

FISCAL YEAR 2024 FINANCIAL REPORT

FOR THE THREE MONTHS ENDED

SEPTEMBER 30, 2023

THE CITY OF
TAKOMA PARK



EXECUTIVE SUMMARY

Total revenue collected, across all funds, at September 30, 2023 was \$7.9M or 23% of the budgeted amount. Total expenditure was \$7.2M or 14% of the budgeted amount with an excess of revenue over expenditure of \$654K at September 30, 2023. This compares to 41% of total revenue collected at September 30, 2022 and 12% expenditure.

The higher percentage of revenue collected, for fiscal year 2023 (FY23), at September 30, 2022 was due to the receipt of all of the ARPA Fund revenue (\$8.7M for the full fiscal year) by the end of the first quarter in FY23. Only \$1,100 was budgeted as additional ARPA revenue for fiscal year 2024 (FY24).

There is an excess of revenue over expenditure of \$654K at September 30, 2023 due to unspent funds in the General Fund. The City had a \$1.1M surplus for the General Fund, \$160K deficit for the Special Revenue Fund, \$18K deficit for the Stormwater Management Fund and \$94K deficit for the Speed Camera Fund.

General Fund Revenues

The General Fund is the chief operating fund of City of Takoma Park and supports the regular day-to-day activities of the City, such as police protection, street and park maintenance, and general administrative functions. The General Fund's activities are supported primarily from two sources: taxes and utility fees; and intergovernmental revenues.

As of September 30, 2023, General Fund (GF) revenues totaled \$7.5M or 26% of the FY24 budgeted amount. Total GF revenues collected at the same date for the previous fiscal year were \$7.2M or 27% of the budgeted amount. Total GF expenses were \$6.4M or 18% of the budgeted amount compared to \$5.6M or 15% for FY23.

General Fund Revenue and Expense items whose percentage collected or expended differs significantly (20% or greater) from FY23, except for de minimis amounts, are discussed below:

Penalties and interest – 13% collected compared to 101% for FY23. The City budgeted for \$75K penalties and interest revenue for FY24 compared to \$45K for FY23. There is no regular pattern for penalties and interest.

Use of Money and Property – 91% collected due to higher interest rates being paid on bond trust funds and other investments resulting in \$227K revenue for the period. During the same period for FY23, only \$26K was received due to the lower interest rates that were paid on investments.

Takoma Langley Agreement – no revenue received as yet compared to 25% for FY23. This is due to a delayed receipt of this revenue item.

Tree Fund – 100% collected for FY24. The Tree fund revenue for FY23 was received in the third quarter of the fiscal year.

General Fund Department Expenditures were consistent with those of FY23.

Stormwater Management Fund

Revenues for the Stormwater Management Fund as of September 30, 2023 totaled \$101,865 or 13% of the budgeted amount. Beginning in FY18, the Stormwater fee has been collected by Montgomery County and the revenue is distributed to the City on a monthly basis. Fund expenditures totaled \$119,885 or 15% of the budgeted amount.

Speed Camera Fund

As of September 30, 2023, fines collected for the Speed Camera Fund totaled \$168,691 or 8% of the budgeted amount. Revenues from red light cameras were included in the budget for the fiscal year 2024. However, there were no revenues collected from red light cameras during the period since they are not yet active. The Police Department is awaiting updates from the contractor regarding the activation of the red light cameras. Fund expenditures totaled \$262,267 or 15% of the budgeted amount.

Special Revenue Fund

The Special Revenue Fund revenues totaled \$42,997 or 1% of the budgeted amount as of September 30, 2023 due to the timing of receipts of grant funds. In FY23 there was a receipt of a \$1M grant for New Hampshire Avenue in the quarter ending September 30, 2022. Fund expenditures totaled \$202,748 or 6% of the budgeted amount.

ARPA Fund

The ARPA Fund revenues totaled \$28,524 compared to a budgeted amount of \$1,100 (for the full fiscal year) as of September 30, 2023. All of the revenue is bank interest on ARPA Funds. Fund expenditures totaled \$221,950 or 2% of the budgeted amount due to the delay of some projects and staff turnover.

*All FUNDS REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023*

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

*All FUNDS REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2022*

| FY2023 Total Revenue/Expenses at September 30, 2022 | General | Special Revenue | Stormwater Mgt | Speed Camera | ARPA | FY23 Actual | FY23 Budget | % Collected/ |
|--|------------------|------------------------|-----------------------|---------------------|------------------|--------------------|---------------------|---------------------|
| | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>All Funds</u> | <u>All funds</u> | <u>Expended</u> |
| FY2023 Revenue | 7,213,712 | 1,050,743 | 127,416 | 216,480 | 8,738,614 | 17,346,964 | 42,040,880 | 41% |
| FY2023 Expenditure | 5,588,011 | 512,264 | 14,469 | 174,718 | 495,870 | 6,785,332 | 56,210,788 | 12% |
| Excess revenue (deficit) | 1,625,701 | 538,479 | 112,947 | 41,762 | 8,242,743 | 10,561,633 | (14,169,908) | |

GENERAL FUND REVENUES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023

| REVENUES BY SOURCE: | Budget FY23 | Actual FY23 | Budget FY24 | Actual FY24 | FY24 Uncollected Revenue* | FY24 % Collected | FY23 % Collected | Collection Frequency |
|--------------------------------------|-------------------|------------------|-------------------|------------------|---------------------------------|---------------------|---------------------|-------------------------|
| Taxes and Utility Fees | | | | | | | | |
| Real Property | 14,425,815 | 1,471,043 | 15,454,894 | 1,279,137 | 14,175,757 | 8% | 10% | Monthly |
| Personal Property | 160,000 | 20,949 | 200,000 | 17,137 | 182,863 | 9% | 13% | Monthly |
| RR and Public Utilities | 204,000 | - | 240,000 | - | 240,000 | 0% | 0% | Monthly |
| Penalties and Interest | 45,000 | 45,235 | 75,000 | 9,980 | 65,020 | 13% | 101% | Monthly |
| Admission and Amusement | 75,000 | - | 95,000 | - | 95,000 | 0% | 0% | Quarterly |
| Additions and Abatements | (30,000) | (28) | (20,000) | (143) | (19,857) | 1% | 0% | Monthly |
| Highway | 510,000 | - | 634,575 | - | 634,575 | 0% | 0% | Monthly |
| Income Tax | 3,850,000 | 228,963 | 4,000,000 | 307,769 | 3,692,231 | 8% | 6% | Monthly |
| Total--Taxes and Utility Fees | 19,239,815 | 1,766,161 | 20,679,469 | 1,613,879 | 19,065,590 | 8% | 9% | |
| Licenses and Permits | 86,104 | 29,933 | 65,704 | 28,403 | 37,301 | 43% | 35% | As billed |
| Fines and Forfeitures | 181,000 | 36,059 | 164,000 | 43,649 | 120,351 | 27% | 20% | As adjudicated |
| Use of Money and Property | (29,000) | 25,711 | 250,000 | 226,967 | 23,033 | 91% | -89% | Monthly |
| Charges for Services | | | | | | | | |
| Inspection Fees | 341,420 | 4,149 | 360,000 | 3,693 | 356,307 | 1% | 1% | Per Service Usage |
| Public Parking Facilities | 58,000 | 22,884 | 65,000 | 20,907 | 44,093 | 32% | 39% | Per Service Usage |
| Waste Collection & Disposal Charges | 65,640 | 726 | 63,000 | 5,148 | 57,852 | 8% | 1% | Per Service Usage |
| Recreation Programs and Services | 479,500 | 133,644 | 444,500 | 167,761 | 276,739 | 38% | 28% | Per Service Usage |
| Library Fines and Fees | 2,010 | 1,211 | 2,500 | 105 | 2,395 | 4% | - | Per Service Usage |
| Passport Services | 35,000 | 15,750 | 45,000 | 12,775 | 32,225 | 28% | 45% | Per Service Usage |
| Advertising--Bus Shelters | - | 1,061 | 6,472 | 1,862 | 4,610 | 29% | - | Per Service Usage |
| Recyclable Sales | 1,000 | - | 1,000 | - | 1,000 | 0% | 0% | Per Service Usage |
| Mulch Sales | 23,000 | 540 | 18,000 | 2,621 | 15,379 | 15% | 2% | Per Service Usage |
| Special Trash Pickup | 10,000 | 4,166 | 11,000 | 3,665 | 7,335 | 33% | 42% | Per Service Usage |

| | | | | | | | |
|-----------------------------|-----------|---------|-----------|---------|---------|-----|-----|
| Total--Charges for Services | 1,015,570 | 184,131 | 1,016,472 | 218,537 | 797,935 | 21% | 18% |
|-----------------------------|-----------|---------|-----------|---------|---------|-----|-----|

GENERAL FUND REVENUES-Continue

| REVENUES BY SOURCE: | Budget FY23 | Actual FY23 | Budget FY24 | Actual FY24 | Uncollected Revenue* | FY24 % Collected | FY23 % Collected | Collection Frequency |
|--|-------------------|------------------|-------------------|------------------|-------------------------|---------------------|---------------------|-------------------------|
| Intergovernmental Revenues | | | | | | | | |
| Police Protection (State) | 450,000 | - | 430,000 | - | 430,000 | 0% | 0% | Quarterly |
| Bank Share Tax | 5,643 | 5,643 | 5,643 | 5,643 | - | 100% | 100% | One-time |
| Library Aid | 176,000 | - | 176,000 | - | 176,000 | 0% | 0% | Quarterly |
| Housing Fund Revenue | - | - | 200,000 | - | 200,000 | - | - | One-time |
| In Lieu of Police/Police Rebate | 4,020,521 | 4,020,520 | 4,020,520 | 4,020,520 | - | 100% | 100% | One-time |
| In Lieu of Roads Maintenance | 804,806 | 804,806 | 864,252 | 864,252 | - | 100% | 100% | One-time |
| In Lieu of Parks Maintenance | 93,942 | 93,942 | 98,987 | 98,987 | - | 100% | 100% | One-time |
| In Lieu of Crossing Guard | 214,017 | 214,017 | 255,944 | 255,945 | (1) | 100% | 100% | One-time |
| Takoma/Langley Rec. Agreement | 85,020 | 21,255 | 85,020 | - | 85,020 | 0% | 25% | Quarterly |
| Hotel/Motel Tax | 90,000 | 9,792 | 93,000 | 10,583 | 82,417 | 11% | 11% | Monthly |
| Cable Franchise Fees | 186,000 | - | 167,000 | - | 167,000 | 0% | 0% | Quarterly |
| Cable—Operating | 354,000 | - | 323,000 | - | 323,000 | 0% | 0% | Quarterly |
| Total--Intergovernmental Revenues | 6,479,949 | 5,169,976 | 6,719,366 | 5,255,930 | 1,463,436 | 78% | 80% | |
| Miscellaneous | | | | | | | | |
| Tree Fund | 45,000 | - | 117,000 | 117,000 | - | 100% | 0% | Variable |
| Sales of Impounded Property | 1,000 | - | - | - | - | - | - | Variable |
| Other | 20,000 | 1,507 | 20,000 | 1,706 | 18,294 | 9% | 8% | Variable |
| Insurance Claims | - | 231 | - | - | - | - | - | Variable |
| EV Charger | - | - | 4,800 | 838 | 3,962 | 17% | - | Variable |
| Total--Miscellaneous | 66,000 | 1,738 | 141,800 | 119,544 | 22,256 | 84% | 3% | |
| Total Operating Revenues | 27,039,438 | 7,213,709 | 29,036,811 | 7,506,909 | 21,529,902 | 26% | 27% | |
| Sale of City Property | 15,000 | 3 | 5,000 | 3,500 | 1,500 | 70% | 0% | As billed |
| Total Revenues | 27,054,438 | 7,213,712 | 29,041,811 | 7,510,409 | 21,531,402 | 26% | 27% | |

Note:

*Uncollected Revenue – Variance between Budgeted FY24 Revenue and Actual FY24 Revenue.

**GENERAL FUND EXPENDITURES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023**

| EXPENDITURES BY DEPARTMENT: | Budget FY23 | Actual FY23 | Budget FY24 | Actual FY24 | Available Balance** | FY24 % Expended | FY23 % Expended |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------------|----------------------------|----------------------------|
| General Government | | | | | | | |
| Legislative | 377,465 | 44,839 | 325,040 | 75,348 | 249,692 | 23% | 12% |
| City Manager's Office | 794,255 | 210,202 | 848,979 | 216,546 | 632,433 | 26% | 26% |
| Finance | 767,171 | 164,468 | 758,745 | 168,449 | 590,296 | 22% | 21% |
| Legal | 460,000 | 48,088 | 469,100 | 56,680 | 412,420 | 12% | 10% |
| Information Systems | 898,741 | 161,696 | 907,955 | 179,275 | 728,681 | 20% | 18% |
| Human Resources | 836,944 | 96,867 | 1,049,844 | 105,642 | 944,202 | 10% | 12% |
| City Clerk | 372,203 | 65,836 | 364,443 | 69,622 | 294,821 | 19% | 18% |
| Communications | 799,712 | 147,968 | 887,144 | 166,748 | 452,725 | 19% | 19% |
| Total--General Government | 5,306,491 | 939,963 | 5,611,250 | 1,038,308 | 4,572,942 | 19% | 18% |
| Public Safety | | | | | | | |
| Office of the Chief | 841,240 | 223,123 | 882,030 | 170,732 | 711,298 | 19% | 27% |
| Communications | 668,711 | 123,542 | 687,236 | 141,551 | 545,684 | 21% | 18% |
| Patrol Operations | 4,520,534 | 849,821 | 4,828,078 | 923,539 | 3,904,539 | 19% | 19% |
| Investigation Services | 1,683,874 | 326,945 | 1,803,721 | 417,563 | 1,386,159 | 23% | 19% |
| Administrative Services | 850,768 | 139,256 | 907,331 | 128,842 | 778,489 | 14% | 16% |
| Neighborhood Services | 183,453 | 39,869 | 191,326 | 43,325 | 148,001 | 23% | 22% |
| Total--Public Safety | 8,748,579 | 1,702,557 | 9,299,721 | 1,825,552 | 7,474,169 | 20% | 19% |
| Public Works | | | | | | | |
| Administration | 507,002 | 87,748 | 533,795 | 143,249 | 390,546 | 27% | 17% |
| Building Maintenance | 986,894 | 151,110 | 1,009,548 | 142,943 | 866,605 | 14% | 15% |
| Equipment Maintenance | 537,098 | 110,532 | 580,111 | 129,713 | 450,398 | 22% | 21% |
| Right-of-Way | 1,005,175 | 140,661 | 976,073 | 161,550 | 814,523 | 17% | 14% |
| Solid Waste Management | 1,253,616 | 241,365 | 1,278,228 | 231,842 | 1,046,386 | 18% | 19% |
| Sustainability | 665,962 | 38,877 | 335,734 | 34,362 | 301,372 | 10% | 6% |
| Vegetation Management | 484,006 | 78,083 | 482,920 | 96,991 | 385,929 | 20% | 16% |
| Urban Forest | 348,364 | (2,631) | 341,950 | 42,632 | 299,318 | 12% | -1% |
| City Engineer | 494,075 | 35,578 | 392,361 | 60,205 | 332,156 | 15% | 7% |

| | | | | | | | |
|--|-------------------|------------------|-------------------|------------------|-------------------|------------|------------|
| Total--Public Works | 6,282,191 | 881,324 | 5,930,720 | 1,043,487 | 4,887,233 | 18% | 14% |
| Recreation | | | | | | | |
| Administration | 605,671 | 92,120 | 627,887 | 120,125 | 507,762 | 19% | 15% |
| Outreach | 233,457 | 43,950 | 194,758 | 41,564 | 153,195 | 21% | 19% |
| Recreation Center | 244,524 | 56,318 | 258,868 | 63,357 | 195,510 | 24% | 23% |
| Community Programs | 272,909 | 19,700 | 241,377 | 32,284 | 209,093 | 13% | 7% |
| Facilities/Athletic Fields | 91,700 | 8,995 | 91,700 | 16,170 | 75,530 | 18% | 10% |
| Camps | 133,018 | 75,842 | 145,291 | 59,979 | 85,312 | 41% | 57% |
| After School Programs | 125,587 | 17,360 | 138,256 | 15,970 | 122,285 | 12% | 14% |
| Community Center | 393,515 | 48,382 | 461,883 | 73,527 | 388,356 | 16% | 12% |
| Total--Recreation | 2,100,381 | 362,667 | 2,160,020 | 422,975 | 1,737,044 | 20% | 17% |
| Housing & Comm. Development | | | | | | | |
| Planning | 637,711 | 46,144 | 514,461 | 47,855 | 466,606 | 9% | 7% |
| HCD Administration | 400,577 | 69,980 | 471,177 | 60,555 | 410,622 | 13% | 17% |
| Economic Development | 316,716 | 28,797 | 431,197 | 27,933 | 403,264 | 6% | 9% |
| Arts and Humanities | 106,116 | 16,192 | 111,460 | 19,827 | 91,633 | 18% | 15% |
| Housing & Community Services | 868,078 | 36,189 | 839,645 | 146,971 | 692,674 | 18% | 4% |
| Code Enforcement | 359,002.71 | 64,136.79 | 307,252 | 54,846 | 252,406 | 18% | 18% |
| Total--Housing & Comm. Dev. | 2,688,200 | 261,438 | 2,675,193 | 357,987 | 2,317,206 | 13% | 10% |
| Library | | | | | | | |
| Library | 1,286,729 | 290,042 | 1,355,633 | 270,648 | 1,084,984 | 20% | 23% |
| Computer Learning Center | 152,333 | 26,536 | 135,600 | 28,854 | 106,745 | 21% | 17% |
| Total--Library | 1,439,062 | 316,578 | 1,491,232 | 299,502 | 1,191,730 | 20% | 22% |
| Debt Service | 740,712 | 139,356 | 741,663 | 133,832 | 607,832 | 18% | 19% |
| Multi-Departmental | 1,358,181 | 801,383 | 1,405,869 | 776,379 | 629,490 | 55% | 59% |
| Transfers to Other Funds | - | - | - | - | - | - | - |
| Capital Outlay | 7,921,778 | 182,745 | 6,348,131 | 493,387 | 5,854,744 | 8% | 2% |
| Total Expenditures | 36,585,576 | 5,588,011 | 35,663,799 | 6,391,409 | 29,272,390 | 18% | 15% |

Note:

****Available Balance – A variance between Budgeted FY24 Expenditures and Actual FY24 Expenditures.**

**OTHER FUNDS REVENUES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023**

| REVENUES BY FUNDS | Budget FY23 | Actual FY23 | Budget FY24 | Actual FY24 | Uncollected Revenue* | FY24 % Collected | FY23 % Collected |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|---------------------------------|-----------------------------|-----------------------------|
| Special Revenue Fund | 3,552,555 | 1,050,743 | 2,902,139 | 42,997 | 2,859,142 | 1% | 30% |
| Stormwater Management Fund | 761,375 | 127,416 | 778,000 | 101,865 | 676,135 | 13% | 17% |
| Speed Camera Fund | 1,940,650 | 216,480 | 2,151,000 | 168,691 | 1,982,309 | 8% | 11% |
| ARPA Fund | 8,731,862 | 8,738,614 | 1,100 | 28,524 | (27,424) | 2593% | 100% |

**OTHER FUNDS EXPENDITURES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023**

| EXPENDITURES BY FUNDS | Budget FY23 | Actual FY23 | Budgeted FY24 | Actual FY24 | Available Balance** | FY24 % Expended | FY23 % Expended |
|-----------------------------------|------------------------|------------------------|--------------------------|------------------------|--------------------------------|----------------------------|----------------------------|
| 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% |

Note:

***Uncollected Revenue – A variance between Budgeted FY24 Revenue and Actual FY24 Revenue.**

****Available Balance – A variance between Budgeted FY24 Expenditures and Actual FY24 Expenditures.**