

Analysis of the FY2004 Proposed Budget for the Town of Forest Heights

Introduction: The Town's budget will be adversely affected by the severe financial crises at the State level. Every effort has been made in this analysis to base estimates on factual information.

The baseline for this analysis is the Mayor's proposed budget as published in the Forest Heights News dated May 15, 2003.

The format for the display follows the audit report, which separates State Highway Administration (SHA) funds from general revenues. This separation has significance because the SHA funds can only be spent on the Town's roads, including labor and equipment needed to maintain them.

REVENUES

Real Property Taxes: The State of Maryland's Department of Assessments and Taxation provides assessment data for counties and towns on their website www.dat.state.md.us. For the Town of Forest Heights, the 2002 assessable base was \$103,449,278 and for 2003, \$104,622,124. At the Town's tax rate of \$0.260 per \$100 assessed value, the amounts that would be generated for FY2003 and FY 2004 are \$268,968 and \$272,018 respectively. Because there is less than a \$10,000 increase, the Town is exempt from the State law requirement that the Town advertise and hold a public hearing on the increase in property taxes.

For our estimate of property tax receipts, we reduced the \$272,018 estimate by \$500 to account for amounts that owed but not collected in FY2004. The result was an increase of \$3,518 in general fund revenue.

Interest & Penalties-Del. Taxes: This item covers receipts from the State and County for income and property taxes that are not paid when due, but are paid late. The trend from 1999 through 2002 has been declining amounts received from this source. Consequently, we reduced the Mayor's estimate by \$800 and estimated a total of \$1,000 from this source.

Public Utilities: These amounts are based on the tangible property tax on PEPCO, Washington Gas and Verizon equipment installed in the Town. The Mayor's estimate of \$10,500 is somewhat above the years 2000 thru 2002 historical data. We are assuming that she has new information on the assessed value of the utilities tangible properties and we therefore recommend no change to her estimate.

Income Taxes: We contacted George Freiman with the Maryland Comptrollers office regarding the FY2003 income tax payments to Forest Heights. He informed us that the total amount that will be sent to Forest Heights in FY2003 will be about \$138,000, including an estimated \$24,500 payment that will be made in June. This will be about \$18,000 above the budgeted amount for FY2003, but considerably below the actual amount of \$148,709 that was received by the Town

in FY2002. Mr. Freiman indicated that the Maryland was estimating between a 4% to 4.5% increase in statewide income tax revenues for FY2004, but he pointed out that municipalities, in general, tend to lag the state in income tax revenue increases. This may vary, however, among municipalities, so we took the lower end of the State range of 4% and applied it to the FY2003 amount to arrive at a \$143,700 amount of income tax revenues for he Town in FY2004.

State Grant - Police Protect: This is a grant from the Maryland State Police for crime prevention. For many years the Town has been receiving about \$25,000 each year for this revenue account item. We contacted Lt. Jack Bowman at the Maryland Police Department and was given the following breakdown for funds that would be sent to Forest Heights in FY2004:

Regular Portion	\$13,915
Supplement (population formula)	\$6,579
Municipal apportionment	<u>\$5,400</u>
Total	\$25,894

Lt. Bowman indicated that the Supplement and Municipal portion was already fixed for FY2004, but the Regular portion was dependent on their review of information submitted by the Town of Forest Heights and could possibly change.

Per Capita Disposal Fee: The per capita disposal fee is a rebate from the PG County Landfill to municipalities that do their own trash collection. The Brown Station Landfill collects a fee from all contractors dumping refuse at the site, but because municipalities absorb some costs for which the dumping fees are applied, a rebate is made based on the municipalities population. The \$8,000 revenue item in the Mayor's budget is consistent with previous years, so we do not suggest any changes to this amount.

Earnings on Investments: The Town holds Certificates of Deposit and savings accounts which earn interest. At the May xx, 2003, Mayor McGinnis was asked how much the money the Town had in the balance of its accounts. She responded that this was unknowable because money is always flowing in and out of the accounts. Her answer, of course, was nonsense, because any business or government entity should be able to provide a reasonable estimate at any point in time as long as it keeps a ledger of accounts receivable and accounts payable, which the Town of Forest Heights should be doing (the lack of a Town Treasurer at the time of course could explain the Mayor's lack of knowledge about this business fundamental).

Because we do not have an accounting of the current reserves of the Town, we are unable to make a knowledge-based projection of this amount for FY2004. However, we have suggested a reduction of the Mayor's estimate of \$5,500 to \$4,000 because of three factors:

- 1) The actual for FY2002 was only \$4,395.
- 2) The overall overestimate of revenues and the under-estimate of expenses in the Mayor's proposed FY2004 budget will likely result in a further decline in the Town's financial reserves.
- 3) Interest rates are continuing to decline nationally as the Federal Reserves lowers the bank discount rates as a hedge against deflation.

We believe the \$4,000 is optimistic, and the Council may wish to consider lowering this number further.

Fines and Vehicle Releases: This revenue stems primarily from parking tickets issued by the police department. We do not have estimates of the amounts that will be collected in FY2003, but the amounts collected for prior years indicate that the \$450 estimated by the Mayor is the right order of magnitude, so we do not suggest any changes to this item.

Municipal Building Rental: The municipal building rental depends on a combination of steady renters, such as church groups that have regular weekly meetings, and occasional users for such events as wedding receptions and birthday parties. Consequently, wide variations of year-to-year revenues can be experienced if a steady renter leaves or a new one is found. We do not have information on the FY2003 revenues from this source (Forest Heights staff have complained if we ask for information which should be available to the public), but the amounts received in FY1999 through FY2002 indicate that the \$6,000 estimated by Mayor McGinnis is the correct order of magnitude and suggest not changing that estimate.

Cable Television Franchise Fee: The cable TV franchise fee is, in effect, a tax on Forest Heights residents who subscribe to cable TV services. The cable company currently adds 5.697% to the bill of each customer in Forest Heights and returns the amount collected to the Town. It shows up on the customer's itemized bill. Increases in cable company fees results in increased money to the Town. Additional services, such as cable internet, are also charged the franchise fee.

This fee is probably anachronistic, because it was imposed at a time that there were no alternatives to subscription TV services, other than whatever signals could be received directly by a TV antenna. In more recent times, satellite TV services have become a strong competitor to cable services with the result that residents that use cable pay more to the Town than residents that use satellite services. In addition to the obvious inequitable nature of the fee, the fee exacerbates the competitive advantage of satellite over cable services, which will tend to drive more people to satellite services over time.

We note that the historical trend for the period FY1999 through FY2002 has been mixed, where the Town's receipts went down from \$21,990 in FY1999 to \$21,798 in FY2002. However, in the intervening years, the amounts received were \$18,473 and \$19,670 respectively. We do not have the data for FY2003 to determine whether the amounts increased or decreased in that year. In the absence of additional information we are drawn to the conclusion that the amount estimated by the Mayor for FY2004 is too high (unless the Town raised the franchise fee without informing the citizens). Consequently we suggest that the FY2003 budget estimate is a more realistic estimate of this revenue source for FY2004.

Tangible Personal Property Taxes: These taxes are imposed at the rate of \$0.580 per \$100 of assessed value of personal property. Tangible/Personal property is the equipment, furniture and other non-real property used by entities doing business in Forest Heights. The property is assessed by the State for State tax collection purposes, and the State passes the assessment information to the Town for the Town's tax collection purposes. The Town is responsible for billing and collecting the tax from the business entities in the Town.

It has been only in the last couple of years that the Town aggressively began to collect the tax, as no tangible property taxes were collected in FY1999 and FY2000. The amount collected in FY2003 was not available to us. Furthermore, the latest assessment will not be received from the State until sometime in June.

The actual amount for FY2002 was \$7,299, but that amount likely included amounts that were past due from prior fiscal years. Based on assessments that were made in 2001 and 2002, the total amount that could be generated in tangible property taxes would be \$4,997 (see attached table). We suggest \$4,500 would be a better estimate than the mayor's proposal of \$8,000.

Note, both the Tangible Property tax revenue and the Utility revenue are based on the same tangible property tax rate of \$0.58 per \$100 of assessed value. The Town Council can increase the rate by any four affirmative votes and recorded in the Council's minutes. An important factor to be considered in any such policy decision would be the amounts of such taxes paid by business entities outside the Town limits in comparison to those paid within the Town. In the unincorporated areas of PG County, business entities pay a \$2.404 per \$100 assessed value rate to the county. For entities within Forest Heights, they pay the county \$2.196 per \$100, resulting in a combined county/town tax rate of \$2.776 per \$100. For utilities, there is no competitive impact, but for small businesses like McDonalds, Seven-Eleven or Norris Garage, the higher tax rate puts them at a competitive disadvantage compared to other services in the Eastover or Oxon Hill area. In the past, some of the commercial entities in Forest Heights went out of business and their properties were converted to tax exempt church related facilities. Consequently, the Town lost not only the Tangible property taxes, but also the real property taxes associated with the failed businesses.

Miscellaneous: Past budgets for the miscellaneous category were in the order of \$100 each year, although the actual amounts for FY2000, FY2001 and FY2003 were in the range of \$3,000 to \$6,000. We do not have information on the amounts actually received to date for FY2003. Given the amount of these miscellaneous funds received in recent years, it may be useful to review them in detail to see if there is some pattern or recurrent amounts that would facilitate predicting them in the future. We did not suggest any change to the Mayor's estimate for this revenue item.

Metal & Tire Pickup: The metal and tire pickup is based on Section 11.3 (C)(5) of the Town ordinances which provides that residents who place metal appliances or tires near the curb line of their property will be charged a \$35 fee (\$4 for tires and \$6 for tires on rim) by the Town for disposing of the items. Because of the expense of including these items in the town trash contract, the Town provides this service. We understand that many residents were not aware of the charge by the Town for appliance pickup before they placed the items out for pickup. If this is correct, the amount may decline in the future as residents seek other ways of disposing of the appliances, including having them disposed by the store from which they purchased their new appliance.

The auditor did not include a separate account category for this item in the FY2002 audit, so we do not have recent information on actual amounts collected in the past. We presume that the

auditor included the amounts actually collected for metal & tire pickup under the miscellaneous category. We suggest not changing the Mayor's estimate.

Snow Removal Refund: The February 2003 snowstorm was declared an emergency and Federal and State emergency relief funds may become available. The Public Works Department submitted estimates to the Mayor for \$\$6,563, which included \$2,164 for salaries and \$3,643 for truck repairs, and \$755 for fuel and miscellaneous. Our understanding is that the emergency funds will cover 75 percent of the Town's emergency expenses.

Overtime for police services is likely a item that can also be claimed. We have requested documentation from the Town on what information was received and sent to the State regarding this item, but so far have not received that information.

In the absence of any verification of this extraordinary amount in the Town's proposed budget, we suggest an amount of \$7,500 would be an optimistic estimate of the total revenue from this source. The Council should request documentation to justify any estimate above that amount.

Highway User Revenue: We received an e-mail from Jim Peck of the Maryland Municipal League forwarding an Excel spreadsheet file from the SHA. This file contained the estimated amounts each municipality would receive in FY2004 from the SHA. The amount for the Town of Forest Heights was \$81,673, which is consistent with earlier news reports of reduced SHA funding for local governments resulting from the Maryland financial crises. We used this estimate in place of the Mayor's estimate of \$115,531.

EXPENSES

General Administration: In the detailed expense data distributed at the May 5, 2003, workshop meeting, the salaries for the Mayor and Town Council were reported as \$10,375. This is the amount reported in the auditors FY2002 report. The amount should be \$8,600 in accordance with Town Ordinance Section 1.2. The reason that the FY2002 audit reported a higher amount was an aberration because the previous year some Councilpersons were paid after the end of the fiscal year, which was then reported in FY2002. We also noted that the detailed estimate provided only \$6,500 for the annual audit. For a number of years Russell Scott has been charging \$7,500 for the audit. It is possible he has lowered his fee, but in view of the extra work he has had to help the Town because of the lack of a Treasurer, we suggest the Council closely examine the general administration cost items. With the adjustments noted above, we feel that \$108,738 should be appropriated for general administration.

Police: The detailed data provided on the police department appears reasonable and represents an increase in services to the Town by the addition of one full-time and one part-time to the FHPD. The budget indicates a substantial increase in insurance, as well as an unexplained capital expenditure in the police account of \$14,976. An appropriation of \$215,611 appears justified.

Street Lighting: The Mayor's estimate for street lighting was \$21,200, the same as the actual for FY2002. However, the cost of street lighting varies from year-to-year and we suggest an average of the actual amounts for the last four full years would be a more reasonable estimate. We suggest, therefore, that the appropriation for street lighting be \$22,747, a \$1,547 over the Mayor's estimate.

Waste Collection and Disposal: This category traditionally was entitled Health and Sanitation, and we suggest it be renamed to include the broader category. Health is an important function under the Town's charter.

With respect to the Mayor's proposed budget amount of \$130,000, it is wrong. The current contract with Goode requires a minimum payment of \$148,665 for FY2004. Additional trash removal cost may be incurred in the unlikely event that the roll-off behind the Municipal Building is required to be pulled more than 24 times per year.

Furthermore, health experts anticipate continued outbreaks of West Nile Virus through the summer, which may be exacerbated by the wet spring we have had so far. Standing water is the breeding ground for mosquitos, which are the vector for the virus. The Maryland Department of Agriculture has established that reduction of breeding locations is the best way to reduce mosquito infections, and the Town may find it necessary to remind Town residents during the summer when the Forest Heights News is not published, about taking steps to drain gutters and other areas around their houses to reduce mosquito breeding.

We suggest an appropriation of \$149,000 for the FY2004 appropriation for health and sanitation.

Parks: The Forest Heights park budget is for the maintenance of the park in the circle at Seneca and Woodland Drives and similar areas throughout Forest Heights. If the wet spring continues into the summer as predicted, more maintenance in terms of grass cutting and shrubbery trimming may be required. We suggest that the Council appropriate the amount of \$2,500, consistent with the audited amounts for FY2000 and FY2001, for this expense category.

Roads and Drainage: (Formally know as Public Works) The mayor has requested \$130,818. Our primary difficulty with the Mayor's request for road expenditures is that it is insufficient-- i.e., it includes no money for resurfacing Town streets other than patching potholes. A number of streets in Town are in need of extensive work, and their current deteriorated condition is likely depressing property values in the Town. Until the Council agrees on a long term strategy for maintaining the Town's streets, it is suggested that the Council appropriate the \$130,818 requested by the Mayor.

Contingency for Red Light Cameras:

The Town is in litigation involving the defunct Red Light Camera program. We do not have final figures about the amount at stake, but we would estimate that it is between \$20,000 and \$40,000. Because the outcome of the litigation cannot be predetermined, the Town should set aside a reserve for the maximum liability under an adverse outcome.

BOTTOM LINE

The budget presented by the Mayor is clearly untenable if the correct amount of the current trash contract expense and the SHA provided estimate of highway funds that will be distributed in FY2004. The Mayor's budget had a projected surplus of \$22,798, while the combined affect of the trash contract and SHA fund miscalculation is a negative \$52,858. Our recalculation of all revenue and expense items indicates a shortfall of \$53,925 for FY2004 (see attached table).

To meet the Charters requirement for a balanced budget, the Council should consider the following options:

- 1) Balance the budget by appropriating funds from the Town's reserves.
- 2) Raise real property taxes.
- 3) Raise tangible/personal property taxes.
- 4) Cut services

Note, that balancing the budget can be accomplished by some combination of the above options.

Appendix A - Analysis of Town Financial Reserves

The balance measures the status of the Town's financial assets and liabilities at the beginning and end of each fiscal year.

The ideal information for the Council's decision-making purposes would be a "pro-forma" balance sheet for FY2003. These balance sheets are typically prepared by business and government entities toward the end of the current fiscal year. This information is critical at a time when the Council may be considering relying on reserves to balance the budget by appropriating funds from reserves when expenditures are expected to exceed projected revenues for the budget year.

Such information is not currently available to us. In fact at the May 5, 2003, Mayor McGinnis, in response to a question from Councilman Hines, indicated such information is impossible to obtain because she did not know how much money was in her checking account at any given point in time. Clearly the Mayor has little concept of business accounting.

Lacking a pro forma balance sheet projection to June 30, 2003, we prepared a spreadsheet showing the trend in the Town's balance sheet as reported by the Town's auditor. We added two lines to the auditor's report to display the total of current assets and the net of current assets less liabilities. We believe that the total of these items is a key indicator of what might be available at the end of FY2003.

Another indicator is the statement in the attached February 24, 2003, letter from the Town's auditor to the Mayor. This letter indicates that at that time the Town's current assets exceed current liabilities by \$200,000. This amount is above the \$169,900 that was reported at the end of FY2002 and likely reflects the cutback in services (reductions in the police department and further deterioration of the Town's streets) during FY2003. It is still considerable below the net current assets of \$310,792 in the Town's coffers at the beginning of FY2002.

In addition to the attached table of balance sheet items, we have also provided a visual presentation in a chart entitled "Trend in FH Net Current Assets."

Assuming the balance in current assets less liabilities (net current assets) will be \$200,000 at the end of FY2003, our estimate of a \$52,425 shortfall in FY2004 using the Mayor's proposed budget, the net current assets would be reduced to about \$148,000 at the end of FY2004. Note that the mayor's budget would restore police services, but does not contain funding to improve the Town's crumbling streets.

Appendix B - Analysis of Reducing Town Services

As noted in Appendix A, the Mayor's budget includes funding to restore the Town's police force to four full-time officers and one part-time officer, but does not include funding to improve the Town's streets. The street funding will primarily repair potholes and other emergency measures, but does not include sufficient funds to repave substantial stretches of the Town's streets.

If the Town's police force is not restored, but continued at the current level of three full-time officers, the Town's projected expenses would be reduced by about \$40,000 (including social security and medicare payments). This amount would be insufficient to make up the deficit, so additional measures would need to be taken to reduce the shortfall, including a reduction in current assets.

Street lighting and trash collection services are essentially fixed and would be impractical to attempt to further reduce these services. We projected an overall increase over the Mayor's budget for the municipal building in large part because we believed that she underestimated utilities and salaries needed to maintain the building.

We reduced the Mayor's estimate for Administrative expenses because we believe she included an error in salaries for the Mayor and Town Council, but she also included a decrease in auditing fees. Her decrease in auditing fees would be justified if she has a new contract with the auditor for a lower fee.

Appendix C - Analysis of Raising Town Taxes

An option for balancing the budget is to raise real and personal property and taxes, or some combination thereof. There are 927 taxable residential improved lots in Forest Heights and 13 commercial lots. For each \$10,000 in additional real property tax revenue to the town, the average improved lot would pay an additional \$10.64 in taxes annually. This represents a 3.7% increase in each owners' property tax payment to the Town.

A more meaningful way of viewing the impact of a Forest Heights property tax increase would be to add the increase that the combination of State, County and Town, MNCPPC, and WSSC ad valorem property taxes imposed on Forest Heights property. This is the total billed and collected by the county for county purposes and on behalf of other jurisdictions. Because the Town's taxes are only 17 percent of the total ad valorem property taxes, an increase of \$10,000 for all properties in Forest Heights would represent an increase of only 0.06 percent of total real property taxes collected. In other words, few people would notice this amount on their annual property tax bill.

If the Council decides to increase real property taxes for the Town, there are some constraints that it needs to keep in mind. Under Maryland law (this extends beyond the Town Carter's requirements), the Town must hold a public hearing if the increase is greater than \$10,000. Furthermore, because the county requires that any increase in a municipality's tax rates must be received by the end of the second week in June (approximate date), the Town must hold a public hearing in the next week or so on the tax increase, but before the next scheduled town meeting.

The other tax option is for the Town to increase the tangible/personal property tax rate. We estimate that even if the current rate of \$0.58 per \$100 of assessed value is doubled to \$1.16, it would generate only about \$14,000 in additional revenue to the Town. About two-thirds of this increase would fall on PEPCO, Washington Gas and Verizon which they likely can easily pay. However, the other third would fall on the Town's small businesses and could create some hardships.

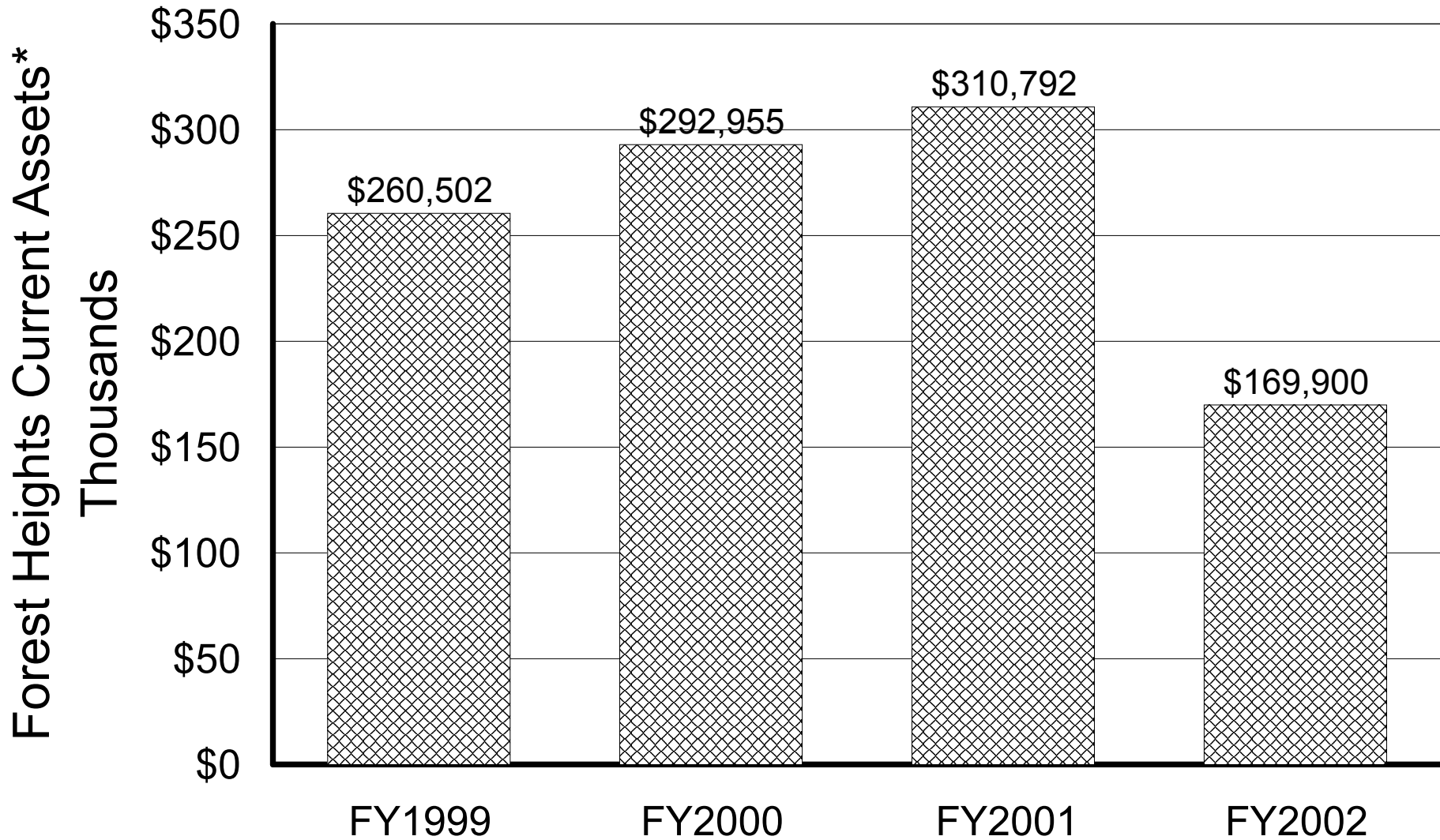
Trends in Forest Heights Audited Revenues & Expenses and Proposed Budgets

	Actual (Audit Reports)				Approved Budgets					Proposed Budget			Budgeted Less Actual			
	FY1999	FY2000	FY2001	FY2002	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004			FY1999	FY2000	FY2001	FY2002
										Mayor	Wiggers	Change				
REVENUES																
General Fund																
Real Property Taxes	\$208,516	\$214,269	\$234,061	\$268,553	\$213,000	\$213,000	\$235,000	\$263,000	\$276,000	\$268,000	\$271,518	\$3,518	\$4,484	(\$1,269)	\$939	(\$5,553)
Interest & Penalties-Del. Taxes	6,665	2,673	2,379	1,897	1,700	1,700	1,000	1,000	1,000	1,800	1,000	(800)	(4,965)	(973)	(1,379)	(897)
Public Utilities		9,080	9,215	10,835			9,900	9,900	9,900	10,500	10,500	0	0	(9,080)	685	(935)
Income Taxes	115,104	110,856	129,286	148,709	116,000	116,000	110,000	115,800	120,000	146,000	143,700	(2,300)	896	5,144	(19,286)	(32,909)
State Grant - Police Protect.	25,106	26,494	25,575	25,691	29,500	29,500	24,759	25,575	26,225	25,000	25,894	894	4,394	3,006	(816)	(116)
GOCCP Grant Crime Cont				16,112												
Per Capita Disposal Fee	7,996	9,995	7,996	7,997	7,996	7,996	7,996	7,996	7,996	8,000	8,000	0	0	(1,999)	0	(1)
Earnings on Investments	4,000	10,558	11,790	4,395	5,800	5,800	12,800	12,800	12,800	5,500	4,000	(1,500)	1,800	(4,758)	1,010	8,405
Fines and Vehicle Releases	1,710	285	470	125	1,900	1,900	600	450	450	450	450	0	190	1,615	130	325
Municipal Building Rental	3,905	11,125	16,770	13,930	3,000	3,000	6,000	8,000	10,000	6,000	6,000	0	(905)	(8,125)	(10,770)	(5,930)
Cable Television Franchise Fee	21,990	18,473	19,670	21,798	17,500	17,500	18,000	20,000	22,000	25,000	22,000	(3,000)	(4,490)	(973)	(1,670)	(1,798)
Tangible Personal Property Taxes	0		4,505	7,299			800	4,500	5,500	8,000	4,500	(3,500)	0	0	(3,705)	(2,799)
Miscellaneous	31	3,031	3,551	6,057	100	100	350	100	100	1,500	1,500	0	69	(2,931)	(3,201)	(5,957)
Proceeds - Vehicle Sales		5,582	2,628													
Metal & Tire Pickup	0		0					800	1,750	1,100	1,100	0	0	0	0	800
Snow Removal Refund	0		0		454	454	450	450	450	22,000	7,500	(14,500)	454	454	450	450
Special Approx. Youth Grant				5,000								0				
From Reserves								34,552	25,000			0	0	0	0	34,552
CDBG								150,000				0	0	0	0	150,000
Red Light Camera Fines			9,299	63,701				10,000				0	0	0	(9,299)	(53,701)
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Total General Fund	395,023	422,421	477,195	602,099	396,950	396,950	427,655	664,923	519,171	528,850	507,662	(21,188)	1,927	(25,471)	(49,540)	62,824
													0	0	0	0
Special Revenue Fund																
Highway User Revenue	103,402	129,865	128,541	100,178	105,000	105,000	111,680	115,531	118,531	115,531	81,673	(33,858)	1,598	(24,865)	(16,861)	15,353
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total Revenue	\$498,425	\$552,286	\$605,736	\$702,277	\$501,950	\$501,950	\$539,335	\$780,454	\$637,702	\$644,381	\$589,335	(\$55,046)	\$3,525	(\$50,336)	(\$66,401)	\$78,177
													0	0	0	0
EXPENSES																
General Administration	\$63,697	\$74,618	\$67,569	\$112,500	\$76,350	\$59,592	\$57,950	\$98,302	\$85,950	\$109,513	\$108,738	(\$775)	\$12,653	(\$15,026)	(\$9,619)	(\$14,198)
Municipal Building	12,028	17,520	16,087	15,519	12,800	12,800	14,000	14,000	14,000	12,845	13,845	1,000	772	(4,720)	(2,087)	(1,519)
Police	136,186	189,944	214,232	368,319	187,850	187,850	187,850	208,277	208,277	215,611	215,611	0	51,664	(2,094)	(26,382)	(160,042)
Street Lighting	20,778	25,194	23,818	21,199	25,000	25,000	25,000	25,000	25,000	21,200	22,747	1,547	4,222	(194)	1,182	3,801
Waste Collection and Disposal	108,238	108,155	120,918	127,928	108,000	108,000	123,000	127,000	125,000	130,000	149,000	19,000	(238)	(155)	2,082	(928)
Parks	703	2,244	2,363	1,598	1,600	1,600	1,500	2,875	2,875	1,596	2,500	904	897	(644)	(863)	1,277
Roads and Drainage	130,000	110,052	125,320	196,106	90,350	107,108	130,035	130,000	120,000	130,818	130,818	0	(39,650)	(2,944)	4,715	(66,106)
Capital Improvements			17,592					175,000			0	0	0	0	(17,592)	175,000
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Total Expense	\$471,630	\$527,727	\$587,899	\$843,169	\$501,950	\$501,950	\$539,335	\$780,454	\$581,102	\$621,583	\$643,259	\$21,676	\$30,320	(\$25,777)	(\$48,564)	(\$62,715)
Under(+) Over(-) Budget		22,747		(237,715)					56,600							
Excess (Shortfall)	26,795	24,559	17,837	(140,892)	0	0	0	0	56,600	22,798	(53,925)	(76,723)				

Trends in Forest Heights Audited Balance Sheet Items

	Total				General Fund				Special Revenue Fund (Roads)				General Fixed Assets			
	FY1999	FY2000	FY2001	FY2002	FY1999	FY2000	FY2001	FY2002	FY1999	FY2000	FY2001	FY2002	FY1999	FY2000	FY2001	FY2002
END OF YEAR BALANCES																
Assets																
Cash - Checking	\$29,202	\$44,880	\$65,448	\$104,555	\$24,202	\$19,880	\$40,448	\$103,044	\$5,000	\$25,000	\$25,000	\$1,511				
Cash on Hand	200	200	200	200	200	200	200	200								
Cash - Savings	106,137	97,170	81,381	17,141	36,732	27,952	8,942	17,141	69,405	69,218	72,439					
CD's	142,892	161,891	169,469	100,117	142,892	161,891	169,469	100,117								
Acct's Receivable	2,019	2,019	1,164	3,543	2,019	2,019	1,164	3,543								
Real Estate Taxes Receivable	880	2,637	714	5,156	880	2,637	714	5,156								
<i>Subtotal Current Assets</i>	<i>\$281,330</i>	<i>\$308,797</i>	<i>\$318,376</i>	<i>\$230,712</i>	<i>\$206,925</i>	<i>\$214,579</i>	<i>\$220,937</i>	<i>\$229,201</i>	<i>\$74,405</i>	<i>\$94,218</i>	<i>\$97,439</i>	<i>\$1,511</i>				
General Fixed Assets	329,503	326,086	308,087	378,298									329,503	326,086	308,087	378,298
Total Assets	\$610,833	\$634,883	\$626,463	\$609,010	\$206,925	\$214,579	\$220,937	\$229,201	\$74,405	\$94,218	\$97,439	\$1,511	\$329,503	\$326,086	\$308,087	\$378,298
Liabilities																
Accounts Payable	11,891	9,706	1,451	\$21,231	11,891	9,706	1,451	\$21,231								
Notes Payable				31,963				31,963								
Accrued Expenditures	8,937	6,136	6,133	7,618	8,937	6,136	6,133	7,618								
Total Liabilities	\$20,828	\$15,842	\$7,584	\$60,812	\$20,828	\$15,842	\$7,584	\$60,812	\$0	\$0	\$0	\$0				
Fund Balances																
Investment in Fixed Assets	329,503	326,086	308,087	378,298									329,503	326,086	308,087	378,298
Appropriated	74,405	94,218	97,439	1,511					74,405	94,218	97,439	1,511				
Unappropriated	186,097	198,737	213,353	168,389	186,097	198,737	213,353	168,389								
Total Fund Balances	590,005	619,041	618,879	548,198	186,097	198,737	213,353	168,389	74,405	94,218	97,439	1,511	329,503	326,086	308,087	378,298
Total Liabilities & Fund Balance	\$610,833	\$634,883	\$626,463	\$609,010	\$206,925	\$214,579	\$220,937	\$229,201	\$74,405	\$94,218	\$97,439	\$1,511	\$329,503	\$326,086	\$308,087	\$378,298
<i>Current Assets Less Liabilities</i>	<i>260,502</i>	<i>292,955</i>	<i>310,792</i>	<i>169,900</i>	<i>186,097</i>	<i>198,737</i>	<i>213,353</i>	<i>168,389</i>	<i>74,405</i>	<i>94,218</i>	<i>97,439</i>	<i>1,511</i>				
BALANCE SHEET TRANSACTIONS DURING YEAR																
Beginning Fund Balance	\$481,453	\$590,005	\$619,041	\$618,879	\$134,020	\$186,097	\$198,737	\$213,353	\$22,630	\$74,405	\$94,218	\$97,439	\$324,803	\$329,503	\$326,086	\$308,087
Prior Year Adjustment		7,894				7,894										
Revenue Additions	516,857	552,286	605,736	702,277	409,809	422,421	477,195	602,099	107,048	129,865	128,541	100,178				
Capital Assets Acquired	4,700	5,083	7,001	72,471									4,700	5,083	7,001	72,471
Total Beginning Balances	\$1,003,010	\$1,155,268	\$1,231,778	\$1,393,627	\$543,829	\$616,412	\$675,932	\$815,452	\$129,678	\$204,270	\$222,759	\$197,617	\$329,503	\$334,586	\$333,087	\$380,558
Less Expenditures	413,005	527,727	587,899	843,169	357,732	417,675	462,579	647,063	55,273	110,052	125,320	196,106				
Less Disposed capital Assets		8,500	25,000	2,260										8,500	25,000	2,260
End of Year Balance	\$590,005	\$619,041	\$618,879	\$548,198	\$186,097	\$198,737	\$213,353	\$168,389	\$74,405	\$94,218	\$97,439	\$1,511	\$329,503	\$326,086	\$308,087	\$378,298

Trend in FH Net Current Assets



* Current Assets are d

Forest Heights Tangible Property & Utility Tax Entities

[TPP = Tangible Personal Property]							Value		Tax Due at rate per \$100			
Type	Name	Dept ID #	R.P. ID	Mail Adrs	Status	Address	Assessed	\$0.50	\$0.58	\$0.80	\$1.16	
TPP	Brinks Home Security	F03034451		DEPARTMENT, 8880 ESTERS BLVD, IRING, TX 75063	Incorporated		80	0	0	1	1	
TPP	Coca Cola Enterprises	F04299632		PROPERTY TAX DEPT, 2500 WINDY RIDGE DEPT, ATLANTA, GA 30339 5677	Incorporated		1,390	7	8	11	16	
TPP	Comcast Fin Agency Corp	F05831011		COMCAST CABLEVISION OF MARYLAND, INC., 1500 MARKET ST, PHILADELPHIA, PA 19102 2100	Incorporated		156,350	782	907	1,251	1,814	
TPP	Integrated Payment Sys, I	F03313442		INTEGRATED PAYMENT SYSTEMS INC., 6200 S. QUEBEC ST., STE. 250B, ENGLEWOOD, CO 80111	Incorporated		3,740	19	22	30	43	
TPP	Lease Comm	F03211646		, 10 M COMMERCE WAY , WOBURN, MA 01801 1028	Revived		610	3	4	5	7	
TPP	Forest Heights Barbour Sho	L06784474	1250620	SCOTT RANDOLPH MARY, 11701 LOCUST GLEN DR, MITCHELLVILLE, MD 20721	Active	5407 Indian Head Hwy	?					
TPP	Eastover Car wash		1250612	SCOTT RANDOLPH MARY, 11701 LOCUST GLEN DR, MITCHELLVILLE, MD 20721		5409 Indian Head Hwy	?					
TPP	Henry's Soul Cafe	D04729356		20745	Active	5431 Indian Head Hwy	35,520	178	206	284	412	
TPP	McDonald's Home Office	D00552158		MCDONALD'S RESTAURANTS OF MARYLAND, INC . AMF O'HARE AIRPORT PO BOX 66207 CHICAGO, IL 60666 0207	Incorporated	5501 Livingston	206,750	1,034	1,199	1,654	2,398	
TPP	BP Amoco	D00045773	1313956	YOUNG, P.O. BOX 06529, CHICAGO, IL 60606 0529	Active	5507??? Livingston???	39,980	200	232	320	464	
TPP	Jim's Forest Heights Amoco	L09560970		HARRISON, JAMES E, JIMS FOREST HEIGHTS AMOCO, 5507 LIVINGSTON RD, OXON HILL, MD 20745	Active	5507 Livingston	34,670	173	201	277	402	
TPP	Norris Garage	L09572959		30243	Active	5509 Livingston	23,280	116	135	186	270	
TPP	Lee's Vision	D05019591		LEE'S CONVENIENCE STORE, INC.	Incorporated	5515 Livingston	42,380	212	246	339	492	
TPP	Lucas Fish Market	L07987027		OH, MALSOON, LUCAS SEAFOOD 7 ELEVEN, INC. ,TAX DEPT., PO BOX 711, DALLAS, TX 75221 0711	Active	5519 Livingston	9,200	46	53	74	107	
TPP	Seven-Eleven	F00355818		PARK,IL,W STAR CLEANERS, 5529 LIVINGSON RD , FOREST HEIGHTS, MD 20745 2037	Incorporated	5521 Livingston	82,260	411	477	658	954	
TPP	Star Cleaners	L09574112		BERODI, JAMES H, FOREST HEIGHTS AUTOMOTIVES, 5601 LIVINGSTON ROAD OXON HILL, MD 20745	Active	5529 Livingston	18,160	91	105	145	211	
TPP	Forest Heights Automotive	L09547720		PATRICK S. CIEPLAK, D.D.S., P.A.	Active	5601 Livingston	17,110	86	99	137	198	
TPP	Dental Care	D02411353			Incorporated	5722 Livingston	57,290	286	332	458	665	
TPP	ADI Construction	L09648395 L06314660		ADI INTERIORS	Active	143 N Huron	4,260	21	25	34	49	
TPP	Quality Contractors	L09903022		TOLBERT, CHARLES E	Active	5812 Ottawa	7,810	39	45	62	91	
TPP	P-Cock Enterprises	L08970147	1369537	EDWARDS, CATHERINE Y	Active	141 S Huron	9,780	49	57	78	113	
TPP	DFS-SPZV L.P.	P05369681					11,990	60	70	96	139	
TPP	Muzak Nayshun					5812 Spokane	7,810	39	45	62	91	
Utility	PEPCO						891,279	4,456	5,169	7,130	10,339	
Utility	Verizon						120,379	602	698	963	1,396	
Utility	Washington Gas Co.						697,529	3,488	4,046	5,580	8,091	
	Total TPP						23 770,420	3,852	4,468	6,163	8,937	
	Total Utility						4 1,709,188	8,546	9,913	13,674	19,827	
	Totals						27 2,479,608	12,398	14,382	19,837	28,763	