

Analysis of FY2010 3rd Quarter Financial Report of the Town of Forest Heights

Background Quarterly financial reports are required to be prepared by the Town Treasurer and be submitted to the Town Council through the Mayor by the fifteenth of January, April, July and October of each year under Section 20.5 of the Forest Heights ordinances. The ordinance requires that the report shall be publically available.

Requirements The ordinance requires that the report “reports shall provide estimates of the revenues and expenses in the categories provided in the budget resolution effective for the three months preceding the issuance of the quarterly report and for the year-to-date, showing the variances of those items to the budgeted amounts. Furthermore, the quarterly report will include a statement of the estimated assets and liabilities of the Town as of the last day of the quarter being reported.”

Standards Section 20.6 of the ordinances establishes the following standards for the report: “The intent of this report is to provide information on the status of the Town’s revenues, expenses and assets for current decision-making purposes and estimates are acceptable where final data are not available. Revenues and expenses categories should be reported consistent with the current fiscal year’s budget categories, and assets should include total balances in both the general and special revenue (highway) funds for the following items: checking, savings, certificate of deposit and similar accounts, accounts receivable and accounts payable.”

Analysis The table on the following pages was derived from the FY2010 3rd quarter report. We added a grand total for expenses and compared the expenses to the revenue items. We also added a percent column to show how much of the budget has been received in revenue or expended by the end of the third quarter.

Revenues: Overall, only 58.9% of the budgeted revenues have been received as of the end of the third quarter. This bottom line statistic may be misleading, because the Town has apparently received nearly all the income, real property, tangible personal property, and utility taxes that have been levied for the fiscal year. What appears to be lagging is grant money, with only one grant category, “Parkings and Planning” having been received. It is possible that some of the other grant categories may be “reimbursable” grants, wherein the funds must first be expended from Town funds, and then the Town is reimbursed after the paperwork is submitted to the grantor. The quarterly report did not contain any explanations as to the basis for the grants, so we can only speculate at this time.

Expenses: Overall, only 65% of budgeted expenditures were expended by the end of the third quarter. To the extent that many budget categories are expended uniformly over the year, a statistic closer to 75% would be anticipated. A low rate of expenditures is not necessarily good, as it could mean that Town services have not been provided as planned. For example, salaries make up 75% of the police department budget, and would be related to the level of public safety activities expended in the Town. The FHPD had expended only 58% of its budget at the end of the third quarter.

Another example is the street repair project (account 8000), of which only 1.7% of budgeted funds had been expended by the end of the third quarter. However, it is possible with street repair to “save up” funds in order to take on a larger project at the end of the year, or even save the funds for the following year. The quarterly report did not provide any commentary as to the reasons behind these financial statistics.

Balance sheet items: The report did not meet the requirements of the ordinance, in that no estimates were provided on the Town assets and liabilities at the end of the third quarter.

George Wiggers
Editor, Forest Heights News Report

REVENUES					
6000	Income Taxes	120,000.00	114,651.15	5,348.85	95.5
6001	Real Taxes	832,313.00	1,001,582.30	(169,269.30)	120.3
6003	Utility Taxes	13,000.00	23,654.63	(10,654.63)	182.0
6004	Other Taxes	--	858.50	(858.50)	--
6005	Tangible Personal Property Taxes	9,000.00	18,123.14	(9,123.14)	201.4
6006	Interest/Penalty-Income Taxes	--	--	0.00	--
6007	Interest/Penalty-Real Taxes	--	4,836.78	(4,836.78)	--
6008	GOCCP State Police Aid	--	10,472.00	(10,472.00)	--
6009	Town Services-Trash	204,000.00	--	204,000.00	0.0
6010	Disposal of Tires	100.00	28.00	72.00	28.0
6012	Cable & Television Income	28,500.00	18,635.56	9,864.44	65.4
6013	Red Light Camera	12,500.00	12,850.00	(350.00)	102.8
6014	Fines and Forfeitures	2,500.00	5,175.00	(2,675.00)	207.0
6015	Parking Fines/Vehicle Release/ Accident Reports	5,000.00	4,475.00	525.00	89.5
6016	Municipal Violations/Code Enforcement	1,000.00	6,670.00	(5,670.00)	667.0
6017	Rental Permits	500.00	--	500.00	0.0
6018	Investment Interest Income	500.00	1,034.35	(534.35)	206.9
6019	Municipal Building Rental	1,000.00	1,933.00	(933.00)	193.3
6020	GOCCP COPS Grant	108,342.00	--	108,342.00	0.0
6021	Miscellaneous	--	15,732.57	(15,732.57)	--
6022	Rebates Waste Disposal	7,996.00	1,999.00	5,997.00	25.0
6023	Highway User Revenue	102,756.00	28,242.66	74,513.34	27.5
6024	Metal Pick Up	1,500.00	629.50	870.50	42.0
6025	Fingerprinting	3,500.00	4,933.00	(1,433.00)	140.9
6026	Grass Cutting	2,000.00	--	2,000.00	0.0
6027	Building Permits	250.00	884.00	(634.00)	353.6
6028	Sale of Fixed Assets	--	--	0.00	--
6029	Livable Communities Grant	--	--	0.00	--
6030	Parkings and Planning	10,000.00	9,983.76	16.24	99.8
6031	Bond Bill 2006-Building Renovation Project	200,000.00	--	200,000.00	0.0
6032	Street Lighting	--	--	0.00	--
6033	Tree Releaf Grant	20,000.00	--	20,000.00	0.0
6034	Coastal Initiative Grant	20,500.00	--	20,500.00	0.0
6035	Notary Services	--	--	0.00	--
6036	Business Loan	--	--	0.00	--
6037	Speed Camera	500,000.00	--	500,000.00	0.0
6038	Donations	--	--	0.00	--
6039	Yard Sale	--	1,096.47	(1,096.47)	--
6040	Advertising	--	650.00	(650.00)	--
6041	Chesapeake Bay Trust Fund	--	9,575.00	(9,575.00)	--
Total Revenues		2,206,757.00	1,298,705.37	908,051.63	58.9

Fund Balance
 Beginning of the Year
 End of the Year

Will be determined at year end.

EXPENDITURES

ELECTED OFFICIALS EXPENSES

7000	Council-Salaries	6,000.00	2,993.36	3,006.64	49.9
7001	Service Expenses-Council	2,400.00	1,430.61	969.39	59.6
7002	Dues/Meetings/MML Convention-Council	9,000.00	2,245.00	6,755.00	24.9
7003	Charter/Ordinance Review	1,000.00	--	1,000.00	0.0
7004	Mayor-Salary	2,600.00	2,351.36	248.64	90.4
7005	Employee Appreciation-Mayor	300.00	136.69	163.31	45.6
7006	Service Expenses-Mayor	2,400.00	1,248.45	1,151.55	52.0
7007	Dues/Meetings/MML Convention-Mayor	1,500.00	693.00	807.00	46.2
7008	Election Expenses	1,000.00	413.81	586.19	41.4

TOTAL ELECTED OFFICIALS EXPENSES	26,200.00	11,512.28	14,687.72	43.9
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ADMINISTRATION

7009	Town Clerk-Salary	40,068.00	34,219.88	5,848.12	85.4
7010	Administration-Leave	1,500.00	--	1,500.00	0.0
7011	Town Clerk-Training	500.00	--	500.00	0.0
7012	Town Clerk Service Expenses	350.00	84.76	265.24	24.2
7013	Town Manager	34,577.00	--	34,577.00	0.0
7014	Dues/Meetings/MML Convention-Town Clerk	1,500.00	--	1,500.00	0.0
7015	Office Assistant	24,960.00	18,115.13	6,844.87	72.6
7016	Treasurer-Salary(Contract)	22,800.00	19,500.00	3,300.00	85.5
7017	Receptionist	13,780.00	11,127.41	2,652.59	80.8
7018	Treasurer-Service Expenses	150.00	--	150.00	0.0
7019	Insurance-Fidelity (Treasurer)	3,075.00	--	3,075.00	0.0
7020	Treasurer Training	1,000.00	840.00	160.00	84.0
7021	Dues/Meetings/MML Convention-Treasurer	1,500.00	--	1,500.00	0.0
7022	Data Auto System/Upkeep-Treasurer	600.00	495.00	105.00	82.5
7023	Auditing-Treasurer	23,000.00	25,880.00	(2,880.00)	112.5
7024	Notary Expenses	60.00	--	60.00	0.0

TOTAL ADMINISTRATION EXPENSES	169,420.00	110,262.18	59,157.82	65.1
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NON-DEPARTMENTAL

7025	Legal Services	35,000.00	22,251.66	12,748.34	63.6
7026	FICA Expense	43,186.00	25,598.84	17,587.16	59.3
7027	FUTA Expense	1,320.00	972.77	347.23	73.7
7028	Health Expense	41,000.00	40,918.00	82.00	99.8
7029	General Liability Insurance	27,000.00	27,397.96	(397.96)	101.5
7030	Workers Compensation Insurance	18,590.00	17,121.00	1,469.00	92.1
7031	Retirement Contribution	35,000.00	21,409.57	13,590.43	61.2
7032	Unemployment Compensation	6,000.00	--	6,000.00	0.0
7033	Life Insurance Expense	1,100.00	923.70	176.30	84.0
7034	Contract-Temporary Employees	--	--	0.00	--
7035	Publications & Subscriptions	--	--	0.00	--
7036	Legal Notices	2,000.00	1,180.38	819.62	59.0
7037	Personnel Recruitment Ads	--	--	0.00	--
7038	Copier-Administration	6,100.00	4,374.56	1,725.44	71.7
7039	Postage-Administration	1,700.00	225.10	1,474.90	13.2
7040	Internet Acc & Web Page Service	6,000.00	281.88	5,718.12	4.7
7041	Office Supplies	6,000.00	6,570.03	(570.03)	109.5
7042	Service Contracts-Alarm System	1,200.00	--	1,200.00	0.0
7043	Boards & Commissions	--	--	0.00	--
7044	Utilities-Municipal Buidling	19,000.00	9,633.53	9,366.47	50.7
7045	Telephone-Municipal Building	7,000.00	8,871.73	(1,871.73)	126.7
7046	Community Room/Upgrade & Mtce	--	--	0.00	--
7047	ADP Payroll Service Expense	2,000.00	1,883.72	116.28	94.2
7048	MML Dues	2,700.00	2,233.23	466.77	82.7
7049	National League of Cities Dues	--	--	0.00	--
7050	Bank Service Charges	--	256.03	(256.03)	--
7051	Interest Expense-Business Loan	--	--	0.00	--
7052	Employee Assistance Program Expense	--	--	0.00	--
7053	Grant Writer	9,000.00	--	9,000.00	0.0
7054	Lobbyist Service Expense	--	--	--	--

TOTAL NON-DEPARTMENTAL EXPENSES	270,896.00	192,103.69	78,792.31	70.9
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POUCE DEPARTMENT

7054	Police Chief	49,286.00	41,636.21	7,649.79	84.5
7055	Police Clerk	31,898.00	24,907.41	6,990.59	78.1
7056	Code Enforcement Officer (Part-time)	16,536.00	4,725.00	11,811.00	28.6
7057	Sergeant's Salary	43,638.00	43,464.92	173.08	99.6
7058	Corporal	40,628.00	--	40,628.00	0.0
7059	Private 1	36,114.00	31,769.77	4,344.23	88.0
7060	Private 2-Position Filled	26,040.00	16,483.48	9,556.52	63.3
7061	Private 3	36,114.00	21,179.93	14,934.07	58.6
7062	Private 4	36,114.00	--	36,114.00	0.0
7063	Private 5	--	--	0.00	--
7064	Police Leave	1,000.00	--	1,000.00	0.0
7065	Police Overtime	6,550.00	--	6,550.00	0.0
7066	New Uniform Issue-Police	3,000.00	485.01	2,514.99	16.2
7067	Debt Service New Police Vehicle (3)	33,024.00	11,597.00	21,427.00	35.1
7068	Gasoline Expense-Police	22,000.00	16,537.20	5,462.80	75.2
7069	Vehicle/Equipment Repair	5,000.00	4,326.63	673.37	86.5
7070	Office Supplies	2,000.00	1,457.70	542.30	72.9
7071	Red Light Camera Payment	7,000.00	16,225.00	(9,225.00)	231.8
7072	Red Light Debt Payment	4,500.00	4,500.00	Settled	100.0
7073	Communication Equipment (cell phones)	2,376.00	384.91	1,991.09	16.2
7074	Law Enforcement Equipment	5,000.00	1,874.48	3,125.52	37.5
7075	MPTC Training Courses	2,000.00	1,122.76	877.24	56.1
7076	Supplies & Miscellaneous Expenses	2,000.00	2,057.68	(57.68)	102.9
7077	Mobile Data Computers	6,000.00	4,165.47	1,834.53	69.4
7078	Crime Prevention	1,000.00	--	1,000.00	0.0
7079	Speed Camera Expense (Setup Fee)	3,000.00	231.94	2,768.06	7.7
7080	Postage	2,000.00	--	2,000.00	0.0
7081	Copying	3,200.00	--	3,200.00	0.0
7082	Utilties-Police Department	1,000.00	--	1,000.00	0.0
7083	Training/Meeting/Conventions	--	--	0.00	--
7084	Telephone-Police Department	2,000.00	385.50	1,614.50	19.3
		430,018.00	249,518.00	180,500.00	58.0

PUBLIC WORKS DEPARTMENT

7085	Salary-Juan	23,920.00	20,746.91	3,173.09	86.7
7086	Salary-Dee	23,920.00	20,873.67	3,046.33	87.3
7087	Salary-Phil	35,848.00	25,160.50	10,687.50	70.2
7088	Salary-Raspberry	19,760.00	16,961.07	2,798.93	85.8
7089	Overtime-Public Works	--	--	0.00	--
7090	Overtime-Public Works	3,000.00	--	3,000.00	0.0
7091	Debt Service Heavy Duty Truck	6,500.00	--	6,500.00	0.0
7092	Vehicle Maintenance	1,500.00	1,127.28	372.72	75.2
7093	Supplies/Miscellaneous	7,000.00	1,569.19	5,430.81	22.4
7094	Gasoline Expenses	10,000.00	648.82	9,351.18	6.5
7095	Exterminating	4,023.00	1,343.58	2,679.42	33.4
7096	Jatorial Supplies	3,000.00	1,157.14	1,842.86	38.6
7097	Supplies/Repairs/Maintenance/Equipment Replacement	32,000.00	5,239.52	26,760.48	16.4
7098	Uniform Replacement	1,000.00	115.29	884.71	11.5
7099	Street Signs & Paint	5,000.00	68.12	4,931.88	1.4
7100	Utlities-Public Works	6,900.00	761.13	6,138.87	11.0
7101	Telephone-Public Works	--	--	0.00	--
TOTAL PUBLIC WORKS		183,371.00	95,772.22	87,598.78	52.2
STREET HIGHWAY ADMINISTRATION					
8000	Street Repair Project	102,756.00	1,699.31		1.7
TOTAL STREET HIGHWAY ADMINISTRATION EXP		102,756.00	1,699.31	101,056.69	1.7
TRASH SERVICES					
8001	Goode Trash	200,100.00	151,325.41	48,774.59	75.6
8002	Refuse Disposal Fees	7,996.00	3,532.50	4,463.50	44.2
TOTAL TRASH SERVICES		208,096.00	154,857.91	53,238.09	74.4
CAPITAL IMPROVEMENTS PROJECT					
8003	BUILDING RENOVATION PROJECT	200,000.00	209,510.00		104.8
8004	SIDEWALK/STREET REPLACEMENT REPAIR	--	--		
TOTAL CAPITAL IMPROVEMENT		200,000.00	209,510.00	(9,510.00)	104.8
COASTAL INITIATIVE GRANT					
8005	Coastal Initiative Grant	20,500.00	18,586.47		
TOTAL COASTAL INITIATIVE GRANT		20,500.00	18,586.47	1,913.53	90.7
STREET LIGHTING					
8006	STREET LIGHTING EXPENSE	48,000.00	30,058.24		
TOTAL STREET LIGHTING EXPENSE		48,000.00	30,058.24	17,941.76	62.6
Parks Expense					
8007	Parks Expense	500.00	190.00		
TOTAL Parks Expense		500.00	190.00	310	38.0
Snow Removal					
8008	Snow Removal	10,000.00	14,270.00		
TOTAL Snow Expense		10,000.00	14,270.00	(4,270.00)	142.7
Parks and Planning Expenses					
8010	Parks and Planning	10,000.00	11,052.56		
TOTAL Parks Expense		10,000.00	11,052.56	(1,052.56)	110.5
Cheaspeake Bay Trust					
8010	Cheaspeake Bay Trust	9,975.00	1,380.00		
TOTAL Grant Expense		9,975.00	1,380.00	8,595.00	13.8
TOTAL EXPENSES		1,663,532.00	1,089,260.58	574,271.42	65.5
Total Revenues		2,206,757.00	1,298,705.37	908,051.63	58.9
REVENUES LESS EXPENSES		543,225.00	209,444.79	333,780.21	
EXPENSES AS A PERCENT OF REVENUES		75.4	83.9		