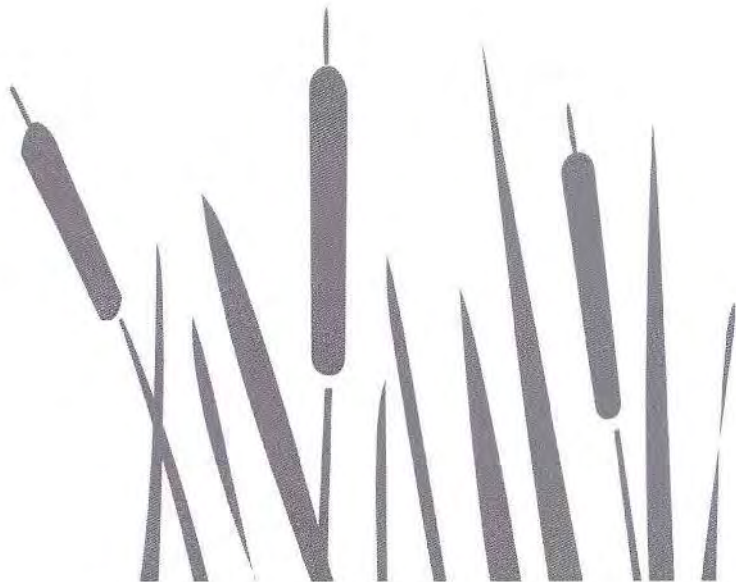
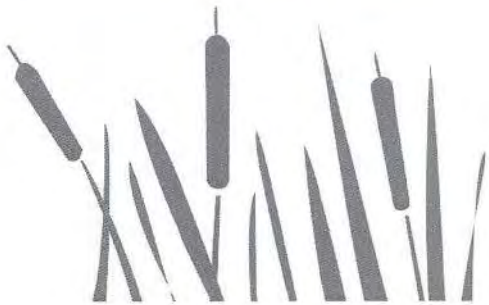


# TOWN OF SCARBOROUGH MAINE COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR  
FISCAL YEAR ENDING  
6/30/2014



**SCARBOROUGH  
MAINE**



PREPARED BY: TOWN OF SCARBOROUGH FINANCE  
DEPARTMENT

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**



**TOWN OF SCARBOROUGH, MAINE**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2014**

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**TOWN OF SCARBOROUGH, MAINE**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2014**

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# INTRODUCTION

TOWN OF SCARBOROUGH  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## *Town of Scarborough, Maine*

February 26, 2015

P.O. BOX 360 • SCARBOROUGH, MAINE 04070-0360

Jessica L Holbrook, Council Chairperson  
and Distinguished Members of the Town Council  
Scarborough, Maine

In accordance with the requirements of our Town Charter and state statutes, we hereby issue to the citizens of the Town of Scarborough and to all interested parties, the comprehensive annual financial report of the Town of Scarborough, Maine for the fiscal year ended June 30, 2014.

Responsibility for the accuracy, completeness and reliability of the financial information, including all disclosures, rests with the Town of Scarborough and its management. Management has established a framework of internal controls that afford us the knowledge and belief, that all of the data is accurate in all material respects and reported in a manner that presents fairly the financial position of the Town of Scarborough. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities are included.

The comprehensive annual financial report is prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America. Please take this opportunity to review Management's discussion and analysis (MD&A) immediately following the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the Town's financial statements. The MD&A complements this letter of transmittal and we encourage readers to view it in conjunction with it.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Scarborough for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This is the ninth-consecutive year that the Town of Scarborough has submitted and achieved this prestigious award. In order to receive the Certificate of Achievement award, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for this certificate.

### **TOWN'S ORGANIZATIONAL STRUCTURE AND SERVICES PROVIDED**

The Town of Scarborough is located on the southern coast of the State of Maine in the southeastern most section of the County of Cumberland, the State's most populous county. Scarborough is bordered by the Spurwink River and the Atlantic Ocean on its eastern side and is bordered by the communities of Westbrook, South Portland, Cape Elizabeth, Gorham, Buxton, Saco and Old Orchard Beach.



The Town, first settled in 1633, was incorporated as the sixth town in the Province of Maine on July 14, 1658. The Town operates under a charter first adopted on October 7, 1969 and provides for a Town Council and Town Manager form of government. The legislative body consists of a seven-member town council. A seven-member school board has general authority for the public schools. The Town Council is responsible for passing ordinances, adopting the annual budget, appointing committees and hiring both the Town Manager and the Town Assessor. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the government, and for appointing the administrators of the various departments.

Although legally separate entities, we have two component units, Scarborough Economic Development Corporation and the Public Library.

The Scarborough Public Library is a discretely presented component unit in a separate column in the government wide financial statements to emphasize that they are legally separate from the Town of Scarborough and to differentiate their financial position and results of operations and cash flows from those of the Town. The Library's Board of Trustees appoints its own board members, however, the Town provides the majority of the Library's funding.

The Scarborough Economic Development Corporation (SEDCO) assists both current and prospective businesses. SEDCO is a discretely presented component unit in a separate column in the government wide financial statements. The SEDCO board appoints its own members, however, most of the funding is provided by the Town.

Financial statements for the following entities are not included in this report because the boards that administer them are separate from and independent of the Town Council. These entities have not met the established criteria for inclusion in this report; however, a brief description is incorporated in the notes to the financial statements:

Portland Water District  
ecomaine (formerly Regional Waste)

Scarborough Sanitary District  
Biddeford Saco Water District

In accordance with the provisions of Article V of the Town Charter, the annual budget serves as the foundation for Scarborough's financial planning and control. The Town's budget year begins July 1 and ends June 30 of the following year. The Charter provides that the Town Manager submit a budget, to the Town Council, at least 60 days prior to the beginning of each fiscal year. The Finance Committee reviews the proposed budget and makes recommendations to the Town Council. With prior public notification, the Council orders a public hearing. If the Council does not adopt the annual budget prior to July 1, then the budgets presented by the Town Manager and the Board of Education becomes the budget for the fiscal year. Department Administrators and the Board of Education may make transfers of appropriations within their departments. Transfers of appropriations between departments, however, require the approval of the Town Council. Once the Council approves the school's budget, the voters must approve a Budget Validation Referenda to approve the school's budget. This must happen within 14 days of the Town Council vote. If the voters do not approve the budget, it goes back to the School Board for revision, the Council has to approve it, and then it goes to the citizens. This process continues until the voters approve a school budget.



In the event the voters do not approve the school's budget by July 1, the last budget approved by the Town Council becomes the school's budget until the school referendum is approved.

## **ECONOMIC CONDITION AND FUTURE OUTLOOK**

**Maine Economy.** Maine continues to lag behind the US in job growth. Not until 2016, will Maine exceed its pre-recession levels of employment, according to the New England Economic Partnership's current forecast. If Maine does recover the jobs, it will have taken eight years to reach 2008 employment levels. While job growth is slow, unemployment remains below the national rate at 6.7% for 2013.

Because of Maine's demographics, recovery continues to be impeded by the Great Recession. Maine ranks as the oldest state in the nation, when comparing the median age of its population. The state must find ways to attract in-migration to infuse the labor force with the talent necessary to attract and keep the growth industries of the next decade.

One bright spot in Maine's economic outlook is in Healthcare. Maine Department of Labor forecasts that healthcare practitioner and support worker jobs will increase 17% between 2010 and 2020, higher than all other major occupational groups and well above the six percent increase expected for all occupations. Employment within hospital settings will increase much faster than average and will account for most of the job increases.

**Local Economy** In contrast to the state of Maine, Scarborough maintained its competitive edge in 2014, once again outpacing most other communities for new development, new job growth and population growth.

Since 2010, Scarborough added 755 jobs, 439 residents and increased retail sales to \$479 million. The Average annual unemployment rate for Scarborough in calendar year 2013 was 4.7%.

In terms of diversity, three sectors dominate Scarborough's job market: health care (18.6%), retail trade (16.3%) and manufacturing (11.4%). Of the 146 new jobs added in 2013, 44 of them were in bioscience. Scarborough currently has 1,200 jobs in Pharmaceutical and Medicine Manufacturing in 2013, according to our source (EMSI, a proprietary data set provided by Camoin Associates). The average annual earnings for a job in this sector was \$138,623.

While retail is not a strong growth area for jobs on a regional basis, we do anticipate an uptick in retail sales and employment over the next two years. Just over 100,000 square feet of new retail space was approved in fiscal year 2014 for the lot next to Walmart. This space is already pre-leased with Home Goods, Marshalls and Bob's Discount Furniture as the primary tenants. While this pre-leasing is good news for Scarborough, it does not add to the regional economy since these stores are moving from a South Portland location. They are not net new jobs and sales to the region.

In bioscience manufacturing, Alere continues to thrive in Portland. This medical-device manufacturing firm is adding additional space in their current building and will be leasing another building within the Industrial park in 2014.



In Oak Hill, Biddeford Savings and Starbucks opened in April 2014. An 82-bed assisted living facility is still under construction. El Rayo, a successful Portland restaurant, completed their renovation of the Oak Hill Cumberland Farms. Their opening date of this satellite facility is set for July 2014. Town & County Credit Union's 40,000 square foot operations center was approved in FY 2014 and construction is underway.

While economic news in Scarborough is generally positive, Cole Haan did announce the closure of its Scarborough-based corporate headquarters. The company will consolidate its operations in New Hampshire. Approximately 120 jobs were affected by the consolidation effort. While 120 jobs were located in Scarborough, we do not know how many of the employees kept their positions in the new location. The company moved to Scarborough in 2011. Their closure does provide about 38,000 square feet of prime office space on the market, which is rare for the Scarborough market.

**Comprehensive Plan.** One of the key tasks of the Long Range Planning Committee (LRPC) is to facilitate the implementation and execution of the Town's Comprehensive Plan. During fiscal year 2014, the committee continued this tireless effort, with a focus on the Nonesuch golf course and surrounding area off Gorham Road west of the Maine Turnpike. Following the guidance of the Comprehensive Plan, the LRPC drafted new zoning ideas for the future growth of this area. More specifically, the committee worked with the residents and property owners in the area on a new zoning scheme that would allow a mix of residential and light commercial development for the area, so that when development occurs, it could serve as a transition from the more rural area west of the highway to the commercialized area around Payne Road. These zoning updates were presented to, and successfully adopted by the Town Council in June of 2014.

In addition, the Long Range Planning Committee and staff focused its efforts to continue to make the development review process in Scarborough more efficient and streamlined, while maintaining high standards for new development. To this end, the committee helped craft updates to our land use ordinances to enable the Town to become eligible for "municipal capacity" for the Maine Department of Environmental Protection's (MDEP) *Site Location of Development* review process that applies to larger development projects. These ordinance amendments were passed in the spring of 2014 by both the Town of Scarborough and MDEP, which gives the Scarborough Planning Board the ability to locally review projects that otherwise would go to the MDEP for Site Location and provides for a more efficient and streamlined review process.

The Town of Scarborough's Transportation Committee has been studying additional measures to implement the Town of Scarborough's 2011 Oak Hill Pedestrian Plan and make Oak Hill and the School campus increasingly safe and friendly to pedestrians, as well as for motorists and automobile traffic. These measures included a design for enhanced crosswalks and pedestrian islands at the Oak Hill intersection as well as new landscaped median islands and crosswalk improvements at Gorham Road and Hannaford Drive. Implementation is scheduled for fiscal year 2015.



On the regional front, the Town of Scarborough continues to work closely with many of our neighboring committees and the greater Portland region on a range of planning initiatives. Initiatives of note include:

- Partnering with the City of Saco on an interchange justification study, that examines the potential and opportunities for an additional highway interchange on the Maine Turnpike between exit 36 and exit 42,
- Continued work with the Saco Bay Sea Level Adaption Working Group,
- Participating on the Long Creek Watershed Board of Directors,
- Membership on the Planning, Technical and Executive Committees of PACTS (Portland Area Comprehensive Transportation System), and
- Membership on the Cumberland County Community Development Block Grant group.

All of these regional coalitions aid Scarborough in planning and coordinating regionally as well as help position us for State and Federal funding.

### **Major Initiatives:**

**For the year.** Over the course of fiscal year 2014, the volume and pace of construction activity continued its upward trend as the local residential real estate market strengthened and interest in commercial and non-residential development expanded. To assist with this growing workload and to provide much greater efficiencies and coordination between the Planning Department and the Fire Department, the Town of Scarborough created a new and unique shared position of Commercial Code Enforcement Officer and Fire Inspector. The idea behind the new position came from the Scarborough Economic Development Corporation (SEDCO) Vision, which was a grassroots effort facilitated by the Scarborough Chamber of Commerce and SEDCO, during which the value of one staff person conducting commercial building inspections as well as fire inspection duties came to light. Further, this shared position can and has improved efficiency and coordination with commercial plan reviews, permitting and inspections, as well as better coordination with customers.

The Planning Department, in partnership with Public Works, continued to focus on transportation planning and improvements during 2014. These efforts involved working closely with the Town of Scarborough's Transportation Committee, particularly on sidewalk and other bicycle and pedestrian improvements in and around the Oak Hill area and the Eastern Trail. More specifically, Scarborough's Planning staff and the Transportation Committee oversaw the installation of a new sidewalk along Black Point Road between the Eastern Trail and Oak Hill along with a new signalized Eastern Trail crossing at Black Point Road. This sidewalk linkage ties the School and Municipal Campus's, Oak Hill Plaza and the general Oak Hill/Route One area to the the Eastern Trail as well as the homes and residential neighborhoods along Black Point Road, Eastern Road and beyond. Similarly, to improve the safety of trail users at the southern end of the corridor, the same crosswalk signal system was added at the Eastern Trail crossing on Pine Point Road.



In terms of notable new construction, a variety of new and on-going residential projects were inspected and received construction oversight, including Eastern Village, Dunstan Crossing, Settlers Green off of Highland Avenue and Homer Sands off Old Blue Point Road. On the commercial and non-residential front, some of the larger projects our inspectors worked on in 2014 were the new Biddeford Savings Bank and Starbucks development; a reconstruction of the McDonald's restaurant on Route One; the new Assisted Living facility on Black Point Road; and a new Town and Country Credit Union headquarters off US Route One.

The Benjamin Wentworth Intermediate School closed its doors in June of 2014, as students and staff prepared to transition to the nearly finished, brand-new, state-of-the-art Wentworth School in construction, next door. The 53-year-old building had deteriorated to the point where it had significant operational and safety deficits. The new construction project was initiated after community support was given by a referendum vote in 2011. Praise is being given on this construction project for its smooth progress, timely completion and finishing under budget. The new Wentworth School will officially open in September of 2014 and will serve the 700 students in grades three through five, as well as the Town of Scarborough's Community Services childcare program.

A new observation/viewing area was added to the existing concession stand at the high school fields. This project was fully funded through a reserve account set up to accumulate revenues generated from the use of the turf field.

During the fiscal year, the Fire Department continued its proactive work identifying potential grant opportunities to augment the funding we receive through local property tax revenues. The department was awarded a regional assistance to firefighters grant through the Federal Emergency Management Agency (FEMA) for \$225,090. This grant is a partnership with the eight departments surrounding the City of Portland that make up the Metro Fire Chief's Coalition. This group meets on a monthly basis to work on various projects and initiatives to increase efficiency and provide cost effective solutions to common problems. This particular grant funds 90% of the cost to train 24 of our current paramedics to the Community Paramedic certification level. As the new Affordable Care Act is implemented, we anticipate changes in how healthcare, including emergency medical services, are delivered and paid. Our goal is to train these current patient care providers to the next level so that we are prepared to meet the evolving healthcare needs of an aging population under this sweeping new federal legislation. The Fire Department received a 100% federally funded Homeland Security Grant of almost \$40,000, to make technology improvements to our Command Van, which included the installation of an updated satellite system. This grant will provide the resources to upgrade several technological items to keep the vehicle technologically viable. The van was originally purchased in 2006 with a combination of federal, county, and local funds.

In November of 2012, the voters overwhelmingly supported the purchase of a new ladder truck to replace the twenty-five year old apparatus then in service at Black Point station. Following the referendum vote, we conducted a formal bid process and awarded the contract to Smeal Fire Apparatus. On May 23, 2014, our newest fleet addition was officially placed in service.

This past year the Town of Scarborough undertook two new solar projects as we continue to work toward a greener Scarborough. The first project was at the fire station in North



Scarborough and the second project was the maintenance/ice rink facility for the Town, both projects helping to offset the energy requirements of these two buildings.

In fiscal year 2014, the Police Department chose to purchase two Dodge Chargers and two Ford SUVs. While deciding to go back to our original black and silver colors for the patrol vehicles, we also conducted a cost benefit analysis concerning the graphics on them. In the end, we found that it would be more cost effective to order the vehicles in a single color and then add a “wrap” to incorporate the silver color with the graphics applied to the wrap. We also anticipate an improved resale value with a single color vehicle that can have the wrap and lettering easily removed.

This fiscal year also saw Scarborough’s Public Safety communications center outfitted with the latest Next Generation (NG911) 911 equipment. This equipment and software was provided by the State of Maine to each of the existing 26 public safety-answering points (PSAP) around the state. As technology changes, this equipment will provide a number of advantages over the old system and has the built in flexibility to interact with more advanced features. These improvements are going to be particularly important for the Town of Scarborough as we were approached by the Town of Old Orchard Beach to provide dispatch services for them. Staff at the Town of Old Orchard Beach approached the Town of Scarborough and requested that we explore the possibility of having our communications center provide PSAP and dispatching services to their community. After many meetings and much exploration, the town councils of both communities entered into a contract to provide these services. The anticipated start date for this service is February 1, 2015.

The Scarborough Police Department continues to make valuable use of social media. During fiscal 2014, the Police Facebook page has been responsible for solving a number of crimes as well as locating suspects and keeping citizens up to date on scams, crime trends, road closures, and weather related incidents and warnings.

In FY 2014, Public Works spent \$807,001 on paving and road improvements. While liquid asphalt prices have leveled off, the cost of pavement remains high at \$67.00 - \$70.00 per ton. Eight roads received treatments ranging from pavement overlay to full depth reclamation based on their condition and amount of daily traffic.

The Town of Scarborough initiated a town-wide GIS update during the year. This GIS update is a resource used by most town departments. The information contained in the GIS is also available to the public at [www.scarboroughmaine.org/departments/public-works/webgis](http://www.scarboroughmaine.org/departments/public-works/webgis). This new version is much more user friendly.

**For the future.** The Planning Board and staff reviewed a range of residential and non-residential development projects and issued final approvals. A few of the more notable projects approved include: a new climbing facility on Haigis Parkway; a new 11-lot single-family subdivision off Ash Swamp Road; a new office building and credit union headquarters on Little Dolphin Drive off Route One; and a new family wellness center at 433 Route One.



The next energy efficient project to help further the Town of Scarborough's green efforts will be a tri-generational natural gas-fired generator for the municipal building. Estimated completion date of this is September 2015.

The first phase of the "Pleasant Hill Drainage and Road Reconstruction Project" is underway. This two-year project will consist of rebuilding the road from Highland Avenue to Route One. This segment of road has an average daily trip count of ten thousand vehicles per day thus making it a good candidate for reconstruction. A Municipal Partnership Agreement with the Maine Department of Transportation (MDOT) provides partial funding for this work. The next major project will be on the southern side of Scarborough on East Grand Avenue. The reconstruction of East Grand Avenue is scheduled in the five-year plan. It is the Town of Scarborough's hope that we will once again be successful in securing Municipal Partnership Agreement funding through the MDOT for this project. The timing is favorable as MDOT plans to replace the railroad bridge on Pine Point Road starting in the fall of 2015.

Scarborough has received MDOT funding for the partial completion of the Eastern Trail project from Pleasant Hill Road to the Wainwright Recreation Complex in South Portland. This project will narrow the gap between our two communities and further the development of the Eastern Trail project. The last proposed project for the Eastern Trail in Scarborough will be an estimated \$2.5 million project between the Nonesuch River and Pleasant Hill Road. This is considered the most costly section of the Eastern Trail project in Scarborough. The area requires two new bridges that will span the river and the Amtrak train corridor.

**Long Term Financial Planning.** Scarborough utilizes a five year Capital Improvement Plan. This plan encompasses a scheduled equipment replacement program; proposed building, land and infrastructure improvements land acquisition for capital purposes and open space and existing farmland preservation. The plan is updated annually.

Our annual "Pavement Management Study" gives us the ability to project our level of road rehabilitation costs well into the future. We continue to add \$20,000 per year to capital funding that is geared toward mid-level road maintenance and rehabilitation. This program will keep roads at a minimal level of wear over a longer period. The funds, along with other annual capital project funding, provides the resources to keep the roads in Scarborough in better than average condition for the long term.

## **FINANCIAL INFORMATION**

### **Assessed Valuation and Collections.**

An indicator of Scarborough's strong local economy is in the growth of the Town's assessed value of real and personal property. The Town of Scarborough increased its 2014 value by \$28,630,400 from 2013. For the 2013 tax year, the valuation was \$3,631,675,300 compared to the 2014 valuation of \$3,660,305,700.



Below is a list of unpaid property taxes, for the last five years. The first column represents the original amount of unpaid taxes based on the assessment year and the second column represents the amount of remaining unpaid taxes as of the current fiscal year.

<u>As of June 30, 20xx</u>	<u>As of June 30, 2014</u>
\$507,075 in 2010	\$20,226
\$603,735 in 2011	\$25,105
\$581,380 in 2012	\$25,766
\$641,719 in 2013	\$221,005
\$749,380 in 2014	\$749,380

The Town Council authorized the use of \$200,000 from school fund balance, for fiscal year 2013. Of this amount, the fund balance actually utilized was \$0. For 2014, the Town Council authorized \$200,000 from the School's fund balance to help offset the loss of education state revenues, which again, the town did not actually utilize. For 2015, the Town Council has authorized the use of \$800,000 from the School's fund balance to assist with their 2015 funding needs.

The Town of Scarborough's management is committed to properly safeguarding, managing and accounting for the Town's assets by implementing internal controls with policies and procedures at all levels. The Town's written policies and procedures clearly state which individual positions have the authority to authorize and/or access each different type of transaction. We have a structured segregation of specific duties in place and employees are educated on understanding the purpose and importance of internal controls. The Town's accounting system that all of the assets and liabilities transactions are recorded into includes control features such as system generated sequential numbering, segregated approval requirements, email work flow notifications and audit trails. The Town of Scarborough's electronic banking system requires multiple approvals and the use of security tokens to authorize electronic transfers. Hardcopy records are accessible only to authorized personnel. Not one person has solo full access to any one process. Management routinely reviews and reconciles the Town's accounts and follows up on all indications of potential errors or irregularities. The Town's accounting system hardware is overseen by the Municipality's Information Technology Department, which is housed in an environmentally secured computer room and the information is backed-up every night off site.

### **OTHER INFORMATION**

**Awards.** The Fire Department and Planning Department were recognized by the Greater Portland Council of Governments (GPCOG) with their ReCOGNition Award for our shared fire inspector/commercial code enforcement officer position.

The Fire Department and Police Department received a Healthy Workplace Award from the State chapter of the American Psychological Association for our resiliency project and other employee centered initiatives.



**Independent Audit.** The Town Charter requires an annual financial audit by independent certified public accountants appointed by the Town Council. The firm of Macpage LLC was engaged to perform the annual audit for the Scarborough Town Council for fiscal year 2014. This audit is designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133.

**Acknowledgements.** I would like to acknowledge the Town Manager and the Town Council for their forward, progressive planning and conducting operations of the Town. Thank you for interest and support. In addition, I would like express my appreciation to the department administrators for their contributions to this report. This report is prepared with the accomplished, efficient and dedicated services of the Finance staff. Special thanks to Gina Clukey, Deputy Finance Director for her dedication and loyalty, and the countless hours contributed in preparation of this report and to all the Finance staff for their valuable assistance. Finally, I would like to acknowledge the firm of Macpage LLC for their efforts and guidance during the engagement.

Respectfully Submitted,

Ruth D. Porter  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Scarborough  
Maine**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

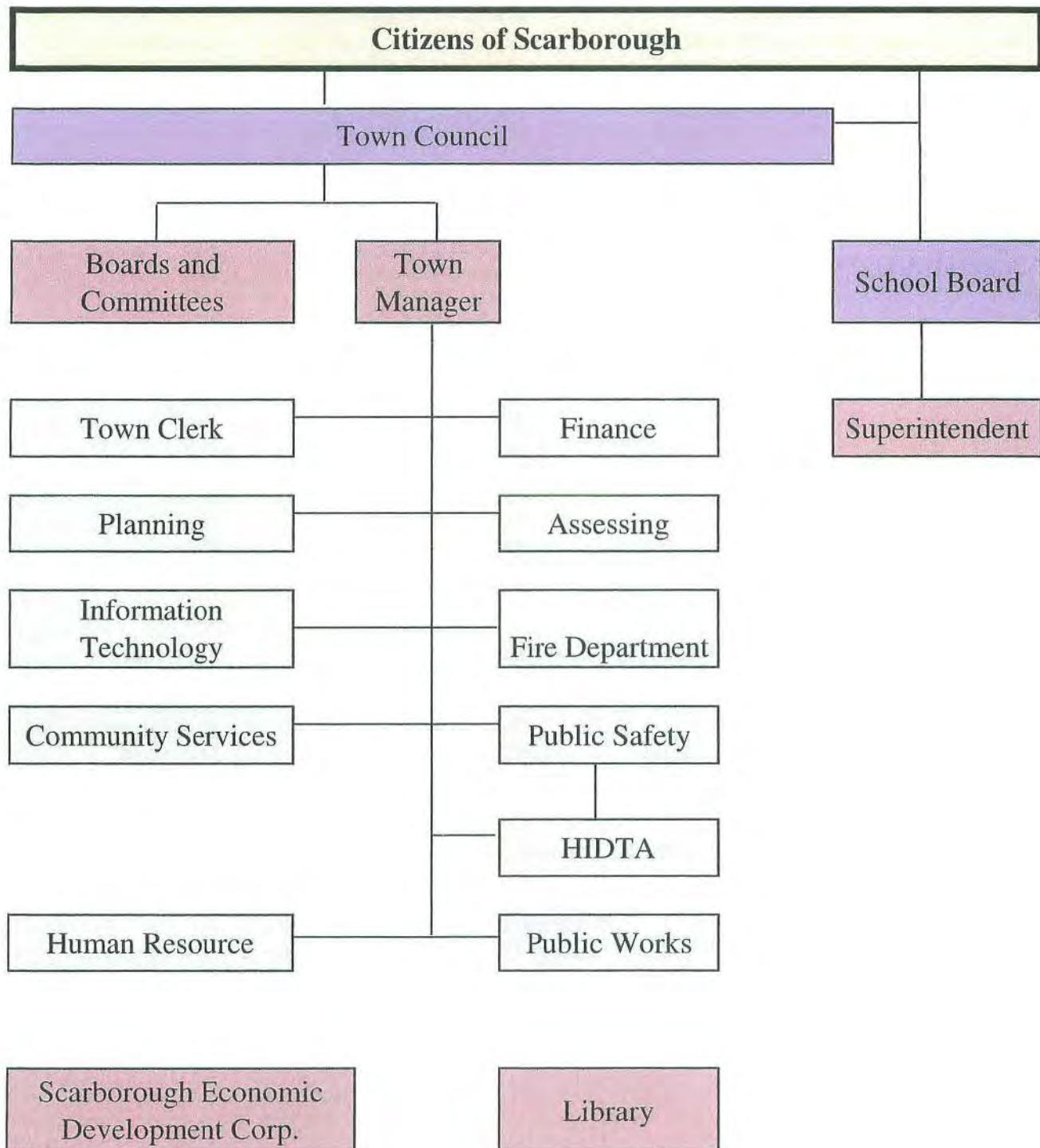
Executive Director/CEO



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# Town of Scarborough, Maine

## Organizational Chart





## Principal Executive Officers 2013-2014

The following table sets forth the principal executive officers of the Town of Scarborough.

<u>OFFICE</u>	<u>NAME</u>	<u>MANNER OF SELECTION/TERM</u>	<u>TERM EXPIRES</u>
Councilors	Richard Sullivan, Jr., Chrmn.	Elected - 3 Year Term	11/19/2014
	James Benedict	Elected - 3 Year Term	11/19/2014
	Edward Blaise	Elected - 3 Year Term	11/18/2015
	Jean-Marie Caterina	Elected - 3 Year Term	11/16/2016
	William Donovan	Elected - 3 Year Term	11/16/2016
	Jessica Holbrook	Elected - 3 Year Term	11/18/2015
	Katherine St. Clair	Elected - 3 Year Term	11/19/2014

### Municipal Employees:

Town Mgr.	Thomas J. Hall	Appointed - 3 Year Term	12/31/2018
Town Clerk/Registrar of Voters	Yolande P. Justice	Appointed/Indefinite	N/A
Tax Collector/Finance Director and Treasurer	Ruth D. Porter	Appointed/Indefinite	N/A
Assessor	William Healey	Appointed/Indefinite	N/A
Chief of Police	Robert Moulton	Appointed/Indefinite	N/A
Code Enforcement Officer	Brian Longstaff	Appointed/Indefinite	N/A
Director of Public Works	Michael Shaw	Appointed/Indefinite	N/A
Fire Chief	B. Michael Thurlow	Appointed/Indefinite	N/A
Town Planner	Dan Bacon	Appointed/Indefinite	N/A
Senior Planner	Jay Chace	Appointed/Indefinite	N/A
Recreation Director	Bruce Gullifer	Appointed/Indefinite	N/A
Human Resource/General Ass't.	Jaclyn Mandrake	Appointed/Indefinite	N/A
Economic Development Director	Karen Martin	Appointed/Indefinite	N/A

### School Board:

Members, Board of Education	Christine Massengill, Chrmn.	Elected - 3 Year Term	11/19/2014
	Donna Beeley	Elected - 3 Year Term	11/18/2015
	Christopher Caiazzo	Elected - 3 Year Term	11/18/2015
	Jane Leng	Elected - 3 Year Term	11/16/2016
	Kelly Noonan Murphy	Elected - 3 Year Term	11/21/2014
	Jacqueline Perry	Elected - 3 Year Term	11/18/2015
	Jodi Shea	Elected - 3 Year Term	11/16/2015
Superintendent of Schools	Dr. George Entwistle, III	Appointed/Indefinite	N/A
Assistant Superintendent of Schools/Adult Education Director	Jo Ann Sizemore	Appointed/Indefinite	N/A
Business Office Manager	Kate Bolton	Appointed/Indefinite	N/A
School Lunch Director	Judy Campbell	Appointed/Indefinite	N/A
Federal Project Administrators:	Monique Culbertson		
	Kate Bolton		





# FINANCIAL SECTION

TOWN OF SCARBOROUGH  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## Independent Auditors' Report

Town Council  
Town of Scarborough, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Scarborough, Maine (the Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Scarborough Public Library, a component unit of the Town of Scarborough, Maine, which is presented as a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Scarborough Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Scarborough, Maine, as of and for the year ended June 30, 2014 and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 – 35, and Schedule of funding Progress on page 71, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scarborough, Maine's financial statements. The introductory section on pages 1 – 10, supplementary statements and schedules on pages 75 – 110, and statistical tables on pages 115 – 137, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Town of Scarborough, Maine's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Scarborough, Maine. The financial statements of the Scarborough Public Library, a component unit of the Town, were audited by other auditors. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scarborough, Maine's basic financial statements as a whole. The combining statements for the General Fund Balance Sheet, Exhibit A-1, and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance, Exhibit A-2, related to the June 30, 2013 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the June 30, 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the June 30, 2013 combining statements for the General Fund Balance Sheet, Exhibit A-1, and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance, Exhibit A-2, are fairly stated in all material respects, in relation to the basic financial statements from which they have been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2015, on our consideration of Town of Scarborough, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Scarborough, Maine's internal control over financial reporting and compliance.

*Macpage LLC*

South Portland, Maine  
February 26, 2015

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF SCARBOROUGH  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis**  
**June 30, 2014**

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As management of the Town of Scarborough, we are presenting our narrative overview and analysis of the Town's financial activities during the fiscal year ended June 30, 2014. Please consider this information in conjunction with the transmittal letter at the front of this report and the Town's basic financial statements following this section.

## **FINANCIAL HIGHLIGHTS**

The assets of the Town of Scarborough exceeded its liabilities at the close of this most recent fiscal year by \$61,844,176 (net position). Of this amount, \$3,907,583 represents unrestricted net position, which is available to meet the Town's ongoing obligations to citizens and creditors.

- The Town's total net position increased \$2,118,224. This represents a 3.5% increase over last year's net position.
- As of June 30, 2014, the Town's governmental funds reported combined fund balances of \$23,145,123 a decrease of \$12,984,169 compared with the prior year. Approximately 19.94% of this amount or \$4,472,007 is available for spending at the Town's discretion (*assigned and unassigned fund balance*).
- Total nonspendable fund balance increased by \$3,070 from \$193,315 to \$196,385. Restricted fund balance decreased by \$14,710,178 from \$28,288,762 to \$13,578,584. Total committed fund balance increased by \$161,494 from \$4,736,653 to \$4,898,147. Assigned fund balance increased by \$359,464 from \$2,024,920 to \$2,384,384. Finally, the unassigned fund balance for the governmental funds increased by \$1,291,981 from \$795,642 to \$2,087,623.
- With respect to fund balances in the governmental funds, of the \$9,370,154 reported as committed (authorized by town council), assigned (authorized by town manager) and unassigned fund balance, \$4,392,252 are special revenue funds authorized for specific projects and the remaining amount of \$4,977,902 is available for the discrete purposes for which these funds are collected.
- The Town of Scarborough's Fund Balance Policy establishes an unrestricted fund balance goal of 8.33% of the total operating expenditures. Unrestricted Fund Balance includes the total of the general fund committed, assigned and unassigned fund balances. As of June 30, 2014, unrestricted fund balance for the general fund was \$6,213,282 or 8.31% of the total general fund expenditures of \$74,811,488. This is the first time since the Fund Balance policy was adopted, that the Town has been so close to reaching its goal of 8.33%.
- Total debt increased by \$1,715,000 from the prior year. Total debt retired was \$4,790,000. Total debt issued was \$6,505,000 in general obligation bonds.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town of Scarborough's basic financial statements. The Town of Scarborough's basic financial statements comprise three components; 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** Government-wide financial statements, designed to provide readers with a broad overview of Town finances, is presented in a manner similar to a private-sector business.

The statement of net position presents information on all Town of Scarborough's assets, liabilities and deferred inflows/outflows of resources, with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Scarborough is improving or deteriorating.



## TOWN OF SCARBOROUGH, MAINE

### Management Discussion and Analysis, Continued

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The statement of activities presents information showing how Scarborough's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave and uncollected taxes).

Both of the government-wide financial statements (Statements 1 and 2) distinguish functions of the Town of Scarborough that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Scarborough include general government, public service (recreation, parks, library, and economic development), public safety, public works (highways, streets, solid waste disposal) and education.

The government-wide financial statements include not only the Town of Scarborough (known as the *primary government*), but also the legally separate Public Library and Scarborough Economic Development Corporation for which the Town of Scarborough is financially accountable. Financial information for these component units are reported separately from the financial information presented for the Town of Scarborough itself. The government-wide financial statements can be found on pages 39 – 40 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Scarborough, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds in the Town of Scarborough are divided into two categories, governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financial decisions. Both the governmental fund balance sheet (Statement 3) and the governmental fund statement of revenues, expenditures, and changes in fund balances (Statement 4) provide a reconciliation (Statement 5) to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Scarborough maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Performance Bonds, Wentworth Intermediate Construction and the Haigis Parkway all of which are considered major funds. Data from the remaining 16 funds (Special Revenue, Capital Projects, and Permanent) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in Exhibit C-1 through Exhibit E-2.

The basic governmental funds financial statements can be found on pages 41 – 42 of this report.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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**Capital Projects Funds.** The Capital Projects Fund was established to account for resources obtained and expended for the acquisition and improvement of major capital facilities, land improvements and purchases. The Town of Scarborough's individual capital projects funds were established for the following purposes:

- The Municipal Building Fund was established to account for grants, awards, and money appropriated by the Town Council for a study, development, and the related tax increment financing district for the construction of a Town Center facility.
- The General Town Improvements Account was established to account for grants, awards, and money appropriated by the Town Council or approved by voter referendum for major municipal capital projects.
- The General School Improvements Account was established to account for grants, awards and money appropriated by the Town Council or approved by voter referendum for major school capital projects.
- The Wentworth School Construction Account was established to account for funds approved by voter referendum to replace the existing school building.

The Municipal Building Fund, General Town Improvement and General School Improvement accounts are not considered major funds and are provided in the form of combining statements elsewhere in this report. The Wentworth School Construction Project is considered a major fund and shows as a separate fund on Statements 3 and 4 of the basic financial statements. As of June 30, 2014, the Town borrowed \$35,784,815, excluding any bond premium, towards this project not to exceed \$39,077,594 by voter referendum. It is anticipated that the Town will not need to borrow the remaining funds for the Wentworth project. The non-major capital projects fund financial statements are found on pages 95 – 96 of this report.

**Permanent Funds.** Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town of Scarborough's programs, that is, for the benefit of the government or its citizenry. Permanent funds are established by the Town of Scarborough for the following purposes:

- Scarborough Memorial Cemetery Perpetual Care
- Dunstan Cemetery Perpetual Care
- Mary A. Tucker Perpetual Care

The Permanent Fund is not considered a major fund and the fund data for this fund is provided in the form of combining statements elsewhere in this report.

The permanent fund financial statements can be found on pages 99 – 100 of this report.

**Fiduciary funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Scarborough's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town of Scarborough reports on both the private purpose trust fund and the agency fund. Private purpose trust funds are used to report all of the Scarborough School Department's scholarship programs. Student Activity Funds are recorded as Agency funds and are used to account for funds raised by and on behalf of the various student groups organized within the Scarborough School Department.

The basic fiduciary fund financial statements can be found on pages 103 - 105 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 – 70.

**Other Information.** The combining statements referred to earlier in conjunction with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 75 – 110 of this report.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position over time, may serve as a useful indicator of the Town's financial position. In the case of the Town of Scarborough, assets and deferred outflows of resources exceeded liabilities by \$61,844,176 as of June 30, 2014.

By far, the largest portion of the Town of Scarborough's Net Position (87.13%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets. The Town of Scarborough uses these capital assets to provide services to our citizens; consequently, these assets are not available for future spending. Although the Town of Scarborough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary of the Town of Scarborough's Net Position for the current year and the prior two years.

**Town of Scarborough's Net Position**  
**Governmental Activities**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assets:			
Current and other assets	\$ 31,424,076	\$ 44,406,380	\$ 38,231,976
Long term assets	1,590,789	1,821,073	2,351,534
Capital Assets	<u>143,599,908</u>	<u>126,890,790</u>	<u>113,358,707</u>
Total Assets	<u>176,614,773</u>	<u>173,118,243</u>	<u>153,942,217</u>
 Total deferred outflows of resources	 <u>2,418,684</u>	 <u>2,544,244</u>	 <u>1,942,469</u>
Total Deferred outflows	<u>2,418,684</u>	<u>2,544,244</u>	<u>1,942,469</u>
 Liabilities:			
Long term liabilities outstanding	107,797,074	100,973,990	84,966,464
Other liabilities	<u>9,392,207</u>	<u>14,962,547</u>	<u>13,310,427</u>
Total Liabilities	<u>117,189,281</u>	<u>115,936,537</u>	<u>98,276,891</u>
 Net assets:			
Net investment in capital assets	53,887,278	49,823,697	54,339,258
Restricted	4,049,315	3,555,142	1,111,295
Unrestricted	<u>3,907,583</u>	<u>6,347,111</u>	<u>2,127,242</u>
Total Net Position	<u>\$ 61,844,176</u>	<u>\$ 39,723,950</u>	<u>\$ 37,577,795</u>

\$4,049,315 (6.55%) of the Town of Scarborough's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, for \$3,907,583, may be used to meet the Town of Scarborough's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year and the prior fiscal year, the Town of Scarborough is able to report positive balances for its net position.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

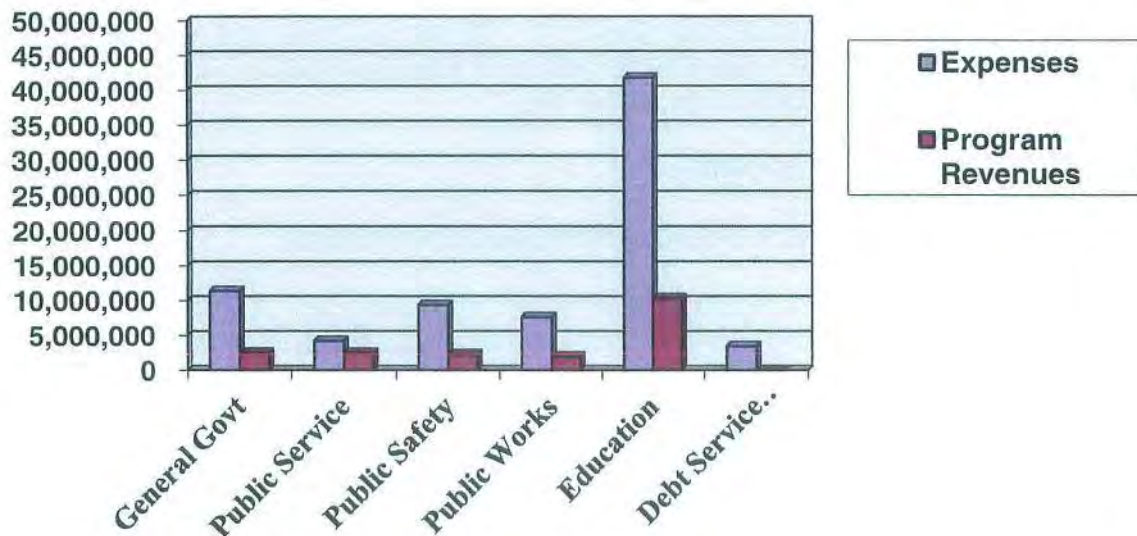
**GOVERNMENTAL ACTIVITIES.** The increase pertaining to the Town of Scarborough's net position of \$2,118,224 is due to the governmental activities of the Town. While the Town of Scarborough's non-tax revenues decreased by \$662,668, tax revenues increased by \$4,399,064. Increase in taxes is due in small part to an increase in the overall assessed valuation of \$28,630,400 from \$3,631,675,300 to \$3,660,305,700. Additionally, vehicle excise tax collections increased by \$396,058 from the prior year. Property tax revenues also increased to offset the loss of intergovernmental revenues of \$1,047,804 from 2013. Finally, the Town of Scarborough property taxes increased as the Town worked to restore positions in the education department lost as a result of the most recession and to continue implementing the Fire Department staffing plan.

Key components of this increase are shown below.

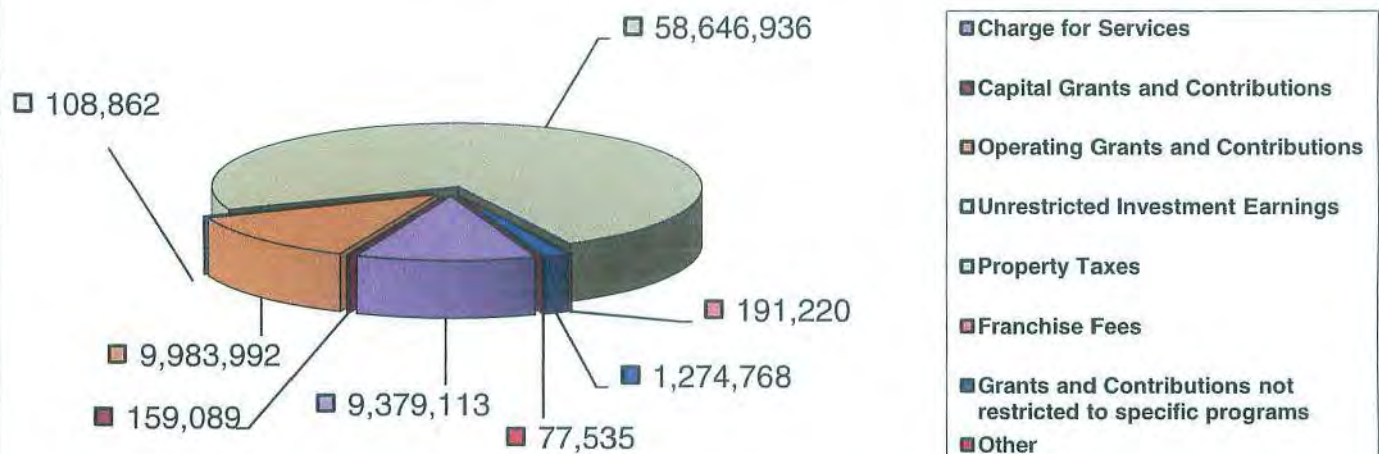
**Town of Scarborough's Changes in Net Position**

	<u>2014</u>	<u>2013</u>
Revenues:		
Program Revenues:		
Charge for services	\$ 9,379,113	\$ 8,933,724
Operating grants and contributions	9,983,992	9,912,515
Capital grants and contributions	159,089	97,351
General Revenues:		
Property and excise taxes, levied for general purposes	58,646,936	54,247,872
Franchise Tax	191,220	194,771
Grants and contributions not restricted to specific programs	1,274,768	2,189,551
Unrestricted investment earnings	108,862	42,573
Other	77,535	466,762
Total revenues	79,821,515	76,085,119
Expenses:		
General government	11,346,043	11,413,745
Public Services	4,188,079	3,851,672
Public Safety	9,362,899	8,555,020
Public Works	7,617,844	7,874,408
Education	41,772,944	39,167,124
Interest on Debt Service	3,415,482	3,074,995
Total expenses	77,703,291	73,936,964
Increase in net position	2,118,224	2,148,155
Net position beginning	59,725,952	57,577,795
<b>Net position ending</b>	<b>\$ 61,844,176</b>	<b>\$ 59,725,950</b>

### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities



#### FINANCIAL ANALYSIS OF THE TOWN'S FUNDING

As noted earlier, the Town of Scarborough uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The general government functions are contained in the General, Special Revenue, Capital Project and Permanent Funds. The focus of the Town of Scarborough's *governmental funds* is to provide information on near term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Scarborough's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use by the Town Council of the Town of Scarborough.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

At June 30, 2014, the Town of Scarborough's governmental funds reported combined fund balances of \$23,145,123. This is a decrease of \$12,894,169 in comparison with the prior year. Approximately 9.02% of this amount or \$2,087,623 constitutes *unassigned fund* balance which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed or assigned*. This indicates that it is 1) not in spendable form (\$196,385), 2) restricted for particular purposes (\$13,578,584), 3) committed for particular purposes (\$4,898,147) or 4) assigned for a particular purpose (\$2,384,384).

The revenues generated for the Haigis Parkway from 15 year special sewer assessment payments and tax increment financing revenues will be used to pay the long-term debt service payments on the Haigis Parkway infrastructure construction. The deficit fund balance is anticipated to grow until the special assessments are paid over time.

**Governmental Fund Balance Comparison**

	<u>2014</u>	<u>2013</u>
General Fund	\$ 9,608,488	\$ 9,057,646
Wentworth School Construction	6,401,250	20,596,380
Haigis Parkway	(1,029,143)	(601,113)
Other Governmental Funds	8,164,528	6,986,379
<b>Total</b>	<b>\$ 23,145,123</b>	<b>\$ 36,039,292</b>

As noted earlier, governmental funds reported combined fund balances of \$23,145,123, a decrease of \$12,894,169 compared with the prior year fund balances of \$36,039,292. Of the \$9,370,154 reported as unrestricted fund balance (total of committed, assigned and unassigned), \$3,363,109 are for special revenue fund projects authorized for specific purposes. The capital projects fund has a deficit of (\$206,237) to be funded in future periods from TIF revenues. \$6,213,282 is available for general fund committed and assigned purposes for which these funds are collected.

The remaining \$13,774,969 of fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for the following:

\$ 2,838,565	Deficit Fund Balances in Special Revenues and Capital Projects Funds
2,848,592	Town Capital Projects
385,995	Town Grants
220,358	Perpetual Care of Municipal Cemeteries
7,419,852	Education Funding - including Wentworth School - major fund
61,607	Food Service and Fuel Inventory
<u>\$ 13,774,969</u>	<b>Total Governmental Fund Nonspendable and Restricted Fund Balance</b>

**Capital Projects Fund Highlights**

During this fiscal year, the Town of Scarborough's fund balances for Capital Projects decreased \$13,307,134 from \$22,595,638 in 2013 to \$9,288,504 in 2014. Expenditures increased \$3,605,795, from \$16,219,260 in 2013 to \$19,825,055 in 2014. These increases in fund balance and expenditures are due to additional bond proceeds and continuing construction activity on the Wentworth School Construction Project. This project is scheduled for completion in the fall of 2014.



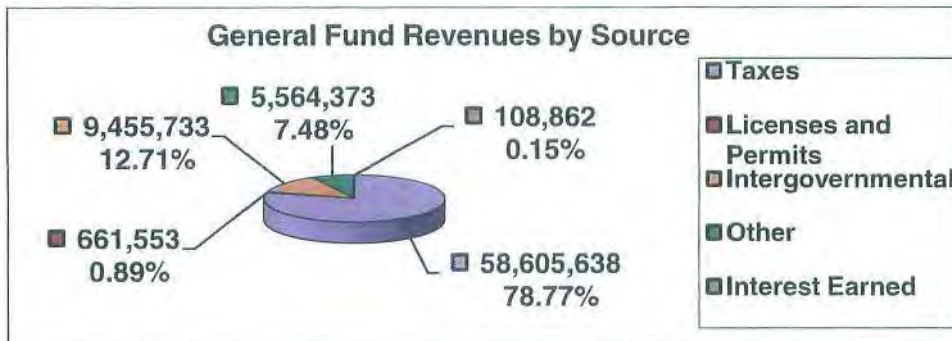
**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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### General Fund Highlights

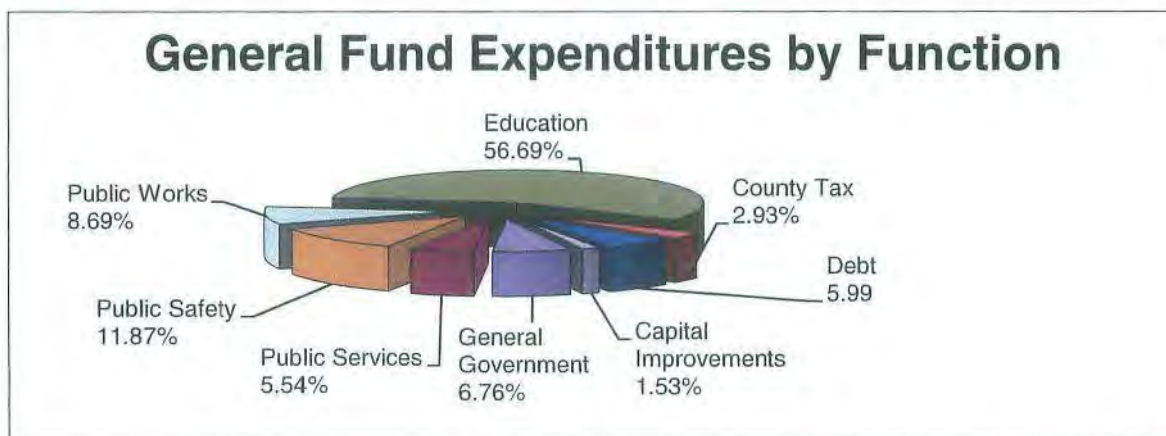
The General Fund is the chief operating fund of the Town of Scarborough. As of June 30, 2014, total fund balance was \$9,608,488 reflecting an increase of \$550,842 compared to the prior year. Unassigned fund balance in the General Fund was \$3,376,747 compared to total fund balance of \$9,608,488. As a measure of the General Fund's liquidity, we believe it is useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balances represent 4.51% of total general fund expenditures while total fund balance represents 12.84% of that same amount.

Current fiscal year revenues by source for the General Fund are as follows:



Property Tax revenues increased \$3,998,307 from 2013 to 2014 compared to the 2012 to 2013 increase of \$3,608,857. A comparison of the actual revenues to estimated revenues can be found on page 44 of the financial statements.

Current fiscal year expenditures by function for the General Fund are as follows:



Actual revenues modestly exceeded estimates by \$947,361 while expenditures came in under budget by \$387,758.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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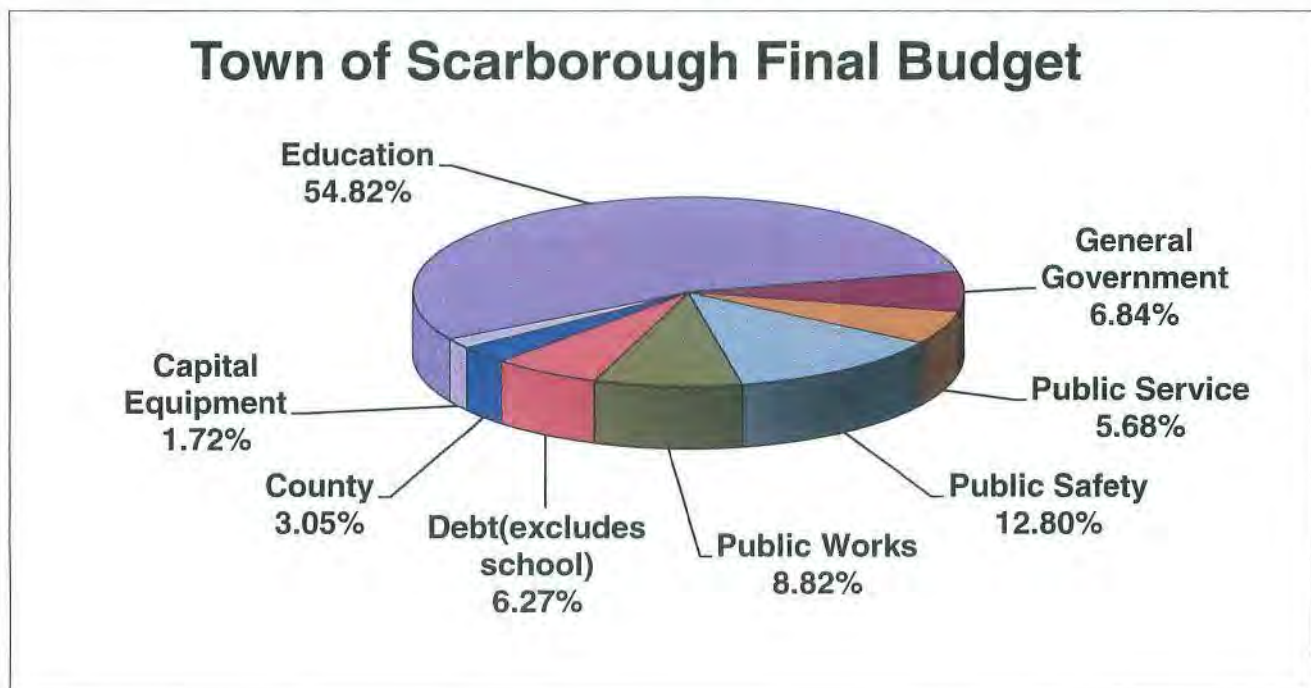
Total general fund expenditures increased \$3,308,251 or 4.85% compared to the prior year. The factors for this increase are:

- General Government increased 10.18% because of hiring new technology staff and legal costs associated with property tax abatement appeals,
- Public Service increased 5.47% due to community services programs and library funding increases,
- Public Safety increased 3.51% due to the increase in fire and police personnel,
- Public Works decreased 2.68% mostly due to the reduced solid waste tipping fees and assessments,
- Education increased 8.22% to offset increased costs for contractual personnel and program restorations,
- County Tax increased 5.72% to help offset the costs of Cumberland County,
- Town Debt (excludes school debt) decreased 9.54% due to refunding of debt and
- Capital Improvements decreased 8.86%. These capital expenditures will vary year to year depending on the type of capital improvement scheduled and approved by the Town Council.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final budget for the Town's General Fund represents the original budget and any previously appropriated funds set aside for honoring legally incurred obligations (prior year encumbrances and commitments) plus any supplementary appropriations that may occur during the fiscal year. In fiscal year 2014, a total of \$1,584,384 was set aside for prior year encumbrances and commitments. There were no budget amendments in fiscal 2014. The final operating budget for fiscal year 2014 amounted to \$71,864,551 compared to \$69,649,893 for fiscal year 2013. More than 91% of this increase was the result of the Town Council approving an increase in the education budget.

Below is the allocation of the Town of Scarborough's budget by department:



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Town's investment in capital assets for its governmental fund, as of June 30, 2014, amounts to \$143,599,908 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, improvements, machinery, equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was 11.94%. This increase is construction in progress on the Wentworth School construction project.

The following is a breakdown of the Town of Scarborough's capital assets (net of depreciation):

**Town of Scarborough's Capital Assets**  
(net of depreciation)

**Governmental Activities**

	<u>2014</u>	<u>2013</u>
Land	\$ 6,386,622	\$ 6,386,622
Buildings	51,255,940	51,862,825
Vehicles	5,721,347	5,559,483
Equipment & Furniture	1,510,306	1,647,901
Infrastructure	45,429,087	43,605,593
Construction in Progress	33,296,606	17,828,366
<b>Total</b>	<b><u>\$ 143,599,908</u></b>	<b><u>\$ 126,890,790</u></b>

The Town's infrastructure assets are recorded at historical or estimated historical costs in the government-wide financial statements as required by GASB Statement No. 34. Major capital asset events during the fiscal year ending June 30, 2014 related mostly to the improvements to the roads and culverts and to the construction in progress of the new Wentworth School

Additional information on the Town of Scarborough's capital assets can be found in Notes to the Basic Financial Statements on page 56 of this report.

**Long-term Debt.** As of June 30, 2014, the Town had long-term bonds outstanding of \$97,895,000 compared to \$96,180,000 in the prior year resulting in a 1.78% increase. This debt is backed by the full faith and credit of the Town of Scarborough.

During fiscal year ending June 30, 2014, the Town of Scarborough issued \$6,505,000 in bonds. This bond issue was all new money for various capital projects, the largest of which is the Wentworth School Construction Project final borrowing for \$1,969,815.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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Additional information relating to the Town's long-term debt can be found in the Notes to Financial Statements on pages 58 – 59 of this report.

<b>Outstanding Debt General Obligation Bonds</b>			
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Municipal	\$ 25,490,280	\$ 25,312,482	\$ 25,944,118
Education	64,467,573	62,846,518	48,200,882
Sewer	7,937,147	8,021,000	8,105,000
<b>Total Debt</b>	<b>\$ 97,895,000</b>	<b>\$ 96,180,000</b>	<b>\$ 82,250,000</b>

Moody's Investors Service has given the Town of Scarborough a bond rating of "Aa3" and affirmed the Aa3 rating on all of the town's outstanding debt. Per Moody's Investors Service rating report dated April 24, 2014, "The Aa3 rating reflects the town's satisfactory financial position, stable tax base with favorable wealth levels and an above average debt burden with slow amortization. Additionally, Moody sights the Town's stable tax base with above average wealth levels and a manageable pension burden as strengths and recognizes these challenges (maintaining sufficient reserve levels, reducing the General Fund subsidy of tax increment financing (TIF) district debt and addressing rising expenditures including education with limited revenue raising ability).

Standard and Poor's Rating Services (S&P) has assigned its "AA" long-term rating to the Town of Scarborough, Maine's series 2014 general obligation (GO) bonds and affirmed its AA long-term rating and underlying rating on the town's existing GO debt. S&P's rating reflects their opinion of the Town's:

- Very strong economy, which benefits from participation in the broad and diverse economy of Portland, Maine;
- Adequate budgetary flexibility, with available reserves above 5% of general fund expenditures for the three most recent audited years;
- Strong budgetary performance, with slight general fund deficits and operating surpluses in total governmental funds;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Strong management conditions, with formalized practices and a consistent ability to maintain balanced budgets; and
- Adequate debt and contingent liabilities profile, driven mostly by the town's low net direct debt as a percent of market value.

Additional information on both of these bond ratings can be found on the Town of Scarborough's website at: <http://www.scarboroughmaine.org/departments/finance/accounting>.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Town of Scarborough continually monitors trends and emerging policies from the State of Maine with a prudent eye to any potential impact to Scarborough's local economy. In addition, both management and elected officials are involved and serve on committees that pro-actively follow state legislative policies and work closely with the local representatives in our State's Capitol.

In adopting the budget for the ensuing fiscal year, the Town of Scarborough's officials considered many factors in making judgments and estimates about the finances of the upcoming year. The Town Council's budget goals for fiscal year 2015 were to:

1. Advocate for the Town of Scarborough with our State Legislature,
2. Flat 0% Spending/Stable Tax Rate,
3. maximize non-property tax revenues,
4. Conservative Budget Assumptions, and
5. Capital Budgeting.

Non-property tax revenues continue their downward spiral as the State continues to reduce its commitments to Maine communities to share both the State's income and sales tax revenues. Municipalities only have taxing authority on property taxes. The State of Maine is the only governing body that can assess the sales and income taxes.

The Town of Scarborough, in cooperation with its school department, has worked to develop a five-year capital budget plan to manage and plan for the long term capital needs of our community.

The 2015 Town of Scarborough budget includes funding for six new municipal positions as follows:  
one part time Community Service position and one Public Work's position to become one full time position;  
one Information Technology field technician;  
one vehicle maintenance mechanic and  
three new dispatcher positions.

The Town of Scarborough will begin dispatch services for our neighboring community of Old Orchard Beach, Maine in February 2015. Additionally, the assessed valuation for 2014 was \$3,660,305,700 compared to 2013 assessed value of \$3,631,675,300 for an increase of \$28,630,400.

The 2014 property tax rate of \$14.77 is 7.02% higher than the 2013 tax rate of \$13.80

The Town's assessed valuation increased from \$3,631,675,300 in 2013 to \$3,660,305,700 in 2014.

During the past economic downturn, the Town of Scarborough appropriated portions of its unassigned fund balance to help offset the impact of the recession. Below is a listing of the approved use of unassigned fund balance since 2011. Since 2012, fund balance appropriations have been appropriated to help offset the costs association with the Scarborough Education Budget. While the Town of Scarborough has appropriated a portion of its unassigned fund balance each year, since 2012, revenues exceeded expenditures and therefore the use fund balance was not needed.

2011	\$1,150,000
2012	\$ 600,000
2013	\$ 200,000
2014	\$ 200,000
2015	\$ 800,000

The Town of Scarborough recognizes the importance of maintaining an appropriate level of fund balance. As stated earlier, the Town Council has adopted a fund balance policy. Once the fund balance level of 10% is achieved, the intent is to dedicate any excess balances towards major capital improvements or property tax stabilization.



**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

Below is a comparison of the 2013, 2014 and 2015 budgets (excluding carryforwards).

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Administration	\$ 2,049,708	\$ 1,953,976	\$ 1,985,756
Finance Department	1,028,033	1,013,837	988,051
Information Systems	1,120,568	942,328	790,865
Planning Department	917,045	907,118	792,249
Community Services	2,309,723	2,246,928	2,162,670
Library	953,583	891,884	847,425
Economic Development	205,257	224,182	177,620
General Assistance/Affordable Hsg	27,883	27,611	22,373
Fire/Rescue/EMA Department	4,110,131	3,904,485	3,736,655
Public Safety Department	5,578,248	5,254,329	5,075,309
Public Works Department	6,359,496	6,294,820	6,477,260
Debt Service	4,641,657	4,508,353	4,732,060
Capital Equipment	1,879,364	923,700	1,406,500
<b>Total Municipal Operating</b>	<b>31,180,696</b>	<b>29,093,551</b>	<b>29,194,793</b>
Education	42,165,315	39,474,516	37,420,562
County Tax	2,355,415	2,193,813	2,075,183
<b>Total Operating Budget</b>	<b>44,520,730</b>	<b>41,668,329</b>	<b>39,495,745</b>
School Food Services	1,485,180	1,415,040	1,445,586
Capital Improvement-Municipal	2,240,460	2,683,426	1,821,605
Capital Improvement-School	1,786,153	1,705,425	650,000
TIFs and Overlay	1,233,880	1,223,908	1,159,998
<b>Total Budget</b>	<b>\$ 82,447,099</b>	<b>\$ 77,789,679</b>	<b>\$ 73,767,727</b>

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Scarborough's finances for all those with an interest in the Town of Scarborough. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Town of Scarborough, Maine P.O. Box 360, Scarborough, Maine 04070-0360, phone 207-730-4081 or e-mail [rporte@ci.scarborough.me](mailto:rporte@ci.scarborough.me).

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# BASIC FINANCIAL STATEMENTS

TOWN OF SCARBOROUGH  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Governmental Activities</b>	<b>Component Units Public Library</b>	<b>Economic Development</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,031,784	59,634	33,648
Investments	14,876,111	644,984	-
Receivables:			
Accounts	1,021,364	4,652	-
Intergovernmental	298,993	-	15,166
Taxes receivable	143,405	-	-
Tax liens	983,581	-	-
Tax acquired property	7,231	-	-
Inventory	61,607	874	-
Prepaid items	-	164	-
Notes receivable	1,590,789	-	-
Capital assets, not being depreciated	39,683,228	-	-
Capital assets, net	103,916,680	952,823	10,038
<b>Total Assets</b>	<b>176,614,773</b>	<b>1,663,131</b>	<b>58,852</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	2,418,684	-	-
<b>Total deferred outflows of resources</b>	<b>2,418,684</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	4,655,119	20,217	168
Accrued payroll and other related liabilities	4,114,853	31,098	3,887
Taxes collected in advance	32,933	-	-
Accrued interest	589,302	-	-
Noncurrent liabilities:			
Due within one year	5,781,109	-	-
Due in more than one year	102,015,965	-	-
<b>Total Liabilities</b>	<b>117,189,281</b>	<b>51,315</b>	<b>4,055</b>
<b>NET POSITION</b>			
Net investment in capital assets	53,887,278	952,823	10,038
Restricted for:			
Nonexpendable trust principal	134,778	104,509	-
Expendable trust - income portion	85,580	-	-
Town grants and projects	3,320,167	-	-
Education	508,790	-	-
Unrestricted	3,907,583	554,484	44,759
<b>Total Net Position</b>	<b>\$ 61,844,176</b>	<b>1,611,816</b>	<b>54,797</b>

*See accompanying notes to financial statements.*

TOWN OF SCARBOROUGH, MAINE  
Statement of Activities  
For the year ended June 30, 2014

For the year ended June 30, 2024							
Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net assets		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government	Component unit	Component unit
					Governmental activities	Public Library	Economic Development
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 11,346,043	1,868,477	467,231	159,089	(8,851,246)	-	-
Public services	4,188,079	2,481,387	1,600	-	(1,705,092)	-	-
Public safety	9,362,899	2,156,498	122,230	-	(7,084,171)	-	-
Public works	7,617,844	1,590,382	350,248	-	(5,677,214)	-	-
Education	41,772,944	1,282,369	9,042,683	-	(31,447,892)	-	-
Interest on debt service	3,415,482	-	-	-	(3,415,482)	-	-
Total governmental activities	77,703,291	9,379,113	9,983,992	159,089	(58,181,097)	-	-
Total primary government	\$ 77,703,291	9,379,113	9,983,992	159,089	(58,181,097)	-	-
<b>Component units:</b>							
Scarborough Public Library	\$ 1,152,740	-	1,125,552	-	-	(27,188)	
Scarborough Economic Develop.	198,920	-	189,925	-	-		(8,995)
<b>General revenues:</b>							
Property taxes, levied for general purposes				\$ 53,825,885	-	-	
Excise taxes				4,651,211	-	-	
Payments in lieu of taxes				71,450	-	-	
Interest and costs on taxes				98,390	-	-	
Franchise Tax				191,220	-	-	
<b>Grants and contributions not restricted to specific programs:</b>							
Homestead exemption and business equipment exemption				351,812	-	-	
Other State aid				131,136	-	-	
State Revenue Sharing				791,820	-	-	
Unrestricted investment earnings				108,862	-	-	
Other				77,535	-	-	
Total general revenues				60,299,321	-	-	
Change in net position					2,118,224	(27,188)	(8,995)
Net position - beginning,					59,725,952	1,639,004	63,792
Net position - ending					\$ 61,844,176	1,611,816	54,797

See accompanying notes to financial statements.



TOWN OF SCARBOROUGH, MAINE  
Balance Sheet  
Governmental Funds  
June 30, 2014

	General	Performance Bonds	Wentworth School Construction	Haigis Parkway Assessments	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,878,727	69,451	2,626,350	-	457,256	14,031,784
Investments	376,822	265,234	5,789,517	-	8,444,538	14,876,111
Receivables:						
Accounts	735,264	-	-	-	169,985	905,249
Intergovernmental	198,794	-	-	-	100,199	298,993
Taxes receivable	143,405	-	-	-	-	143,405
Tax liens	983,581	-	-	-	-	983,581
Interfund loans receivable	3,132,347	-	-	-	87,433	3,219,780
Tax acquired property	7,231	-	-	-	-	7,231
Inventory	47,851	-	-	-	13,756	61,607
Notes receivable	-	-	-	1,590,789	-	1,590,789
<b>Total assets</b>	<b>\$ 16,504,022</b>	<b>334,685</b>	<b>8,415,867</b>	<b>1,590,789</b>	<b>9,273,167</b>	<b>36,118,530</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and other current liabilities	1,680,911	-	2,014,617	-	508,791	4,204,319
Accrued payroll and other related liabilities	4,114,853	-	-	-	-	4,114,853
Accrued compensated absences	94,915	-	-	-	-	94,915
Interfund loans payable	-	-	-	2,619,932	599,848	3,219,780
Taxes collected in advance	32,933	-	-	-	-	32,933
Performance bond deposits	-	334,685	-	-	-	334,685
<b>Total liabilities</b>	<b>5,923,612</b>	<b>334,685</b>	<b>2,014,617</b>	<b>2,619,932</b>	<b>1,108,639</b>	<b>12,001,485</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-property taxes	971,922	-	-	-	-	971,922
<b>Total deferred inflows of resources</b>	<b>971,922</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>971,922</b>
Fund balances:						
Nonspendable Permanent Fund Principal	-	-	-	-	134,778	134,778
Nonspendable Inventory	47,851	-	-	-	13,756	61,607
Restricted for Town	2,838,565	-	-	-	3,320,167	6,158,732
Restricted for Education	508,790	-	6,401,250	-	509,812	7,419,852
Committed - General Fund	452,151	-	-	-	-	452,151
Committed - Education	-	-	-	-	26,637	26,637
Committed - Special Revenues	-	-	-	-	4,419,359	4,419,359
Assigned - General Fund	1,584,384	-	-	-	-	1,584,384
Assigned - Education	800,000	-	-	-	-	800,000
Unassigned Town	3,376,747	-	-	(1,029,143)	(259,981)	2,087,623
<b>Total fund balances</b>	<b>9,608,488</b>	<b>-</b>	<b>6,401,250</b>	<b>(1,029,143)</b>	<b>8,164,528</b>	<b>23,145,123</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 16,504,022</b>	<b>334,685</b>	<b>8,415,867</b>	<b>1,590,789</b>	<b>9,273,167</b>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						143,599,908
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						971,922
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.						
Bonds payable, including issuance premiums						(103,369,487)
Deferred charge on refunding						2,418,684
Capital leases						(597,244)
Accrued interest						(589,302)
Landfill liability						(417,233)
Other postemployment benefits liability						(1,353,397)
Accrued compensated absences						(1,964,798)
<b>Net position of governmental activities</b>						<b>\$ 61,844,176</b>

See accompanying notes to financial statements.

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2014**

	General	Performance Bonds	Wentworth School Construction	Haigis Parkway Assessments	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 58,605,638	-	-	-	220,350	58,825,988
Licenses and permits	661,553	-	-	-	-	661,553
Intergovernmental	9,455,733	-	-	-	1,520,417	10,976,150
Interest earned	108,862	-	50,785	14,157	56,188	229,992
Donations	-	-	-	-	214,623	214,623
Sale of lots	-	-	-	-	3,420	3,420
Assessments and impact fees	-	-	-	-	1,707,135	1,707,135
Other	5,564,373	-	-	-	1,477,213	7,041,586
Total revenues	74,396,159	-	50,785	14,157	5,199,346	79,660,447
<b>Expenditures:</b>						
Current:						
General government	5,059,198	-	-	142,032	-	5,201,230
Public services	4,146,541	-	-	-	-	4,146,541
Public safety	8,879,022	-	-	-	-	8,879,022
Public works	6,502,618	-	-	-	-	6,502,618
Education	42,413,258	-	16,215,730	-	2,366,491	60,995,479
County tax	2,193,813	-	-	-	-	2,193,813
Debt service	4,470,950	-	-	-	-	4,470,950
Capital improvements	1,146,088	-	-	-	3,997,558	5,143,646
Other	-	-	-	-	1,775,426	1,775,426
Total expenditures	74,811,488	-	16,215,730	142,032	8,139,475	99,308,725
Excess (deficiency) of revenues over expenditures	(415,329)	-	(16,164,945)	(127,875)	(2,940,129)	(19,648,278)
<b>Other financing sources (uses):</b>						
Transfers in	561,290	-	-	90,320	718,909	1,370,519
Transfers out	(315,652)	-	-	(390,475)	(664,392)	(1,370,519)
Proceeds from capital leases	249,109	-	-	-	-	249,109
Refunding bond issued	-	-	-	-	-	-
Premium paid on refunded debt	-	-	-	-	-	-
Premium paid on issued debt	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-
General obligation bonds	471,424	-	1,969,815	-	4,063,761	6,505,000
Total other financing sources (uses)	966,171	-	1,969,815	(300,155)	4,118,278	6,754,109
Net change in fund balances	550,842	-	(14,195,130)	(428,030)	1,178,149	(12,894,169)
Fund balances, beginning of year	9,057,646	-	20,596,380	(601,113)	6,986,379	36,039,292
Fund balances (deficit), end of year	\$ 9,608,488	-	6,401,250	(1,029,143)	8,164,528	23,145,123

*See accompanying notes to financial statements.*



**TOWN OF SCARBOROUGH, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2014**

Amounts reported for governmental activities in the statement of activities  
(Statement 2) are different because:

Net change in fund balances - total governmental funds (Statement 4)	\$	(12,894,169)
----------------------------------------------------------------------	----	--------------

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of these assets  
is allocated over their estimated useful lives and reported as  
depreciation expense.

Capital outlays	\$21,839,620	16,709,116
Depreciation expense	(3,201,980)	
Net book value of dispositions	(1,928,524)	

Revenues in the statement of activities that do not provide  
current financial resources are not reported as revenues in  
the funds.

161,068

Some expenses reported in the statement of activities do not  
require the use of current financial resources and, therefore, are  
not reported as expenditures in governmental funds:

Accrued interest	26,362	
Landfill	4,050	
Compensated absences	(111,115)	
Other postemployment benefits liability	(202,198)	

Repayment of capital lease principal is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the statement of net position.

274,199

Capital assets financed with capital leases is reported in the governmental  
funds as a source of financing. However, the capital leases are not revenues  
in the statement of activities, but rather, constitute long-term liabilities in  
the statement of net position.

(249,109)

The issuance of long term debt (e.g., bonds, leases) provides current financial  
resources to governmental funds, while the repayments of the principal of long-term  
debt consumes the current financial resources of governmental funds. Neither  
transaction, however, has any effect on net position. Also, governmental funds  
report the effect of issuance costs, premiums, discounts, and similar items when  
debt is first issued, whereas these amounts are deferred and amortized in the statement  
of activities. This amount is the net effect of these differences in the treatment of  
long-term debt and related items.

General obligation bond proceeds	\$ (6,505,000)	
General obligation bond payments	4,790,000	
Amortization of Bond Premiums	240,580	
Amortization of Deferred Charge	( 125,560)	(1,599,980)

<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>2,118,224</b>
----------------------------------------------------------------------------	-----------	------------------

*See accompanying notes to financial statements.*

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**General Fund**  
**For the year ended June 30, 2014**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 58,215,070	58,215,070	58,605,638	390,568
Licenses and permits	626,205	626,205	661,553	35,348
Intergovernmental	6,450,002	6,450,002	6,344,733	(105,269)
Interest earned	15,000	15,000	108,862	93,862
Unclassified	5,031,521	5,031,521	5,564,373	532,852
Total revenues	70,337,798	70,337,798	71,285,159	947,361
Expenditures:				
Current:				
General government	4,905,259	4,905,259	5,059,198	(153,939)
Public services	4,080,010	4,080,010	4,146,541	(66,531)
Public safety	9,200,409	9,200,409	8,879,022	321,387
Public works	6,341,926	6,341,926	6,502,618	(160,692)
Education	39,399,516	39,399,516	39,078,563	320,953
County tax	2,193,813	2,193,813	2,193,813	-
Debt service	4,508,353	4,508,353	4,470,950	37,403
Capital improvements	1,235,265	1,235,265	1,146,088	89,177
Total expenditures	71,864,551	71,864,551	71,476,793	387,758
Deficiency of revenues under expenditures	(1,526,753)	(1,526,753)	(191,634)	1,335,119
Other financing sources (uses):				
Transfers in	702,000	702,000	561,290	(140,710)
Transfers out	(267,233)	(267,233)	(315,652)	(48,419)
Utilization of surplus	949,845	949,845	-	(949,845)
General obligation bonds	488,500	488,500	471,424	(17,076)
Overlay	(346,359)	(346,359)	-	346,359
Total other financing sources (uses)	1,526,753	1,526,753	717,062	(809,691)
Net change in fund balances - budgetary basis			525,428	525,428
Reconciliation to GAAP basis:				
Change in current portion of accrued compensated absences			25,414	
Net change in fund balances - GAAP basis			550,842	
Fund balance, beginning of year			9,057,646	
Fund balance, end of year	\$		9,608,488	

*See accompanying notes to financial statements.*



**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

		Private-purpose Trust Funds (Scholarships)	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$	-	230,477
Investments		234,141	-
Accounts receivable		-	
Interfund loans receivable		-	-
<b>Total assets</b>		<b>234,141</b>	<b>230,477</b>
<b>LIABILITIES</b>			
Interfund loans payable		-	-
Accounts payable		-	-
Due to student groups		-	230,477
<b>Total liabilities</b>		<b>-</b>	<b>230,477</b>
<b>NET POSITION</b>			
Held in trust	\$	<b>234,141</b>	<b>-</b>

*See accompanying notes to financial statements.*

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2014**

	<b>Private-purpose Trust Funds (Scholarships)</b>
Additions:	
Donations	\$ -
Interest and dividends	681
Total additions	681
Deductions:	
School scholarships	5,750
Total deductions	5,750
Change in net position	(5,069)
Net position, beginning of year	239,210
<b>Net position, end of year</b>	<b>\$ 234,141</b>

*See accompanying notes to financial statements.*



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Town of Scarborough conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

**A. Reporting Entity**

The Town of Scarborough was incorporated in 1658 and operates under a Council-Manager form of government adopted by charter in 1969.

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. The criteria used are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Additional criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based on application of these criteria, the following is a brief review of each discretely presented potential component unit addressed in defining the government's reporting entity.

Scarborough Economic Development Corporation (SEDCO) encourages and assists with the development of business in the Town of Scarborough. The SEDCO board appoints the majority of their board and the Town council affirms their appointment. Additionally, the Town provides SEDCO with a majority of its revenues. All of the financial activity of SEDCO has been reported using the discrete presentation method. The Town provided \$178,876, or 96% of total revenues, to SEDCO for the year ended June 30, 2014.

Scarborough Public Library (the Library) promotes and maintains library facilities in and for the Town of Scarborough. While the Town does not appoint the Library's board, the Town provides the Library with a majority of its funding and the Library provides services directly to the citizens of the Town. The Town owns the land in which the Library operates and may provide for capital improvements and other support services to the Library. The Town believes that the financial statements would be incomplete without the inclusion of the Library as a discretely presented component unit. The Town provided \$936,669, or 90% of total revenues, to the Library for the year ended June 30, 2014.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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Both SEDCO and the Library had positive responses to the reporting entity inclusion criteria set forth by accounting principles, generally accepted in the United States of America. Financial statements for both entities may be obtained by contacting the following offices.

Scarborough Economic Development Corporation  
360 US Route One Willowdale Place, Suite 203  
PO Box 550  
Scarborough, ME 04070-0550

Scarborough Public Library  
48 Gorham Road  
Scarborough, ME 04074

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town. The effect of interfund reimbursements has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Performance Bond Fund accounts for funds temporarily held by the Town until work is completed by developers. If the work is not completed, these funds are retained by the Town and the Town completes the required work. Although this fund does not meet the criteria of a major fund, the Town has elected to report it as a major fund in the governmental fund financial statements.

The Wentworth School Construction Fund, approved through a referendum vote by the voters of the Town of Scarborough on November 8, 2011, allows the town to borrow approximately \$39 million to reconstruct Wentworth Intermediate School. The construction contract for the new school was signed in October 2012 with completion expected in the fall of 2014.

The Haigis Parkway Assessments Fund accounts for assessment revenues to be used to offset debt payments for the Haigis Parkway project.

Additionally, the Town reports the following fund type:

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund types:

Private-purpose Trust funds are used to account for contributions made on behalf of the School Department for student scholarships. Assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. Private-purpose Trust funds use the economic resources measurement focus.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity. The Town's agency funds are student activity funds.

The Town does not utilize internal service funds. As a general rule, the effect of other interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Assets, Liabilities, and Equity**

**Cash and Investments** - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

**Accounts Receivable and Notes Receivable** – Management has reviewed accounts receivable and notes receivable for collectibility and has determined that an allowance for uncollectible accounts is not necessary.

**Interfund Loans Receivable/Payable** - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e. the noncurrent portion of interfund loans).

**Inventory** - Inventory consists of the School Lunch Program food and supplies to be used for resale and is recorded at the lower of cost or market on a first-in, first-out basis. Additionally, the town records its fuel on hand as of the end of the fiscal year as inventory. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment and infrastructure of the primary government are depreciated using the straight-line method over the asset's estimated useful lives as follows: buildings 25-60 years, vehicles 5-25 years, equipment and furniture 10-15 years and infrastructure 30 -75 years. Capital assets not being depreciated consist of land which has an indefinite useful life and construction in progress which will be depreciated once the project has been completed and placed in service.

**Compensated Absences** - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and are accrued ratably over the year. In the fund financial statements, these amounts for accumulated vacation and vested sick leave are only recorded as a liability if they have matured, for example, as a result of paid time off or employee resignations and retirements as applicable. All accumulated leave is accrued when incurred in the government-wide financial statements.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**Long-term Obligations** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of Net Position. Long-term debt is recognized as a liability of a governmental fund when due. In the fund financial statements, for other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The general fund typically pays all governmental activities long-term debt service requirements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred outflows/inflows of resources** – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Fund Balances** – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

1. For Nonspendable fund balance: (1) Assets that will never convert to cash; (2) assets that will not convert to cash soon enough to affect the current period and (3) resources that must be maintained intact pursuant to legal or contractual requirements. Included in this category are the principal balances that pertain to the permanent funds for the Dunstan and Scarborough Memorial Cemeteries and for the cemetery plot for Mary Tucker.
2. For Restricted fund balance: The portion of fund balance that reflects resources that are subject to externally enforceable legal requirements typically imposed by parties altogether outside the town. Included in this category are the fund balances for the school department restricted by State Statute and Tax Increment Finance District fund balances.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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3. For Committed fund balance: The portion of fund balance that represents resources whose use is constrained by limitations imposed by the Town Council, by passing an ordinance prior to the end of the fiscal year, as the highest governing body of the Town of Scarborough and can only be removed by the Town Council in the same manner. For example, Impact Fees were approved by the Town Council and can only be removed by the Town Council.
4. For Assigned fund balance: The portion of fund balance that reflects the Town's intended use of resources established either at the highest governing body or an official designated for this purpose. The Town Council has by resolution authorized the Town Manager to assign fund balance. The Town Manager has authorized carry forward balances to be used to offset 2014 expenditures. This also includes encumbrances.
5. For Unassigned fund balance: The portion of fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

**Minimum Fund Balance Policy** – The Town's fund balance policy sets a goal for unrestricted fund balance, defined as the total of committed, assigned and unassigned in the general fund shall be equal to 8.3% of the operating budget. Any excess above 10% will be set aside for capital improvements or property tax stabilization.

**Net Position Flow Assumption** – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**Fund Balance Flow Assumptions** – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements as flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Interfund Transactions** – Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as operating transfers.

**Use of Estimates** - Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**E. Recent Accounting Pronouncements**

In June 2012, the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement improves accounting and financial reporting by state and local governments for pensions. The new statement is effective for periods beginning after June 15, 2014. The Town is currently assessing the impact of this statement on its financial statement.

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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**A. Budgetary Information**

The general fund has a legally adopted annual budget. The general fund budget is adopted on a basis consistent with generally accepted accounting principles (GAAP), except for capital leases, on-behalf payments and the current portion of compensated absences. The level of control (level at which expenditures may not exceed budget) is the Department. At year end, department administrators may request to carry forward certain unexpended accounts with the Town Manager's approval, otherwise unexpended budgetary accounts lapse at the close of the fiscal year. Once adopted, the budget can only be amended by the Town Council. The revised budget presented for the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund (Statement 6) includes various adjustments as follows:

	Revenues and other <u>sources</u>	Expenditures and other <u>uses</u>
2013-2014 budget as adopted	\$71,863,298	\$71,863,298
Budgetary adjustments:		
Subsequent authorization	-	-
Prior year encumbrances and carryforwards	614,845	614,845
<b><u>Total adjusted budget</u></b>	<b><u>\$ 72,478,143</u></b>	<b><u>\$ 72,478,143</u></b>

**B. Deficit Fund Balance**

At June 30, 2014, the following special revenue and capital projects funds had deficit fund balances:

Boat Launch Fund (a special revenue fund) had a deficit of \$39,988. It is expected that this deficit will be adequately funded in future years through additional contributions and revenues.

The Municipal Building Fund (a capital project fund) had a deficit of \$206,237. This deficit is expected to be adequately funded in future years with TIF revenues.

The Haigis Parkway Assessments Fund had a deficit of \$1,029,143. This deficit is expected to grow initially and then be adequately funded in future years with TIF revenues and assessment payments.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**DEPOSITS AND INVESTMENTS**

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**A. Deposits**

*Custodial Credit Risk-Town Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town does not have a formal policy with respect to custodial credit risk. As of June 30, 2014, the Town reported deposits of \$14,262,261 with a bank balance of \$14,350,914. Of the Town's bank balances of \$14,350,914, none was exposed to custodial credit risk because it was covered by the F.D.I.C. or is secured by additional collateral pledged on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$14,031,784
Reported in fiduciary funds	230,477
<b>Total deposits</b>	<b>\$14,262,261</b>

At June 30, 2014, the Scarborough Public Library and Scarborough Economic Development's cash balances were \$59,634 and \$33,648 respectively, all of which was covered by F.D.I.C. insurance.

**B. Investments**

At June 30, 2014, the Town had the following investments and maturities:

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Money markets and repurchase agreements	\$15,110,252	\$15,110,252	-	-
<b>Total investments</b>	<b>\$15,110,252</b>	<b>\$15,110,252</b>	<b>--</b>	<b>-</b>

Investments have been reported as follows:

Reported in governmental funds	\$14,876,111
Reported in fiduciary funds	234,141
<b>Total investments</b>	<b>\$15,110,252</b>

*Interest Rate Risk:* The Town does not have a policy related to interest rate risk.

*Credit Risk:* Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The Town does not have a formal policy related to credit risk.

*Custodial Credit Risk-Town Investments:* Custodial credit risk is the risk that in the event of a failure of the counterparty the Town will not be able to recover the value of its investments. The Town does not have an investment policy for custodial credit risk. None of the Town's investments are subject to custodial credit risk.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**PROPERTY TAX**

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Property taxes for the current year were committed on August 21, 2013, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. These taxes were due in two installments, 50% on October 15, 2013 and 50% on March 17, 2014. Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these respective due dates. Assessed values are periodically established by the Town's Assessor at 100% of the assumed market value as of June 30, 2014 and the Town's value was 100% of the 2014 State valuation of \$3,579,450,000.

The Town is permitted by the laws of the State of Maine to levy up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$346,359 for the year ended June 30, 2014.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivable collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

The following summarizes the June 30, 2014 levy:

Assessed value	\$ 3,660,305,700
Tax rate (per \$1,000)	14.77
Commitment	54,062,720
Supplemental taxes assessed	164,758
	54,227,478
Less - collections and abatements	53,470,367
<b>Receivable at June 30</b>	<b>757,111</b>
Consisting of:	
Taxes	\$ 29,951
Liens	727,160
<b>Receivable at June 30</b>	<b>\$ 757,111</b>
Collection rate	98.60%

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

**CAPITAL ASSETS**

Capital asset activity for the year ending June 30, 2014 was as follows:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,386,622	\$ -	\$ -	\$ 6,386,622
Deposit on Ladder Truck	786,500		786,500	-
Construction in progress	17,828,366	17,396,764	1,928,524	33,296,606
<b>Total capital assets, not being depreciated</b>	<b>25,001,488</b>	<b>17,396,764</b>	<b>2,715,024</b>	<b>39,683,228</b>
Capital assets, being depreciated:				
Buildings	68,435,521	668,745	55,976	69,048,290
Vehicles	12,395,483	2,008,387	970,739	13,433,131
Equipment and furniture	5,773,701	273,016	205,026	5,841,691
Infrastructure	53,512,928	2,593,239	5,681	56,100,486
<b>Total capital assets being depreciated</b>	<b>140,117,633</b>	<b>5,543,387</b>	<b>1,237,422</b>	<b>144,423,598</b>
Less accumulated depreciation for:				
Buildings	16,572,697	1,223,127	3,474	17,792,350
Vehicles	7,622,498	914,572	825,286	7,711,784
Equipment and furniture	4,125,801	298,957	93,373	4,331,385
Infrastructure	9,907,335	765,324	1,260	10,671,399
<b>Total accumulated depreciation</b>	<b>38,228,331</b>	<b>3,201,980</b>	<b>923,393</b>	<b>40,506,918</b>
<b>Total capital assets being depreciated, net</b>	<b>101,889,302</b>	<b>2,341,407</b>	<b>314,029</b>	<b>103,916,680</b>
<b>Governmental activities capital assets, net</b>	<b>\$126,890,790</b>	<b>\$19,738,171</b>	<b>\$3,029,053</b>	<b>\$143,599,908</b>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 273,873
Public services	41,537
Public safety	483,877
Public works, including depreciation of general infrastructure assets	1,119,276
Education	1,283,417
<b>Total depreciation expense – governmental activities</b>	<b>\$ 3,201,980</b>

Capital assets for the Scarborough Public Library and Scarborough Economic Development Corporation discretely presented component unit are as follows:

	<b>Library</b>	<b>SEDCO</b>
Buildings	\$1,603,685	-
Furniture and fixtures	688,413	\$36,293
Books	912,557	-
<b>Total</b>	<b>3,204,655</b>	<b>36,293</b>
<b>Less accumulated depreciation</b>	<b>(2,251,832)</b>	<b>(26,255)</b>
<b>Property and equipment, net</b>	<b>\$ 952,823</b>	<b>\$10,038</b>
<b>Depreciation expense</b>	<b>\$ 133,955</b>	<b>\$ 2,470</b>



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**INTERFUND BALANCES**

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Interfund balances result from the sharing of pooled cash and investments. Individual interfund loans receivables and loans payables at June 30, 2014, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$3,132,347	-
Haigis Parkway	-	\$2,619,932
Nonmajor Governmental Funds:		
Nonmajor Special Revenue Funds:		
Recreational development	6,405	
Impact Fees		164,258
Boat Launch	-	39,988
Police asset forfeiture	-	441
Payne Road impact fees	1,173	-
Rescue equipment	-	21,650
Departmental grants and programs		143,144
Total Nonmajor Special Revenue Funds	7,578	369,481
Nonmajor Capital Project Funds:		
Higgins Beach Bath House	7,039	
Athletic Field Building Improvements	50,284	
Oak Hill Intersection Improvements	4,887	
Pine Point Eastern Trail	1,879	
Municipal Building Boiler Replacement		7,500
Municipal Building Air Handler		870
Police Station Roof Repairs		2,401
Fire Station Major Repairs		141
Municipal building fund	-	206,237
Total Nonmajor Capital Project Funds	64,089	217,149
Nonmajor Permanent Funds:		
Scarborough Memorial Cemetery	2,620	-
Dunstan Perpetual Care	-	72
Total Permanent Funds	2,620	72
Total Other Governmental Funds	74,287	586,702
Private-purpose Trust Funds	-	-
<b>Total all funds</b>	<b>\$3,206,634</b>	<b>\$3,206,634</b>

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**INTERFUND TRANSFERS**

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	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$561,290	\$ 315,652
Haigis Parkway Assessments	90,320	390,475
Nonmajor Governmental Funds	718,909	664,392
<b>Total</b>	<b>\$1,370,519</b>	<b>\$1,370,519</b>

Interfund transfers are used to move unrestricted resources to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The most significant transfers include annual transfers from the education general fund to the school lunch program to fund the annual deficit from operations, transfers from other impact fees fund and rescue fund to cover capital outlay, transfer from Haigis Parkway fund to cover a portion of debt service, and transfer from departmental grants and programs fund to cover related expenditures incurred in the general fund.

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**CHANGES IN LONG-TERM LIABILITIES**

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Long-term liability activity for the year ended June 30, 2014, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$96,180,000	\$6,505,000	\$4,790,000	\$97,895,000	\$5,480,000
Premium	5,715,067		240,580	5,474,487	
Capital leases	622,334	249,109	274,199	597,244	202,144
Compensated absences	1,974,012	206,030	120,329	2,059,713	94,915
Other postemployment Benefits liability	1,151,199	202,198		1,353,397	
Landfill post-closure care costs	421,283	-	4,050	417,233	4,050
<b>Governmental activity</b>					
<b>Long-term liabilities</b>	<b>\$106,063,895</b>	<b>\$7,162,337</b>	<b>\$5,429,158</b>	<b>\$107,797,074</b>	<b>\$5,781,109</b>

As of June 30, 2014, the Town had authorized, but unissued debt totaling \$6,234,779. The General Fund typically pays all governmental activities long-term debt service requirements including accrued compensated absences.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

**BONDS PAYABLE**

Bonds payable at June 30, 2014 is comprised of the following:

General Obligation Notes and Bonds	Amount originally issued	Percentage applicable to			Interest rate	Final maturity date	Balance end of year
		Town	School	Sewer			
1994 Capital improvements	6,775,000	-	100.00%	-	Varies	2015	\$ 230,000
1995 Capital improvements	6,160,000	1.89%	98.11%	-	Varies	2016	530,000
1997 Capital improvements	4,230,000	100.00%	-	-	Varies	2017	330,000
2004 Capital improvements	14,628,000	-	100.00%	-	Varies	2016	215,000
2005 Capital improvements	10,665,000	12.92%	87.08%	-	Varies	2034	565,000
2006 Capital improvements	7,014,000	92.78%	7.22%	-	Varies	2036	2,035,000
2007 Capital improvements	4,000,000	92.50%	7.50%	-	Varies	2022	800,000
2008 Capital improvements	8,513,000	85.51%	14.49%	-	Varies	2028	4,145,000
2009 Capital improvements	4,560,000	94.65%	5.35%	-	Varies	2029	2,655,000
2009 Capital improvements	1,780,000	79.81%	20.19%	-	2.00%	2020	1,040,000
2010 Capital improvements	6,002,000	84.89%	15.11%	-	2.00%	2031	4,565,000
2011 Capital improvements	5,600,000	83.27%	16.73%	-	Varies	2031	3,975,000
2012 Capital improvements	46,545,000	6.39%	75.96%	17.66%	Varies	2042	44,955,000
2013 Capital improvements	25,685,000	9.09%	90.91%	-	Varies	2043	25,350,000
2014 Capital improvements	6,505,000	49.26%	50.74%	-	Varies	2034	6,505,000
<b>Total</b>							<b>\$97,895,000</b>

The annual requirements to amortize all debt outstanding as of June 30, 2014 are as follows:

Year ending June 30,	Principal	Interest	Total
2015	\$ 5,480,000	\$ 3,500,337	\$ 8,980,337
2016	5,820,000	3,334,199	9,154,199
2017	5,885,000	3,154,237	9,039,237
2018	6,040,000	2,960,390	9,000,390
2019	5,890,000	2,761,071	8,651,071
2020-2024	26,040,000	10,718,072	36,758,072
2025-2029	17,405,000	6,722,124	24,127,124
2030-2034	14,290,000	3,629,144	17,919,144
2035-2039	6,730,000	1,493,819	8,223,819
2040-2043	4,315,000	292,800	4,607,800
<b>Totals</b>	<b>\$ 97,895,000</b>	<b>\$38,566,193</b>	<b>\$136,461,193</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**STATUTORY DEBT LIMIT**

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In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of State valuation of such municipality. A summary of the Town's legal debt margin is as follows:

	June 30, 2014 outstanding <u>bonds</u>	Percent of 2014 State assessed value of \$ 3,579,450,000	<u>Amount</u>	<u>Margin</u>
For school purposes	\$ 64,467,573	10.00%	\$357,945,000	\$293,477,427
For storm or sanitary sewer	7,937,147	7.50%	268,458,750	260,521,603
For municipal airport, water and special district purposes	-	3.00%	107,383,500	107,383,500
For all other purposes	25,490,280	7.50%	268,458,750	242,968,470
<b>Total</b>	<b>\$ 97,895,000</b>			

The statutory debt limit according to State law is 15% of the State assessed value, which amounts to \$536,917,500. The total debt margin based on this limit is \$439,022,500.

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**STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES**

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The State of Maine currently reimburses the Town for a portion of financing costs of school buildings. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

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**CAPITAL LEASES**

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The Town of Scarborough has entered into various lease agreements as lessee for copiers, equipment, vehicles, building improvements and computer hardware and software. Those leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of its inception. The amount of assets capitalized under capital leases is \$1,645,305.

The following is a schedule of future minimum lease payments under capital leases and the present value of the minimum lease payments at June 30, 2014:

2015	\$ 221,075
2016	208,353
2017	206,028
2018-thereafter	-
Total minimum lease payments	635,456
Less: amount representing interest	38,212
<b>Present value of future minimum lease payments</b>	<b>\$ 597,244</b>



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**OVERLAPPING DEBT AND OTHER CONTINGENCIES**

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**Overlapping Debt**

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. At June 30, 2014, the Town's State valuation of \$3,579,450,000 was 9.27% of the County's State valuation of \$38,629,800,000. The Town's share is 9.27% or \$3,458,052 of Cumberland County's \$37,310,000 long-term debt outstanding as of June 30, 2014.

The Town is also served by the Portland Water District. At June 30, 2014, the Town's share of self-supporting bonded water debt is 14.0989% or \$5,994,132 of total debt of \$42,514,891.

**Contingencies**

ecomaine, formerly Regional Waste Systems, a Maine Corporation with 21 participating municipalities ("Member Municipalities"), including the Town of Scarborough, has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision, or a pledge of the full faith and credit of any political subdivision of the State of Maine. ecomaine has no taxing power. Notwithstanding the foregoing, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the solid waste produced within each such participating municipality to ecomaine for processing to make service payments and pay tipping fees for such processing in amounts which, when added to other available monies, will be at least equal to the required debt service on the bonds. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. At June 30, 2012, outstanding "Incinerator Debt" of ecomaine totaled \$2,660,000 all of which was paid on July 1, 2012 thereby reducing the Scarborough's proportionate share to zero.

The Town has also entered into an agreement with ecomaine as one of the 21 ecomaine Member Municipalities along with an additional seven Participating Municipalities, to establish a Material Recycling Facility ("MRF") at ecomaine's demolition debris and recycling facility in Gorham. It is anticipated that the Town's share of debt incurred for this project will also be paid through service charges and user fees over the life of the project. At June 30, 2012, outstanding MRF debt totaled \$1,990,000 of which \$1,405,000 was paid on July 1, 2012 with the balance of \$585,000 paid on August 1, 2012, thereby reducing Scarborough's proportionate share to zero. ecomaine operates a licensed balefill and ashfill site for which projected landfill closure and postclosure care costs approximate \$16,191,575 at June 30, 2014, the most recent data available. The Town's proportionate share of these estimated landfill closure and postclosure care costs is 8.87%, or \$1,435,524.

**Total Debt and Contingencies**

Governmental Unit	As of June 30, 2014			
	Direct debt	Overlapping debt	Contingent debt	Total debt
Town of Scarborough	\$ 97,895,000	-	-	\$ 97,895,000
Cumberland County	-	\$ 3,458,052	-	3,458,052
Portland Water District - water debt	-	5,994,132	-	5,994,132
ecomaine Waste Systems:				
Landfill closure/postclosure costs	-	-	\$1,435,524	1,435,524
<b>Totals</b>	<b>\$ 97,895,000</b>	<b>\$9,452,184</b>	<b>\$1,435,524</b>	<b>\$108,782,708</b>



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED**

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**Arbitrage**

Pursuant to the Tax Reform Act of 1986, municipalities issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit such rebate to the federal government, subject to certain exceptions. The Town has had several issues for which a rebate calculation is or has been required. As of June 30, 2014, substantially all such calculations have been performed and the Town is in compliance with all arbitrage requirements.

**Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

**Litigation**

There are various claims and suits pending against the Town which arise in the normal course of the Town's activities. In the opinion of the Town's management the ultimate disposition of these various claims and suits will not materially affect the financial condition of the Town. With respect to litigation relating to tax abatement appeals, any potential financial exposure will be covered by the Overlay appropriated annually.

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**LANDFILL CLOSURE AND POSTCLOSURE COSTS**

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Under existing State law, Maine communities had until December 31, 1995 to close existing landfills under a state approved plan and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town is operating a demolition debris landfill under a waiver granted by the State. The landfill is permitted to operate in its existing capacity until 2027. The estimated total current cost of landfill closure, \$417,233, is based on the amount that would be paid if equipment, facilities, and services required to close and maintain the Town's landfill were acquired as of June 30, 2014. Additionally, annual monitoring and maintenance costs are estimated to be \$4,050 per year.

The total closure and postclosure care costs of \$417,233 have been accrued in the statement of activities for the year ended June 30, 2014. Presently, the State of Maine is providing partial funding for certain closure costs; however, future funding is based on availability of funds. The actual cost of closure and postclosure care may be higher due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**FUND BALANCE CHANGES**

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For the period ending June 30, 2014, the General Fund includes three programs that previously were reported as Special Revenue Funds. This change is the result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Activity of these three programs are currently presented in Exhibits A-1, A-2 and A-2 Cont. Additionally, the fund balances reclassified from Special Revenue Funds to the General Fund are all presented as Committed Fund balance in the General Fund as follows:

	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Unemployment Compensation	\$ 145,535	\$ 143,607
Hurd Park and Ferry Beach	211,253	292,760
Hunnewell House	<u>17,212</u>	<u>15,784</u>
Total reclassification	<u>\$ 374,000</u>	<u>\$ 452,151</u>

The following is a schedule of fund balance classifications for the governmental funds as June 30, 2014:

	<u>General Fund</u>	<u>Wentworth Construction</u>	<u>Haigis Parkway Assess</u>	<u>Nonmajor Governmental</u>
<b>Fund Balances:</b>				
Nonspendable-Permanent Funds	\$ -	\$ -	-	\$ 134,778
Nonspendable-Inventory	<u>47,851</u>	<u>-</u>	<u>-</u>	<u>13,756</u>
	47,851	-	-	148,534
<b>Restricted</b>				
Permanent Fund Interest	-	-	-	85,580
Deficits in Other Funds	1,247,776	-	-	-
Haigis Parkway Note Receivable	1,590,789	-	-	-
Credit Enhancement Agreements	-	-	-	43,024
Sawyer Road Improvements	-	-	-	66,146
Grants and Donations	-	-	-	75,752
Fire Department Equipment	-	-	-	39,726
Police Asset Forfeiture	-	-	-	161,347
Town Improvements	-	-	-	2,848,592
Education	<u>508,790</u>	<u>6,401,250</u>	<u>-</u>	<u>509,812</u>
	3,347,355	6,401,250	-	3,829,979
<b>Committed</b>				
Unemp. Comp/Beach Reserve/Hunnewell	452,151	-	-	-
Impact Fees/Reserves	-	-	-	4,419,359
Education	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,637</u>
	452,151	-	-	4,445,996
<b>Assigned</b>				
Carryforward Balances/Encumbrances	1,584,384	-	-	-
Education	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2,384,384	-	-	-
<b>Unassigned</b>	<u>3,376,747</u>	<u>-</u>	<u>(1,029,143)</u>	<u>(259,981)</u>
<b>Total Fund Balances</b>	<u>\$9,608,488</u>	<u>\$6,401,250</u>	<u>(\$1,029,143)</u>	<u>\$8,164,528</u>

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**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**ASSIGNED FUND BALANCES**

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At June 30, 2014, portions of the General Fund fund balance were assigned to future periods as follows:

	<u>2014</u>
General Fund:	
State Revenue Sharing	\$ (120,686)
Municipal Building – Building Repairs & Maint.	11,940
Administration – Equipment Maintenance	1,500
Administration – Operational Supplies	3,000
Administration – Rebate Revenues	1,250
Human Resource – Overtime	1,350
Human Resource – Employee Recognition	1,450
Human Resource - Training	750
Finance – Collections Training	5,000
Assessing Department – Training	354
Assessing Department – Printing	1,724
Assessing Department – Supplies	398
Information Systems – Employee Training	4,322
Information Systems – Software Maintenance	7,519
Comprehensive Plan	15,089
SEDCO – Contracted Services	15,000
Marine Resource Office – Inventory Management	7,077
Cable Franchise Fees	41,033
Child Care	50,000
Town-Wide Computer Purchases	6,766
Planning – Watershed Map/Management Plan	27,298
Library – Material Handling RFID	1,000
Fire Department – Municipal Holding Tank	8,837
Police Department – New Vehicles	61,423
Police Department – Tomar Pre-Emptive Device	862
Police Department – Community Policing In-House	2,000
Police Department – Cruiser Equipment	15,018
Police Department – Motorola Equipment	3,021
Public Works – Alarm Maint. Route 1 to So. Portland Line	20,000
Encumbered purchase orders	180,895
Fund Balance Appropriated for the 2015 Budget	800,000
Reserve for Accrued Sick Pay	1,209,194
<b>Total General Fund assigned fund balance</b>	<b><u>\$ 2,384,384</u></b>



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN**

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**Description of the Plan** - The Town contributes to the Maine Public Employees Retirement System Consolidated Plan formerly known as the Maine State Retirement System Consolidated Plan. The Consolidated Plan is a cost sharing multiple-employer retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine State Retirement, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

**Funding Policy** - Plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. These rates are designed to accumulate sufficient assets to pay benefits, when due. Normal cost employer contributions are calculated using the entry age normal actuarial cost method. Additionally, upon entering the Consolidated Retirement Plan, the Town had its separate, individual existing unfunded actuarial liability calculated which the Town fully funded in 2007. The current employer rate is 6.5% of annual covered payroll for School employees participating in the District Plan, 6.5% for Town employees, 12.8% for Police and Fire/Rescue. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employees Retirement Board of Trustees. The Town's contributions to the MPERS Consolidated Plan for the year ended June 30, 2014, 2013 and 2012 were \$531,315, \$436,099, and \$353,904 respectively and this is 100% of the amount required, that the Town paid.

**Teacher Group** - All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine State Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

**Funding Policy** - Plan members are required to contribute 7.65% of their compensation to the retirement system and employers (local school districts) are required to contribute an additional 2.65% on their behalf. The State of Maine Department of Education is required, by the same statute, to provide a portion of the employer contribution; for the fiscal year 2014, the State contribution amounts to \$3,111,000 (15.83%). This amount has been reported as an intergovernmental revenue and retirement expenditure in the GAAP basis financial statements (Statement 2 and Statement 4).



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**DEFINED CONTRIBUTION PENSION PLAN**

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**Defined Contribution Pension Plan** - The Town, under a plan adopted and approved by the Town Council, contributes to the International City Manager's Association Retirement Corporation (ICMA-RC) Money Purchase Plan, a defined contribution pension plan administered by the ICMA-RC.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. All full time municipal employees of the Town have the option of participating in either the ICMA Money Purchase Plan or the Maine Public Employees Retirement System. Contributions made by the employer vest upon completion of three years of service. An employee who leaves the employment of the Town is entitled to all contributions and earned income in his/her account at that time. Each employee must contribute a minimum of 6% of his/her gross earnings to the pension plan, while the Town is required to contribute an amount equal to 6% of the employee's gross earnings. The Town Manager has a separate plan that requires the Town to contribute 12% of the Manager's gross earnings and the Manager is not required to contribute.

During the year, the Town's required and actual contributions amounted to \$295,347 which was 6% of the participating employees and 12% of the Town Manager's current year covered payroll. The covered payroll amounted to \$4,797,071, while the Town's total payroll was \$11,717,577.

Employee's required contributions amounted to \$280,306, which was 6% of the Town's current year covered payroll.

No pension provision changes occurred during the year that affected the required contributions to be made by the Town or its employees.

The ICMA Money Purchase Plan held no securities of the Town or other related parties during the year or as of the close of the fiscal year.

The Town of Scarborough also offers all its full time employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457 and authorized by the Town Council. The plan permits participating employees to defer a portion of their salary until future years.

During the year, the participating employees contributions amounted to \$388,727 and the Town contributions amounted to \$249,513. The Town contributes a match up to 4%. The covered payroll amounted to \$6,051,162.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not reported in the Town's financial statements.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**OTHER POST EMPLOYMENT BENEFITS**

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The Governmental Accounting Standards Board (GASB) promulgated its Statement 45 which addressed the reporting and disclosure requirements for other post-employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the Town of Scarborough for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported in a manner similar to pension plans.

The Town is a member of the Maine Municipal Employees Health Trust, which is an agent multiple-employer plan. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in January 1, 2014 for fiscal year ending June 30, 2014.

**Plan Descriptions** – In addition to providing pension benefits, the Town provides health care benefits for qualified retired employees. Eligibility to receive health care benefits at retirement is determined by the Health Trust standards. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage. A copy of the financial report and the required supplementary information for the Health Trust may be obtained from the Maine Employees Municipal Health Trust, 60 Community Drive, Augusta, Maine 04333.

**Funding Policy and Annual OPEB Cost** – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year. The unfunded actuarial accrued liability must be amortized over a period not to exceed thirty years.

The following table represents the OPEB costs for the year and the annual required contribution:

Normal Cost	\$116,338
Amortization of Unfunded	151,698
Interest	5,308
Annual Required Contribution	\$273,344

**Funding Status and Funding Progress** – The Town's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2014 were as follows:

Annual required contribution	\$273,344
Interest on NET OPEB Obligation	46,048
Amortization adjustment to ARC	(66,574)
Annual OPEB Cost	252,818
Actual contribution	(50,620)
Increase in Net OPEB Obligation	202,198
Net OPEB obligation – beginning of year	1,151,199
<b>Net OPEB Obligation – end of year</b>	<b>\$1,353,397</b>



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

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The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Cost</u>	<u>Cost Contributed</u>	<u>Obligation</u>
2014	\$ 252,818	20%	\$ 1,353,397
2013	254,097	10%	1,151,199
2012	255,098	13%	921,025

The funded status of the plan as of June 30, 2014 was as follows:

Actuarial accrued liability	\$3,023,581
Plan Assets	0
Unfunded actuarial accrued liability	\$3,023,581
Covered payroll	\$9,298,561
Unfunded actuarial accrued liability as a percentage of covered payroll	33%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions** – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1-1-2014
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period	30 years, open amortization period
Actuarial assumptions:	
Discount Rate	4.00%
Projected salary increases	3.00%
Healthcare inflation rate	4.60%



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**TAX INCREMENT FINANCING DISTRICTS**

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The Town has established two, Tax Increment Financing Districts (TIF) under the terms of applicable State laws. The TIF districts have been established to finance certain development programs located in the Town. The expenditures from these development programs will be recouped in future years via an incremental tax levied upon the Town's so-called "captured assessed value". The tax increment will be held in the form of a sinking fund which will be used expressly for the repayment of principal and interest on any indebtedness created to fund the expenditures of the development programs. The Scarborough Town Center Development District was amended in March 2012 to extend the number of years this TIF district to 2016.

Additionally, under the terms of applicable State laws, the town established four, Credit Enhancement Agreements (CEA). Credit Enhancement Agreements permit the "captured" property tax dollars to be channeled directly to the business doing the development. The money must be used for the project as approved by the Town.

The status of the various Tax Increment Financing Districts and Credit Enhancement Agreements are summarized below:

Scarborough Town Center Development District:	
Original assessed value	\$ 6,915,000
Maximum authorized captured value	6,900,000
Amount captured as of June 30, 2014	6,900,000
Haigis Parkway TIF:	
Original assessed value	8,563,500
Amount captured as of June 30, 2014	6,115,100
Enterprise Business Park CEA:	7,161,800
New England Expedition CEA:	35,155,100
Bessey School Senior Housing CEA:	2,630,800
Foundation Center LLC CEA:	1,451,500

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**RISK MANAGEMENT**

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The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, for which the Town either carries commercial insurance, participates in a public entity pool, or is effectively self-insured. Currently, the municipal departments participate in several public entity and self-insured pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchases, the Town is not aware of any material actual or potential claims liabilities which should be recorded at June 30, 2014. There have been no significant reductions in commercial insurance coverage from the prior year and no settlements have exceeded commercial insurance coverage in any of the past three years.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**NET POSITION**

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Net Position represents the difference between assets, deferred outflows and liabilities. Net Position invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's Net Position net investment in capital assets, was calculated as follows at June 30, 2014:

	Governmental <u>Activities</u>
Capital assets	\$ 184,106,828
Accumulated depreciation	(40,506,920)
Bonds payable	(89,958,000)
Premium liabilities net of amortization	(5,474,486)
Capital leases payable	(597,244)
Unspent bond proceeds	6,317,100
<b><u>Total invested in capital assets net of related debt</u></b>	<b><u>\$53,887,278</u></b>

The Town's Bonds payable is \$97,895,000 as stated in the footnote on page 59. For the purpose of determining Net Position invested in capital assets net of related debt, bonds payable totaling \$7,937,000, have been excluded from this calculation because the Town transferred ownership of the capital assets to other entities.

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**COMMITMENTS**

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Construction in progress of \$33,296,606 as of June 30, 2014 consists of athletic field improvements, road improvements, Eastern Trail improvements, major fire station repairs and the Wentworth School construction. These projects are expected to be completed during the fiscal year ending June 30, 2015. The additional estimated costs to complete these projects are approximately \$6,000,000.



**TOWN OF SCARBOROUGH, MAINE**  
**Schedule of Funding Progress**  
**Required Supplementary Information**  
**June 30, 2014**  
**(Unaudited)**

**Other Post-Employment Benefits**

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) /c]
2014	01-01-2014	\$ -	\$2,728,097	\$2,728,097	0%	\$9,298,561	29%
2013	01-01-2011	\$ -	\$3,023,581	\$3,023,581	0%	\$8,974,368	33%
2012	01-01-2011	\$ -	\$3,023,581	\$3,023,581	0%	\$7,864,585	38%
2011	01-01-2011	\$ -	\$3,023,581	\$3,023,581	0%	\$7,485,589	40%
2010	01-01-2009	\$ -	\$2,793,753	\$2,793,753	0%	\$6,776,068	41%
2009	01-01-2009	\$ -	\$2,793,753	\$2,793,753	0%	\$6,208,803	45%

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## **GENERAL FUND**

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. Most governmental services are provided by the General Fund including general government, public services, public safety, public works, education, intergovernmental, debt service, and capital improvements (that are not financed through other funds).

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**TOWN OF SCARBOROUGH, MAINE**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2014 and 2013**

	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,878,727	9,948,470
Investments	376,822	752,899
Receivables:		
Taxes receivable	143,405	137,001
Tax liens	983,581	844,343
Accounts receivable	735,264	1,110,371
Intergovernmental	198,794	124,122
Inventory	47,851	34,010
Interfund loans receivable	3,132,347	2,683,412
Tax acquired property	7,231	7,231
<b>Total assets</b>	<b>\$ 16,504,022</b>	<b>15,641,859</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and other current liabilities	1,680,911	1,685,130
Accrued payroll and other related liabilities	4,114,853	3,922,340
Accrued compensated absence (current)	94,915	120,329
Taxes collected in advance	32,933	45,560
<b>Total liabilities</b>	<b>5,923,612</b>	<b>5,773,359</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-property taxes	971,922	810,854
<b>Total deferred inflows of resources</b>	<b>\$ 971,922</b>	<b>810,854</b>
Fund balance:		
Nonspendable inventory	47,851	34,010
Restricted - Town	2,838,565	3,861,453
Restricted - Education	508,790	976,730
Committed - Town	452,151	374,000
Assigned - Town	1,584,384	1,824,920
Assigned - School	800,000	200,000
Unassigned - Town	3,376,747	1,786,533
<b>Total fund balance</b>	<b>9,608,488</b>	<b>9,057,646</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 16,504,022</b>	<b>15,641,859</b>

**TOWN OF SCARBOROUGH, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the year ended June 30, 2014**  
**(with comparative totals for June 30, 2013)**

		2014					
		2013		Total		Variance	2013
		carryforward	Budget	Available	Actual	positive (negative)	Actual
Revenues:							
Taxes:							
Property taxes	\$	-	53,692,370	53,692,370	53,825,885	133,515	49,827,578
Change in deferred property tax revenue		-	-	-	(161,068)	(161,068)	(53,261)
Excise taxes		-	4,220,000	4,220,000	4,651,211	431,211	4,255,153
Cable franchise tax		-	205,000	205,000	191,220	(13,780)	194,771
Interest and costs on taxes		-	97,700	97,700	98,390	690	93,691
Total taxes		-	58,215,070	58,215,070	58,605,638	390,568	54,317,932
Licenses and permits:							
Plumbing fees		-	29,000	29,000	30,603	1,603	30,654
Fees and Permits		-	144,630	144,630	158,363	13,733	143,872
Building permits		-	325,000	325,000	292,646	(32,354)	253,877
Electrical permits		-	44,000	44,000	47,814	3,814	41,917
Zoning Board of Appeals		-	11,000	11,000	5,825	(5,175)	7,000
License plate fees		-	60,075	60,075	59,408	(667)	59,259
Subdivision fees		-	12,500	12,500	66,894	54,394	16,925
Total licenses and permits		-	626,205	626,205	661,553	35,348	553,504
Intergovernmental:							
Education state subsidies		-	4,259,291	4,259,291	4,241,404	(17,887)	4,305,782
FEMA reimbursement		-	-	-	-	-	75,090
Federal HIDTA revenues		-	120,000	120,000	122,230	2,230	124,752
State Revenue Sharing		-	782,212	782,212	791,820	9,608	1,124,864
Homestead exemption		-	338,458	338,458	83,001	(255,457)	572,101
Business equipment tax exemption		-	268,517	268,517	268,811	294	244,266
LRAP (Local Road Assistance Program)		-	337,812	337,812	350,248	12,436	341,392
ecomaine payment in lieu of taxes		-	71,450	71,450	71,450	-	71,450
General assistance reimbursement		-	1,000	1,000	1,600	600	805
Adult education State subsidies		-	30,000	30,000	35,798	5,798	27,225
Medicaid		-	50,000	50,000	44,418	(5,582)	73,631
Other Federal and State revenues - School		-	50,000	50,000	202,817	152,817	77,266
Other Federal and State revenues - Town		-	141,262	141,262	131,136	(10,126)	248,320
Total intergovernmental		-	6,450,002	6,450,002	6,344,733	(105,269)	7,286,944
Interest earned		-	15,000	15,000	108,862	93,862	42,573
Unclassified:							
School Department miscellaneous		-	311,086	311,086	297,491	(13,595)	283,774
Adult education		-	21,000	21,000	54,772	33,772	6,857
Community services		-	1,718,783	1,718,783	1,901,883	183,100	1,820,045
Insurance reimbursements		-	22,000	22,000	94,531	72,531	25,436
Public Violations		-	54,000	54,000	72,450	18,450	64,539
Special duty police/fire		-	77,000	77,000	78,793	1,793	121,708
Inspection/review fees		-	63,100	63,100	100,350	37,250	130,849
Rescue donations		-	747,500	747,500	747,500	-	747,500
Rental income		-	48,212	48,212	48,212	-	46,947
Sale of Town-owned property		-	142,665	142,665	159,089	16,424	97,351
Salary reimbursement		-	691,611	691,611	822,429	130,818	745,513
Vehicle fuel reimbursement		-	557,400	557,400	554,144	(3,256)	510,190
Vehicle maintenance reimbursement		-	355,164	355,164	555,194	200,030	454,195
Lease revenue		-	162,800	162,800	-	(162,800)	365,033
Miscellaneous		-	59,200	59,200	77,535	18,335	101,729
Total unclassified		-	5,031,521	5,031,521	5,564,373	532,852	5,521,666
Total revenues		-	70,337,798	70,337,798	71,285,159	947,361	67,722,619



**TOWN OF SCARBOROUGH, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis), Continued**

	2013 carryforward	2014		Actual	Variance positive (negative)	2013 Actual
		Budget	Total available			
Expenditures:						
Current:						
General government:						
Town Council	\$ -	11,573	11,573	12,486	(913)	10,050
Administration	-	240,250	240,250	234,626	5,624	236,383
Town Clerk	-	177,755	177,755	170,975	6,780	158,018
Human resources	8,000	264,580	272,580	264,491	8,089	233,443
Personnel benefits	-	163,950	163,950	266,674	(102,724)	318,400
Finance	6,330	339,616	345,946	341,317	4,629	314,309
Purchasing	295	62,494	62,789	61,755	1,034	57,731
Taxation/Treasury	4,000	352,971	356,971	319,351	37,620	345,220
Assessing	1,100	258,756	259,856	254,099	5,757	238,076
Management information systems	16,466	942,328	958,794	922,716	36,078	727,891
Planning	14,911	864,618	879,529	836,067	43,462	745,065
Municipal building	36,898	292,160	329,058	276,256	52,802	284,831
General government	-	97,008	97,008	109,960	(12,952)	107,191
Legal	-	80,000	80,000	239,347	(159,347)	105,963
Risk management	-	558,000	558,000	600,572	(42,572)	546,429
Public information	-	3,200	3,200	2,285	915	3,125
Engineering	-	48,000	48,000	86,222	(38,222)	92,772
Outside agencies	-	60,000	60,000	59,999	1	67,000
Total general government	88,000	4,817,259	4,905,259	5,059,198	(153,939)	4,591,897
Public services:						
Library	-	891,884	891,884	891,884	-	847,425
Public health and welfare	-	27,611	27,611	22,885	4,726	12,838
Tax Rebates (Credit Enhancement Agree)	-	685,316	685,316	685,314	2	643,073
Economic Development Corporation	1,921	224,182	226,103	178,873	47,230	162,065
Community services	2,168	2,246,928	2,249,096	2,367,585	(118,489)	2,265,985
Total public services	4,089	4,075,921	4,080,010	4,146,541	(66,531)	3,931,386
Public safety:						
Fire Department	18,581	2,327,567	2,346,148	2,244,833	101,315	2,248,691
Emergency Management	3,646	35,113	38,759	35,976	2,783	30,904
Emergency Medical Services	10,798	1,541,805	1,552,603	1,505,537	47,066	1,396,482
Marine resources	6,900	92,423	99,323	89,189	10,134	77,871
Police Department	124,160	5,039,416	5,163,576	5,003,487	160,089	4,823,863
Total public safety	164,085	9,036,324	9,200,409	8,879,022	321,387	8,577,811
Public works:						
Public Works Department	45,736	2,608,030	2,653,766	2,556,279	97,487	2,609,061
Vehicle maintenance	-	1,524,530	1,524,530	1,786,398	(261,868)	1,841,568
Water charges	-	192,445	192,445	191,919	526	189,659
Street lighting	-	134,200	134,200	169,534	(35,334)	134,129
Traffic signals	1,370	110,580	111,950	99,615	12,335	74,757
Cemetery care	-	17,700	17,700	17,130	570	20,463
Memorials	-	7,977	7,977	7,875	102	7,951
Shade trees	-	10,000	10,000	3,232	6,768	7,250
Engineering services	-	102,296	102,296	75,090	27,206	64,975
Solid waste program	-	1,587,062	1,587,062	1,595,546	(8,484)	1,731,586
Total public works	47,106	6,294,820	6,341,926	6,502,618	(160,692)	6,681,399
Education:						
Regular instruction	-	23,569,792	23,569,792	23,462,817	106,975	21,769,140
Improvement of instruction	-	854,203	854,203	831,395	22,808	727,632
Special services	-	2,985,563	2,985,563	2,951,150	34,413	2,736,437
General & special administration	-	375,059	375,059	392,484	(17,425)	330,860
Board of education	-	34,572	34,572	30,102	4,470	23,508
Office of the superintendent	-	618,057	618,057	621,907	(3,850)	503,653
Business administration	-	1,789,541	1,789,541	1,783,513	6,028	1,719,139
Transportation	-	1,595,063	1,595,063	1,606,252	(11,189)	1,531,004
Operation and maintenance of plant	-	3,427,553	3,427,553	3,248,830	178,723	3,116,574
Debt service	-	4,150,113	4,150,113	4,150,113	-	3,653,026
Total education	-	39,399,516	39,399,516	39,078,563	320,953	36,110,973

TOWN OF SCARBOROUGH, MAINE  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis), Continued

		2014				
	2013 carryforward	Budget	Total available	Actual	Variance positive (negative)	2013 Actual
Expenditures, continued:						
Current, continued:						
County tax	\$ -	2,193,813	2,193,813	2,193,813	-	2,075,183
Debt service (excluding education):						
Principal	-	3,110,196	3,110,196	3,110,196	-	3,188,386
Interest and other costs	-	1,398,157	1,398,157	1,360,754	37,403	1,754,017
Total debt service	-	4,508,353	4,508,353	4,470,950	37,403	4,942,403
Capital improvements	311,565	923,700	1,235,265	1,146,088	89,177	1,257,490
Total expenditures	614,845	71,249,706	71,864,551	71,476,793	387,758	68,168,542
Excess (deficiency) of revenues over (under) expenditures	(614,845)	(911,908)	(1,526,753)	(191,634)	1,335,119	(445,923)
Other financing sources (uses):						
Transfers in	-	702,000	702,000	561,290	(140,710)	1,015,621
Transfers out	-	(267,233)	(267,233)	(315,652)	(48,419)	(683,335)
General obligation bonds	-	488,500	488,500	471,424	(17,076)	1,020,000
Refunding bond issued	-	-	-	-	-	7,065,000
Premium received on refunded bonds	-	-	-	-	-	321,961
Premium received on issued bonds	-	-	-	-	-	115,100
Payment to refunding bond escrow agent	-	-	-	-	-	(7,347,335)
Overlay	-	(346,359)	(346,359)	-	346,359	-
Total other financing sources (uses)	-	576,908	576,908	717,062	140,154	1,507,012
Net change in fund balances - budgetary basis	(614,845)	(335,000)	(949,845)	525,428	1,475,273	1,061,089
Utilization of prior year surplus and carrying balances	614,845	335,000	949,845	-	(949,845)	-
Total Utilization of Fund Balance and Carry forwards	-	-	0	525,428	525,428	1,061,089
Reconciliation to GAAP basis:						
Current portion of accrued compensated absences				25,414		(57,476)
Fund balances, beginning of year				9,057,646		8,054,033
Fund balances, end of year				9,608,488		9,057,646



## **OTHER GOVERNMENTAL FUNDS**

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**TOWN OF SCARBOROUGH, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 441,890	15,366	-	457,256
Investments	5,061,678	3,165,050	217,810	8,444,538
Intergovernmental receivable	100,199	-	-	100,199
Accounts receivable	140,410	29,575	-	169,985
Interfund loans	20,724	64,089	2,620	87,433
Inventory	13,756	-	-	13,756
Notes receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 5,778,657</b>	<b>3,274,080</b>	<b>220,430</b>	<b>9,273,167</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	339,114	169,677	-	508,791
Interfund loans	382,627	217,149	72	599,848
<b>Total liabilities</b>	<b>721,741</b>	<b>386,826</b>	<b>72</b>	<b>1,108,639</b>
Fund balances (deficit):				
Nonspendable trust principal	-	-	134,778	134,778
Nonspendable inventory	13,756	-	-	13,756
Restricted for Town	385,995	2,848,592	85,580	3,320,167
Restricted for Education	264,913	244,899	-	509,812
Committed for Town	4,419,359	-	-	4,419,359
Committed for Education	26,637	-	-	26,637
Unassigned for Town	(53,744)	(206,237)	-	(259,981)
<b>Total fund balances (deficit)</b>	<b>5,056,916</b>	<b>2,887,254</b>	<b>220,358</b>	<b>8,164,528</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,778,657</b>	<b>3,274,080</b>	<b>220,430</b>	<b>9,273,167</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2014**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 1,520,417	-	-	1,520,417
Contributions	214,623	-	-	214,623
Taxes	-	220,350	-	220,350
Assessments and impact fees	1,707,135	-	-	1,707,135
Sale of lots	-	-	3,420	3,420
Other revenue	1,439,150	38,063	-	1,477,213
Interest revenue	14,984	40,585	619	56,188
Total revenues	4,896,309	298,998	4,039	5,199,346
Expenditures:				
Current:				
Capital expenditures	388,233	3,609,325	-	3,997,558
Education	2,366,491	-	-	2,366,491
Other	1,775,354	-	72	1,775,426
Total expenditures	4,530,078	3,609,325	72	8,139,475
Excess of revenues over (under) expenditures	366,231	(3,310,327)	3,967	(2,940,129)
Other financing sources (uses):				
Transfers in	319,914	398,995	-	718,909
Transfers out	(399,959)	(264,433)	-	(664,392)
General Obligation Bonds	-	4,063,761	-	4,063,761
Total other financing sources (uses)	(80,045)	4,198,323	-	4,118,278
Net change in fund balances	286,186	887,996	3,967	1,178,149
Fund balances, beginning of year	4,770,730	1,999,258	216,391	6,986,379
Fund balances, end of year	\$ 5,056,916	2,887,254	220,358	8,164,528



# **NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds account for specific resources, the expenditure of which are restricted by law or administrative action for particular purposes.

Special revenue funds are established for the following purposes:

## **Recreational Development**

To account for contributions from the developers of sub-divisions for the development of recreation facilities.

## **Credit Enhancement Agreements**

This is credit enhancements agreement set up between the Town certain taxpayers. A Credit Enhancement Agreement or contract between the municipality and company is a mechanism to assist the development project by using all, or a percentage of, the tax revenues generated by the new investment to pay certain authorized project costs with payments made directly to the company.

## **Boat Launch Facility**

To account for all resident and non-resident fees collected from the use of the boat launch facility. The funds are to be used for the improvement of the boat launch facility at Pine Point.

## **Route 1 Sawyer Road Improvements**

To account for bond funds to improve the intersection of Route One and Sawyer Road in connection with the Orion Center project.

## **Prouts Landing Conservation**

To account for monies spent in the upkeep of a 62 acre parcel of land given to the Town by the Linwood Companies/Prout's Landing. This land is to remain in its natural state and is not for recreational purposes.

## **Payne Road Improvements**

To account for all fees collected in connection with the improvement of Payne Road.

## **Payne Road Impact Fees**

To account for fees collected in connection with the Town's road impact ordinance for road and intersection improvements planned for the road system along Payne Road, Route 114, Spring Street and Mussey Road. This ordinance was adopted October 17, 1990.

## NONMAJOR SPECIAL REVENUE FUNDS, CONTINUED

### Other Impact Fees:

The purpose of this fund is to account for all "Impact Fees" that are collected pursuant to the *Development Impact Fee Ordinance* adopted by the Town Council. The Ordinance requires the Town Treasurer to maintain all of these fees in a separate impact fee account and that the account is segregated from the Town's general revenues. The Ordinance requires the Town treasurer to deposit impact fees collected pursuant to this Ordinance in special revenue non-lapsing accounts dedicated for funding of the improvements for which the fee is collected. Impact fees collected by the Town under this ordinance may be used only for financing facility improvements which the Town Council has determined are made necessary by new development. Included in this impact fees are:

**School Development Impact Fee** to help fund the improvements to the school facilities in Scarborough.

**Dunstan Corner Impact Fee** is a growth management fee created by ordinance, to mitigate traffic impacts in this location from new development. The collected fee will be applied to the design and construction of identified future highway improvements in the defined area as adopted August 15, 2006.

**Oak Hill Traffic Mitigation Impact Fee** is a growth management fee by policy to mitigate traffic impacts in this location from new development in Town. The fee will be applied to the design and construction of future highway improvements in the defined area.

**Haigis Parkway Mitigation Fee** is a growth management fee by policy to mitigate traffic impacts in this location from new development. The fee will be applied to the design and construction of future highway improvements in the defined area.

### Police Asset Forfeiture

To account for funds awarded to the Scarborough Police Department for drug related convictions. These funds are to be used for law enforcement purposes only. (Pursuant to Title 15 M.R.S.A. Section 5824(3)).

### Rescue Equipment

To account for fees collected in connection with the Town's Rescue billing program. These funds are used for the purpose of acquiring and maintaining rescue equipment.

### Fire Department

This fund accounts for various grant awards and donations. These funds are to be used for the purchase of fire equipment.



## **NONMAJOR SPECIAL REVENUE FUNDS, CONTINUED**

### **Departmental Grants and Programs**

To account for various federal and state grants and non-budget programs administered by the Town and its Department Administrators.

### **School Categorical Programs**

This fund accounts for various federal, states, and other programs administrated by the School Department.

### **School Lunch Program**

This fund accounts for revenues and expenditures for the School Lunch program.

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**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2014**

		<b>Recrea- tional Develop- ment</b>	<b>Credit Enhancement Agreements</b>	<b>Boat Launch Facility</b>	<b>Rte 1 Sawyer Road Improve</b>	<b>Prouts Landing Conserva- tion</b>	<b>Payne Road Improvements</b>	<b>Payne Road Impact Fees</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$	-	-	-	-	-	-	221,529
Investments		-	43,024	-	66,146	24,674	70,176	2,093,807
Intergovernmental receivable		-	-	-	-	-	-	-
Due from State of Maine		-	-	-	-	-	-	-
Accounts receivable		-	43,270	-	-	-	-	480
Interfund loans receivable		6,405	-	-	-	-	-	380
Inventory		-	-	-	-	-	-	-
Notes receivable		-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$</b>	<b>6,405</b>	<b>86,294</b>	<b>-</b>	<b>66,146</b>	<b>24,674</b>	<b>70,176</b>	<b>2,316,196</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable		-	43,270	-	-	-	-	221,529
Interfund loans payable		-	-	39,988	-	-	-	-
<b>Total liabilities</b>		<b>-</b>	<b>43,270</b>	<b>39,988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221,529</b>
Fund balances:								
Nonspendable							-	-
Restricted		-	43,024	-	66,146	-	-	-
Committed		6,405	-	-	-	24,674	70,176	2,094,667
Unassigned		-	-	(39,988)	-	-	-	-
<b>Total fund balances (deficit)</b>		<b>6,405</b>	<b>43,024</b>	<b>(39,988)</b>	<b>66,146</b>	<b>24,674</b>	<b>70,176</b>	<b>2,094,667</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>6,405</b>	<b>86,294</b>	<b>-</b>	<b>66,146</b>	<b>24,674</b>	<b>70,176</b>	<b>2,316,196</b>

Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	Totals
-	-	-	-	10,956	205,486	3,919	441,890
1,228,442	160,584	20,934	39,726	1,314,165	-	-	5,061,678
-	-	-	-	-	100,199	-	100,199
-	1,204	23,099	-	55,847	1,000	15,510	140,410
13,939	-	-	-	-	-	-	20,724
-	-	-	-	-	-	13,756	13,756
-	-	-	-	-	-	-	-
<b>1,242,381</b>	<b>161,788</b>	<b>44,033</b>	<b>39,726</b>	<b>1,380,968</b>	<b>306,685</b>	<b>33,185</b>	<b>5,778,657</b>
-	-	19,655	-	6,340	15,135	33,185	339,114
178,577	441	21,650	-	141,971	-	-	382,627
178,577	441	41,305	-	148,311	15,135	33,185	721,741
-	161,347		39,726	75,752	264,913	13,756	13,756
1,063,804		2,728	-	1,156,905	26,637	-	650,908
						(13,756)	4,445,996
							(53,744)
1,063,804	161,347	2,728	39,726	1,232,657	291,550	-	5,056,916
<b>1,242,381</b>	<b>161,788</b>	<b>44,033</b>	<b>39,726</b>	<b>1,380,968</b>	<b>306,685</b>	<b>33,185</b>	<b>5,778,657</b>



**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2014**

	Recrea- tional Develop- ment	Credit Enhancement Agreements	Boat Launch Facility	Rte 1 Sawyer Road Improve	Prouts Landing Conserva- tion	Payne Road Improvements	Payne Road Impact Fees
Revenues:							
Intergovernmental	\$ -	-	-	-	-	-	-
Interest earned	-	(31)	-	191	71	203	6,421
Contributions	-	-	-	-	-	-	-
Sale of Lots/Land/Equip	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	17,801
Assessments and impact fees	8,750	579,535	-	-	-	-	-
Total revenues	8,750	579,504	-	191	71	203	24,222
Expenditures:							
Construction and acquisitions	2,345	-	3,176	-	-	-	10,481
Education	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-
Other	-	579,535	-	-	-	-	-
Total expenditures	2,345	579,535	3,176	-	-	-	10,481
Excess (deficiency) of revenues over (under) expenditures	6,405	(31)	(3,176)	191	71	203	13,741
Other financing sources (uses):							
Transfers in	17,869	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	17,869	-	-	-	-	-	-
Net change in fund balances	24,274	(31)	(3,176)	191	71	203	13,741
Fund balances (deficit), beginning of year	(17,869)	43,055	(36,812)	65,955	24,603	69,973	2,080,926
Fund balances (deficit), end of year	\$ 6,405	43,024	(39,988)	66,146	24,674	70,176	2,094,667

	Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	Totals
Revenues:								
Intergovernmental	-	23,391	-	-	341,138	878,564	277,324	1,520,417
Interest earned	3,116	546	458	110	3,899	-	-	14,984
Contributions	-	-	-	14,050	-	200,573	-	214,623
Sale of Lots/Land/Equip	-	-	-	-	-	-	-	-
Other	369,049	-	-	-	122,194	8,681	921,425	1,439,150
Assessments and impact fees	-	-	1,118,850	-	-	-	-	1,707,135
Total revenues	372,165	23,937	1,119,308	14,160	467,231	1,087,818	1,198,749	4,896,309
Expenditures:								
Construction and acquisitions	4,887	3,938	-	-	363,406	-	-	388,233
Education	-	-	-	-	-	888,146	1,478,345	2,366,491
Benefits paid	-	-	-	-	-	-	-	-
Other	-	-	1,195,819	-	-	-	-	1,775,354
Total expenditures	4,887	3,938	1,195,819	-	363,406	888,146	1,478,345	4,530,078
Excess (deficiency) of revenues over (under) expenditures	367,278	19,999	(76,511)	14,160	103,825	199,672	(279,596)	366,231
Other financing sources (uses):								
Transfers in	-	-	-	-	22,449	-	279,596	319,914
Bond Proceeds	-	-	-	-	-	-	-	-
Transfers out	(173,690)	(40,000)	(97,835)	-	(88,434)	-	-	(399,959)
Total other financing sources (uses)	(173,690)	(40,000)	(97,835)	-	(65,985)	-	279,596	(80,045)
Net change in fund balances	193,588	(20,001)	(174,346)	14,160	37,840	199,672	-	286,186
Fund balances (deficit), beginning of year	870,216	181,348	177,074	25,566	1,194,817	91,878	-	4,770,730
Fund balances (deficit), end of year	1,063,804	161,347	2,728	39,726	1,232,657	291,550	-	5,056,916



**TOWN OF SCARBOROUGH, MAINE**  
**School Categorical Funds - Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2014**

	Fund balances beginning of year	Revenues		Program expenditures	Fund balances end of year
		Grants	Other		
Federal education grant programs:					
NCLB/Title IA	\$ 29	148,450	-	148,479	-
NCLB/Title IIA	-	59,525	-	58,776	749
Title III	-	8,524	-	8,524	-
NCLB/Title VA	1	-	-	1	-
Local Entitlement	(4)	618,966	-	618,962	-
ARRA Local Entitlement	(1)	1	-	-	-
Preschool handicapped	-	10,883	-	10,883	-
Scarborough Education Foundation	11,853	23,536	-	20,389	15,000
Finberg Trust	80,000	150,000	-	10,329	219,671
WW Brick Sales & Other Donations	-	-	27,037	885	26,152
Proficiency Based Graduation	-	-	32,215	2,750	29,465
CC Admin Certification	-	-	8,681	8,168	513
Total federal education grant programs	91,878	1,019,885	67,933	888,146	291,550
Other State grant programs:					
Professional Development Grant	-	-	-	-	-
Total other state grant programs	-	-	-	-	-
<b>Total school categorical programs</b>	<b>\$ 91,878</b>	<b>1,019,885</b>	<b>67,933</b>	<b>888,146</b>	<b>291,550</b>

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# **NONMAJOR CAPITAL PROJECT FUNDS**

Capital projects funds are established to account for resources obtained and expended for the acquisition of major capital facilities and projects.

The Town's individual capital project funds were established for the following purposes:

## **General School Improvements**

To account for money appropriated by the Town Council for capital improvements to school facilities and grounds.

## **General Town Improvements**

To account for money appropriated by the Town Council for capital improvements to town buildings and infrastructure.

## **Municipal Building Fund**

To account for grants, awards, and money appropriated by the Town Council for a study, development, and the related tax increment financing district for the construction of new Town center improvements.

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TOWN OF SCARBOROUGH, MAINE  
Nonmajor Capital Project Fund  
Balance Sheet  
June 30, 2014

		General School Improvements	General Town Improvements	Municipal Building Fund	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$	15,366	-		15,366
Investments		266,227	2,898,823		3,165,050
Accounts Receivable		-	29,575		29,575
Interfund loans receivable		-	64,089	-	64,089
<b>Total assets</b>	<b>\$</b>	<b>281,593</b>	<b>2,992,487</b>	<b>-</b>	<b>3,274,080</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable		36,694	132,983	-	169,677
Interfund loans payable		-	10,912	206,237	217,149
<b>Total liabilities</b>		<b>36,694</b>	<b>143,895</b>	<b>206,237</b>	<b>386,826</b>
Fund balance (deficit):					
Restricted		244,899	2,848,592		3,093,491
Unassigned		-	-	(206,237)	(206,237)
<b>Total fund balance (deficit)</b>		<b>244,899</b>	<b>2,848,592</b>	<b>(206,237)</b>	<b>2,887,254</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>281,593</b>	<b>2,992,487</b>	<b>-</b>	<b>3,274,080</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Capital Project Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2014**

	General School Improvements	General Town Improvements	Municipal Building Fund	Totals
Revenues:				
Intergovernmental	\$ -	-	-	-
Taxes	143,600	76,750		220,350
Interest earned	5,591	34,994		40,585
Other	3,600	34,463	-	38,063
Total revenues	152,791	146,207	-	298,998
Expenditures:				
Capital Improvements	1,625,549	1,983,776	-	3,609,325
Total expenditures	1,625,549	1,983,776	-	3,609,325
Excess (deficiency) of revenues over (under) expenditures	(1,472,758)	(1,837,569)	-	(3,310,327)
Other financing sources (uses):				
Transfers in	237,880	59,202	101,913	398,995
Transfers out	(251,568)	(12,865)	-	(264,433)
Proceeds of general obligation bonds	1,331,045	2,732,716	-	4,063,761
Total other financing sources (uses)	1,317,357	2,779,053	101,913	4,198,323
Net change in fund balances	(155,401)	941,484	101,913	887,996
Fund balances (deficit), beginning of year	400,300	1,907,108	(308,150)	1,999,258
Fund balances (deficit), end of year	\$ 244,899	2,848,592	(206,237)	2,887,254



## **NONMAJOR PERMANENT FUNDS**

Permanent funds are established to account for assets held by the Town in a fiduciary capacity as trustee. These funds are legally restricted to the extent that only the earnings, not principal, may be used for purposes that support the reporting government's programs.

Permanent funds are established by the Town for the following purposes:

### **Scarborough Memorial Cemetery**

This fund accounts for funds received for the perpetual care of various lots in the Scarborough Memorial Cemetery. The money from the sale of lots is split between this trust and the Scarborough Memorial Improvement Fund (a Special Revenue Fund).

### **Dunstan Perpetual Care**

This fund was established in 1893 at an annual Town Meeting. It was approved that unexpended income be allotted as necessary by the selectmen for the upkeep of the cemetery.

### **Mary A. Tucker Fund**

Mary A. Tucker donated \$500 through a provision in her will to be used under the direction of the Town Council for the perpetual care of the lots of James W., Emma E., Clara, Sadie, and Mary A. Tucker. All lots are located in the Dunstan Cemetery.

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**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2014**

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
<b>ASSETS</b>				
Investments	\$ 190,032	24,897	2,881	217,810
Interfund loans receivable	2,620	-	-	2,620
<b>Total assets</b>	<b>\$ 192,652</b>	<b>24,897</b>	<b>2,881</b>	<b>220,430</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Interfund loans payable	-	72	-	72
<b>Total liabilities</b>	<b>-</b>	<b>72</b>	<b>-</b>	<b>72</b>
Fund balances:				
Nonspendable Principal	120,911	13,367	500	134,778
Restricted Expendable Income	71,741	11,458	2,381	85,580
<b>Total fund balances</b>	<b>192,652</b>	<b>24,825</b>	<b>2,881</b>	<b>220,358</b>
<b>Total liabilities and fund balances</b>	<b>\$ 192,652</b>	<b>24,897</b>	<b>2,881</b>	<b>220,430</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2014**

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
Revenues:				
Interest and dividends	\$ 539	72	8	619
Sale of lots/perpetual care deposits	3,420	-	-	3,420
Total revenues	3,959	72	8	4,039
Expenditures:				
Earnings retained by General Fund	-	72	-	72
Other	-	-	-	-
Total expenditures	-	72	-	72
Net change in fund balances	3,959	-	8	3,967
Fund balances, beginning of year	188,693	24,825	2,873	216,391
Fund balances, end of year	\$ 192,652	24,825	2,881	220,358



## **PRIVATE-PURPOSE TRUST FUNDS**

### **Shirley Grover Fund**

This scholarship fund was established to provide a scholarship to students graduating from Scarborough High School, who have demonstrated good school/community citizenship, and received honor roll grades for at least two years.

### **Mary Campbell Peterson Fund**

This scholarship fund was established as the result of funds bequeathed to the School Department. Each year interest earned by the fund will be used to award scholarships to deserving students. The criteria are that the student should be an average student who may have overcome some adversity.

### **Edith Warga Art Scholarship**

This scholarship began in 1990 as a 10-year program by Edith Warga. Each year a student who was pursuing a career in Art was awarded a \$1,000 scholarship. Following her demise, her husband, James Warga, agreed to continue the original program, and then in September 1998, donated \$100,000 to the School Department in order to continue the program. The amount awarded annually will not exceed the interest earned by the fund. A committee will award the scholarship to one or more students that meet the criteria, which continues the original intent.

### **Packy McFarland Scholarship Fund**

This athletic scholarship was established to provide a yearly \$200 scholarship to a senior boy and girl planning to continue their education, as selected by the School's coaches.

### **Roy Nelson Scholarship Fund**

A scholarship fund established to provide a \$300 scholarship to a senior who plans to attend a post-secondary technical or vocational school. The fund was established in memory of Roy Nelsen, who was the transportation supervisor and School Department employee for over 30 years.

### **Daniel Tranchemontagne Scholarship Fund**

A scholarship fund established to provide scholarships to a graduating high school wrestler continuing his or her education. The scholarship will be paid out each year as funds are available and can come from both principal and interest.

### **Virginia Jackson Scholarship Fund**

A scholarship fund established to provide scholarships to a Scarborough High School senior continuing his or her education. This fund was established in memory of Virginia Jackson and established by her family.

## **PRIVATE-PURPOSE TRUST FUNDS, CONTINUED**

### **Evelyn J. Chaddon Memorial Scholarship Fund**

A scholarship fund established to provide a yearly \$100 scholarship to a senior planning to continue his or her education in teaching.

### **S. Dwight Howard Memorial Scholarship Fund**

A scholarship fund established to provide a yearly \$150 scholarship to a senior planning to continue his or her education, major consideration being given to those considering math, art, or the field of audio-visual aids.

### **Bertha Libby-Lary Scholarship Fund**

A scholarship fund established to provide a yearly \$250 scholarship to a senior planning to continue his or her education.

### **Academic Decathlon Scholarship Fund**

A scholarship fund established to provide scholarships to students planning to continue their education.

### **Kathy Pearson Scholarship Fund**

A scholarship fund established to provide a scholarship in memoriam of Kathy Pearson to any student planning to continue his or her education.



TOWN OF SCARBOROUGH, MAINE  
Private-purpose Trust Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2014

	Shirley Grover Fund	Mary Campbell Peterson Fund	Edith Warga Art Scholarship	Packy McFarland Scholarship Fund	Roy Nelson Scholarship Fund	Daniel Tranchemontagne Scholarship Fund	Virginia Jackson Scholarship Fund	Evelyn J. Chaddon Mem. Scholarship Fund	S. Dwight Howard Mem. Scholarship Fund	Bertha Libby-Lary Scholarship Fund	Academic Decathlon Scholarship Fund	Kathy Pearson Scholarship Fund	Totals
<b>ASSETS</b>													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	\$ 992	93,208	102,832	178	12	1,082	17,507	309	2,546	11,330	1,217	2,928	234,141
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 992</b>	<b>93,208</b>	<b>102,832</b>	<b>178</b>	<b>12</b>	<b>1,082</b>	<b>17,507</b>	<b>309</b>	<b>2,546</b>	<b>11,330</b>	<b>1,217</b>	<b>2,928</b>	<b>234,141</b>
<b>LIABILITIES AND NET ASSETS</b>													
<b>Liabilities:</b>													
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets:</b>													
Nonspendable Principal	1,240	87,680	100,000	-	-	-	-	500	2,026	3,500	-	3,810	198,756
Restricted Interest	(248)	5,528	2,832	178	12	1,082	17,507	(191)	520	7,830	1,217	(882)	35,385
<b>Total position assets</b>	<b>992</b>	<b>93,208</b>	<b>102,832</b>	<b>178</b>	<b>12</b>	<b>1,082</b>	<b>17,507</b>	<b>309</b>	<b>2,546</b>	<b>11,330</b>	<b>1,217</b>	<b>2,928</b>	<b>234,141</b>
<b>Total liabilities and net position</b>	<b>\$ 992</b>	<b>93,208</b>	<b>102,832</b>	<b>178</b>	<b>12</b>	<b>1,082</b>	<b>17,507</b>	<b>309</b>	<b>2,546</b>	<b>11,330</b>	<b>1,217</b>	<b>2,928</b>	<b>234,141</b>

TOWN OF SCARBOROUGH, MAINE  
Private-purpose Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the year ended June 30, 2014

	Shirley Grover Fund	Mary Campbell Pederson Fund	Edith Warga Art Scholarship	Packy McFarland Scholarship Fund	Roy Nelson Scholarship Fund	Daniel Tranchemontagne Scholarship Fund	Virginia Jackson Scholarship Fund	Evelyn J. Chaddon Mem. Scholarship Fund	S. Dwight Howard Mem. Scholarship Fund	Bertha Libby-Lary Scholarship Fund	Academic Decathlon Scholarship Fund	Kathy Pearson Scholarship Fund	Totals
<b>Additions</b>													
Donations	\$ -	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends	3	270	298	-	-	3	55	1	7	33	3	8	681
Total additions	3	270	298	-	-	3	55	1	7	33	3	8	681
<b>Deductions:</b>													
School scholarships	-	2,000	2,000	-	-	-	1,500	-	-	250	-	-	5,750
Total deductions	-	2,000	2,000	-	-	-	1,500	-	-	250	-	-	5,750
Changes in net assets	3	(1,730)	(1,702)	-	-	3	(1,445)	1	7	(217)	3	8	(5,069)
Net position, beginning of year	989	94,938	104,534	178	12	1,079	18,952	308	2,539	11,547	1,214	2,920	239,210
Net position, end of year	\$ 992	93,208	102,832	178	12	1,082	17,507	309	2,546	11,330	1,217	2,928	234,141



TOWN OF SCARBOROUGH, MAINE  
 Agency Funds  
 Statement of Changes in Assets and Liabilities  
 For the year ended June 30, 2014

		Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>STUDENT ACTIVITIES:</b>					
<b>ASSETS</b>					
Cash	\$	184,648	705,651	659,822	230,477
<b>LIABILITIES</b>					
Payable to student groups	\$	184,648	705,651	659,822	230,477

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# GENERAL LONG- TERM DEBT



**TOWN OF SCARBOROUGH**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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TOWN OF SCARBOROUGH, MAINE  
Statement of Changes in Long-term Debt  
For the year ended June 30, 2014

	Interest rate	Final maturity date	Annual principal payments	Balance beginning of year	Current Year		Balance end of year
					Issued	Retired	
<u>General Obligation Bonds</u>							
1994 Capital Improvements	6.20%	2015	\$ 230,000 to 2015	460,000		230,000	230,000
1995 Capital Improvements	5.00%	2016	265,000 to 2016	795,000		265,000	530,000
1997 Capital Improvements	5.60%	2017	110,000 to 2017	440,000		110,000	330,000
2004 Capital Improvements	3.25%	2015	0 to 2014				
	4.40%		215,000 in 2015	215,000	-	-	215,000
2005 Capital Improvements	4.00%		305,000 in 2014				
	4.00%		315,000 in 2015				
	4.00%		250,000 in 2016	870,000		305,000	565,000
2006 Capital Improvements	4.00%	2021	515,000 in 2014				
	4.00%		530,000 in 2015				
	4.00%		505,000 in 2016				
	4.00%		185,000 in 2017				
	4.00%		190,000 in 2018				
	4.00%		195,000 in 2019				
	4.05%		210,000 in 2020				
	4.10%		220,000 in 2021	2,550,000	-	515,000	2,035,000
2007 Capital Improvements	4.00%	2023	225,000 to 2017				
	4.00%		25,000 to 2022	1,025,000	-	225,000	800,000
2008 Capital Improvements	3.25%	2028	595,000 in 2014				
	3.25%		580,000 in 2015				
	3.25%		570,000 to 2017				
	3.35%		575,000 in 2018				
	Varies		185,000 to 2028	4,740,000	-	595,000	4,145,000
2009 Capital Improvements	2.00%	2029	400,000 to 2015				
	2.25%		315,000 to 2016				
	Varies		310,000 to 2019				
	3.00%		110,000 in 2020				
	Varies		100,000 to 2029	3,055,000	-	400,000	2,655,000
2009 Bond Refunding	2.00%	2020	185,000 to 2019				
	3.00%		115,000 in 2020	1,225,000	-	185,000	1,040,000
2010 Capital Improvements	Varies	2031	470,000 to 2016				
	Varies		345,000 to 2021				
	Varies		280,000 to 2026				
	4.00%		100,000 to 2031	5,035,000	-	470,000	4,565,000
2011 Capital Improvements	2.00%	2031	540,000 to 2015				
			525,000 in 2016				
			360,000 to 2018				
			355,000 to 2021				
			115,000 to 2026				
			110,000 to 2031	4,515,000	-	540,000	3,975,000

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Changes in Long-term Debt, Continued**

	Interest rate	Final maturity date	Annual principal payments	Balance beginning of year	Current Year		Balance end of year
					Issued	Retired	
General Obligation Bonds							
2012 Capital Improvements	1.50%	2042	\$ 615,000 in 2014 575,000 in 2015 1,065,000 in 2016 1,690,000 in 2017 2,400,000 in 2018 2,825,000 in 2019 3,210,000 in 2020 3,475,000 in 2021 3,685,000 in 2022 3,520,000 in 2023 2,170,000 in 2024 1,870,000 in 2025 1,585,000 in 2026 1,335,000 in 2027 1,310,000 in 2028 1,330,000 in 2029 1,355,000 in 2030 1,775,000 in 2031 1,815,000 in 2032 1,800,000 in 2033				
2013 Capital Improvements	1.00%	2043	685,000 to 2042 335,000 in 2014 350,000 in 2015 575,000 in 2016 1,145,000 in 2017 915,000 in 2018 765,000 to 2023 715,000 in 2024 720,000 in 2025 1,045,000 in 2026 1,430,000 in 2027 1,465,000 in 2028 1,405,000 in 2029 1,435,000 in 2030 1,065,000 in 2031 1,075,000 in 2032 1,090,000 in 2033 1,525,000 in 2034 1,045,000 in 2035	45,570,000.00	-	615,000	44,955,000
2014 Capital Improvements	2.00%	2034	565,000 to 2043 490,000 in 2015 760,000 to 2017 735,000 in 2018 700,000 in 2019 325,000 to 2020 310,000 in 2021 300,000 to 2024 250,000 to 2029 50,000 to 2034	25,685,000.00	-	335,000	25,350,000
				-	6,505,000	-	6,505,000
Total bonds				96,180,000	6,505,000	4,790,000	97,895,000
Total long-term debt			\$	96,180,000	6,505,000	4,790,000	97,895,000





# STATISTICAL SECTION

TOWN OF SCARBOROUGH  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## STATISTICAL SECTION

This part of the Town of Scarborough's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

### Contents

### Table

#### Financial Trends

1-5

*These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.*

#### Revenue Capacity

6-11

*These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.*

#### Debt Capacity

12-14A

*These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.*

#### Demographic and Economic Information

15-17

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.*

#### Operating Information

18-21

*These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the government provides and the activities it performs.*

Note: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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TOWN OF SCARBOROUGH, MAINE  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 29,885,241	\$ 36,322,875	\$ 44,077,001	\$ 35,652,357	\$ 41,821,008	\$ 47,588,145	\$ 53,031,962	\$ 54,339,258	\$ 49,823,697	\$ 53,887,278
Restricted	7,631,314	4,210,087	3,053,818	5,111,460	1,289,495	2,199,233	1,642,063	1,111,295	3,555,142	4,049,315
Unrestricted	9,872,020	13,952,097	8,971,362	5,178,473	5,441,922	2,916,603	(702,917)	2,127,242	6,347,111	3,907,583
<b>Total governmental activities net position</b>	<b>\$ 47,388,575</b>	<b>\$ 54,485,059</b>	<b>\$ 56,102,181</b>	<b>\$ 45,942,290</b>	<b>\$ 48,552,425</b>	<b>\$ 52,703,981</b>	<b>\$ 53,971,108</b>	<b>\$ 57,577,795</b>	<b>\$ 59,725,950</b>	<b>\$ 61,844,176</b>

TOWN OF SCARBOROUGH, MAINE  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
<b>Program revenues:</b>										
Charges for services										
General government	\$ 1,727,408	\$ 2,314,440	\$ 1,631,751	\$ 1,620,897	\$ 1,177,707	\$ 1,986,246	\$ 1,851,983	\$ 1,386,497	\$ 1,525,062	\$ 1,868,477
Public services	1,386,291	1,424,780	1,506,211	1,589,909	1,584,529	1,719,617	1,680,722	1,791,859	2,363,475	2,481,387
Public safety	1,489,408	1,374,106	1,667,291	1,648,995	1,760,683	1,629,561	1,632,627	2,069,487	2,449,062	2,156,498
Public works	605,336	655,416	1,754,971	2,023,638	1,515,042	1,665,084	1,542,707	1,843,317	1,405,040	1,590,382
Education	1,279,727	1,255,770	1,198,104	1,211,208	1,195,167	1,217,302	1,252,673	1,248,055	1,191,085	1,282,369
Interest on debt services	-	-	-	-	-	-	-	-	-	-
Operating grants and activities	9,297,328	10,705,583	11,402,628	12,374,645	15,486,627	12,269,970	11,719,082	11,093,321	9,912,515	9,983,992
Capital grants and contributions	-	4,680,951	(559,458)	112,751	112,090	122,376	170,480	174,652	97,351	159,089
<b>General revenues:</b>										
Property and excise taxes, levies for general purposes	40,075,286	41,406,244	42,771,603	44,691,242	46,620,992	47,029,220	49,050,813	50,571,377	54,442,643	58,838,156
Grants and contributions not restricted to specific programs	1,951,080	2,061,431	1,931,165	3,834,629	339,302	1,947,274	1,904,938	2,473,014	2,656,313	1,352,303
Unrestricted investment earnings	159,450	260,661	404,622	344,371	137,533	141,496	42,024	66,255	42,573	108,862
<b>Total revenues</b>	<b>57,971,314</b>	<b>66,139,382</b>	<b>63,708,888</b>	<b>69,452,285</b>	<b>69,929,672</b>	<b>69,728,146</b>	<b>70,848,049</b>	<b>72,717,834</b>	<b>76,085,119</b>	<b>79,821,515</b>
<b>Expenses:</b>										
General government	9,995,278	8,783,621	12,640,776	12,739,673	11,408,399	10,656,413	12,022,846	11,537,424	11,413,745	11,346,043
Public services	2,657,867	2,871,026	3,091,670	3,133,250	3,742,174	3,831,908	5,041,659	3,868,072	3,851,672	4,188,079
Public safety	6,153,444	6,552,131	7,080,161	7,424,751	7,812,611	8,265,739	7,331,259	8,691,510	8,555,020	9,362,899
Public works	5,882,495	6,276,324	6,425,408	7,493,947	7,156,188	9,479,984	7,245,892	7,805,045	7,874,408	7,617,844
Education	28,694,859	33,491,029	31,531,309	32,951,412	34,363,377	34,546,380	35,275,130	34,346,445	39,167,124	41,772,944
Interest on debt service	1,168,204	1,068,767	1,141,343	2,737,229	2,826,821	2,693,682	2,664,136	2,862,650	3,074,995	3,415,482
<b>Total expenses</b>	<b>54,552,147</b>	<b>59,042,898</b>	<b>61,910,667</b>	<b>66,480,262</b>	<b>67,309,570</b>	<b>69,474,106</b>	<b>69,580,922</b>	<b>69,111,146</b>	<b>73,936,964</b>	<b>77,703,291</b>
<b>Net (expense)/revenue:</b>	<b>3,419,167</b>	<b>7,096,484</b>	<b>1,798,221</b>	<b>2,972,023</b>	<b>2,620,102</b>	<b>254,040</b>	<b>1,267,127</b>	<b>3,606,688</b>	<b>2,148,155</b>	<b>2,118,224</b>
<b>Change in Net Position</b>	<b>\$ 3,419,167</b>	<b>\$ 7,096,484</b>	<b>\$ 1,798,221</b>	<b>\$ 2,972,023</b>	<b>\$ 2,620,102</b>	<b>\$ 254,040</b>	<b>\$ 1,267,127</b>	<b>\$ 3,606,688</b>	<b>\$ 2,148,155</b>	<b>\$ 2,118,224</b>



Table 3

TOWN OF SCARBOROUGH, MAINE  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	2005	2006	2007	2008*	2009	2010 <sup>1</sup>	2011 <sup>2</sup>	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 697	\$ 771	\$ 674	\$ 618	\$ 630	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable Inventory								34	34	48
Restricted for Town						2,482	2,685	2,993	3,861	2,838
Restricted for Education						1,056	496	440	977	509
Committed - General Fund						634	630 <sup>3</sup>	688 <sup>3</sup>	374 <sup>3</sup>	452
Committed - Education						-	-	-	-	-
Assigned - General Fund						1,469	2,223	1,606	1,825	1,584
Assigned - Education							-	200	200	800
Unassigned - General Fund						2,231	955	2,093	1,787	3,377
Unreserved	7,063	7,455	8,019	8,357	8,174	-	-			
<b>Total general fund</b>	<b>\$ 7,760</b>	<b>\$ 8,226</b>	<b>\$ 8,693</b>	<b>\$ 8,975</b>	<b>\$ 8,804</b>	<b>\$ 7,872</b>	<b>\$ 6,989</b>	<b>\$ 8,054</b>	<b>\$ 9,058</b>	<b>\$ 9,608</b>
<b>All Other Governmental Funds</b>										
Nonspendable Permanent Fund Principal						125	126	129	132	135
Nonspendable Inventory						26	21	27	27	14
Restricted Special Revenues						1,621	852	473	463	651
Restricted Capital Projects						2,483	1,941	20,027	22,904	9,495
Restricted Permanent Fund Interest						84	84	84	84	85
Committed - Special Revenues						4,820	4,292	4,309	4,362	4,446
Unassigned - Special Revenues						(129)	(115)	(262)	(683)	(1,083)
Unassigned - Capital Projects						(493)	(434)	(378)	(308)	(206)
Reserved	117	125	127	3,047	3,062	-	-			
Unreserved, reported in:										
Special revenue funds	4,403	8,180	7,523	4,589	5,039	-	-			
Capital projects funds	6,963	4,085	2,926	4,912	1,084	-	-			
Permanent funds	70	73	78							
<b>Total all other governmental funds</b>	<b>\$ 11,553</b>	<b>\$ 12,463</b>	<b>\$ 10,654</b>	<b>\$ 12,548</b>	<b>\$ 9,185</b>	<b>\$ 8,537</b>	<b>\$ 6,767</b>	<b>\$ 24,409</b>	<b>\$ 26,981</b>	<b>\$ 13,537</b>
<b>Total Governmental Funds Fund Balances:</b>						<b>\$ 16,409</b>	<b>\$ 13,756</b>	<b>\$ 32,463</b>	<b>\$ 36,039</b>	<b>\$ 23,145</b>

\* Beginning with 2008, the unexpended income portion of fund balance in the permanent funds was classified as reserved.

<sup>1</sup> Recalculated Fiscal Year 2010 fund balances to show comparison of GASB Statement No. 54 to 2011.

<sup>2</sup> Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

Table 4

**TOWN OF SCARBOROUGH, MAINE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 40,066	\$ 41,377	\$ 42,712	\$ 44,581	\$ 46,401	\$ 46,880	\$ 48,957	\$ 50,428	\$ 54,393	\$ 58,826
Licenses and permits	567	611	753	818	482	573	480	494	554	662
Intergovernmental	11,219	12,604	13,204	14,042	17,357	14,106	13,701	13,136	12,024	10,976
Interest earned	442	644	805	684	324	242	125	153	178	230
Other	5,677	10,921	6,247	9,288	7,545	7,849	7,549	8,420	8,883	8,966
<b>Total revenues</b>	<b>57,971</b>	<b>66,157</b>	<b>63,721</b>	<b>69,413</b>	<b>72,109</b>	<b>69,650</b>	<b>70,812</b>	<b>72,631</b>	<b>76,032</b>	<b>79,660</b>
<b>Expenditures</b>										
General government	3,727	4,340	4,401	4,483	4,615	4,742	6,144	4,403	4,957	5,201
Public services	2,643	2,849	3,070	3,103	4,033	3,766	4,831	3,841	3,931	4,146
Public safety	5,962	6,180	6,642	6,986	7,735	7,355	7,318	8,242	8,578	8,879
Public works	5,370	5,702	5,846	6,765	6,532	8,027	5,353	4,598	7,398	6,503
Education (Excludes School Debt)	26,647	28,064	29,194	31,695	33,105	33,127	33,364	33,220	37,295	39,049
Education Debt (Prin & Int)	4,272	4,728	4,458	4,419	4,475	4,174	4,142	3,758	3,653	4,150
County tax	1,520	1,584	1,615	1,735	1,837	1,886	1,923	1,976	2,075	2,194
Debt service (Principal-Town Only (1))	3,176	2,957	3,219	3,232	3,204	3,044	2,961	5,417	4,942	3,353
Debt service (Interest-Town Only)	1,128	1,108	1,177	1,488	1,867	1,911	1,810	1,151	1,109	1,118
Capital Outlay	23,374	11,467	7,999	9,305	10,196	5,167	6,037	6,347	16,988	22,940
Other	2,323	2,816	2,641	3,188	3,415	4,085	4,014	4,948	1,817	1,775
<b>Total expenditures</b>	<b>80,142</b>	<b>71,795</b>	<b>70,262</b>	<b>76,399</b>	<b>81,014</b>	<b>77,284</b>	<b>77,897</b>	<b>77,901</b>	<b>92,743</b>	<b>99,308</b>
Excess (deficiency) of revenues over (under) expenditures	(22,171)	(5,638)	(6,541)	(6,986)	(8,905)	(7,634)	(7,085)	(5,270)	(16,711)	(19,648)
<b>Other financing sources (uses)</b>										
Transfers in	2,923	2,780	2,794	3,695	3,453	1,982	1,477	2,061	1,845	1,371
Transfers out	(2,923)	(2,780)	(2,794)	(3,695)	(3,453)	(1,982)	(1,477)	(2,061)	(1,845)	(1,371)
Capital Lease proceeds	-	-	1,200	1,010	820	52	-	-	365	249
Refunding bond issued	-	-	-	-	-	-	1,155	24,605	7,065	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	(1,155)	(27,125)	(7,347)	-
Premium paid on refunded debt	-	-	-	-	-	-	(12)	2,642	322	-
Premium paid on issued debt	-	-	-	-	-	-	-	1,913	1,263	-
General obligation bonds and capital leases	10,665	7,014	4,000	8,513	4,560	6,002	4,445	21,940	18,620	6,505
<b>Total other financing sources (uses)</b>	<b>10,665</b>	<b>7,014</b>	<b>5,200</b>	<b>9,523</b>	<b>5,380</b>	<b>6,054</b>	<b>4,433</b>	<b>23,975</b>	<b>20,288</b>	<b>6,754</b>
<b>Net change in fund balances</b>	<b>\$ (11,506)</b>	<b>\$ 1,376</b>	<b>(1,341)</b>	<b>2,537</b>	<b>(3,525)</b>	<b>(1,580)</b>	<b>(2,652)</b>	<b>18,705</b>	<b>3,577</b>	<b>(12,894)</b>
<b>Debt Service as a percentage of non-capital expenditures</b>	<b>7.58%</b>	<b>6.74%</b>	<b>7.06%</b>	<b>7.03%</b>	<b>7.16%</b>	<b>6.87%</b>	<b>6.64%</b>	<b>9.18%</b>	<b>7.99%</b>	<b>5.85%</b>

Notes:

(1) The calculation of debt Service as a percentage of non-capital expenditures excludes school debt.



Table 5

**TOWN OF SCARBOROUGH, MAINE**  
**General Fund Governmental Expenditures by Function - Budgetary Basis**  
**Last Ten Fiscal Years**

<b>Years ended</b>	<b>General government</b>	<b>Public service</b>	<b>Public safety</b>	<b>Public works</b>	<b>Education</b>	<b>County tax</b>	<b>Debt service</b>	<b>Capital expenditures</b>	<b>Total</b>
2005	3,727,031	2,642,914	5,961,947	5,370,322	28,287,743	1,519,714	4,304,201	1,119,917	52,933,789
2006	4,340,348	2,849,393	6,179,751	5,702,033	30,348,883	1,584,344	4,065,377	1,114,864	56,184,993
2007	4,400,675	3,070,038	6,641,973	5,846,056	31,100,666	1,614,651	4,396,007	1,419,445	58,489,511
2008	4,482,678	3,102,548	6,986,430	6,765,228	32,865,105	1,735,302	4,720,620	2,665,445	63,323,356
2009	4,533,475	3,703,541	7,399,328	6,259,412	34,245,663	1,836,509	5,070,061	1,358,211	64,406,200
2010	4,701,884	3,730,927	7,720,965	6,224,169	34,084,528	1,885,984	4,956,091	1,210,474	64,515,022
2011	4,677,260	3,787,489	7,967,270	6,040,273	34,588,320	1,922,952	4,782,598	833,353	64,599,515
2012	4,401,899	3,841,168	8,241,916	6,598,823	34,018,975	1,975,585	5,416,558	924,372	65,419,296
2013	4,591,897	3,931,386	8,577,811	6,681,399	36,110,973	2,075,183	4,942,403	1,257,490	68,168,542
2014	5,059,198	4,146,541	8,879,022	6,502,618	39,078,563	2,193,813	4,470,950	1,146,088	71,476,793

*Note: The Table above includes only those expenditures recorded in the General Fund.*

Table 6

**TOWN OF SCARBOROUGH, MAINE**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property tax</b>	<b>Interest and Costs on taxes</b>	<b>Vehicle Excise tax</b>	<b>Boat Excise tax</b>	<b>Franchise tax fees</b>	<b>Total</b>
2005	35,548,830	57,852	4,227,608	26,322	143,224	40,003,836
2006	36,682,277	61,243	4,409,955	28,379	144,809	41,326,663
2007	38,021,985	79,599	4,415,817	26,754	155,998	42,700,153
2008	40,038,475	90,105	4,291,697	26,723	172,545	44,619,545
2009	41,999,340	99,053	4,099,738	27,079	175,980	46,401,190
2010	42,661,026	96,988	3,909,332	27,818	184,756	46,879,920
2011	44,662,371	103,811	3,955,357	26,095	195,247	48,942,881
2012	46,132,181	87,811	3,965,932	29,331	198,132	50,413,387
2013	49,774,317	93,691	4,222,208	32,945	194,771	54,317,932
2014	53,664,817	98,390	4,620,362	30,849	191,220	58,605,638



Table 7

**TOWN OF SCARBOROUGH, MAINE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real property</b>	<b>Personal property</b>	<b>Totals</b>		<b>Direct Tax Rate</b>	<b>Ratio of total assessed value to total estimated actual value</b>
	<b>Assessed property</b>	<b>Assessed property</b>	<b>Assessed property</b>	<b>Estimated actual value</b>		
2005	1,951,952,400	105,636,600	2,057,589,000	2,057,589,000	17.34	100%
2006	3,143,853,300	112,988,600	3,256,841,900	3,256,841,900	11.30	100%
2007	3,207,720,100	109,777,700	3,317,497,800	3,317,497,800	11.48	100%
2008	3,272,788,500	124,441,700	3,397,230,200	3,397,230,200	11.80	100%
2009	3,365,226,600	121,778,900	3,487,005,500	3,487,005,500	12.15	100%
2010	3,399,998,300	124,773,300	3,524,771,600	3,524,771,600	12.15	100%
2011	3,433,857,700	122,694,200	3,556,551,900	3,556,551,900	12.63	100%
2012	3,455,067,200	116,129,100	3,571,196,300	3,571,196,300	13.03	100%
2013	3,511,580,900	120,094,400	3,631,675,300	3,631,675,300	13.80	100%
2014	3,544,777,800	115,527,900	3,660,305,700	3,660,305,700	14.77	100%

Source: Town of Scarborough Assessor's Office.

Table 8

**TOWN OF SCARBOROUGH, MAINE**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Town</u>	<u>School</u>	<u>County Tax</u>	<u>Tax Increment Financing District</u>	<u>Overlay</u>	<u>State Revenue Sharing <sup>(1)</sup></u>	<u>Total Property Tax Rates by Year</u>
2005	5.645	11.332	0.739	0.387	0.036	(0.798)	17.34
2006	3.682	7.366	0.486	0.181	0.113	(0.529)	11.30
2007	3.912	7.392	0.487	0.192	0.031	(0.533)	11.48
2008	3.915	7.643	0.511	0.206	0.029	(0.504)	11.80
2009	4.096	7.754	0.527	0.245	0.021	(0.492)	12.15
2010	4.240	7.595	0.535	0.186	0.078	(0.483)	12.15
2011	4.353	7.894	0.541	0.203	0.028	(0.390)	12.63
2012	4.432	8.166	0.553	0.211	0.059	(0.391)	13.03
2013	4.452	8.849	0.571	0.220	0.100	(0.392)	13.80
2014	4.663	9.479	0.599	0.240	0.095	(0.306)	14.77

<sup>1</sup> State Revenue Sharing for the State of Maine is to be used solely to reduce each municipalities property taxes.



Table 9

## TOWN OF SCARBOROUGH, MAINE

Principal Property Taxpayers  
Current Year and Ten Years Ago  
(amounts expressed in thousands)

2005				2014			
Taxpayer	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxpayer	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value		Value		Value
Maine Life Care Retirement \$	46,347,000	1	2.25%	Maine Life Care Retirement \$	64,586,700	1	1.76%
Hannaford Brothers	29,417,000	2	1.43%	Wal-Mart	38,756,800	2	1.06%
Wal-Mart	21,364,000	3	1.04%	New England Expedition	39,155,100	3	1.07%
Gavin Ruotolo	10,797,000	4	0.52%	Hannaford Brothers	24,820,100	4	0.68%
Maine Historic Hotels	9,862,000	5	0.48%	Scarborough Gallery	23,349,100	5	0.64%
ERP Operating L.P.	8,871,000	6	0.43%	MMC Realty Maine Health	22,707,200	6	0.62%
Central Maine Power	8,365,000	7	0.41%	Central Maine Power	20,316,000	7	0.56%
Shaw's Supermarket	7,876,000	8	0.38%	Gavin Ruotolo	18,823,400	8	0.51%
Davric Maine Corporation	7,180,000	9	0.35%	RRE Foxcroft/Coach Lantern	13,229,000	9	0.36%
CNL Hospitality partners	6,638,000	10	0.32%	Shaw's Supermarket	12,901,400	10	0.35%
Total Principal Taxpayers	156,717,000		7.62%		278,644,800		7.61%
Total Assessed Value: \$ 2,057,589,000				\$ 3,660,305,700			

Source: Town of Scarborough, Maine Assessor

**TOWN OF SCARBOROUGH, MAINE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collections Within Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	35,735,569	35,422,791	99.1%	311,478	35,734,269	100.0%
2006	36,824,648	36,527,411	99.2%	294,720	36,822,131	100.0%
2007	38,139,961	37,852,666	99.2%	282,844	38,135,510	100.0%
2008	40,183,201	39,784,997	99.0%	379,993	40,164,990	100.0%
2009	42,397,139	41,890,825	98.8%	485,915	42,376,740	100.0%
2010	42,877,989	42,370,914	98.8%	486,850	42,857,764	100.0%
2011	44,928,747	44,325,013	98.7%	578,629	44,903,642	99.9%
2012	46,684,211	46,102,831	98.8%	555,613	46,658,444	99.9%
2013	50,125,493	49,483,773	98.7%	420,715	49,904,488	99.6%
2014	54,062,720	53,305,613	98.6%	-	53,305,613	98.6%

Source: Town of Scarborough Tax Collector's Office



Table 11

**TOWN OF SCARBOROUGH, MAINE**  
**Assessed Valuations and Tax Levies**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Estate Valuation</b>	<b>Personal Property Valuation</b>	<b>Total Assessed Valuation</b>	<b>Tax Rate</b>	<b>Tax Levy</b>
2005	1,951,952,400	105,636,600	2,057,589,000	17.34	35,735,569
2006	3,143,853,300	112,988,600	3,256,841,900	11.30	36,824,648
2007	3,207,720,100	109,777,700	3,317,497,800	11.48	38,139,961
2008	3,272,788,500	124,441,700	3,397,230,200	11.80	40,183,201
2009	3,365,226,600	121,778,900	3,487,005,500	12.15	42,397,708
2010	3,399,998,300	124,773,300	3,524,771,600	12.15	42,877,989
2011	3,433,857,700	122,694,200	3,556,551,900	12.63	44,928,747
2012	3,455,067,200	116,129,100	3,571,196,300	13.03	46,684,211
2013	3,511,580,900	120,094,400	3,631,675,300	13.80	50,125,493
2014	3,544,777,800	115,527,900	3,660,305,700	14.77	54,062,720

Source: Town of Scarborough Assessor's Office

Table 12

**TOWN OF SCARBOROUGH, MAINE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Other Bond Adjustments</b>	<b>Capital Leases</b>	<b>Total Outstanding Debt</b>	<b>Population*</b>	<b>Percentage of personal income</b>	<b>Debt Per Capita</b>
2005	67,737,433		141,974	67,879,407	18,812	13.68%	3,608
2006	68,844,000		72,541	68,916,541	18,812	13.90%	3,663
2007	66,845,000		1,370,408	68,215,408	18,812	13.50%	3,626
2008	69,328,000		2,025,032	71,353,032	18,812	13.95%	3,793
2009	67,785,000		2,223,239	70,008,239	18,812	13.52%	3,721
2010	68,042,000		1,640,531	69,682,531	19,239	13.44%	3,622
2011	66,767,000		1,105,143	67,872,143	18,919	9.30%	3,588
2012	82,250,000	2,428,572	687,335	85,365,907	18,786	10.80%	4,544
2013	96,180,000	5,715,066	622,334	102,517,400	18,941	12.41%	5,412
2014	97,895,000	5,474,486	597,722	103,967,208	19,343	12.37%	5,375

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

See the Demographic and Economic Statistics on schedule 15 for personal income and population data.

\* Source: U.S. Department of Commerce Bureau of the Census



Table 12A

**TOWN OF SCARBOROUGH, MAINE**  
**Ratios of General Bonded Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Other Bond Adjustments</b>	<b>Total</b>	<b>Assessed Value</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Population*</b>	<b>Percentage of personal income</b>	<b>Debt Per Capita</b>
2005	67,737,433		67,737,433	2,057,589,000	3.29%	18,812	13.68%	3,601
2006	68,844,000		68,844,000	3,256,841,900	2.11%	18,812	13.90%	3,660
2007	66,845,000		66,845,000	3,317,497,800	2.01%	18,812	13.50%	3,553
2008	69,328,000		69,328,000	3,397,230,200	2.04%	18,812	13.95%	3,685
2009	67,785,000		67,785,000	3,487,005,500	1.94%	18,812	13.52%	3,603
2010	68,042,000		68,042,000	3,524,771,600	1.93%	19,239	13.44%	3,537
2011	66,767,000		66,767,000	3,556,551,900	1.88%	18,919	9.30%	3,529
2012	82,250,000	2,428,572	84,678,572	3,571,196,300	2.30%	18,786	10.80%	4,378
2013	96,180,000	5,715,066	101,895,066	3,631,675,300	2.65%	18,941	12.41%	5,078
2014	97,895,000	5,474,486	103,369,486	3,660,305,700	2.67%	19,343	12.37%	5,061

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

See the Demographic and Economic Statistics on schedule 15 for personal income and population data.

\* Source: U.S. Department of Commerce Bureau of the Census

Table 13

**TOWN OF SCARBOROUGH, MAINE**  
**Ratio of Annual Debt Service Expenditures**  
**for General Obligation Bonded Debt**  
**to Total General Fund Expenditures**  
**Last Ten Fiscal Years**

<b>Fiscal year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total debt service</b>	<b>Total general fund expenditures</b>	<b>Ratio of debt service to general fund expenditures</b>
2005	5,879,730	2,633,535	8,513,265	52,933,789	16.08%
2006	5,907,434	2,846,370	8,753,804	56,184,993	15.58%
2007	5,999,000	2,820,923	8,819,923	58,489,511	15.08%
2008	6,030,000	2,738,869	8,768,869	63,323,356	13.85%
2009	6,103,000	2,750,561	8,853,561	64,406,200	13.75%
2010	5,745,000	2,653,085	8,398,085	64,515,022	13.02%
2011	5,720,000	2,584,375	8,304,375	64,599,515	12.86%
2012	5,972,000	2,432,682	8,404,682	65,419,296	12.85%
2013	5,135,000	2,815,370	7,950,370	68,168,542	11.66%
2014	4,790,000	3,588,569	8,378,569	71,476,793	11.72%

Note: details regarding the town's outstanding debt can be found in the notes to the financial statements.



Table 14

TOWN OF SCARBOROUGH, MAINE  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 380,820	\$ 430,980	\$ 488,370	\$ 529,673	\$ 534,488	\$ 543,068	\$ 534,623	\$ 533,513	\$ 522,375	\$ 536,918
Total net debt applicable to limit	67,737	68,844	66,845	69,328	67,785	68,042	66,767	84,679	101,895	103,369
Legal debt margin	313,083	362,136	421,525	460,345	466,703	475,026	467,856	448,834	420,480	433,549
Total net debt applicable to the limit as a percentage of debt limit	17.79%	15.97%	13.69%	13.09%	12.68%	12.53%	12.49%	15.87%	19.51%	19.25%

Note: Under state finance law, the Town of Scarborough's outstanding general obligation debt should not exceed 15 percent of total assessed property value.

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**TOWN OF SCARBOROUGH, MAINE**  
**Direct, Overlapping and Contingent Debt**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Town of Scarborough:										
General Obligation Bonds	67,738	66,844	66,845	69,328	67,785	68,042	66,767	82,250	96,180	97,895
Capital Leases	-	-	-	2,025	2,223	1,641	1,105	687	623	598
<b>Total Direct Debt</b>	<b>67,738</b>	<b>66,844</b>	<b>66,845</b>	<b>71,353</b>	<b>70,008</b>	<b>69,683</b>	<b>67,872</b>	<b>82,937</b>	<b>96,803</b>	<b>98,493</b>
Cumberland County	1,055	883	685	535	481	327	126	3,352	3,254	3,458
Portland Water District	2,846	2,665	2,557	3,486	4,099	4,210	3,845	3,933	3,483	5,994
<b>Total Overlapping Debt</b>	<b>3,901</b>	<b>3,548</b>	<b>3,242</b>	<b>4,021</b>	<b>4,580</b>	<b>4,537</b>	<b>3,971</b>	<b>7,285</b>	<b>6,737</b>	<b>9,452</b>
ecomaine Waste Systems:										
Resource recovery system	4,062	3,573	3,016	2,393	1,601	792	231	-	-	-
Material recovery facility	352	317	278	231	182	125	120	-	-	-
Landfill closure/postclosure	1,581	1,682	1,697	1,956	1,242	1,266	1,302	1,371	1,405	1,436
<b>Total Contingent Debt</b>	<b>5,995</b>	<b>5,572</b>	<b>4,991</b>	<b>4,580</b>	<b>3,025</b>	<b>2,183</b>	<b>1,653</b>	<b>1,371</b>	<b>1,405</b>	<b>1,436</b>
<b>Total Direct, Overlapping/Contingent</b>	<b>77,634</b>	<b>75,964</b>	<b>75,078</b>	<b>79,954</b>	<b>77,613</b>	<b>76,403</b>	<b>73,496</b>	<b>91,593</b>	<b>104,945</b>	<b>109,381</b>

Source: Town of Scarborough Finance Department, Cumberland County, Portland Water District and ecomaine.

Note: Overlapping debt is calculated from the total outstanding debt of the government, multiplied by the Town's percentage share.

Calculations for the Overlapping and Contingent Debt are provided by the Cumberland County Treasurer's Office, the Portland Water District and ecomaine.

Please see additional information in the Notes to the Financial Statements



Table 15

**TOWN OF SCARBOROUGH, MAINE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Personal Income (b)</b>	<b>Per Capita Personal Income (a)</b>	<b>Median Age (a)</b>	<b>School Enrollment (c)</b>	<b>Unemployment Rate (d)</b>
2005	18,812	495,150,652	26,321	39	3,308	3.00%
2006	18,812	495,150,652	26,321	39	3,324	3.00%
2007	18,812	495,150,652	26,321	39	3,361	2.90%
2008	18,880	496,940,480	26,321	39	3,347	3.30%
2009	19,054	501,520,334	26,321	39	3,343	5.60%
2010	19,239	506,389,719	26,321	39	3,363	5.40%
2011	18,919	718,146,321	37,959	44	3,269	5.40%
2012	18,786	761,359,008	40,528	44	3,205	5.00%
2013	18,941	775,103,302	40,922	45	3,157	5.00%
2014	19,343	791,554,246	40,922	45	3,112	3.50%

(a) U.S. Department of Commerce, Bureau of Census.

American Community Survey (ACS) (2008-2012 5-year Estimates)

(b) Personal income equals per capita income times the population.

(c) State of Maine Department of Education Census data.

(d) State of Maine Department of Labor, Division of Economic Analysis and Research,  
unemployment based on June 2012 data

Table 16

**TOWN OF SCARBOROUGH, MAINE**  
**Principal Employers**  
**Current Year and Ten Years Ago**

2005			2014			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees *</u>	<u>Rank</u>	<u>Percentage of total Town Employment</u>
Town of Scarborough	1,384	1	Hannaford Brothers	1,308	1	9.0%
Hannaford Brothers	882	2	Town of Scarborough	1,282	2	8.9%
Wal-Mart	294	3	US Postal Service	589	3	4.1%
Maine Medical Center	180	4	Maine Medical Center	389	4	2.7%
Shaw's Supermarket	150	5	Wal-Mart	327	5	2.3%
RC Moore Trucking	150	6	Cabela's	285	6	2.0%
Sam's Wholesale Club	123	7	NorDX	207	7	1.4%
Konica Quality Photo	108	8	Piper Shores	207	8	1.4%
Rich Tool & Die Co.	90	9	Sam's Wholesale Club	188	9	1.3%
RTS Packaging	85	10	Alere	187	10	1.3%

\* Source: Scarborough Economic Development Corporation (SEDCO)

2013 Total Town Average Annual Employment Estimate: 14,474 (Source: ME Dept of Labor, Annual 2013 Covered Employment - all industries)  
Does not include self employed



Table 17

**TOWN OF SCARBOROUGH, MAINE**  
**Unemployment Data**  
**Last Ten Fiscal Years**

<b>Fiscal Year ending June 30,</b>	<b>Portland Metropolitan Statistical Area (PMSA)*</b>	<b>State of Maine</b>	<b>Town of Scarborough</b>
2005	3.6%	4.6%	3.1%
2006	3.5%	4.6%	3.2%
2007	3.5%	4.5%	3.0%
2008	4.1%	5.0%	3.5%
2009	6.9%	8.2%	5.9%
2010	6.6%	7.8%	5.6%
2011	6.3%	7.6%	5.7%
2012	5.9%	7.1%	5.0%
2013	5.5%	6.6%	4.8%
2014	4.1%	5.1%	3.5%

Data Source: The Maine Department of Labor

Scarborough is within the Portland-South Portland-Biddeford Metropolitan Statistical Area (PMSA).

Data is for June of each year.

NOTE: Numbers in previous years revised to reflect June of each year for consistency.

Table 18

TOWN OF SCARBOROUGH, MAINE  
Operating Indicators by Function  
Last Ten Fiscal Years

Function:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Govt:										
Town Clerk										
Certified Copies	1,185	1,462	1,187	2,098	4,887	4,988	5,820	5,068	4,624	5,596
Licenses	360	296	365	432	436	440	545	585	572	861
Permits							919	905	889	930
Passports Applications	379	548	882	792	586	665	534	-	-	-
Tax Office										
Beach Passes	1,886	2,003	2,192	3,436	3,487	2,358	2,443	2,701	2,934	2,763
Licenses & Permits	1,847	1,643	1,298	1,166	1,168	991	817	782	791	670
Tax Bill Issued						9,389	9,809	9,516	9,594	9,623
Excise Registrations						25,570	25,384	25,637	30,477	29,566
Planning:										
Permits	1,501	1,561	1,438	1,346	1,091	558	554	553	621	609
Certificates of Occupancy	340	353	242	207	204	222	176	173	174	217
Public Safety:										
Police:										
Physical arrests	332	822	719	817	1,152	619	989	1,026	898	826
Traffic violations	1,077	1,337	975	792	741	1,404	819	1,069	1,126	1,007
Fire:										
Number of calls answered	1,225	1,275	1,228	1,303	1,615	1,598	1,718	1,733	1,610	1,744
Number of Inspections	472	642	884	1,825	3,351	3,537	3,394	3,583	3,455	3,378
Rescue:										
Number of calls answered	1,928	1,787	2,055	2,069	2,088	1,946	2,125	2,141	2,116	1,950
Public Works:										
Street resurfacing (miles)	5.26	6.03	7.32	3.90	6.31	8.62	6.37	6.45	3.62	5.31
Pot holes repaired (qty used in tons)	82	71	61	42	35	24	24	24	13	29
No. times plows dispatched	24	53	15	33	27	24	26	30	60	35

Source: Town of Scarborough various departments

Note:

FY2012 Scarborough Public Library Processed Passport Applications



Table 19

**TOWN OF SCARBOROUGH, MAINE**  
**Capital Asset Statistics by Function**  
**Last Six Fiscal Years**

	2009	2010	2011	2012	2013	2014
Function:						
General Govt:						
Planning Vehicles	4	4	5	4	4	4
Technology Vehicles	3	3	3	3	3	4
Public Service:						
Community Services						
Vehicles	5	5	5	5	6	7
Parks	4	4	4	5	6	6
Public Safety:						
Police:						
Vehicles - Patrol Cars	8	8	8	12	12	12
Facilities	1	1	1	1	1	1
Fire:						
Vehicles - Response Trucks	10	10	10	11	12	12
Marine	2	2	2	2	2	2
Facilities	6	6	6	6	6	6
Rescue:						
Vehicles - Response Trucks	3	3	3	3	3	3
Public Works:						
Streets (miles)	111.40	117.28	121.92	175.56	174.20	174.92
Traffic Signals	35	35	35	35	37	37
Generators	10	10	10	10	10	10

Source: Town of Scarborough various departments

Comment: Data not available for all years

Table 20

**TOWN OF SCARBOROUGH, MAINE**  
**Town Government Employees by Function**  
**Last Ten Fiscal Years**

		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government:											
	Full time	35	35	37	37	39	35	37	35	34	32
	Part Time	36	58	19	59	53	72	55	57	61	52
Public Services:											
	Full time	13	14	14	15	15	17	23	15	15	15
	Part Time	77	99	103	130	159	134	146	148	160	139
Public Safety:											
Police											
	Full time	47	48	51	52	52	50	52	53	55	53
	Part Time	28	33	27	27	34	35	38	28	30	33
Fire											
	Full time	4	4	4	4	4	4	5	5	5	8
	Part Time	159	144	152	167	164	148	150	153	151	150
Rescue											
	Full time	9	9	12	12	12	16	20	20	20	21
	Part Time	16	18	15	14	15	10	11	11	10	0
Public Works:											
	Full time	32	32	33	36	35	31	31	31	31	31
	Part Time	3	2	2	3	3	4	1	1	3	1
Education:											
	Full time	724	766	733	750	761	503	460	452	449	443
	Part Time						268	262	302	296	246
Total:		1183	1262	1202	1306	1346	1327	1291	1311	1320	1224

Source: Town of Scarborough

Comments: School part time employee data available from 2010.  
As of 2014, Fire/Rescue Part Time are all cross trained.



**TOWN OF SCARBOROUGH, MAINE**  
**Department Listings by Division, Department and Function**

Division	Department	Function	Division	Department	Function
<b>General Government:</b>	Legislative	Town Council	<b>Public Works:</b>	Public Works:	Road/Highway Maintenance
	Administration:	Executive			Vehicle Maintenance
		Town Clerk			Traffic Signals
		Elections			Engineering/GIS
		Human Resources			Solid Waste
		Legal			Water Charges
		Municipal Insurance			Street Lighting
		Municipal Building			Cemetery Care
		Public Information			Memorials
		Outside Agency Requests			Shade Trees
	Finance:	Accounting	<b>Education:</b>		Primary
		Tax/Treasury			Elementary
		Purchasing			Secondary
		Assessing			Instruction Improvement
	Planning:	Planning			Food Services
		Engineering			Special Services
		Code Enforcement			General & Special Administration
		Zoning & Planning Boards			Board of Education
	Information Syst.				Office of the Superintendent
					Business Administration
<b>Public Service:</b>	Community Serv:	Recreation			Transportation
		Youth Programs			Operation & Maintenance of Plant
		Senior's Programs			Debt Service
		Parks			
		Child Care			
		Beach Care			
		Grounds Maintenance			
		Sports Complex			
		Local Access Cable TV			
	Public Assistance	Welfare/Health Assistance			
	Economic Develop.				
	Library				
<b>Public Safety:</b>	Fire:	Fire Suppression			
		Fire Prevention			
		Rescue			
		Emergency Preparedness			
	Police:	Patrol			
		Dispatch			
		Marine Resources			
		Animal Control			

Source: Town of Scarborough