	32%
<i>Stormwater Management Fund</i>	1,391,994	840,931	1,102,781	394,477	708,303	36%	60%
<i>Speed & Red-light Camera Fund</i>	1,807,733	795,460	1,725,682	787,782	937,900	46%	44%
<i>ARPA Fund</i>	10,080,506	2,654,995	9,139,444	1,117,867	8,021,578	12%	26%

- **Speed Camera Fund:**
 - Revenue totals \$521,524 or 23% of the budgeted amount.
 - Expenditures total \$787,782 or 46% of the budgeted amount.
 - Red Light Camera revenue was included in the FY24 budget but revenue has not been realized due to a delay in the program implementation.
 - Revenue shortfall directly impact the fund balance resulting in an inter-fund transfer from the General Fund.
 - Beginning FY2025 seven cameras will be installed along New Hampshire Ave, Piney Branch Ave and Philadelphia Ave.
- **Stormwater Fund:**
 - Revenues total \$749,413 or 96% of the budgeted amount. Received from the County monthly.
 - Expenditures total \$394,477 or 36% of the budgeted amount.

Next Steps

- **May 2024**
 - May 16th: Tax Rate to County and State
 - May 29th : FY24 Third Quarter Financial Report
 - May 29th: FY24 4th Budget Amendment Work Session
- **June 2024**
 - June 5th: FY24 4th Budget Amendment 1st Reading
 - June 12th: FY24 4th Budget Amendment 2nd Reading
 - June 30th: FY24 Fiscal Year End



THANK YOU

TAKOMAPARKMD.GOV