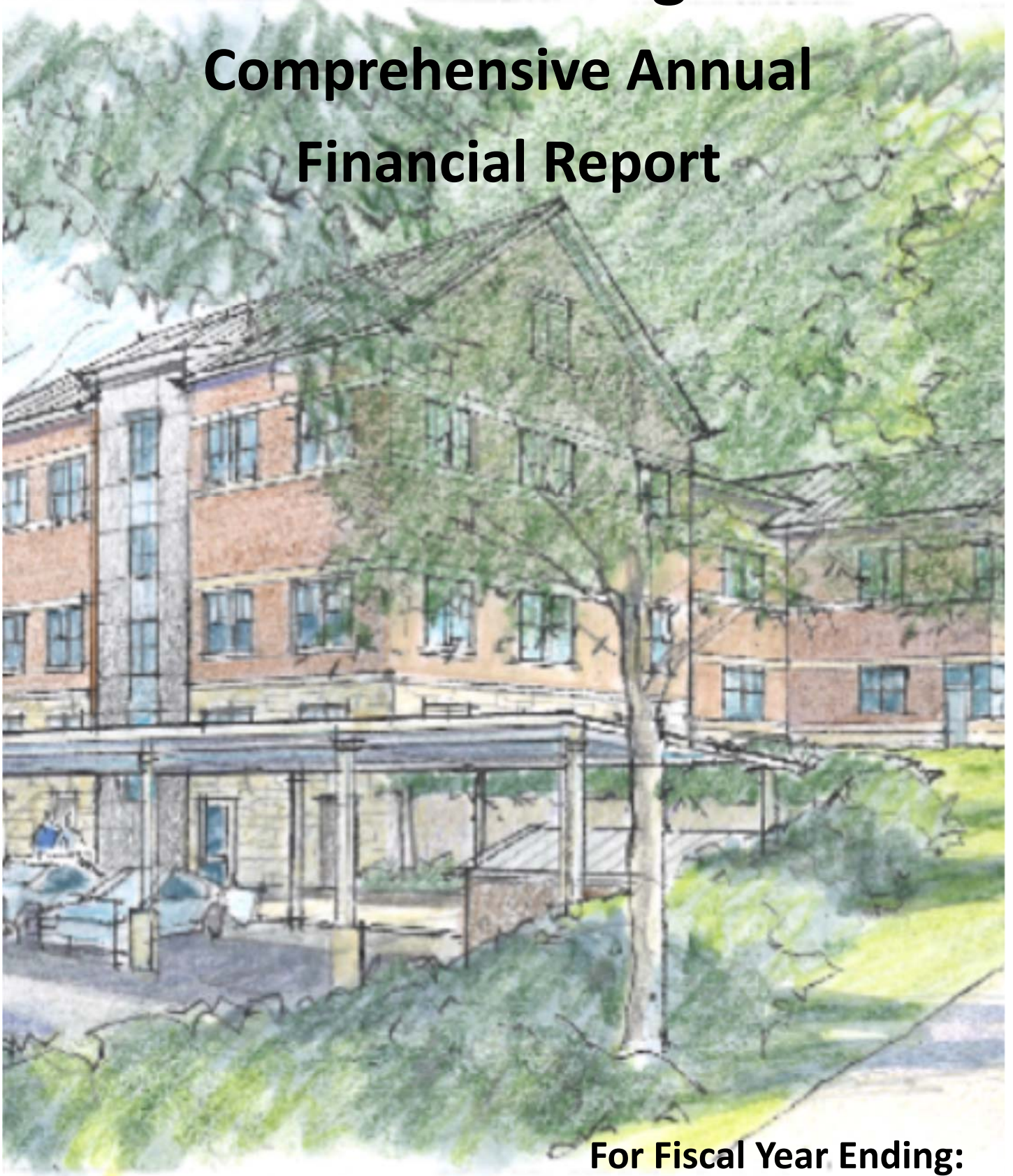


Town of Scarborough Maine

Comprehensive Annual Financial Report



**For Fiscal Year Ending:
June 30, 2019**

Town of Scarborough Maine

Comprehensive Annual

Financial Report

SCARBOROUGH
MAINE



Prepared By:

Town of Scarborough Maine

Finance Department

For Fiscal Year Ending: June 30, 2019

TOWN OF SCARBOROUGH, MAINE
Comprehensive Annual Financial Report
Year ended June 30, 2019

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Town of Scarborough Maine Comprehensive Annual Financial Report



Introduction

Project of the year 2019 – Dunstan tap & Table

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January 31, 2020

Paul Johnson, 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, 2019.

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 all 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 the MD&A in conjunction with the letter of transmittal.

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, 2018. This is the fourteenth-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 this current comprehensive annual report continues to meet the Certificate of Achievement Program 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 Cape Elizabeth, South Portland, Old Orchard Beach, Saco, Buxton, Gorham and Westbrook.

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, the Town of Scarborough has two component units, Scarborough Economic Development Corporation and the Scarborough 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 14-member Board of Trustees include 12 members appointed by its own board members, 1 representative from the Friends of the Scarborough Library Board (a 501(c)(3) corporation) and 1 member appointed from the Town Council, 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 blended component unit of the Town because the Town appoints the board members for SEDCO and SEDCO's total debt outstanding is expected to be paid entirely with the resources of the Town. Additionally, SEDCO issues its own separate financial statements.

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

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 budget then goes to the voters for approval. 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 back 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's annual rate of change for the Real Gross Domestic Product (GDP) between the first quarter of 2018 and 2019 hit 2.0%, which was slightly lower than New England's rate of 2.2%. Compared to the United States (US), Maine and New England were below the US rate of 3.2% for the same period.

Per capita Personal Income increases for Maine, New England and the US were similar between 2018 and 2019 with 4.4%, 4.6% and 4.3% respectively. Maine wages & salaries lagged behind New England and the United States (US). Maine struggles with an aging population along with negative natural increase, a situation where deaths outnumber births. New England and the US are both still experiencing positive natural increases. Maine's median age of 45.1 is significantly higher than New England's 40.8 and the US median age of 38.2. The aging population is clearly affecting the labor supply in Maine. Even with a tight job market, Maine's job growth is keeping pace with New England's increase of 1.1% growth in total nonfarm employment. The US growth rate is slightly higher at 1.4% Maine is still challenged by the lack of adequate labor supply. The lack of labor supply is clearly indicated by historic lows in the unemployment rate, with Maine's unemployment rate hitting a low of 2.8% in June 2019. The labor supply challenges have affected all industries, but the construction industry has been hit hard. Maine's welcoming attitude toward immigrants, may be a way to help the labor supply, as explained in a recent Maine Development Foundation report.

A bright spot on the Maine economy is that Maine people are becoming more educated. Since 2010, the percentage of Maine adults with a college degree has increased five percentage points. From an industry perspective, Health Care continues to be one of Maine's largest employers, however, the rate of growth is tapering off. Jobs in Professional and Business Services have increased about 3% annually since 2010, much faster than the rest of the economy. Maine's manufacturing industry has stabilized after decades of decline. The number of manufacturing employers has increased each year since 2012. And after decades of difficulties, Maine forest products industry is diversifying and engaging with the University of Maine as an R&D partner. Food production from farming to craft breweries to restaurants is emerging as an important industrial cluster in Maine. There are 494 certified organic farms in Maine with sales over \$65 million.

Local Economy. Southern Maine's profile is more robust than the State as a whole. Population continues to grow, employment is increasing, housing prices are increasing, and new construction is booming.

Cumberland County added 12,100 new residents between 2010 and 2018, for a total population of 293,600. The area is attracting young adults, with the largest domestic net in-migration occurring in the 29 to 34-year-old age groups. While Cumberland County increased population at a respectable 4.3% during this period, communities, like Scarborough are growing at a faster rate. Scarborough's economic base remains strong and diversified. The town continues to compete favorably in the residential market as well as the job market, with both indicators increasing since 2010. Scarborough has the third highest assessed valuation in the state, the sixth highest taxable retail sales, the seventh highest number of wage and salary jobs and the ninth highest population. New residents are attracted to the natural beauty of the coastal community with access to beaches, the Eastern Trail, and significant holdings of preserved lands. The quality of Scarborough schools is also a major attraction to families. Businesses are attracted to the excellent transportation logistics – with access to downtown Portland through the I-295 Connector and access to markets North and South via Exit 42 on the Me. Turnpike. In 2018, Scarborough had just over 20,350 residents representing 7% of Cumberland County's population. In terms of population increase, the town captured 12% of the total County population increase. In 2018, Scarborough's economy featured 15,880 wage and salary jobs, of which 20% were in the health care industrial cluster. In the last year, Scarborough

added just under 100 jobs, primarily in the hospitality and professional technical categories. Retail Sales increased \$13 million last year, up 58% over the last 10 years.

In terms of new investment, Maine Medical Center is in the process of seeking approval for a 108,000 square foot medical office at their Scarborough campus, adding to their current footprint of 500,000 square feet. The new facility will bring an additional 250 employees to Scarborough. According to Maine Medical Center, the Scarborough campus will continue to receive investments in the future, increasing the footprint by an additional 100,000 square feet, over and above the current proposal. The Life Sciences cluster, including Maine Health and Abbott, holds great potential for Scarborough and the Portland region. The town follows this cluster closely and is actively marketing to this sector (locally, nationally and internationally) in cooperation with the City of Portland and the Maine International Trade Center. A Scarborough location has been modernized and square footage increased, providing an excellent location for new companies in this economic cluster. The site is located near the I-295 connector providing 10-minute access to downtown Portland and has been permitted for additional buildings. Goodwill's Neuro Rehabilitation facility has moved in to this building, leasing 10,000 square feet. Hannaford, part of Ahold Delhaize, continues to be the Town's largest single private employer with just over 1,000 employees. With the merger of parent companies Ahold and Delhaize, Hannaford appears stable and engaged in the community. Retail space continues to be built in Scarborough with construction of a 7,000 square foot addition to Waterstone Retail's property at Scarborough Gallery. While retail space is expanding, the relative influence of retail employment is dropping. In 2010, Retail made up 17.1% of jobs in Scarborough. As of 2018, that percentage has declined to 15.9%.

In terms of new construction, multifamily rentals comprise a large portion of new construction in town. The Beacon at Gateway is under construction, with 283 new luxury rentals coming online in the Winter of 2018. These rentals will increase Scarborough's housing mix and attract high income renters in a variety of age groups. Approximately half of the units are built, with 100% occupancy. Additional units are under construction with significant preleasing. Other approved projects include: the first and only Acura dealership in the State of Maine, Land Rover renovations at the dealership on Route One, Maine Veterinary Center expansion in the Enterprise Industrial Park, Infinity Credit Union has broken ground on a new facility in Oak Hill, Prompt-to Oil Change opened on Route One, Nothing Bundt Cake will officially open in October, 2019, Cabinets-to-go, a national franchise of kitchen cabinets began rehabbing a store on Route One, and Hospice of Southern Maine has begun construction on their new Facility located on Route One. Lastly, the Scarborough Downs mixed use project, now rebranded as "The Downs" is underway. The first phase of residential construction is almost complete, with nearly all available units sold, with strong preleasing of the rental units. Phase II of The Downs, The Innovation District, has been approved. This district includes some 50 lots for production space – light industrial/flexible office. The first two projects in the Innovation District are before the Planning Board now. This high-profile project, located in the center of town, is one of the largest projects ever built in Scarborough and will attract interest far beyond the borders of Maine. The overall outlook for Scarborough is indeed positive.

Major Initiatives:

For the year. The Town of Scarborough Finance Committee consolidated four financial policies (Debt Management, Investment, Fund Balance and Capital Planning) into one Financial and Fiscal Policy adopted on September 5, 2018 by the Town Council.

The Planning Department expanded its capacity with the development of the Technical Division led by the Town Engineer and supported by the Town's Sustainability Coordinator and GIS & Project Administrator. The Technical Division is a restructuring of existing town positions that promotes the sharing between all Town departments all the technical expertise and knowledge-base that the division staff have to offer. The Planning Technical Staff worked with a consultant to overhaul the Web-GIS (on-line mapping) system in

order to provide a user-friendly experience for the public, while maintaining the detail needed to provide an efficient platform for internal municipal staff. In addition, staff looked for opportunities to integrate additional tools to link to other systems that municipal departments use to optimize efficiencies for information across different disciplines. This partnership enables the town to grow with the needs of the community and businesses in order to enhance online capability for accessing information promptly.

Planning's Zoning, Code Enforcement, and Administrative staff work to ensure compliance with the building, life-safety, land use codes and natural resource regulations, through our review, permitting, and inspection program. Overall development activity is robust with 785 building permits issued in FY19. This year the community continued to experience strong growth in multi-family developments. Single-family development remained stable with over 70 new single-family building permits issued. The developments reviewed by the staff contributed to over \$94 million worth of new construction value occurring in FY19. Similar to the volume of construction activity managed by our Zoning and Code Enforcement team, the Planning division directed a similar load of development review, planning studies, zoning efforts, and ordinance initiatives. In particular, FY 2019 was defined by the department's efforts related to the Comprehensive Plan, development review, ordinance modifications, and transportation planning, and assisting the public. The first Phase of the Downs redevelopment was approved and includes a mix of multi-family, two-family and single-family units. In addition, the multi-family development portion of the Eastern Village subdivision was finalized. Three single family subdivision were approved, totaling 41 new lots. In addition to a number of smaller additions, over 140,000 SF of new commercial space (office, retail and restaurant) was approved for development.

The Town of Scarborough has two streams, Red brook and Phillips Brook that the Maine Department of Environmental Protection (MDEP) has classified as Urban Impaired Streams. An urban impaired stream classification means that pollution levels make it difficult for stream life to survive. The Town has continued to work on improving the health of one of these streams, Phillips Brook. The work is funded by a \$115,000 grant from the MDEP and the US Environmental Protection Agency (EPA).

In FY2018, Scarborough assumed responsibility for the community's streetlights, retrofitting all applicable lights with LED lights. The town spent FY 2019 working to complete the LED streetlight conversion. LED lights consume a fraction of the electricity and offer advantages over older lighting technologies. LEDs can reduce electricity consumption for street lighting by 75% and will offer significant financial benefits to the Town. Even though the Town will now maintain the lights, costs are not expected to be significant since LED lights have very long lives and extremely low failure rates. The return on investment (ROI) for phases I and II of the project is 4.5 years.

The Information Technology (IT) Department continues to focus on the reliable, secure and cost-effective delivery of technology services to meet the goals and objectives of the Town of Scarborough. Leveraging technology within the Town and School District remains a key priority for the IT Department, as the Town seeks to make public service to our residents, businesses and visitors more efficient, safe and easy. Key projects completed successfully by the IT team over the course of FY 2019 include: transition and update of the internal phone system, planning specifications for and implementation of tech infrastructure in the new Public Safety Building, computing, storage and efficiency upgrades within the Scarborough Data Center, upgrade of Scarborough Data Center backup and recovery services, replacement of Scarborough Data Center security and protection systems, and Life-cycle replacement of desktop and laptop computers used by students and employees.

The implementation of a Public Works universal contact email pwinfo@scarboroughmaine.org has proven to be a successful tool for residents to contact the Town with questions, comments, and concerns. The email is monitored by the administrative staff, who then distributes the requests, questions and concerns to the

applicable staff/department. In FY19, Public Works responded to 2,804 requests for service from residents, Scarborough town departments, outside municipalities, and the general public.

The adaptive traffic control system was installed at Dunstan Corner intersections during FY19. This system is intelligent and adjusts to real time rather than the traditional static time-of-day programming. The Dunstan intersection was rebuilt in 2013 and while there were improvements in service levels and the traffic diversion goals were met, there were still traffic congestion problems. The adaptive traffic control system constantly monitors the three traffic signals in the area and adjust to the highest demand within the intersection. By doing so, waiting time at the intersections can be reduced. The Dunstan intersection was a good candidate for piloting this technology because traffic is impacted by seasonality, weather, commuting, and other factors. The outdated traffic signal timing causes considerable costs to residents, consumers and businesses. For residents/consumers, this causes excess delays and subsequent fuel consumption. For businesses, it decreases productivity and increases labor costs. Adaptive Traffic Controls are kinder to the environment since they can reduce the emissions of hydrocarbons and carbon monoxide due to improved traffic flow. The Town will continue to monitor the efficiencies stemming from these new adaptive controls to ensure that they are delivering the best performance possible.

On June 24, 2018, the Committee on Public Secondary Schools voted to award Scarborough High School continued accreditation through the New England Association of Schools and Colleges (NEAS&C). This is a ten-year accreditation. The School Department adopted a Strategic Plan with the following four themes: effective teaching and learning, safe and inclusive schools, global citizenship and community engagement. This strategic plan ensures the as a school community, Scarborough Public Schools will be a high quality, forward-looking district known for its whole child approach with dynamic academic programs, enriching co-curricular experiences, and a vibrant learning community that challenges students while preparing them for highly engaged and fulfilling lives. Scarborough Public Schools has created a new K-12 Curriculum Guide. Scarborough High School has broken this work up to be completed over a three-year time frame. For the first year (FY19), the high school's curriculum documents were written in a common format within the Scarborough Public School's Curriculum Guide that includes unit descriptions and standards and learning goals.

In FY2019, Community Services (CS) added new programs and fun events to the yearly offerings that provided more opportunities for those with mobility or sensory processing difficulties. The programming was well received with over 100 people in attendance. During the fiscal year CS also reviewed and initiated changes to current programs. In reviewing the number of adult recreation programs offered, only 4% were aimed towards ages 18-54 which lead the Town to increase the adult programming by offering a variety of new fitness classes. Classes included Back to Basics Bootcamp, POUND Fitness and Mix-It-Up Mondays. CS relies on local business and organizations to assist in funding no-cost or low-cost family events for the community. These events include Summerfest, Winterfest, the Annual 55+ BBQ, Santa in the Park, Easter Egg Hunts, and Quiet Riot Halloween Dance. As the traditional sponsorship program waned, CS introduced in the Fall of 2018, the new "50 for \$500" campaign and sought out 50 local business who would partner with the town. All sponsors would come in at the same level and would be recognized the same way. In FY19, twenty sponsors were secured, some tried-and-true donors, and many new businesses came forward. Starting in Spring 2019, the 55+ membership program was phased out and transitioned to a residency-based registration process. The Town of Scarborough became the 314th community to enroll in the AARP Network of Age Friendly Communities. Age Friendly Scarborough aims to promote active, healthy, and engaged living by residents of all ages, but especially older adults. CS will work with the AARP network to address eight aspects of community life, including outdoor spaces and buildings, transportation, housing, social participation, respect and social inclusion, civic participation and employment, and communication and information and community. Also, CS will have the opportunity to collaborate with our neighboring Age Friendly Communities and will have access to national and global research, planning models, and best practices.

Prior to FY19, Community Services out sourced the organically treated aeration and slice seeding services for the playing fields turf. It became clear that with a few pieces of equipment and some training, in-house staff could handle those services. CS invested in the necessary equipment in FY19, including an aerator, slice seeder, and tow-behind turf blower.

Scarborough is home to several sandy beaches, including three beaches that are maintained and operated by the Town of Scarborough. CS supervises the day-to-day operations of the beach parking lots and facilities, as well as the boat launches for the town. Operations include parking lot management and fee collection, with parking lots open daily sunrise to sunset from Memorial Day through Labor Day. A new ticket booth at Ferry Beach was installed in the middle of the entrance to the parking lot. This new layout not only kept staff safer while working but assisted in the flow of incoming and outgoing traffic. A new automated gate machine was installed and operational for use during the summer season at Higgins Beach. This machine allowed the collection of parking fees within the extended hours approved by Town Council and also collects fees when the lot is not staffed.

Public Safety undertook a major project to modernize the town's municipal fire alarm system that connects the town's fire stations, schools, and many other municipal and private businesses to our dispatch center. The current legacy system is based on a nearly 100-year-old telegraph type technology. Although it has served our community faithfully for more than 50 years, there are new, modern, digital systems available that are based on wireless mesh radio technology. The town decided to invest in a new wireless technology solution that automatically tests itself, provides more dependable and improved service and will lower costs of maintenance for many years to come. The new system is currently being installed and will be up and running later this fall.

This past fiscal year the Fire Department celebrated their 30th anniversary of the Student Live-in Program. Scarborough Fire was one of the charter departments to work with So. Me. Community College to institute a new and innovative internship program. The concept was to offer incoming college students, studying firefighting or emergency medical services, an experiential learning opportunity to apply the skills they learned in the classroom. Instead of living in a college dorm, selected students would live in the fire station in exchange for becoming a member of the department, responding to calls, and helping to maintain the station and equipment housed there. Scarborough's program started with 6 students and currently have 15 students. Over the years, 250 students have been through the program here in Scarborough. It has proven to be a great recruiting tool and mutually beneficial. The students gain a realistic understanding of the day to day life of a career firefighter/EMT. They eat, sleep, cook, and serve beside veteran role models who provide mentoring, advice, and help with their academic studies. The town benefits from a number of new, highly engaged and motivated members of the department to help fill the need for the call force.

FY19 has seen changes to the police organization and structure by the creation of a Lieutenant position. This was accomplished through a restructuring of the supervisory staff and did not include the hiring of an additional officer. The reasons for this change were to improve our patrol supervision. Sergeants have, by necessity, taken on a number of collateral duties. Many of these require a fair amount of office time to complete. Unfortunately, while Sergeants were busy with these responsibilities they were not on the road backing up and supervising the patrol officers. The new Lieutenant position has picked up many of the collateral duties and freed up the Sergeants to be on the road. This adds to the number of people available for calls, but more importantly it gives an opportunity for our first line supervisors to mentor, evaluate, and assist our patrol officers.



One of the most exciting things during this period has been the construction of the new public safety facility. From the groundbreaking in November through FY19, it has been exciting to see the building taking shape. Over the winter, footings and foundations were installed and masonry walls built. The steel frame of the structure was erected in the spring and in June, the Town had the “topping off” ceremony. The last piece of steel frame was put in place to form the shape of the new public safety building. This piece was painted white with the seals of our public safety divisions; police, fire, and communications. The topping off ceremony is an old tradition to celebrate the completion of the steel form of a new building. The beam was signed by the workers, the ad-hoc building committee, the town council, town administration, and department members. The beam had both the American and Maine flags, as well as a small tree, and some Scarborough cattails. The beam was hoisted in place by a crane and secured by iron workers sitting atop the building waiting to bolt it in place. While the beam will not be readily visible within the completed building, it will forever be there.



During FY19, 52 individuals found treatment as a result of the Operation Hope program bringing the total to 379 participants since the onset of our initiative. A couple of significant events that took place during the year. Early in the year we received a call from Today Show producer, Jared Crawford. Reporter, Kate Snow, had been following the opioid crisis all across the country and had heard about Operation HOPE. Mr. Crawford was interested in doing a story in what we were doing here in Scarborough. In February, the Today show did in fact show up and turned public safety classroom into a quasi-recording studio with flood lights, camera operators, producers, and of course on-air personality, Kate Snow. The segment centered on our program, the Milestone Recovery Center, and an individual that had actually shown up on the day of filming, seeking assistance in finding treatment and recovery.

During FY19, the Police Department introduced two initiatives, High Five Fridays and Operation KIND (Kid-In-Need of De-escalation), that help with making stakeholders aware that a child may have experienced a traumatic event, while also assisting in providing a positive relationship and environment that may help a child to cope with an adverse experience.

Emergency Management worked closely with Cumberland County EMA Director and his staff on planning for an active threat scenario. That process included working with the school and several municipal departments to develop policies and train personnel to deal with those types of threats. Those activities culminated in a full-scale active threat exercise at Scarborough's Middle school.

For the Future. Working with the Long-Range Planning Committee, the town engaged in a public dialogue to update the Comprehensive Plan. The Comprehensive Plan will guide future decisions for land use related to conservation and growth in Scarborough, transportation, natural resources, housing, parks and open spaces, sustainability, trails, public facilities and services, economic development, as well as community identity.

As of 2019, the new Public Safety Building is completely framed and closed in. There are nearly 100 skilled tradesmen from a variety of subcontractors working on the site daily to bring the design to reality. The project is targeted for completion mid-February 2020. Final punch list items and commissioning, along with the delivery and installation of furniture, fixtures, and equipment will take place in March 2020, with a target move-in date of early April 2020. Scarborough's public safety family is looking forward to moving in to the new facility.

Collaborating with partners at Portland Area Comprehensive Transportation System (PACTS), a regional planning organization, The Planning Department engaged with the public and the Transportation Committee on developing a comprehensive planning study for the Route 1 corridor. The efforts of this partnership will take shape throughout FY20.

A major facelift of the Town website will be completed in Winter 2019, which will include upgrades to ease community and visitor navigation, updates to department content, and the release of several exciting features for all users. Finally, the new site is being designed with mobile users in mind, so that smartphones and tablets can be easily used, no matter what the size screen may be.

The Public Works Department continues to expand their contracts with external municipalities. The department now performs vehicle maintenance and repair for the Towns of Hollis (Fire/Rescue), Kennebunk (Fire/Rescue), Old Orchard Beach (Fire/Rescue), Old Orchard Beach (Police), and Wells (Fire/Rescue). In FY19, in addition to the 285 Town of Scarborough vehicles & equipment, the vehicle maintenance department also repaired and maintained 68 vehicles from external municipalities. This is a mutually beneficial arrangement, as the contracted work with these external municipalities generates revenue for the town, and also provides quality and cost-effective service for the external entities.

Enrollment in our K-2 schools has been growing at a rapid pace. An updated enrollment study was completed in 2019 to project the potential impact of new construction on our schools. Even the most conservative projections indicate a steady increase over the next several years. The impact can already be seen at Eight Corners School where portable classrooms were ordered at the end of the 2018-2019 school year for the following school year to accommodate the influx of student registrations.

FY19 was a successful year for Scarborough Adult Education, especially in the area of Career Preparation and English Language Learners (ELL). The Town was able to provide offsite instruction and testing to FedCap, thereby increasing student enrollment for the Spring 2019 semester into FY20. ELL classes/student numbers continue to grow with more families moving to Scarborough in need of services

and the overflow of students from Portland Adult Education. The School Department is hopeful that we can expand services this year with federal funding. The formation of the Cumberland County Hub this past year has resulted in greater cooperation among the 10 participating adult education programs and allowed for more flexibility in class offerings for students than ever before. We have worked with South Portland specifically to try to “share” resources, instructors and students. Grant monies from United Way, Maine College & Career Access (MDOE) and AEFLA (federal) as well as local share from Scarborough will assist us in moving forward with quality programming in FY20.

Operation HOPE at Scarborough Police Department has expanded its efforts to reach people suffering from Substance Use Disorder by implementing our new “Substance Use Follow-up Program”. The goal of the Substance Use Follow-up Program is to visit people who have recently overdosed in Scarborough, or been involved in a police incident that was fueled by Substance Use Disorder. Two team members will respond within 24-48 hours to provide both encouragement for seeking treatment, as well as information on our Operation HOPE program and other available resources in our area for Substance Use treatment or support. Narcan will be supplied to the person or their family if appropriate. The Town believes the impact of heroin and opiate use on the community can be reduced by encouraging those who suffer from Substance Use Disorder to seek help and experience recovery. There are members of our community that are alive and well in recovery as a result of this follow-up.

Long Term Financial Planning

Scarborough utilizes a five-year Capital Improvement Plan. This plan encompasses a scheduled equipment replacement program as well as proposed building construction/improvements, land and infrastructure improvements, land acquisition for capital purposes, open space and existing farmland preservation. The plan is updated annually.

The School Department’s Long-Range Facilities Planning Team is focusing on the challenges of aging building infrastructure and increasing enrollment. Working with Town leaders in the context of the Town’s Comprehensive Plan, the goal is to maintain a safe and effective learning environment for all our students as well as to strategically anticipate and plan for the resources that will be needed to support current growth in our community.

Scarborough’s annual “Pavement Management Study” continues to provide the Town with the ability to forecast road rehabilitation costs well into the future. The primary purpose of this program is to keep roads at a minimal level of wear over a longer period, by closely tracking their condition and usage, and prioritizing rehabilitation projects as necessary.

FY19 was year three of the four-year drainage assessment project. There are 70 miles of drainage pipe infrastructure town wide. The assessment will provide information to allow for the creation of a multi-year plan for maintenance and repair on the system. The end report will provide guidance based on conditions but also how important the road segment is, relative to the whole road system. This methodology ensures that funds are spent where they benefit the most road users. The assessment will provide guidance on the most cost-effective methods for repair.

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 2019 value by \$226,804,270 from 2018. For the 2019 tax year, the valuation was \$4,012,292,612 compared to the 2018 valuation of \$3,785,488,342.

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,</u> <u>20xx</u>	<u>As of June 30, 2019</u>
\$555,384 in 2015	\$ 13,696
\$686,766 in 2016	\$ 18,008
\$517,690 in 2017	\$ 38,492
\$565,963 in 2018	\$206,783
\$689,670 in 2019	\$689,670

For 2019, the Town Council authorized \$500,000 from the School's fund balance to assist with their funding needs and \$764 from the Adult Education fund balance.

OTHER INFORMATION

Awards. The Scarborough Police Department was recognized by the Police Assisted Addiction and Recovery Initiative (PAARI). Operation HOPE was one of 16 programs selected throughout the United States. The Town was awarded a one-year grant for an AmeriCorps VISTA Member to assist with the work of Operation HOPE.

Independent Audit. The Town Charter requires an annual financial audit by independent certified public accountants appointed by the Town Council. The firm of Wipfli LLP was engaged to perform the annual audit for the Scarborough Town Council for fiscal year 2019. This audit is designed to meet the requirements of Government Auditing Standards and the Uniform Guidance.

Acknowledgements.

As the requirements for financial accounting and reporting continue to increase, the skills necessary to prepare this report also increase. As such, the preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Revenue and Accounting staff. Special thanks to Gina Clukey, Deputy Finance Director and Lisa Saulle, Deputy Tax Collector/Treasurer for their dedication and loyalty, and countless hours contributed in preparation of this report. I wish to thank all of Scarborough's departments for their assistance in providing the necessary data to prepare this report. Credit is also due to the Town Manager, the Town Council and the Finance Committee for their full support in maintaining the highest standards of professionalism for the management of the Town of Scarborough's finances. Finally, I would like to acknowledge the firm of Wipfli LLP for their efforts and guidance during this engagement.

Respectfully Submitted,

Ruth D. Porter
Finance Director



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
Reporting**

Presented to

**Town of Scarborough
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

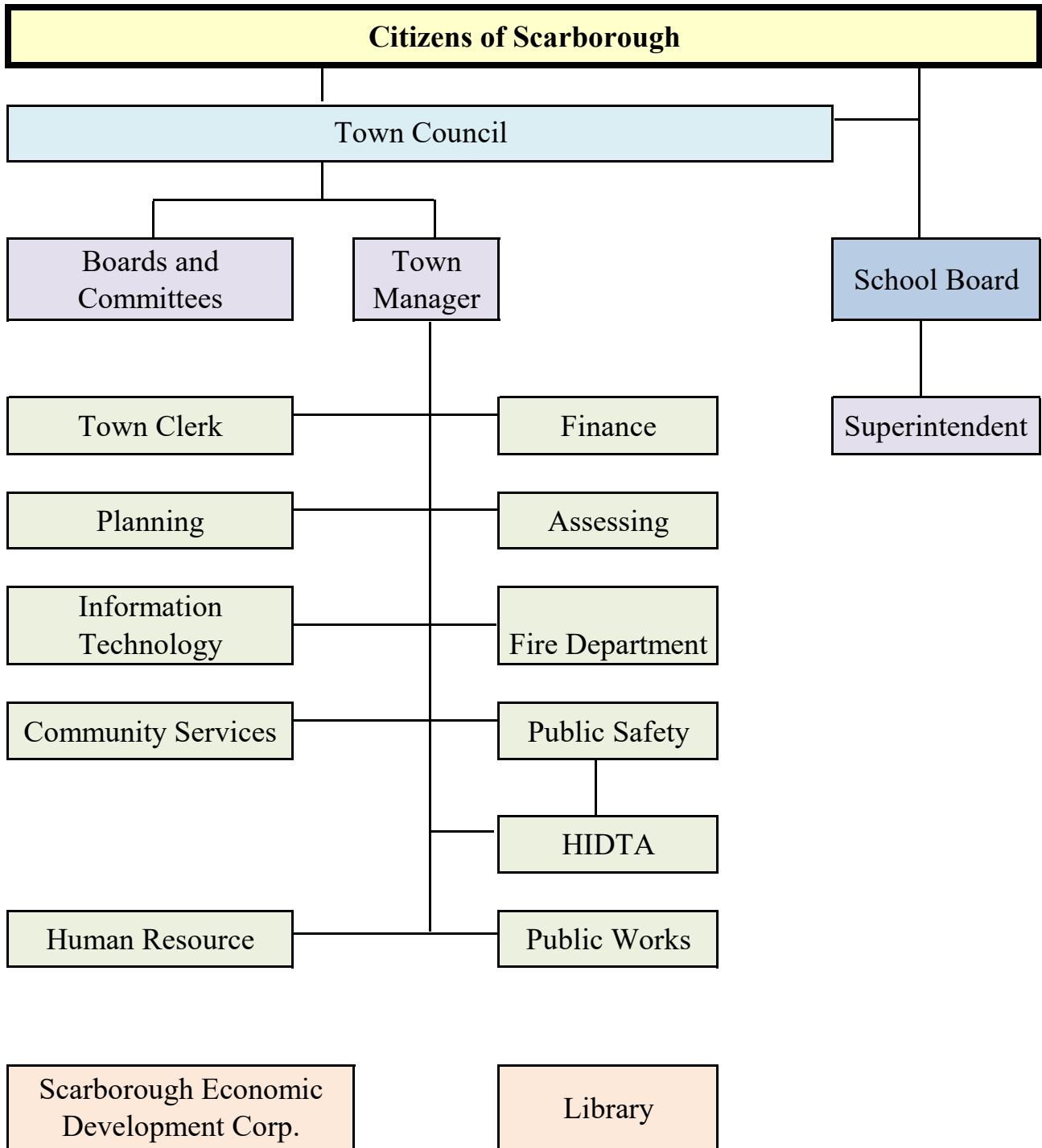
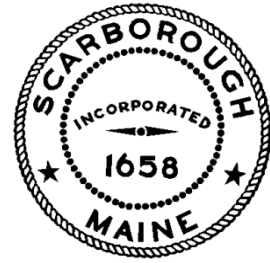
June 30, 2018

Christopher P. Morill

Executive Director/CEO

Town of Scarborough, Maine

Organizational Chart



Principal Executive Officers 2018-2019

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>
Town Council Members:	Jean-Marie Caterina	Elected - 3 Year Term	11/2020
	John R, Cloutier	Elected - 3 Year Term	11/2020
	William Donovan	Elected - 3 Year Term	11/2019
	Kathleen Foley, Vice Chair	Elected - 3 Year Term	11/2019
	Peter Hayes, Council Chair	Elected - 3 Year Term	11/2020
	Donald Hamill	Elected - 3 Year Term	11/2021
	Paul Johnson	Elected - 3 Year Term	11/2021
Municipal Employees:			
Town Manager	Thomas J. Hall	Appointed - 3 Year Term	12/31/2020
Assistant Town Manager	Larissa Crockett	Appointed/Indefinite	N/A
Town Clerk/Registrar of Voters	Yolande P. Justice	Appointed/Indefinite	N/A
Finance Director/Tax Collector and Treasurer	Ruth D. Porter	Appointed/Indefinite	N/A
Assessor	David Bouchard	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	Jay Chace	Appointed/Indefinite	N/A
Senior Planner	Jamel Torres	Appointed/Indefinite	N/A
Recreation Director	Todd Souza	Appointed/Indefinite	N/A
Human Resource/General Ass't.	Liam Gallagher	Appointed/Indefinite	N/A
Community Development Director	Karen Martin	Appointed/Indefinite	N/A
School Board Members:	Hillory Durgin	Elected - 3 Year Term	11/2020
	Alicia Giftos	Elected - 1 Year Term	11/2019
	Nicholas Gill	Elected - 3 Year Term	11/2021
	Amy Glidden	Elected - 1 Year Term	11/2019
	Leann Kazilionis, Chair	Elected - 3 Year Term	11/2020
	Sarah Leighton	Elected - 3 Year Term	11/2021
	April Sither	Elected - 3 Year Term	11/2021
Superintendent of Schools	Julie Kukenberger	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	Peter Esposito	Appointed/Indefinite	N/A
Federal Project Administrators:	Monique Culbertson		
	Kate Bolton		

Town of Scarborough Maine

Comprehensive Annual

Financial Report



Financial Section

For Fiscal Year Ending:

June 30, 2019

Leader in Sustainability 2019 — Frith Farm

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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 unit, 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, 2019, 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; 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 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 unit, each major fund, and the aggregate remaining fund information of the Town of Scarborough, Maine, as of and for the year ended June 30, 2019 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, the Schedule of Changes in Net OPEB Liability and Related Ratios – MMEHT Group Health Insurance Plan on page 81, the Schedule of Changes in Net OPEB Liability and Related Ratios – MEABT Group Health Insurance Plan on page 82, the Schedule of Proportionate Share of the Net Pension Liability on page 83, and the Schedule of Contributions on page 84, 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 – 14, supplementary statements and schedules on pages 87 – 120, and statistical tables on pages 125 – 148, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements and schedules, and the blank pages which are interdispersed, are the responsibility of management and were derived from and relate 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.

To the Town Council
Town of Scarborough, Maine

Prior Period Information

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Town of Scarborough, Maine's basic financial statements for the year ended June 30, 2018, 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, 2018 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, 2018 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, 2018 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 January 31, 2020, 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 solely 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 the effectiveness of the Town of Scarborough's 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.

Wipfli LLP

South Portland, Maine
January 31, 2020

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Town of Scarborough Maine Comprehensive Annual Financial Report



Management Discussion & Analysis

Outstanding Business 2019 – Bei Capelli

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TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis
June 30, 2019

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, 2019. 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 and deferred outflows of resources of the Town of Scarborough exceeded liabilities and deferred inflows of resources at the close of this most recent fiscal year by \$61,570,979 (net position). Of this amount, \$2,688,359 represents unrestricted net position. Beginning net position was restated by \$5,099,980 to reflect the MEABT OPEB liability, new this year of \$5,002,041 and a school capital lease correction of \$97,939.

- The Town's total net position increased \$3,371,648 from \$58,199,331 (as restated) to \$61,570,979. This represents a 5.8% increase over last year's net position.
- As of June 30, 2019, the Town's governmental funds reported combined fund balances of \$30,355,273 a decrease of \$4,107,216 compared with the prior year. Approximately 27.9% of this amount or \$8,467,389 is available for spending at the Town's discretion (*assigned and unassigned fund balance*).
- Total nonspendable fund balance increased by \$7,736 from \$235,960 to \$243,696. Restricted fund balance decreased by \$5,194,567 from \$19,647,726 to \$14,453,159. Total committed fund balance increased by \$531,828 from \$6,659,201 to \$7,191,029. Assigned fund balance decreased by \$1,044 from \$2,475,852 to \$2,474,808. Finally, the unassigned fund balance for the governmental funds increased by \$548,831 from \$5,443,750 to \$5,992,581.
- With respect to fund balances in the governmental funds, of the \$15,658,418 reported as committed (authorized by town council), assigned (authorized by town manager) and unassigned fund balance, \$4,777,883 are special revenue funds authorized for specific purposes, and the remaining amount of \$10,880,535 is available for the discrete purposes for which these funds are collected.

The Town of Scarborough consolidated its Fund Balance Policy into the Financial and Fiscal Policy, adopted September 5, 2018. The new policy retained the goals initially set in 2016. The policy establishes an unassigned fund balance goal of 10.00% of the prior years' operating budget. The Operating Budget for fiscal 2018 totaled \$83,673,671. As of June 30, 2019, unassigned fund balance for the general fund was \$8,211,760 or 9.81% of the prior years' operating budget compared to 9.04% as of June 30, 2018.

The amended fund balance policy goes on to state that the level of fund balance is not to fall below 8.33% of the operating budget. Once the Town achieves an unassigned fund balance equal to 10.0% of Scarborough's Operating Budget, and any excess above 12% will be allocated toward any combination of the following:

- a) Retained in nonspendable and restricted accounts that offset unfunded liabilities, and/or
- b) Retained in assigned accounts that may be used in future budget cycles as a property tax rate stabilizations; available for use during a catastrophic event, and/or
- c) Funding future capital expenditures and/or projects, and/or the
- d) Retirement of debt, and/or
- e) Taxpayer refund.

General obligation bonds increased by a net of \$70,000 from the prior year. General obligation bonds retired was \$7,310,000. General obligation bonds issued was \$7,380,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

The purpose of this discussion and analysis is 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

TOWN OF SCARBOROUGH, MAINE

Management Discussion and Analysis, Continued

other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. Government-wide financial statements are designed to provide readers with a broad overview of Town finances and 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four 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.

The statement of activities presents information showing how Scarborough's net position changed during the most recent fiscal year. The reported net position changes show 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 for which the Town of Scarborough is financially accountable. Financial information is 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. The Town of Scarborough divides funds 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 26 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, the Haigis Parkway and the Public Safety Building Construction all of which are considered major funds. Data from the remaining 23 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.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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

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 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 General Town Improvement and General School Improvement accounts are not major funds and are provided in the form of combining statements elsewhere in this report. The non-major capital projects fund financial statements are found on pages 105-106 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. The Town of Scarborough established Permanent funds 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 109-110 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 113-114 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 47-80.

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 87-120 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 and deferred inflows of resources by \$61,570,979 as of June 30, 2019 compared to \$58,199,331 at June 30, 2018 (as restated).

By far, the largest portion of the Town of Scarborough's Net Position (93.13%) 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 Scarborough 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>2019</u>	<u>2018</u>	<u>2017</u>
Assets:			
Current and other assets	\$ 43,051,001	\$ 42,984,704	\$ 27,645,090
Long term assets	965,964	1,194,017	1,221,755
Capital Assets	<u>152,975,829</u>	<u>146,530,570</u>	<u>147,299,824</u>
Total Assets	<u>196,992,794</u>	<u>190,709,291</u>	<u>176,166,669</u>
 Total deferred outflows of resources	 <u>5,352,833</u>	 <u>7,533,510</u>	 <u>7,998,466</u>
Total Deferred outflows	<u>5,352,833</u>	<u>7,533,510</u>	<u>7,998,466</u>
 Liabilities:			
Long term liabilities outstanding	125,767,679	127,440,594	109,909,475
Other liabilities	<u>13,202,854</u>	<u>9,514,480</u>	<u>9,157,976</u>
Total Liabilities	<u>138,970,533</u>	<u>136,955,074</u>	<u>119,067,451</u>
 Total deferred inflows of resources	 <u>1,804,115</u>	 <u>3,088,396</u>	 <u>2,005,865</u>
Total Deferred inflows	<u>1,804,115</u>	<u>3,088,396</u>	<u>2,005,865</u>
 Net assets:			
Net investment in capital assets	57,341,865	61,977,397	61,708,817
Restricted	1,540,755	2,577,864	3,883,241
Unrestricted (2018 restated)	<u>2,688,359</u>	<u>(6,355,930)</u>	<u>(3,775,014)</u>
Total Net Position	<u><u>\$ 61,570,979</u></u>	<u><u>\$ 58,199,331</u></u>	<u><u>\$ 61,817,044</u></u>

\$1,540,755 (2.5%) 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 of \$2,688,359 is the result of the new GASB other post-employment benefit standard.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

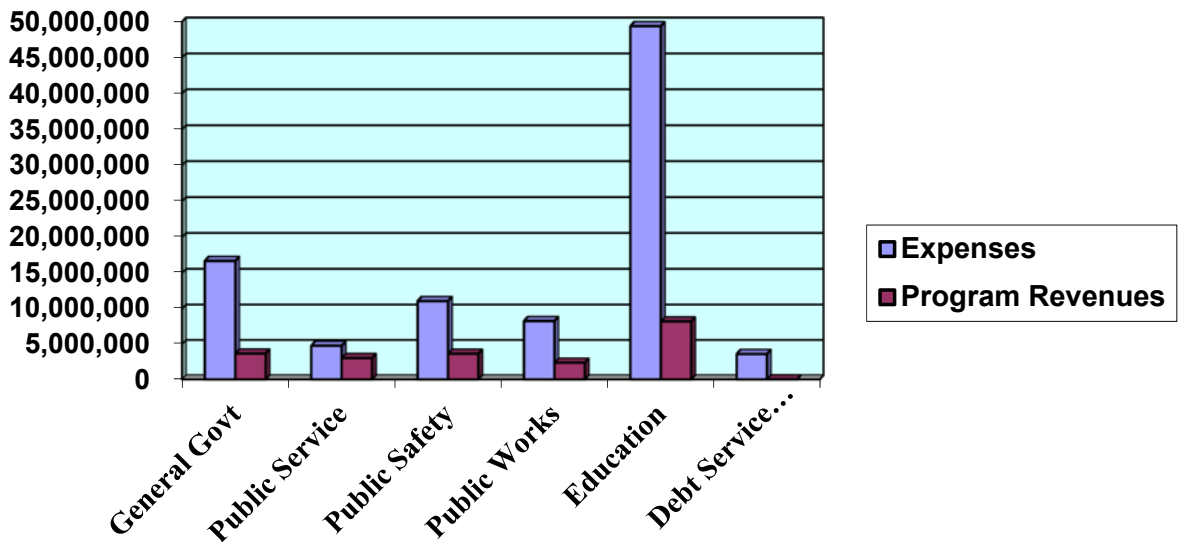
GOVERNMENTAL ACTIVITIES. The increase pertaining to the Town of Scarborough's net position of \$3,371,648 is due to the governmental activities of the Town. The Town of Scarborough's tax revenues increased by \$3,825,087. Actual vehicle excise tax collections increased by \$429,918 from the prior year. Increase in taxes is due in part to the increase in the overall assessed valuation of the Town of \$226,804,270, up from \$3,785,488,342 to \$4,012,292,612 as a result of a commercial and industrial revaluation. The increase in the town's property value allows the Town of Scarborough to receive more in property taxes without excessive increases in the tax rate.

Key components of this net position increase are shown below.

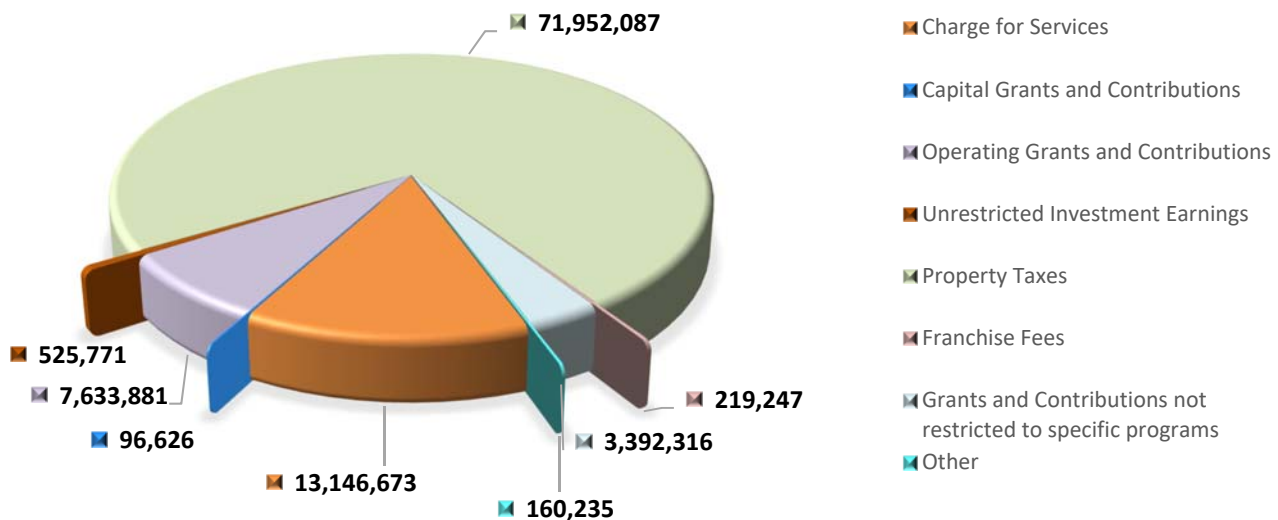
Town of Scarborough's Changes in Net Position

	2019	2018
Revenues:		
Program Revenues:		
Charge for services	\$ 13,146,673	\$ 12,014,550
Operating grants and contributions	7,633,881	7,247,352
Capital grants and contributions	96,626	54,317
General Revenues:		
Property and excise taxes, levied for general purposes	71,952,087	68,127,000
Franchise Tax	219,247	208,117
Grants and contributions not restricted to specific programs	3,392,316	2,860,104
Unrestricted investment earnings	525,771	152,437
Other	160,235	20,384
Total revenues	97,126,836	90,684,261
Expenses:		
General government	16,687,230	13,113,500
Public Services	4,752,163	4,996,328
Public Safety	11,081,295	12,599,095
Public Works	8,257,195	8,116,981
Education	49,389,226	46,873,688
Interest on Debt Service	3,588,079	3,502,402
Total expenses	93,755,188	89,201,994
Increase in net position	3,371,648	1,482,267
Net position beginning (as restated)	58,199,331	56,717,064
Net position ending	\$ 61,570,979	\$ 58,199,331

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, MAINE
Management Discussion and Analysis, Continued

Town of Scarborough's financial requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for discretionary use by the Town Council of the Town of Scarborough.

At June 30, 2019, the Town of Scarborough's governmental funds reported combined fund balances of \$30,355,273. This is a decrease of \$4,107,216 in comparison with the prior year. Approximately 19.74% of total fund balance or \$5,992,581 constitutes *unassigned fund* balance that is available for spending at the government's discretion for all governmental funds. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned*. This indicates that it is 1) not in spendable form (\$243,696), 2) restricted for particular purposes (\$14,453,159), 3) committed for particular purposes (\$7,191,029) or 4) assigned for a particular purpose (\$2,474,808).

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 and development in the Haigis TIF district increases.

Governmental Fund Balance Comparison

	<u>2019</u>	<u>2018</u>
General Fund	\$ 14,306,229	\$ 13,765,284
Haigis Parkway	(1,985,141)	(1,953,798)
Public Safety Building Construction	10,486,550	14,193,190
Other Governmental Funds	7,547,635	8,457,813
Total	\$ 30,355,273	\$ 34,462,489

As noted earlier, governmental funds reported combined fund balances of \$30,355,273, a decrease of \$4,107,216 compared with the prior year fund balances of \$34,462,489. Of the \$15,658,418 reported as unrestricted fund balance (total of committed, assigned and unassigned), \$4,777,883 are for special revenue fund projects authorized for specific purposes. \$11,127,667 is available for general fund committed and assigned purposes for which these funds are collected.

The remaining \$14,696,855 of fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for the following:

\$ 2,951,105	Deficit Fund Balances in Special Revenue Funds
10,486,550	Town Capital Projects
717,366	Town Grants
270,968	Perpetual Care of Municipal Cemeteries
199,778	Education Funding
71,088	Food Service and Fuel Inventory
<u>\$ 14,696,855</u>	Total Governmental Fund Nonspendable and Restricted Fund Balance

Capital Projects Fund Highlights

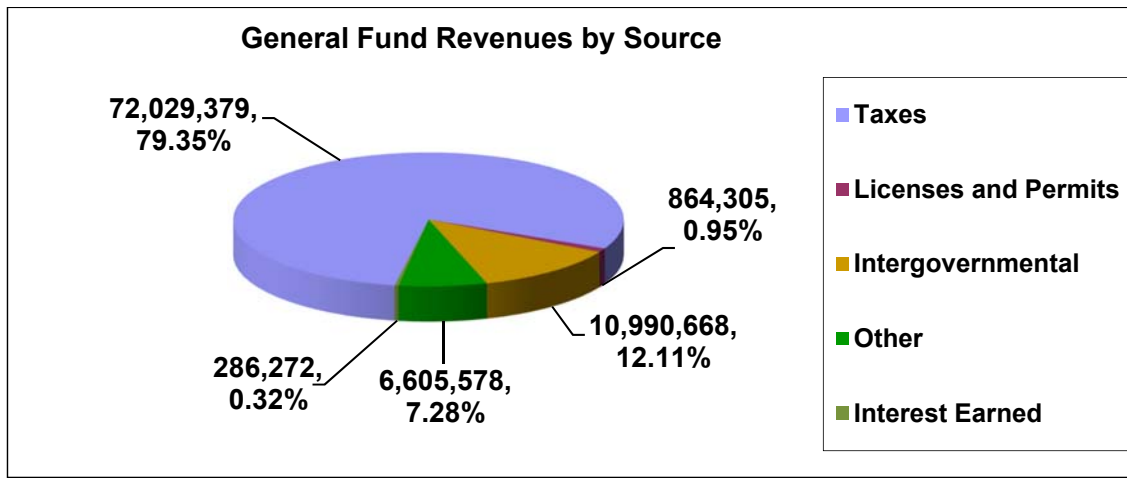
During this fiscal year, the Town of Scarborough's fund balances for Capital Projects decreased \$4,963,670 from \$15,203,088 in 2018 to \$10,239,418 in 2019. Expenditures increased \$8,881,225 from \$3,958,953 in 2018 to \$12,840,178 in 2019. These decreases in fund balance and increase in expenditures are due to various projects nearing completion including the new public safety building.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

General Fund Highlights

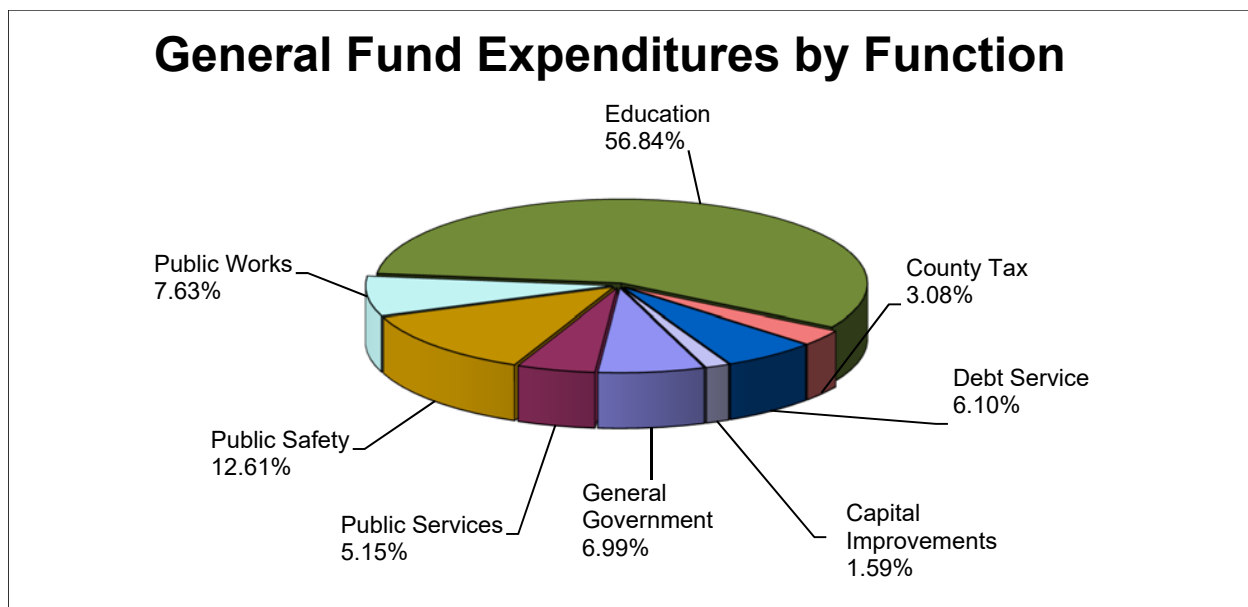
The General Fund is the chief operating fund of the Town of Scarborough. As of June 30, 2019, total fund balance was \$14,306,229 reflecting an increase of \$540,945 compared to the prior year. Unassigned fund balance in the General Fund was \$8,211,760 compared to total fund balance of \$14,306,229. 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 8.95% of total general fund expenditures compared to 8.53% last year, while total fund balance represents 15.58% of that same amount.

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



Property Tax revenues increased \$3,388,316 from 2018 to 2019 compared to the 2017 to 2018 increase of \$2,568,249. 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 exceeded estimates by \$713,798 while expenditures came in under budget by \$979,355.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Total general fund expenditures increased \$4,510,936 or 5.42% compared to 2.35% for the prior year. The factors for this increase are:

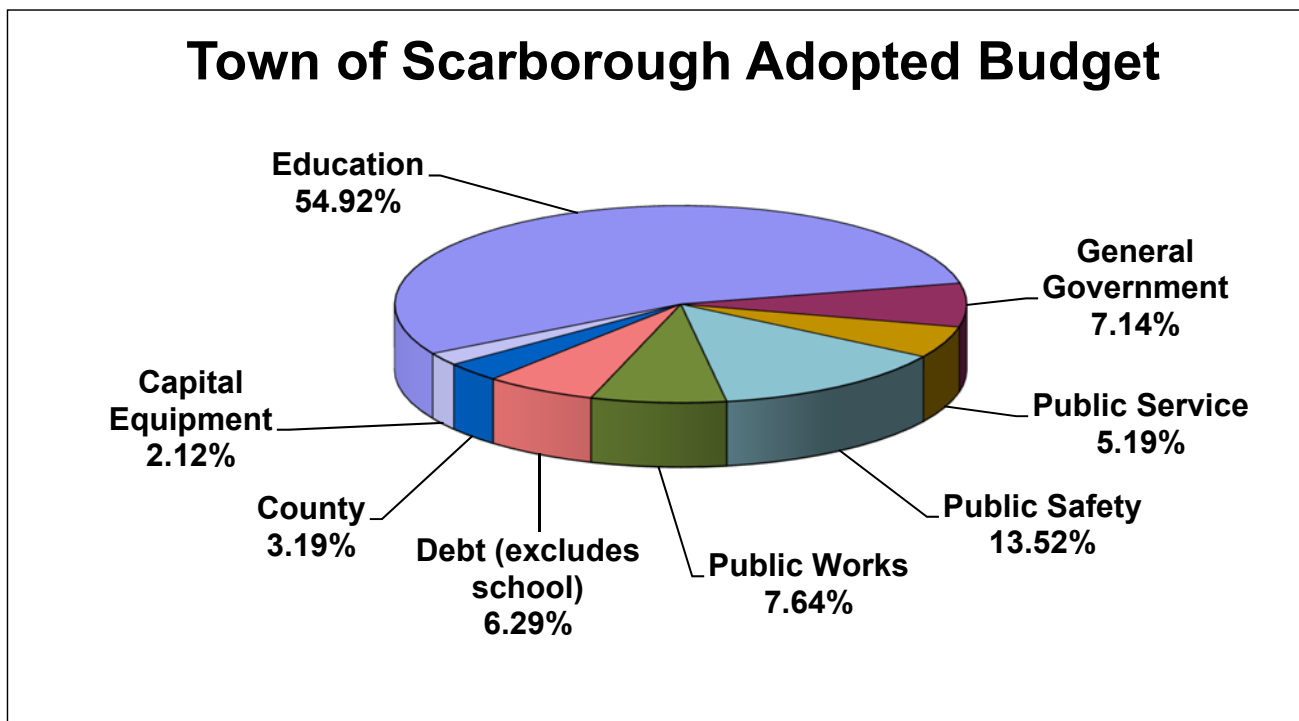
- General Government increased 7.33% due to information technology staffing reallocation, legal fees due to litigation and increasing municipal insurance costs,
- Public Services increased 3.24% mostly due to wage increases,
- Public Safety increased 3.19% due to the changes in contractual obligations,
- Public Works increased 3.8% operational supplies and contracted services
- Debt increased 14.88% for increased interest debt payments, and
- County Tax increased 4.33% to help offset the costs of Cumberland County.

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 2019, a total of \$2,122,165 was set aside for the Town for prior year encumbrances and commitments and \$352,643 for the School Department was set aside for carryforward to the 2020 budget.

The adopted operating budget for fiscal year 2019 amounted to \$88,697,465 compared to \$84,714,480 for fiscal year 2018 or a 4.70% increase over the prior year.

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



Per the Town of Scarborough's Fund Balance policy, as amended; unassigned fund balance in excess of 12% may be used toward property tax stabilization or for capital needs. The Town has not yet reached 12% and has not budgeted any use of fund balance.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental fund, as of June 30, 2019, amounts to \$152,975,829 (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 4.40%.

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>2019</u>	<u>2018</u>
Land	\$ 7,293,622	\$ 7,159,182
Buildings	78,352,647	79,979,560
Vehicles	6,107,011	6,035,868
Equipment & Furniture	2,741,556	1,965,916
Infrastructure	46,873,915	47,890,470
Construction in Progress	11,607,078	3,499,574
Total	<u>\$ 152,975,829</u>	<u>\$ 146,530,570</u>

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, 2019 related to the construction of the new public safety building, various road improvements and rehabilitation, and purchases for vehicles and equipment.

Additional information on the Town of Scarborough's capital assets can be found in Notes to the Basic Financial Statements on page 57 of this report.

Long-term Debt. As of June 30, 2019, the Town had long-term bonds outstanding of \$102,720,000 compared to \$102,650,000 in the prior year resulting in a .07% increase. This debt is backed by the full faith and credit of the Town of Scarborough.

During fiscal year ending June 30, 2019, the Town of Scarborough issued \$7,380,000 in bonds. This bond issue financed projects that included vehicle and equipment purchases, building improvements, road reconstruction and rehabilitation of \$2,002,970 and \$3,374,414 for the construction of a new Public Safety Building. During the year \$7,310,000 in principal debt was paid.

Interest payments for school and town debt in this fiscal year increased by \$683,070 as a result of the \$18,190,000 2018 bond issue.

Additional information relating to the Town's long-term debt can be found in the Notes to Financial Statements on pages 59-61 of this report.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Outstanding Debt
General Obligation Bonds

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Municipal	\$ 42,376,225	\$ 38,495,570	\$ 24,455,792
Education	54,318,775	57,154,430	59,389,208
Sewer	6,025,000	7,000,000	7,785,000
Total Debt	<u>\$ 102,720,000</u>	<u>\$ 102,650,000</u>	<u>\$ 91,630,000</u>

Moody's Investors Service reviewed and assigned a rating of "Aa3" to the Town of Scarborough, Maine, (the Town) 2019 General Obligation (GO) Bonds. Moody's has affirmed the Aa3 rating on all of the Town's outstanding GO debt per its rating report dated May 31, 2019. Moody's Aa3 rating reflects the Town's high-quality credit position. "*Scarborough, ME (Aa3) benefits from a moderately sized, growing tax base with above average wealth levels, adequate financial reserves, manageable debt burden, and low pension liabilities*".

Standard and Poor's Rating Services (S&P) has affirmed the Town of Scarborough bond rating of "AA+" on the Town's existing GO debt. Additionally, S&P has assigned its "AA+" rating to the Town's series 2019 GO bonds per its rating report dated June 3, 2019. The stable outlook reflects the Town's very strong economy, adequate budgetary performance, budget flexibility, strong budgetary flexibility, very strong liquidity, strong debt-to-contingent liability position, and institutional framework.

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> under the heading **Bond Ratings Documents**.

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 budget goals for fiscal year 2020 were to have:

GOALS:

- Maintain current level and quality of services.
- Be responsive to increased demand from growth.
- Manage the annual budget to a reasonable and sustainable level.
- Approve a Town wide budget that keeps the tax rate increase to less than or around 3%.

This budget reflects a \$621,628 increase in General Purpose Aid to Education (GPA) compared to \$594,253 increase for the 2019 Budget. This is a 22.65% increase from FY2019. The Town of Scarborough is considered a minimal receiver community by the State and therefore only the minimum GPA is received by the Town.

In cooperation with the Scarborough School Department, the Town of Scarborough has worked to develop a five-year capital budget plan to manage and plan for the long-term capital needs of our community.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

The Town of Scarborough Budget Document for fiscal year 2020 can be found on the Town of Scarborough's website at: <https://sites.google.com/scarboroughmaine.org/budgetportal>.

Below is a comparison of the 2018, 2019 and 2020 budgets (excluding carry forwards).

	2020	2019	2018
Administration	\$ 2,744,891	\$ 2,670,198	\$ 2,590,522
Finance Department	1,145,092	1,091,602	1,030,572
Information Systems	1,458,086	1,444,398	1,207,438
Planning Department	1,089,432	1,056,153	976,741
Community Services	2,608,210	2,461,721	2,364,051
Library	1,164,166	1,152,091	1,130,246
General Assistance	33,633	32,314	30,211
Economic Development	246,644	240,693	234,773
Fire/Rescue/EMA Department	5,580,120	5,295,093	5,043,056
Public Safety Department	7,096,371	6,661,219	6,428,571
Public Works Department	6,896,283	6,742,788	6,762,140
Debt Service	6,145,997	5,579,904	4,817,198
Capital Equipment	2,311,867	1,408,321	1,040,617
Total Municipal Operating	38,520,792	35,836,495	33,656,136
Education	51,629,304	48,715,005	47,307,869
County Tax	2,956,659	2,827,079	2,709,666
Total Operating Budget	93,106,755	87,378,579	83,673,671
School Food Services	1,746,555	1,548,315	1,521,802
Capital Improvement-Municipal	2,146,000	1,237,750	3,838,750
Capital Improvement-School	2,441,070	1,238,730	1,396,200
TIFs and Overlay	1,371,129	1,693,189	987,054
Total Budget	\$ 100,811,509	\$ 93,096,563	\$ 91,417,477

The assessed valuations for the past five years are as follows:

2020	\$4,696,461,415, an increase of \$684,168,803 over 2019,
2019	\$4,012,292,612, an increase of \$226,804,270 over 2018,
2018	\$3,785,488,342, an increase of \$ 9,125,842 over 2017,
2017	\$3,776,362,500, an increase of \$ 30,814,400 over 2016,
2016	\$3,745,548,100, an increase of \$ 45,058,400 over 2015.

The valuation increases in FY2019 and FY2020 are the result of a commercial and industrial revaluation in 2019 and a residential revaluation process in 2020. Maine municipalities have taxing authority for property taxes alone. Only, the State of Maine can assess sales and income taxes.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

The Town of Scarborough recognizes the importance of maintaining an appropriate level of fund balance. Below is a listing of the approved use of school fund balance since 2014:

2020	\$ 352,643
2019	\$ 500,000
2018	\$ 2,100,000
2017	\$ 952,888
2016	\$ 425,000
2015	\$ 800,000
2014	\$ 200,000

REQUEST FOR INFORMATION

For all those with and interest in the Town of Scarborough, this financial report is designed to provide a general overview of the Town of Scarborough's finances. 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 rporter@scarboroughmaine.org.

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Town of Scarborough Maine

Comprehensive Annual Financial Report



Basic Financial Statements

Outstanding Business 2019 — Abbott

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TOWN OF SCARBOROUGH, MAINE
Statement of Net Position
June 30, 2019

	Governmental Activities	Component Unit Public Library
ASSETS		
Cash and cash equivalents	\$ 25,022,359	234,743
Investments	15,307,990	659,209
Receivables:		
Accounts, net	795,841	-
Intergovernmental	724,709	-
Taxes receivable	230,667	-
Tax liens	891,116	-
Tax acquired property	7,231	-
Prepays		33,223
Inventory	71,088	1,372
Notes receivable	965,964	-
Capital assets, not being depreciated	18,900,700	-
Capital assets, net	134,075,129	640,424
Total Assets	196,992,794	1,568,971
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	1,912,964	-
Deferred OPEB items	271,417	
Deferred pension items	3,168,452	-
Total deferred outflows of resources	5,352,833	-
LIABILITIES		
Accounts payable and other current liabilities	7,335,363	15,671
Accrued payroll and other related liabilities	5,205,749	47,583
Unearned revenues	52,947	-
Accrued interest	608,795	-
Noncurrent liabilities:		
Due within one year	7,519,707	-
Due in more than one year	118,247,972	-
Total Liabilities	138,970,533	63,254
DEFERRED INFLOWS OF RESOURCES		
Deferred OPEB items	537,545	-
Deferred pension items	1,266,570	-
Total deferred inflows of resources	1,804,115	-
NET POSITION		
Net investment in capital assets	57,341,865	640,424
Restricted for:		
Nonexpendable trust principal	172,608	133,279
Expendable trust - income portion	98,360	-
Town grants and projects	717,366	-
Education	552,421	-
Unrestricted (Deficit)	2,688,359	732,014
Total Net Position	\$ 61,570,979	1,505,717

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Activities
For the year ended June 30, 2019

For the year ended June 30, 2019						
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
					Governmental activities	Public Library
Primary government:						
Governmental activities:						
General government	\$ 16,687,230	3,088,056	475,323	96,626	(13,027,225)	-
Public services	4,752,163	3,021,376	2,652	-	(1,728,135)	-
Public safety	11,081,295	3,424,185	206,980	-	(7,450,130)	-
Public works	8,257,195	1,963,528	396,488	-	(5,897,179)	-
Education	49,389,226	1,649,528	6,552,438	-	(41,187,260)	-
Interest on debt service	3,588,079	-	-	-	(3,588,079)	-
Total governmental activities	93,755,188	13,146,673	7,633,881	96,626	(72,878,008)	-
Total primary government	\$ 93,755,188	13,146,673	7,633,881	96,626	(72,878,008)	-
Component unit:						
Scarborough Public Library	\$ 1,319,195	-	1,337,298	-	-	18,103
General revenues:						
Property taxes, levied for general purposes				\$ 65,402,905		-
Excise taxes				6,365,716		-
Payments in lieu of taxes				71,450		-
Interest and costs on taxes				112,016		-
Franchise Tax				219,247		-
Grants and contributions not restricted to specific programs:						
Homestead exemption and business equipment exemption				1,747,534		-
Other State aid				732,563		-
State Revenue Sharing				912,219		-
Unrestricted investment earnings				525,771		-
Other				160,235		-
Total general revenues				76,249,656		-
Change in net position					3,371,648	18,103
Net position - beginning, (as restated - primary government)					58,199,331	1,487,614
Net position - ending					\$ 61,570,979	1,505,717

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Balance Sheet
Governmental Funds
June 30, 2019

	General	Haigis Parkway Assessments	Public Safety Bldg Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 12,497,354		11,508,500	1,016,505	25,022,359
Investments	8,113,153			7,194,837	15,307,990
Receivables:					
Accounts, net	707,972			87,869	795,841
Intergovernmental	280,454			444,255	724,709
Taxes receivable	230,667			-	230,667
Tax liens	891,116			-	891,116
Interfund loans receivable	2,459,044			1,106,973	3,566,017
Tax acquired property	7,231			-	7,231
Inventory	27,679			43,409	71,088
Notes receivable	-	965,964	-	-	965,964
Total assets	\$ 25,214,670	965,964	11,508,500	9,893,848	47,582,982
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and other current liabilities	4,582,112		1,021,950	1,731,301	7,335,363
Accrued payroll and other related liabilities	5,205,749			-	5,205,749
Accrued compensated absences	153,640			-	153,640
Interfund loans payable	-	2,951,105		614,912	3,566,017
Unearned revenues	52,947	-		-	52,947
Total liabilities	9,994,448	2,951,105	1,021,950	2,346,213	16,313,716
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	913,993	-	-	-	913,993
Total deferred inflows of resources	913,993	-	-	-	913,993
Fund balances:					
Nonspendable Permanent Fund Principal				172,608	172,608
Nonspendable Inventory	27,679			43,409	71,088
Restricted for Town	2,951,105		10,486,550	815,726	14,253,381
Restricted for Education	199,778			-	199,778
Committed - General Fund	441,099			-	441,099
Committed - Education	-			444,460	444,460
Committed - Special Revenues	-			6,305,470	6,305,470
Assigned - General Fund	2,122,165			-	2,122,165
Assigned - Education	352,643			-	352,643
Unassigned Town	8,211,760	(1,985,141)		(234,038)	5,992,581
Total fund balances	14,306,229	(1,985,141)	10,486,550	7,547,635	30,355,273
Total liabilities, deferred inflows of resources and fund balances	\$ 25,214,670	965,964	11,508,500	9,893,848	

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.	152,975,829
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	913,993
Deferred charge on refunding is not a financial resource and, therefore, is not reported in the funds	1,912,964
Long-term liabilities, including related deferred inflows and outflows, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds payable, including issuance premiums	(109,322,073)
Capital leases	(49,567)
Accrued interest	(608,795)
Landfill liability	(394,534)
Other postemployment benefits liability with related deferred inflows and outflows of resources	(8,412,766)
Net pension liability with related deferred inflows and outflows of resources	(3,132,210)
Accrued compensated absences	(2,667,135)

Net position of governmental activities **\$ 61,570,979**

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, 2019

	General	Haigis Parkway Assessments	Public Safety Bldg Construction	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 72,029,379	-	-	111,000	72,140,379
Licenses and permits	864,305	-	-	-	864,305
Intergovernmental	10,990,668	-	-	1,489,495	12,480,163
Interest earned	286,272	25,332	239,329	188,186	739,119
Donations	-	-	-	341,650	341,650
Sale of lots	-	-	-	4,620	4,620
Assessments and impact fees	-	-	-	2,695,637	2,695,637
Other	6,605,578	-	170	2,963,960	9,569,708
Total revenues	90,776,202	25,332	239,499	7,794,548	98,835,581
Expenditures:					
Current:					
General government	6,420,657	-	-	-	6,420,657
Public services	4,724,209	-	-	-	4,724,209
Public safety	11,578,527	-	-	-	11,578,527
Public works	7,006,492	-	-	-	7,006,492
Education	52,182,175	-	-	2,910,238	55,092,413
County tax	2,827,079	-	-	-	2,827,079
Debt service	5,599,113	-	-	-	5,599,113
Capital improvements	1,459,518	-	7,446,139	5,834,485	14,740,142
Other	-	-	-	3,099,324	3,099,324
Total expenditures	91,797,770	-	7,446,139	11,844,047	111,087,956
Excess (deficiency) of revenues over expenditures	(1,021,568)	25,332	(7,206,640)	(4,049,499)	(12,252,375)
Other financing sources (uses):					
Transfers in	793,221	313,325	-	261,629	1,368,175
Transfers out	(344,527)	(370,000)	-	(653,648)	(1,368,175)
Premium received on issued bonds, net of issuance costs	423,393	-	125,586	216,180	765,159
General obligation bonds	690,426	-	3,374,414	3,315,160	7,380,000
Total other financing sources (uses)	1,562,513	(56,675)	3,500,000	3,139,321	8,145,159
Net change in fund balances	540,945	(31,343)	(3,706,640)	(910,178)	(4,107,216)
Fund balances (deficit), beginning of year,	13,765,284	(1,953,798)	14,193,190	8,457,813	34,462,489
Fund balances (deficit), end of year	\$ 14,306,229	(1,985,141)	10,486,550	7,547,635	30,355,273

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, 2019

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)	\$	(4,107,216)
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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	\$10,887,460	6,445,259
Depreciation expense	(4,320,449)	
Net book value of dispositions	(121,752)	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	70,505
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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	246,101
Landfill	6,500
Compensated absences	(253,609)
OPEB liability with deferred outflows and inflows of resources	(107,487)
Net pension liability with deferred outflows and inflows of resources	1,712,277

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	\$ (7,380,000)	
General obligation bond payments	7,310,000	
Capital lease principal payments	48,372	
Premiums received on issued bonds	(765,159)	
Amortization of bond premiums	288,420	
Amortization of deferred charge	(142,315)	(640,682)

Change in net position of governmental activities (see Statement 2)	\$	3,371,648
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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, 2019

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 71,848,614	71,848,614	72,029,379	180,765
Licenses and permits	831,330	831,330	864,305	32,975
Intergovernmental	6,790,690	6,790,690	6,897,418	106,728
Interest earned	50,000	50,000	286,272	236,272
Unclassified	6,448,520	6,448,520	6,605,578	157,058
Total revenues	85,969,154	85,969,154	86,682,952	713,798
Expenditures:				
Current:				
General government	6,331,165	6,331,165	6,434,247	(103,082)
Public services	4,603,694	4,603,694	4,724,209	(120,515)
Public safety	11,989,093	11,989,093	11,578,527	410,566
Public works	6,775,465	6,775,465	7,006,492	(231,027)
Education	48,715,005	48,715,005	48,088,925	626,080
County tax	2,827,079	2,827,079	2,827,079	-
Debt service	5,579,904	5,579,904	5,599,113	(19,209)
Capital improvements	1,876,060	1,876,060	1,459,518	416,542
Total expenditures	88,697,465	88,697,465	87,718,110	979,355
Excess (deficiency) of revenues over expenditures	(2,728,311)	(2,728,311)	(1,035,158)	1,693,153
Other financing sources (uses):				
Transfers in	891,350	891,350	793,221	(98,129)
Transfers out	(313,325)	(313,325)	(344,527)	(31,202)
Utilization of surplus	1,417,066	1,417,066	-	(1,417,066)
General obligation bonds	891,050	891,050	690,426	(200,624)
Refunding bond issued	-	-	-	-
Premium received on refunded bonds	-	-	-	-
Premium received on issued bonds	-	-	423,393	423,393
Payment to refunding bond escrow agent	-	-	-	-
Use of Bond Premium	514,450	514,450	-	-
Overlay	(672,280)	(672,280)	-	672,280
Total other financing sources (uses)	2,728,311	2,728,311	1,562,513	(651,348)
Net change in fund balances - budgetary basis			527,355	1,041,805
Reconciliation to GAAP basis:				
Change in current portion of accrued compensated absences			13,590	
Net change in fund balances - GAAP basis			540,945	
Fund balance, beginning of year			13,765,284	
Fund balance, end of year	\$		14,306,229	

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Private-purpose Trust Funds (Scholarships)	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	658,806
Investments	222,941	-
Total assets	222,941	658,806
LIABILITIES		
Due to student groups	-	658,806
Total liabilities	-	658,806
NET POSITION		
Held in trust	\$ 222,941	-

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, 2019

	Private-purpose Trust Funds (Scholarships)
Additions:	
Donations	\$ -
Interest and dividends	6,613
Total additions	6,613
Deductions:	
School scholarships	5,000
Total deductions	5,000
Change in net position	1,613
Net position, beginning of year	221,328
Net position, end of year	\$ 222,941

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Scarborough conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 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. SEDCO is a blended component unit of the Town because the SEDCO board appoints the majority of their board and the Town council affirms their appointment and SEDCO's total debt outstanding is expected to be paid entirely with resources of the Town. The Town provided \$239,311, or 94.4% of total revenues, to SEDCO for the year ended June 30, 2019.

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 on 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 \$1,152,091, or approximately 90% of total revenues, to the Library for the year ended June 30, 2019.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

The Public Safety Building Construction Project was approved by the citizens in a referendum vote held on November 7, 2017 authorizing the construction of a new public safety building to house police, dispatch and fire functions.

Additionally, the Town reports the following Fiduciary 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 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.

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.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Town of Scarborough uses various methods, including market, income and cost approaches. Based on these approaches, the Town often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Town is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Town performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Accounts Receivable and Notes Receivable – Management has reviewed accounts receivable and notes receivable for collectability and has determined that an allowance for uncollectible accounts is not necessary with the exception of rescue billing receivables.

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 inventory is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. When applicable, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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, equipment and infrastructure of the primary government are depreciated using the straight-line method over the asset's estimated useful lives as follows: buildings 20-60 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.

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 net 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 has three items that qualify for reporting in this category. The three items are the deferred outflows related to the pension liability as is more fully disclosed in the pension footnote, deferred other post employment benefits (OPEB) and the other item 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.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition to liabilities, the statement of net 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 two types of item that qualifies for reporting in this category in the statement of net position. They are the deferred inflows related to the pension liability as is more fully disclosed in the pension footnote and other post employment benefits (OPEB). Also, 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 and it is from 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. **Nonspendable Fund Balance:** (a) Assets that will never convert to cash; (b) assets that will not convert to cash soon enough to affect the current period and (c) 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. **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.
3. **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. **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. Any funds set aside as Assigned Fund Balance must be reported to the Town Council. The Town Manager has authorized carry forward balances to be used to offset 2020 expenditures. This also includes encumbrances.
5. **Unassigned Fund Balance:** The portion of fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, when fund balance is negative, the negative amount is reported as unassigned.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Minimum Fund Balance Policy – The Town’s fund balance policy sets a goal for unassigned fund balance equal to 10.0% of Scarborough’s Operating Budget for the prior fiscal year and to not fall below 8.33% (or 1/12) of Scarborough’s Operating Budget.

Once the Town achieves an unassigned fund balance equal to 10.0% of Scarborough’s Operating Budget, any excess above 12% must be assigned by any combination to one of the following:

- a. Retained in nonspendable and restricted accounts that offset unfunded liabilities, and/or
- b. Retained in assigned accounts that may be used in future budget cycles as a property tax stabilization; available for use during a catastrophic event, and/or
- c. Funding future capital expenditures and/or projects, and/or
- d. The retirement of debt, and/or
- e. A taxpayer refund.

In the event that the balance drops below the established minimum level, the Town Council will develop a plan to replenish the fund balance to the established minimum level within two years. The Town is currently in the process of updating its Fund Balance Policy.

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, 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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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>
2018-2019 budget as adopted	\$89,071,768	\$89,071,768
Budgetary adjustments:		
Subsequent authorization	-	-
Prior year encumbrances and carry forwards	611,302	611,302
Total adjusted budget	\$ 89,683,070	\$ 89,683,070

B. Deficit Fund Balance

At June 30, 2019, the following special revenue and capital projects funds had deficit fund balances:

The Haigis Parkway Assessments Fund had a deficit of \$1,985,141. This deficit is expected to grow initially and then be adequately funded in future years with TIF revenues and assessment payments.

The School and Town Capital Improvements had deficits of \$217,441 and \$29,691, respectively. These deficits are expected to be funded in future years through reserve allocations or bonding.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

DEPOSITS AND INVESTMENTS

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, 2019, the Town reported deposits of \$25,681,165 with a bank balance of \$26,233,032. Of the Town's bank balances of \$26,233,032, \$9,968 was exposed to custodial credit risk and all other accounts were covered by the F.D.I.C. or were 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	\$25,022,359
Reported in fiduciary funds	658,806
Total deposits	\$25,681,165

At June 30, 2019, the Scarborough Public Library's cash balances was \$234,743, all of which was covered by F.D.I.C. insurance.

B. Investments

At June 30, 2019, 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	\$15,529,931	\$15,529,931	-	-
Total investments	\$15,529,931	\$15,529,931	-	-

Investments have been reported as follows:

Reported in governmental funds	\$15,307,990
Reported in fiduciary funds	221,941
Total investments	\$15,529,931

For fair value measurement purposes all investments are categorized as Level 1, there are no investments categorized as Level 2 or Level 3.

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

PROPERTY TAX

Property taxes for the current year were committed on September 13, 2018, 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, 2018 and 50% on March 15, 2019. Interest at the rate of 8% 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, 2019 and the Town's value was 91% of the 2019 State valuation of \$4,313,600,000.

During the fiscal year ending June 30, 2019, the Town underwent a commercial and industrial revaluation.

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 \$672,280 for the year ended June 30, 2019.

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 inflow of resources.

The following summarizes the June 30, 2019 levy:

Assessed value	\$ 4,012,292,612
<u>Tax rate (per \$1,000)</u>	<u>16.49</u>
Commitment	66,162,710
 <u>Supplemental taxes assessed</u>	 <u>21,911</u>
	66,184,621
 <u>Less - collections and abatements</u>	 <u>65,494,951</u>
<u>Receivable at June 30</u>	<u>689,670</u>
 Consisting of:	
Taxes	\$ 42,529
Liens	647,141
<u>Receivable at June 30</u>	<u>\$ 689,670</u>
 Collection rate	 98.96%

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2019 was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,159,182	\$ 135,600	\$ 1,160	\$ 7,293,622
Construction in progress	3,499,574	8,794,986	687,482	11,607,078
Total capital assets, not being depreciated	10,658,756	8,930,586	688,642	18,900,700
Capital assets, being depreciated:				
Buildings	103,192,114	145,715	-	103,337,829
Vehicles	14,977,845	1,280,635	701,738	15,556,742
Equipment and furniture	7,180,799	1,204,915	246,626	8,139,088
Infrastructure	62,297,955	13,091	-	62,311,046
Total capital assets being depreciated	187,648,713	2,644,356	948,364	189,344,705
Less accumulated depreciation for:				
Buildings	23,212,554	1,772,628	-	24,985,181
Vehicles	8,941,977	1,110,270	602,516	9,449,731
Equipment and furniture	5,214,881	407,907	225,256	5,397,532
Infrastructure	14,407,485	1,029,644	-	15,437,131
Total accumulated depreciation	51,776,897	4,320,449	827,772	55,269,575
Total capital assets being depreciated, net	135,871,814	(1,676,093)	120,592	134,075,130
Governmental activities capital assets, net	\$146,530,570	\$ 7,254,493	\$ 809,234	\$152,975,830

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

Governmental activities:	
General government	\$ 341,276
Public services	44,341
Public safety	536,256
Public works, including depreciation of general infrastructure assets	1,437,443
Education	1,961,133
Total depreciation expense – governmental activities	\$ 4,320,449

Capital assets for the Scarborough Public Library discretely presented component unit are as follows:

	<u>Library</u>
Buildings	\$1,695,401
Furniture and fixtures	745,110
Books	919,674
Total	3,360,185
Less accumulated depreciation	(2,719,761)
Property and equipment, net	\$ 640,424
Depreciation expense	\$ 131,463

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

INTERFUND BALANCES

Interfund balances result from the sharing of pooled cash and investments. Individual interfund loans receivables and loans payables at June 30, 2019, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$2,459,044	-
Haigis Parkway	-	\$2,951,105
Nonmajor Governmental Funds:		
Nonmajor Special Revenue Funds:		
Eastern Trail Alliance (Close the Gap)	-	211,063
Recreational development	162,810	-
Payne Road Impact Fees	-	36,499
Other Impact Fees	1,500	175,640
Rescue equipment	487,917	-
Police Asset Forfeiture		16,647
Fire Department Equipment		6,644
Departmental grants and programs		160,838
Total Nonmajor Special Revenue Funds	652,227	607,331
Nonmajor Capital Project Funds:		
Close the GAP Eastern Trail	211,063	
Cummings Road Construction Project		7,102
No. Scarborough Traffic Signal Improve-Payne Rd D#5	39,998	
Traffic Signal Improvements	175,401	
Oak Hill Intersection Improvements	238	
Pine Point Restroom Parking Study	8,426	
Co-op Parking Improvements	15,000	-
Total Nonmajor Capital Project Funds	450,126	7,102
Nonmajor Permanent Funds		
Scarborough Memorial Cemetery	4,620	-
Dunstan Perpetual Care	0	479
Total Permanent Funds	4,620	479
Total Other Governmental Funds	1,106,973	614,912
Private-purpose Trust Funds	-	-
Total all funds	\$3,566,017	\$3,566,017

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. At June 30, 2019, the balances represent how much was due to or from the General Fund.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

INTERFUND TRANSFERS

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 793,221	\$ 344,527
Haigis Parkway Assessments	313,325	370,000
Nonmajor Governmental Funds	261,629	653,648
Total	<u>\$1,368,175</u>	<u>\$1,368,175</u>

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.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$102,650,000	\$7,380,000	\$7,310,000	\$102,720,000	\$7,310,000
Premium	6,125,334	765,159	288,420	6,602,073	
Capital leases	97,939		48,372	49,567	49,567
Compensated absences	2,626,686	407,249	213,160	2,820,775	153,640
Other postemployment					
Benefits liability	8,470,188		323,550	8,146,638	
Net pension liability	7,069,413		2,035,321	5,034,092	
Landfill post-closure care costs	401,034		6,500	394,534	6,500
Governmental activity					
Long-term liabilities	<u>\$127,440,594</u>	<u>\$8,552,408</u>	<u>\$10,225,323</u>	<u>\$125,767,679</u>	<u>\$7,519,707</u>

As of June 30, 2019, the Town had authorized, but unissued debt totaling \$4,312,929. 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, 2019 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
		<u>Town</u>	<u>School</u>	<u>Sewer</u>			
2009 Capital improvements	1,780,000	69.57%	30.43%	-	3.00%	2020	115,000
2010 Capital improvements	6,002,000	90.64%	9.36%	-	3.50%	2031	2,590,000
2011 Capital improvements	5,600,000	94.01%	5.99%	-	Varies	2031	1,835,000
2012 Capital improvements	46,545,000	4.00%	79.45%	16.55%	Varies	2042	36,400,000
2013 Capital improvements	25,685,000	6.87%	93.13%	-	Varies	2043	21,600,000
2014 Capital improvements	6,505,000	54.02%	45.98%	-	Varies	2034	3,060,000
2015 Capital improvements	6,085,000	89.41%	10.59%	-	Varies	2035	4,175,000
2016 Capital improvements	7,540,000	94.20%	5.80%	-	Varies	2036	4,980,000
2017 Capital improvements	2,755,000	61.54%	38.46%	-	Varies	2037	2,395,000
2018 Capital Improvements	18,190,000	93.62%	6.38%	-	Varies	2048	18,190,000
2019 Capital improvements	7,380,000	90.85%	9.15%	-	Varies	2049	7,380,000
Total							\$102,720,000

The annual requirements to amortize all debt outstanding as of June 30, 2019 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	7,630,000	3,784,372	11,414,372
2021	8,085,000	3,515,881	11,600,881
2022	7,595,000	3,220,050	10,815,050
2023	7,280,000	2,959,919	10,239,919
2024	5,855,000	2,703,869	8,558,869
2025-2029	24,895,000	10,279,884	35,174,884
2030-2034	20,225,000	5,853,744	26,078,744
2035-2039	11,000,000	2,830,594	13,830,594
2040-2044	7,555,000	990,838	8,545,838
2045-2048	2,600,000	185,000	2,785,000
Totals	\$ 102,720,000	\$36,324,151	\$139,044,151

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES

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.

OVERLAPPING DEBT AND OTHER CONTINGENCIES

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, 2019, the Town's State valuation of \$4,313,600,000 was 9.20% of the County's State valuation of \$46,892,350,000. The Town's share is 9.20% or \$3,485,847 of Cumberland County's \$37,893,997 long-term debt outstanding as of June 30, 2019.

The Town is also served by the Portland Water District. At June 30, 2019, the Town's share of self-supporting bonded water debt is 13.70% or \$7,300,187 of total debt of \$53,286,036.

OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED

Contingencies

ecomaine, formerly Regional Waste Systems, a Maine Corporation with 21 participating municipalities ("Member Municipalities"), including the Town of Scarborough, operates a licensed balefill and ashfill site for which projected landfill closure and postclosure care costs approximate \$15,082,777 at June 30, 2019, the most recent data available. The Town's proportionate share of these estimated landfill closure and postclosure care costs is 9.16%, or \$1,380,967.

Total Debt and Contingencies

Governmental Unit	As of June 30, 2019			
	Direct debt	Overlapping debt	Contingent debt	Total debt
Town of Scarborough	\$ 102,720,000	-	-	\$ 102,720,000
Cumberland County	-	\$ 3,485,847	-	3,485,847
Portland Water District - water debt	-	7,300,187	-	7,300,187
ecomaine landfill closure/postclosure costs	-	-	\$1,380,967	1,380,967
Totals	\$ 102,720,000	\$10,786,034	\$1,380,967	\$114,887,001

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, 2019, substantially all such calculations have been performed and the Town is in compliance with all known 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.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

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.

The Town has previously advised in prior audits regarding a matter of litigation with approximately 50 taxpayers contesting their 2012 to 2015 property taxes. On December 23, 2019 the Maine Supreme Judicial Court ruled in favor of the Town, upholding the remedy that was awarded by the Town of Scarborough Board of Assessment Appeal. No further payments to the appellants are required with this favorable decision and therefore there is no additional financial liability. Given the facts of this case, the Town considers the likelihood of this matter being appealed to the U.S. Supreme Court is minimal. In the event it is appealed, the Supreme Court of the United States would have to agree to hear the case.

There is additional litigation with another taxpayer based on a claim that a portion of the property, which involves assisted living and skilled nursing care, is exempt from taxation. The portion of the property in question represents approximately 10% of the current valuation. Both parties have moved for summary judgement and the case has been fully briefed, awaiting a decision from the Superior Court.

LANDFILL CLOSURE AND POSTCLOSURE COSTS

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. As of June 30, 2019, approximately 20% of the landfill's total capacity has been used. The estimated total current cost of landfill closure, \$394,489 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, 2019. Additionally, annual monitoring and maintenance costs are estimated to be \$6,500 per year.

The total closure and postclosure care costs of \$394,534 have been accrued in the statement of activities for the year ended June 30, 2019. 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.

FUND BALANCE CHANGES

For the period ending June 30, 2019, the General Fund includes four programs that previously were reported in the financial statements as Special Revenue Funds. This change, which was initially made June 30, 2011, is the result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Activity of these four programs plus two new 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, 2018</u>	<u>June 30, 2019</u>
Unemployment Compensation	\$ 174,164	\$ 183,121
HRA Deductible Plan	0	58,115
HRA Credit Plan	0	13,078
Hurd Park and Ferry Beach	199,587	165,283
Hunnewell House	<u>19,761</u>	<u>21,502</u>
Total reclassification	<u>\$ 393,512</u>	<u>\$ 441,099</u>

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

FUND BALANCE CHANGES, CONTINUED

The following is a schedule of fund balance classifications for the governmental funds as June 30, 2019:

	General Fund	Haigis Parkway Assess	Public Safety Construction	Nonmajor Governmental
Fund Balances:				
Nonspendable-Permanent Funds	\$ -	\$ -	\$ -	\$ 172,608
Nonspendable-Inventory	27,679	-	-	43,409
	<u>27,679</u>	<u>-</u>	<u>-</u>	<u>216,017</u>
Restricted				
Permanent Fund Interest	-	-	-	98,360
Deficits in Other Funds (Haigis Parkway)	2,951,105	-	-	-
Public Safety Building Construction	-	-	10,486,550	-
Credit Enhancement Agreements	-	-	-	44,474
Eastern Trail Alliance (Close the Gap)	-	-	-	386,111
Grants and Donations	-	-	-	101,117
Fire Department Equipment	-	-	-	23,459
Police Asset Forfeiture	-	-	-	162,205
Town Improvements	-	-	-	-
Education	199,778	-	-	-
	<u>3,150,883</u>	<u>-</u>	<u>10,486,550</u>	<u>815,726</u>
Committed				
Unemp. Comp/Beach Reserve/Hunnewell	369,906	-	-	-
HRA Deductible/Credit Plans	71,193	-	-	-
Impact Fees/Reserves	-	-	-	6,305,470
Education	-	-	-	444,460
	<u>441,099</u>	<u>-</u>	<u>-</u>	<u>6,749,930</u>
Assigned				
Carryforward Balances/Encumbrances	2,122,165	-	-	-
Education	352,643	-	-	-
	<u>2,474,808</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	8,211,760	(1,985,141)	-	(234,038)
Total Fund Balances	<u>\$14,306,229</u>	<u>\$(1,985,141)</u>	<u>\$10,486,550</u>	<u>\$ 7,547,635</u>

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

ASSIGNED FUND BALANCES

At June 30, 2019, portions of the General Fund balance were assigned to future periods as follows:

	<u>2019</u>
General Fund:	
State Revenue Sharing	\$ 29,991
Human Resources – Recruitment	1,348
Benefits – Municipal Wellness Program	1,850
Finance – Staffing	3,997
Assessing – Training	1,000
Assessing – Contractual Services	20,000
Planning Initiatives (former Comprehensive Plan)	15,000
Planning – Printing & Binding	1,000
CS – Child Care	1,800
CS – Municipal Building Rebate Revenues	350
Fire Department – Clothing Allowance	545
Marine Resource Office – Inventory Management	12,071
Overlay	57,674
MIS – Core Switch Upgrade	8,210
Assessing – Vision Software	6,500
Assessing – Residential Revaluation	71,221
Library – Security Cameras & Equipment	6,218
Fire Department – Municipal Holding Tank	5,323
Fire Department – Major Vehicle Repairs	54,403
Police Department – Equipment Issue Room Supplies	4,780
Police Department – Traffic Monitoring Cameras	22,000
Public Works – HVAC Improvements/Replacement	54,374
Encumbered purchase orders	355,103
Fund Balance Appropriated for the 2020 Education Budget	352,643
Reserve for Accrued Sick Pay	1,387,407
Total General Fund Assigned Fund Balance	<u>\$ 2,474,808</u>

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN

Plan Descriptions

The Town contributes to the Maine Public Employees Retirement System (MPERS), as part of the State Employee and Teacher Plan (the Teacher Plan) and also the Participating Local District Consolidated Plan (the PLD plan) or (the Plans) which are cost sharing multiple employer defined benefit pension plans. The Plans were established as the administrator of a public employee retirement system under the Laws of the State of Maine. Within the Town of Scarborough, the School Department's teaching certified employees plus other qualified educators, are eligible to participate in the Teacher Plan. The Teacher Plan covers 236 participating employers. The Town's Police, Fire/Rescue and certain other Town employees and the Town's school custodians, school lunch personnel, and other non-teacher personnel including, some educational technicians (Ed Techs), central office employees, and secretarial employees have the option to participate in the PLD Plan. The PLD Plan covers 304 participating employers across the state. The plans are included in the annual audit report of the Maine Public Employees Retirement System and can be found online at www.mainepepers.org.

Employee membership data related to the Plans, as of June 30, 2018 was as follows:

	Teachers	PLD
Current participants: Vested and non-vested	39,843	11,416
Terminated participants: Vested	7,965	2,319
Terminated participants: Inactive due refunds	39,074	7,779
Retirees and beneficiaries receiving benefits	35,601	9,256
	<u>122,483</u>	<u>30,770</u>

Benefit terms are established by Maine statute. In the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the Plan and periodically makes recommendations. The Plans' retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for Teacher Plan members is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD Plan members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The Plans also provides disability and death benefits which are established by statute for State employee members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Plan's Board of Trustees and is currently 2.4%.

For the year ended June 30, 2019, the Town's total payroll for all employees was \$45,113,753. Total covered payroll was \$25,337,964 for the Teacher Plan and \$8,527,341 for the PLD Plan. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

Contributions

The contribution requirements of the Teacher Plan members are defined by law or the Plan's Board. Teacher Plan members of the Town of Scarborough's school department are required to contribute 7.65% of covered compensation to the Teacher Plan. The Town of Scarborough's school department employee's contributions are deducted from the employee's wages or salary and remitted by the Town of Scarborough's school department to the Teacher Plan on a monthly basis. The State is statutorily required to contribute 11.08% of annual Teacher wages, excluding wages covered by grants, which pays for the unfunded liability for the teachers. Employer contribution rates are determined through actuarial valuations. The School Department's required contribution rate for the year ended June 30, 2019, was 3.97% percent of annual teacher payroll, plus 11.68% for grant funded wages, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year (normal cost contributions). The Scarborough School Department's contributions to the Teacher Plan for the year ended June 30, 2019 were \$1,074,210.

The contribution requirements of the PLD Plan members are defined by law or the Plan's Board. Employees of the Town of Scarborough and school department are required to contribute 8.0%, police employees and fire/rescue employees contribute between 8%-9.5% of covered compensation to the PLD Plan. The contributions are deducted from the employee's wages or salary and remitted by the Town of Scarborough to the Plan on a monthly basis. Employer contribution rates are determined through actuarial valuations. The Town of Scarborough's school and town employer's contribution, other than Police and Fire/Rescue, required rate for the year ended June 30, 2019, was 10% of annual payroll. The Police and Fire/Rescue required contribution rate for the year ended June 30, 2019 was 12.7% or 16.3%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town of Scarborough's contributions to the Plan for the year ended June 30, 2019 were \$990,347.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Teacher Plan

At June 30, 2019, the Town of Scarborough School Department reported a liability for its proportionate share of the net pension liability that reflected a reduction of State pension support provided to the Town of Scarborough School Department. The amount recognized by the Town of Scarborough School Department as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town of Scarborough School Department was as follows:

Town of Scarborough School Department's proportionate share of the net pension liability	\$ 495,178
State's proportionate share of the net pension liability associated with the Town of Scarborough School Department	26,319,136
Total	<u>\$ 26,814,314</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town of Scarborough School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the School Department's proportion was 0.037 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2017.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

For the year ended June 30, 2019, the School Department recognized pension expense of \$984,545 and revenue of \$2,640,442 for support provided by the State. In addition, the School Unit reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 15,124	
Changes of assumptions	31,148	
Net difference between projected and actual earnings on Plan investments		\$ 64,373
Changes in proportion and differences between contributions and proportionate share of contributions	13,120	13,036
Contributions subsequent to the measurement date	1,055,590	
Total	<u>\$ 1,114,982</u>	<u>\$ 77,409</u>

The \$1,055,590 of deferred outflows of resources resulting from the School Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense (reduction in expense) as follows:

Years ending June 30,	
2020	\$ 46,253
2021	(1,150)
2022	(45,827)
2023	(17,293)
Total	<u>\$ (18,017)</u>

PLD Plan

At June 30, 2019, the Town and the Town School Department reported a liability of \$4,538,914 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town and the Town School Department's proportion of the net pension liability was based on a projection of the Town and the Town School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the Town and the Town School Department's proportion was 1.66%, which was an increase of 0.07% from its proportion measured as of June 30, 2017.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

For the year ended June 30, 2019, the Town and the Town School Department recognized pension expense of \$648,195. At June 30, 2019, the Town and the Town School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 14,211	\$ 49,853
Changes of assumptions	724,442	1,095,967
Net difference between projected and actual earnings on Plan investments		
Changes in proportion and differences between contributions and proportionate share of contributions	324,470	43,341
Contributions subsequent to the measurement date	990,347	
Total	<u>\$ 2,053,470</u>	<u>\$ 1,189,161</u>

The \$990,347 of deferred outflows of resources resulting from the Town and Town School Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense (reduction in expense) as follows:

Years ending June 30,	
2020	\$ 786,253
2021	116,550
2022	(745,581)
2023	(283,260)
Total	<u>\$ (126,038)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	Teachers Plan 2.75% and PLD Plan 2.75%, per annum
Salary increases	Teachers Plan 2.75%-14.5% and PLD Plan 2.75%-9.0%, per year
Investment rate of return	Teachers Plan 6.75% and PLD Plan 6.75%, per annum, compounded annually

Mortality rates for active members and non-disabled retirees were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males or females. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation %	Long-term Expected Real Rate of Return
Public Equities	30.0%	6.0 %
U.S. Government	7.5%	2.3 %
Private Equity	15.0%	7.6%
Real estate	10.0%	5.2 %
Infrastructure	10.0%	5.3 %
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9 %
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for the Teacher Plan and the PLD Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Teacher Plan

The following presents the Town of Scarborough School Department's proportionate share of the net pension liability calculated using the discount rate of 6.75% percent, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Discount rate	Town School Department's proportionate share of net pension liability
1% decrease	5.75%	\$ 915,089
Current discount rate	6.75%	\$ 495,178
1% increase	7.75%	\$ 145,460

PLD Plan

The following presents the Town and the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.75% percent, as well as what the Town and the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Discount rate	Town and School Department's proportionate share of net pension liability
1% decrease	5.75%	\$ 10,697,619
Current discount rate	6.75%	\$ 4,538,914
1% increase	7.75%	\$ (1,217,784)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Maine Public Employees Retirement System financial report.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

On-Behalf Payments

The State of Maine makes a contribution to the Maine Public Employees Retirement System Teachers Fund for the teachers of the Town of Scarborough's School Department. The actual payment, which is made by the State, is determined by an actuary for the entire teachers' fund. The Maine Public Employees Retirement System estimates the payment made on-behalf of the Town of Scarborough's School Department to approximate 11.08% of the qualified teachers' salaries, plus an additional 3.57% for health insurance. For the year ended June 30, 2019, the total amount of on-behalf payments was approximately \$3,646,000 and was recognized in the fund financial statements plus an additional on-behalf payment amount of \$91,250 was recognized related to the MPERS Group Life Insurance Plan. The amount of on-behalf payments recognized in the government wide financial statements for pension expense was approximately \$1,958,000.

DEFINED CONTRIBUTION PENSION PLAN

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, into the ICMA Money Purchase Plan, 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 17% 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 \$319,015 which was 6% of the participating employees and 17% of the Town Manager's current year covered payroll. The covered payroll amounted to \$5,035,984 while the Town's total payroll was \$14,768,213.

Employee's required contributions amounted to \$292,965, 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.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

DEFINED CONTRIBUTION PENSION PLAN, CONTINUED

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 employee's contributions amounted to \$547,893 and the Town contributions amounted to \$305,339. The Town contributes a match up to 4%. The covered payroll amounted to \$8,031,912.

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.

POST-EMPLOYMENT HEALTH CARE

The Town has two OPEB plans which employees participate in for which separate disclosure information is provided below.

Plan description. The Town sponsors a post-retirement benefit (OPEB) plan that provides health insurance (Health Plan) to retiring employees. The Health Plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Insurance Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements.

MMEHT does not issue a separate financial report for its OPEB as the Town does not fund an OPEB plan and operates on a pay-as-you-go basis. Employers fund their own benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. The Health Plan provides healthcare benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service at retirement are eligible to participate in the Health Plan. Retirees who are not eligible for Medicare retain coverage in the same group health insurance plan as active employees. Retirees must pay for Medicare Part B coverage to be eligible to participate in the State-sponsored employer funded Companion Plan.

Plan membership. At January 1, 2019, the following were covered by the benefit terms: Inactive employees or beneficiaries currently receiving benefit payments – 18, Active employees 177, total employees 195.

The Town's total OPEB liability of \$3,150,699 was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

General inflation of 3.00% was used along with an aggregate payroll increase of 2.75%. Merit payroll increases, mortality, termination, disability and retirement assumptions relied on the System's June 30, 2012 through June 30, 2015's experience study. Mortality rates were based on the RP-2014 Total Dataset Healthy Annuitant Mortality Table for males or females. The mortality improvement scale RPEC-2015 was modified to converge to an ultimate rate of 0.85% for ages 20 to 85 grading down to 0.00% for ages 111 to 120 with convergence to the ultimate rate in 2020.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

The discount rate was based on high quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer index. The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study, conducted by the Maine State Retirement Consolidated Plan for Participating Local Districts, for the period July 1, 2012 through June 30, 2015.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 3,335,045
Changes for the year:	
Service cost	107,114
Interest	116,667
Changes in benefit terms	
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(305,884)
Benefit payments	(102,243)
Net changes	(184,346)
Balance at June 30, 2019	<u>\$ 3,150,699</u>

Changes of assumptions reflect a decrease of \$305,884. Changes in assumptions or other inputs reflect a change in the discount rate from 3.44% in 2018 to 4.10% in 2019.

Sensitivity of the total OPEB liability to changes in the discount rate.

The following table shows how the total OPEB liabilities would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the Health Plan is 4.10%.

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 3,631,498	\$ 3,150,699	\$ 2,759,283

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following table shows how the total OPEB liabilities would change if the healthcare rate used was one percentage point lower or one percentage point higher than the current rate of 8.00%.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,705,282	\$ 3,150,699	\$ 3,713,003

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

For the year ended June 30, 2019, the Town recognized OPEB expense of \$193,770. At June, 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,428	
Changes in assumptions		\$ 326,494
Contributions subsequent to the measurement date	51,122	
Total	<u>\$ 133,550</u>	<u>\$ 326,494</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2020	(30,011)
2021	(30,011)
2022	(30,011)
2023	(30,011)
2024	(30,011)
Thereafter	<u>(94,011)</u>
Total	<u>\$ (244,066)</u>

Retiree Group Health Insurance Plan

General Information

Plan description and benefits provided. The Town School Department is a participant in the MEA Benefits Trust (MEABT). MEABT was established by the Maine Education Association on April 10, 1993, as an employee welfare benefit plan. The MEABT is administered by Trustees, in accordance with its terms for the exclusive benefit of Plan participants and beneficiaries. The principal asset of the MEABT is a group insurance contract, currently held with Anthem Blue Cross and Blue Shield of Maine, which provides medical, hospital, surgical, prescription coverage and related health benefits to individuals of the Town School Department, including active educators, retired and disabled educators and related personnel and their dependents. The Town School Department's participation in the MEABT plan is considered its own post-retirement benefit plan, based on its own census data or participants in the trust. The MEABT does not issue a separate financial report for its OPEB. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

Employee membership data related to the Plan, as of the June 30, 2018 measurement date was, as follows:

Active members	438
Retirees under age 65	14
Retirees over age 65	134
	<u>586</u>

Eligibility. The employee must have participated in the MEA Benefits Trust health plan for 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits.

A retiree who terminates coverage may elect to re-enroll in coverage at a later date if the participant participated in the health plan for 12 months prior to terminating coverage, if the re-enrollment occurs within 5 years from the date of termination of coverage, and if the retire does not surpass attaining age 62 at the time of re-enrollment. The participant has to have maintained continuous health insurance coverage during this break in coverage. To be eligible for re-enrollment, a retire may not take more than one break in coverage.

Contributions. The Town School Department's contribution comes in the form of an implied subsidy. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium amounts. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums charged are based on the average active and pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage resulting in a subsidy through the premiums paid by the Town School Department for active members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Town School Department reported a liability of \$4,995,939 for its net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

For the year ended June 30, 2019, the Town School Department recognized OPEB expense of \$204,949. At June 30, 2019, the Town School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Changes of assumptions		\$ 211,051
Net difference between projected and actual earnings on OPEB plan investments		
Contributions subsequent to the measurement date	\$ 137,867	
Total	<u>\$ 137,867</u>	<u>\$ 211,051</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$137,867 resulting from Town School Department contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Town School Department OPEB expense, as follows:

Year ended June 30,	
2020	\$ (35,175)
2021	(35,175)
2022	(35,175)
2023	(35,175)
2024	(35,175)
Thereafter	(35,176)
Total	<u>\$ (211,051)</u>

Actuarial assumptions and methods: The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions:

Measurement date:	June 30, 2018
Discount Rate:	3.87% per annum for the year ended June 30, 2018 reporting.
Healthcare cost trend rates:	Pre-Medicare – Initial trend of 5.55% grading over 15 years to 3.73% per annum. Medicare – Initial trend rate of 3.72% grading over 15 years to 2.81% per annum.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

Rate of mortality: Healthy Annuitants: Based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table for both males and females, using RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, respectively, both projected using RPEC 2015 model, with ultimate rate of .85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Rate of mortality: Healthy Employees: Based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table for both males and females, using RP-2014 Total Dataset Employee Mortality Table rates after the end of the Total Employee Mortality Table, respectively, both projected using RPEC 2015 model, with ultimate rate of .85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Disabled Annuitants: Based on 108% and 105% of the RP-2014 Total Dataset Disabled Annuitant Mortality Table, respectively, for males and females, projected from 2006 base rates using RPEC 2015 model, with ultimate rate of .85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Retiree Contribution Increases: Assumed to increase at the same rate as incurred claims with constant cost sharing in plan design between employer and retirees.

Rate of mortality: Healthy Employees: Based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table for both males and females, using RP-2014 Total Dataset Employee Mortality Table rates after the end of the Total Employee Mortality Table, respectively, both projected using RPEC 2015 model, with ultimate rate of .85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Disabled Annuitants: Based on 108% and 105% of the RP-2014 Total Dataset Disabled Annuitant Mortality Table, respectively, for males and females, projected from 2006 base rates using RPEC 2015 model, with ultimate rate of .85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Retiree Contribution Increases: Assumed to increase at the same rate as incurred claims with constant cost sharing in plan design between employer and retirees.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

Since the plan is pay as you go and is not funded, the discount rate used to measure the total OPEB liability for the healthcare plan is based on the Bond Buyer 20 year – Bond General Obligation Index as of June 30, 2018. The discount rate based on the index was 3.87% per annum as of June 30, 2018.

Changes in the Net OPEB Liability

Changes in the Town School Department's net OPEB liability were as follows:

	Total OPEB Liability [a]
Balance as of June 30, 2017	<u>\$ 5,135,143</u>
Changes for the year:	
Service cost	56,620
Interest	183,504
Changes in assumptions	(246,226)
Contributions – employer	
Benefit payments	<u>(133,102)</u>
Net changes	<u>(139,204)</u>
Balance as of June 30, 2018 (Measurement Date)	
Reporting as of June 30, 2019	<u>\$ 4,995,939</u>

Sensitivity of the Town School Department proportionate share of the collective net OPEB liability to changes in the discount rate. The following presents the Town School Department's proportionate share of the collective net OPEB liability, as well as what the Town School Department proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.87 percent or 1-percentage-point higher 4.87 percent than the current discount rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Town School Department's proportionate share of the collective net OPEB liability	<u>\$ 5,923,439</u>	<u>\$ 4,995,939</u>	<u>\$ 4,264,795</u>

The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2018 were pre-Medicare of 5.55% and Medicare 3.72%, decreasing to 3.73% and 2.81%, respectively, over a grading period of 15 years. Sensitivity of the Town School Department's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates. The following presents the Town School Department's proportionate share of the collective net OPEB liability, as well as what the Town School Department's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Assumed Healthcare Cost Trend Rate	1% Increase
Town School Department's proportionate share of the collective net OPEB liability	<u>\$ 4,223,151</u>	<u>\$ 4,995,939</u>	<u>\$ 5,981,000</u>

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

OPEB plan fiduciary net position and was zero as of the measurement date, consequently there is no impact on the percentage of plan fiduciary position as a percentage of total OPEB liability for the above sensitivity analysis for the discount rate and healthcare cost trend rate.

On-Behalf OPEB Payments

The State of Maine contributes on behalf of the Town School Department's retired teachers participating in the plan an amount equal to 45% of the blended single premium for the retiree's healthcare coverage. Using the census data for the measurement period ended June 30, 2018 the estimated on-behalf OPEB subsidy for year ended June 30, 2019 was approximately \$356,000. The amount has been recorded as a revenue and expenditure in the general fund in the statement of revenues, expenditures and changes in fund balances - governmental funds.

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS

The Town entered into property tax abatement agreements (credit enhancement agreements) with local businesses under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. Under the agreements, the Town may grant reimbursement limited to incremental taxes from the new actual increased assessed value projected at 100 percent of the increase. The agreements may be granted to businesses located within the Town that is providing economic development.

For the fiscal year ended June 30, 2019, the Town abated property taxes totaling \$743,940 under the program, including the following tax abatement agreements that each exceed 10 percent of the total amount abated:

A 100 percent property tax abatement to the Gateway Shoppes formerly owned by New England Expedition that is a significant employer in the Town. The abatement is to assist the employer to retain employees and to expand the business. The abatement amounted to \$445,054.

A 100 percent property tax abatement to the Enterprise Business Park formerly owned by Commercial Place, LLC that is a significant employer in the Town. The abatement is to assist the employer to retain employees and to expand the business. The abatement amounted to \$123,729.

Remaining business abatements in the aggregate totaled \$175,157 and include Foundation Center for \$64,367 and Bessey Senior Housing for \$110,790.

The Town also has an agreement for the Haigis Parkway district with total tax captured of \$313,325 which none is currently abated, and the funds are utilized for Town's parkway as an investment site.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

RISK MANAGEMENT

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 purchased, the Town is not aware of any material actual or potential claims liabilities, which should be recorded at June 30, 2019. 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.

NET POSITION

Net Position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and adding back any unspent proceeds. Net Positions 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 investment in capital assets, was calculated as follows at June 30, 2019:

	Governmental <u>Activities</u>
Capital assets	\$ 208,245,405
Accumulated depreciation	(55,269,575)
Bonds payable	(96,695,000)
Capital lease payable	(49,568)
Premium liabilities net of amortization	(6,602,073)
Deferred charge on refunding	1,912,964
Unspent bond proceeds	5,799,712
<u>Net investment in capital assets</u>	<u>\$57,341,865</u>

The Town's Bonds payable is \$102,720,000 as stated in the footnote on page 60. For the purpose of determining net investment in capital assets, bonds payable totaling \$6,025,000, have been excluded from this calculation because the Town transferred ownership of the capital assets to other entities.

PRIOR PERIOD ADJUSTMENT TO NET POSITION

Beginning net position of governmental activities has been restated by decreasing fund balance for \$5,099,980 related to the inclusion of an additional OPEB liability accounted for under GASB Statement No. 75, for the Maine Education Association Benefits Trust in the amount of \$5,002,041 and related to the inclusion of a capital lease obligation that was previously omitted in the amount of \$97,939.

COMMITMENTS

Construction in progress of \$11,607,078 as of June 30, 2019 consists of construction of a new public safety building, street light purchase/improvements, road improvements, and Eastern Trail improvements. These projects are expected to be completed during the fiscal years ending June 30, 2019 to June 30, 2020. The additional estimated costs to complete these projects are approximately \$13,275,730.

TOWN OF SCARBOROUGH, MAINE
Schedule Changes in Net OPEB Liability and
Related Ratios – MMEHT Group Health Insurance Plan
Required Supplementary Information
June 30, 2019
(Unaudited)

Other Post-Employment Benefits

	June 30, 2019	June 30, 2018
Total OPEB liability		
Service Cost	\$ 107,114	\$ 95,617
Interest	116,667	121,874
Changes in benefit terms		
Difference between expected and actual experience	-	105,980
Changes in assumptions or other inputs	(305,884)	(70,197)
Benefit payments	(102,243)	(92,711)
Net change in total OPEB liability	(184,346)	160,563
Total OPEB liability - beginning	3,335,048	3,174,482
Total OPEB liability - ending	\$ 3,150,699	\$ 3,335,045
 Covered payroll	 10,019,117	 10,019,117
 Total OPEB liability as a percentage of covered payroll	 31.4%	 33.3%

Notes to schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

June 30, 2018 4.10%

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10-year trend is complete, the Town presents information for those years for which information is available

TOWN OF SCARBOROUGH, MAINE
Schedule Changes in Net OPEB Liability and
Related Ratios – MEABT Group Health Insurance Plan
Required Supplementary Information
June 30, 2019
(Unaudited)

	June 30, 2019
Total OPEB liability	
Service Cost	\$ 56,620
Interest	183,504
Differences between expected and actual experience	
Changes in assumptions or other inputs	(246,226)
Benefit payments	(133,102)
Net change in total OPEB liability	(139,204)
Total OPEB liability - beginning	5,135,143
Total OPEB liability - ending	\$ 4,995,939
 Covered employee payroll	 21,503,170
 Net OPEB liability as a percentage of covered employee payroll	 23.2%

Notes to schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

June 30, 2019 3.87%

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10-year trend is complete, the Town presents information for those years for which information is available.

TOWN OF SCARBOROUGH, MAINE
Schedule of Proportionate Share of the Net Pension Liability
Required Supplementary Information
June 30, 2019
(Unaudited)

Maine Public Employees Retirement System

Teacher Plan

Fiscal Year	Actuarial Valuation Date	Town Proportion of the Net Pension Liability	Town's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Covered Payroll	Town Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	06-30-2018	0.037%	\$495,178	\$26,319,136	\$26,814,314	\$24,415,427	2.03%	82.90%
2018	06-30-2017	0.038%	\$552,792	\$27,719,908	\$28,272,700	\$23,568,099	2.35%	80.78%
2017	06-30-2016	0.035%	\$624,320	\$33,161,075	\$33,785,395	\$22,450,059	2.78%	76.21%
2016	06-30-2015	0.042%	\$565,672	\$24,964,846	\$25,530,518	\$21,706,258	2.61%	81.18%
2015	06-30-2014	0.035%	\$378,299	\$19,539,727	\$19,918,026	\$21,156,477	1.78%	84.04%

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

PLD Plan

Fiscal Year	Actuarial Valuation Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position As a Percentage Of the Total Pension Liability
2019	06-30-2018	1.66%	\$4,538,914	\$7,843,357	57.87%	91.14%
2018	06-30-2017	1.59%	\$6,516,621	\$7,305,860	89.20%	86.43%
2017	06-30-2016	1.48%	\$7,865,767	\$6,444,728	122.05%	81.61%
2016	06-30-2015	1.53%	\$4,875,343	\$6,287,712	77.54%	88.27%
2015	06-30-2014	1.50%	\$2,310,255	\$6,125,426	37.72%	94.10%

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

TOWN OF SCARBOROUGH, MAINE
Schedule of Contributions
Required Supplementary Information
June 30, 2019
(Unaudited)

Teachers Plan

Fiscal Year	Actuarial Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	06-30-2018	\$1,055,590	\$1,055,590	\$ 0	\$25,337,964	4.16%
2018	06-30-2017	\$1,018,971	\$1,018,971	\$ 0	\$24,415,427	4.17%
2017	06-30-2016	\$838,381	\$838,381	\$ 0	\$23,568,099	3.56%
2016	06-30-2015	\$649,178	\$649,178	\$ 0	\$22,450,059	2.89%
2015	06-30-2014	\$626,859	\$626,859	\$ 0	\$21,706,258	2.88%

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

PLD Plan

Fiscal Year	Actuarial Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	06-30-2018	\$990,347	\$990,347	\$ 0	\$8,527,341	11.61%
2018	06-30-2017	\$920,669	\$920,669	\$ 0	\$7,843,357	11.74%
2017	06-30-2016	\$815,586	\$815,586	\$ 0	\$7,305,860	11.16%
2016	06-30-2015	\$694,798	\$694,798	\$ 0	\$6,444,728	10.78%
2015	06-30-2014	\$624,901	\$624,901	\$ 0	\$6,287,712	9.94%

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

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, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 12,497,354	13,948,390
Investments	8,113,153	3,962,077
Receivables:		
Taxes receivable	230,667	183,262
Tax liens	891,116	753,888
Accounts receivable , net	707,972	711,768
Intergovernmental	280,454	297,184
Inventory	27,679	28,179
Interfund loans receivable	2,459,044	2,766,235
Tax acquired property	7,231	7,231
Total assets	\$ 25,214,670	22,658,214
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and other current liabilities	4,582,112	2,568,884
Accrued payroll and other related liabilities	5,205,749	4,922,906
Accrued compensated absence (current)	153,640	213,160
Unearned revenues	52,947	344,492
Total liabilities	9,994,448	8,049,442
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	913,993	843,488
Total deferred inflows of resources	\$ 913,993	843,488
Fund balance:		
Nonspendable inventory	27,679	28,179
Restricted - Town	2,951,105	3,147,815
Restricted - Education	199,778	332,983
Committed - Town	441,099	393,512
Assigned - Town	2,122,165	1,975,852
Assigned - School	352,643	500,000
Unassigned - Town	8,211,760	7,386,943
Total fund balance	14,306,229	13,765,284
Total liabilities, deferred inflows of resources and fund balance	\$ 25,214,670	22,658,214

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, 2019
(with comparative totals for June 30, 2018)

		2019				
	2018 carryforward	Budget	Total Available	Actual	Variance positive (negative)	2018 Actual
Revenues:						
Taxes:						
Property taxes	\$ -	65,663,155	65,663,155	65,402,905	(260,250)	62,014,589
Change in deferred property tax revenue	-	-	-	(70,505)	(70,505)	(57,400)
Excise taxes	-	5,879,700	5,879,700	6,365,716	486,016	5,934,862
Cable franchise tax	-	200,984	200,984	219,247	18,263	208,117
Interest and costs on taxes	-	104,775	104,775	112,016	7,241	106,100
Total taxes	-	71,848,614	71,848,614	72,029,379	180,765	68,206,268
Licenses and permits:						
Plumbing fees	-	45,000	45,000	44,430	(570)	64,106
Fees and Permits	-	158,430	158,430	160,884	2,454	162,474
Building permits	-	475,000	475,000	482,041	7,041	583,848
Electrical permits	-	60,000	60,000	70,737	10,737	70,639
Zoning Board of Appeals	-	7,000	7,000	6,386	(614)	7,250
License plate fees	-	60,900	60,900	61,271	371	60,437
Subdivision fees	-	25,000	25,000	38,556	13,556	(9,313)
Total licenses and permits	-	831,330	831,330	864,305	32,975	939,441
Intergovernmental:						
Education state subsidies	-	2,744,404	2,744,404	2,596,959	(147,445)	2,055,549
FEMA reimbursement	-	-	-	74,364	74,364	-
Federal HIDTA revenues	-	192,500	192,500	206,980	14,480	181,892
State Revenue Sharing	-	876,575	876,575	912,219	35,644	850,349
Homestead exemption	-	973,151	973,151	973,151	-	764,666
Business equipment tax exemption	-	773,983	773,983	774,383	400	691,748
LRAP (Local Road Assistance Program)	-	321,816	321,816	322,124	308	324,412
ecomaine payment in lieu of taxes	-	71,450	71,450	71,450	-	71,450
General assistance reimbursement	-	11,025	11,025	2,652	(8,373)	10,135
Adult education State subsidies	-	31,000	31,000	28,326	(2,674)	27,206
Other Federal and State revenues - School	-	251,000	251,000	202,247	(48,753)	241,771
Other Intergovernmental revenues - Town	-	543,786	543,786	732,563	188,777	538,749
Total intergovernmental	-	6,790,690	6,790,690	6,897,418	106,728	5,757,927
Interest earned	-	50,000	50,000	286,272	236,272	133,021
Unclassified:						
School Department miscellaneous	-	325,500	325,500	295,160	(30,340)	256,673
Adult education	-	58,500	58,500	61,406	2,906	50,942
Community services	-	1,991,300	1,991,300	2,121,317	130,017	2,038,215
Insurance reimbursements	-	35,000	35,000	165,177	130,177	129,074
Public Violations	-	71,500	71,500	93,529	22,029	99,176
Special duty police/fire	-	89,500	89,500	92,956	3,456	140,861
Inspection/review fees	-	177,300	177,300	144,747	(32,553)	180,229
Rescue donations	-	1,000,000	1,000,000	1,000,000	-	900,000
Rental income	-	119,363	119,363	121,074	1,711	115,962
Sale of Town-owned property	-	114,500	114,500	96,626	(17,874)	54,317
Salary reimbursement	-	1,348,909	1,348,909	1,313,468	(35,441)	1,080,764
Vehicle fuel reimbursement	-	355,518	355,518	378,931	23,413	264,379
Vehicle maintenance reimbursement	-	608,375	608,375	560,952	(47,423)	494,028
Miscellaneous	-	153,255	153,255	160,235	6,980	20,384
Total unclassified	-	6,448,520	6,448,520	6,605,578	157,058	5,825,004
Total revenues	-	85,969,154	85,969,154	86,682,952	713,798	80,861,661

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

		2019				
	2018 carryforward	Budget	Total available	Actual	Variance positive (negative)	2018 Actual
Expenditures:						
Current:						
General government:						
Town Council	\$ -	11,573	11,573	11,573	-	11,573
Administration	5,030	471,906	476,936	466,965	9,971	506,307
Town Clerk	-	205,368	205,368	216,991	(11,623)	214,608
Human resources	-	292,931	292,931	287,101	5,830	258,555
Personnel benefits	-	465,745	465,745	492,527	(26,782)	542,968
Finance	8,109	385,520	393,629	375,112	18,517	371,078
Taxation/Treasury	-	393,323	393,323	405,290	(11,967)	368,300
Assessing	5,000	312,759	317,759	289,906	27,853	259,539
Management information systems	26,688	1,444,398	1,471,086	1,393,661	77,425	1,162,099
Planning	20,052	1,056,153	1,076,205	951,804	124,401	973,273
General government	-	118,153	118,153	115,266	2,887	99,778
Legal	-	105,000	105,000	277,522	(172,522)	177,830
Risk management	-	612,062	612,062	724,313	(112,251)	655,156
Municipal Building	3,850	341,627	345,477	379,829	(34,352)	342,465
Oak Hill Professional Bldg	-	29,933	29,933	31,627	(1,694)	27,002
Public information	85	3,400	3,485	2,260	1,225	3,530
Outside agencies	-	12,500	12,500	12,500	-	20,500
Total general government	68,814	6,262,351	6,331,165	6,434,247	(103,082)	5,994,561
Public services:						
Library	-	1,152,091	1,152,091	1,152,091	-	1,130,246
Public health and welfare	-	32,314	32,314	19,514	12,800	31,702
Tax Rebates (Credit Enhancement Agree)	-	707,584	707,584	743,940	(36,356)	764,844
Economic Development Corporation	-	240,693	240,693	239,311	1,382	233,378
Community services	9,291	2,461,721	2,471,012	2,569,353	(98,341)	2,415,964
Total public services	9,291	4,594,403	4,603,694	4,724,209	(120,515)	4,576,134
Public safety:						
Fire Department	10,952	3,371,337	3,382,289	3,279,692	102,597	3,104,505
Emergency Management	-	40,601	40,601	38,163	2,438	41,725
Emergency Medical Services	8,896	1,883,155	1,892,051	1,818,764	73,287	1,737,853
Marine resources	12,806	88,285	101,091	96,718	4,373	76,629
Police Department	127	6,572,934	6,573,061	6,345,190	227,871	6,260,005
Total public safety	32,781	11,956,312	11,989,093	11,578,527	410,566	11,220,717
Public works:						
Public Works Department	28,958	3,001,126	3,030,084	3,248,531	(218,447)	2,893,053
GIS/Engineering services	-	108,802	108,802	109,079	(277)	113,504
Vehicle maintenance	-	1,838,708	1,838,708	1,813,583	25,125	1,899,352
Water charges	-	224,500	224,500	241,634	(17,134)	221,489
Street lighting	-	81,000	81,000	87,635	(6,635)	166,669
Traffic signals	-	116,610	116,610	100,961	15,649	113,238
Cemetery care	-	18,100	18,100	21,297	(3,197)	15,130
Memorials	-	8,042	8,042	8,438	(396)	3,760
Shade trees	-	3,000	3,000	490	2,510	2,532
Solid waste program	3,719	1,342,900	1,346,619	1,374,844	(28,225)	1,321,047
Total public works	32,677	6,742,788	6,775,465	7,006,492	(231,027)	6,749,774
Education:						
Adult education	-	188,501	188,501	184,654	3,847	173,329
Regular instruction	-	28,899,228	28,899,228	28,614,690	284,538	27,518,741
Improvement of instruction	-	865,376	865,376	774,247	91,129	782,536
Special services	-	4,379,082	4,379,082	4,294,992	84,090	4,041,556
General & special administration	-	254,911	254,911	261,332	(6,421)	238,132
Board of education	-	30,271	30,271	27,845	2,426	27,635
Office of the superintendent	-	720,653	720,653	724,478	(3,825)	685,850
Business administration	-	2,186,963	2,186,963	2,168,233	18,730	2,133,257
Transportation	-	1,644,458	1,644,458	1,657,656	(13,198)	1,503,435
Operation and maintenance of plant	-	3,854,490	3,854,490	3,689,726	164,764	3,596,775
Debt service	-	5,691,072	5,691,072	5,691,072	-	5,614,407
Total education	-	48,715,005	48,715,005	48,088,925	626,080	46,315,653

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

	2019					
	2018 carryforward	Budget	Total available	Actual	Variance positive (negative)	2018 Actual
Expenditures, continued:						
Current, continued:						
County tax	\$ -	2,827,079	2,827,079	2,827,079	-	2,709,666
Debt service (excluding education):						
Principal	-	3,798,979	3,798,979	3,798,979	-	3,775,139
Interest and other costs	-	1,780,925	1,780,925	1,800,134	(19,209)	1,098,716
Total debt service	-	5,579,904	5,579,904	5,599,113	(19,209)	4,873,855
Capital improvements	467,739	1,408,321	1,876,060	1,459,518	416,542	766,814
Total expenditures	611,302	88,086,163	88,697,465	87,718,110	979,355	83,207,174
Excess (deficiency) of revenues over expenditures	(611,302)	(2,117,009)	(2,728,311)	(1,035,158)	1,693,153	(2,345,513)
Other financing sources (uses):						
Transfers in	-	891,350	891,350	793,221	(98,129)	877,657
Transfers out	-	(313,325)	(313,325)	(344,527)	(31,202)	(290,540)
General obligation bonds	-	891,050	891,050	690,426	(200,624)	672,585
Refunding bond issued	-	-	-	-	-	-
Premium received on refunded bonds, net of issuance costs	-	-	-	-	-	-
Premium received on issued bonds, net of issuance costs	-	-	-	423,393	423,393	606,146
Payment to refunding bond escrow agent	-	-	-	-	-	-
Use of Bond Premium	-	514,450	514,450	-	(514,450)	-
Overlay	-	(672,280)	(672,280)	-	672,280	249
Total other financing sources (uses)	-	1,311,245	1,311,245	1,562,513	251,268	1,866,097
Net change in fund balances - budgetary basis	(611,302)	(805,764)	(1,417,066)	527,355	1,944,421	(479,416)
Utilization of prior year surplus and carrying balances	611,302	805,764	1,417,066	-	(1,417,066)	-
Total Utilization of Fund Balance and Carry forwards	-	-	-	527,355	527,355	(479,416)
Reconciliation to GAAP basis:						
Change in current portion of accrued compensated absences				13,590		(40,088)
Fund balances, beginning of year				13,765,284		14,284,788
Fund balances, end of year				14,306,229		13,765,284

TOWN OF SCARBOROUGH, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 417,781	598,724	-	1,016,505
Investments	6,928,010	-	266,827	7,194,837
Intergovernmental receivable	444,255	-	-	444,255
Accounts receivable	83,126	4,743	-	87,869
Interfund loans	652,227	450,126	4,620	1,106,973
Inventory	43,409	-	-	43,409
Notes receivable	-	-	-	-
Total assets	\$ 8,568,808	1,053,593	271,447	9,893,848
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	437,678	1,293,623	-	1,731,301
Interfund loans	607,331	7,102	479	614,912
Performance bond deposits	-	-	-	-
Total liabilities	1,045,009	1,300,725	479	2,346,213
Fund balances (deficit):				
Nonspendable trust principal	-	-	172,608	172,608
Nonspendable inventory	43,409	-	-	43,409
Restricted for Town	717,366	-	98,360	815,726
Restricted for Education	-	-	-	-
Committed for Town	6,305,470	-	-	6,305,470
Committed for Education	444,460	-	-	444,460
Unassigned for Town	13,094	(247,132)	-	(234,038)
Total fund balances (deficit)	7,523,799	(247,132)	270,968	7,547,635
Total liabilities and fund balances	\$ 8,568,808	1,053,593	271,447	9,893,848

TOWN OF SCARBOROUGH, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 1,484,752	4,743	-	1,489,495
Contributions	341,650	-	-	341,650
Taxes	-	111,000	-	111,000
Assessments and impact fees	2,695,637	-	-	2,695,637
Sale of lots	-	-	4,620	4,620
Other revenue	2,486,311	477,649	-	2,963,960
Interest revenue	174,744	5,600	7,842	188,186
Total revenues	7,183,094	598,992	12,462	7,794,548
Expenditures:				
Current:				
Capital expenditures	440,446	5,394,039	-	5,834,485
Education	2,910,238	-	-	2,910,238
Other	3,098,844	-	480	3,099,324
Total expenditures	6,449,528	5,394,039	480	11,844,047
Excess (deficiency) of revenues over expenditures	733,566	(4,795,047)	11,982	(4,049,499)
Other financing sources (uses):				
Transfers in	185,059	76,570	-	261,629
Transfers out	(583,755)	(69,893)	-	(653,648)
Premium received on issued bonds, net of issuance costs	-	216,180	-	216,180
General Obligation Bonds	-	3,315,160	-	3,315,160
Total other financing sources (uses)	(398,696)	3,538,017	-	3,139,321
Net change in fund balances	334,870	(1,257,030)	11,982	(910,178)
Fund balances, beginning of year	7,188,929	1,009,898	258,986	8,457,813
Fund balances, end of year	\$ 7,523,799	(247,132)	270,968	7,547,635

OTHER GOVERNMENTAL FUNDS

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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 enhancement agreements set up between the Town and 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.

Scarborough Economic Development Corporation (SEDCO)

Scarborough Economic Development Corporation assists both current and prospective businesses. SEDCO supports the economic and business development to improve the quality of life in Scarborough by expanding the town's tax and employment base. The SEDCO board appoints the members of its own board however, the Town provides most of their funding.

Eastern Trail Alliance

Close the Gap - The Town of Scarborough, the Eastern Trail Alliance and other partners are working to complete the final 1.6 mile gap in the Eastern Trail that currently exists between Scarborough and South Portland. Federal, state and local monies are all planned to help fund this project, but additional private contributions will be needed to make this a reality.

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/Prouts 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 the improvements for which the fee is collected. Impact fees collected by the Town under this ordinance may only be used for financing facility improvements which the Town Council has determined are necessary by new development. Included in this impact fees are:

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.

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.

TOWN OF SCARBOROUGH, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

		Recrea- tional Develop- ment	Credit Enhancement Agreements	Scarborough Economic Development Corporation	Eastern Trail Alliance Close the Gap	Prouts Landing Conserva- tion	Payne Road Improvements	Payne Road Impact Fees
ASSETS								
Cash and cash equivalents	\$	-	-	42,160	-	-	-	289,219
Investments		-	44,474	-	597,174	26,245	74,643	2,112,829
Intergovernmental receivable		-	-	13,517	-	-	-	-
Due from State of Maine		-	-	-	-	-	-	-
Accounts receivable		-	-	780	-	-	-	-
Interfund loans receivable		162,810	-	-	-	-	-	-
Inventory		-	-	6,494	-	-	-	-
Notes receivable		-	-	-	-	-	-	-
Total assets	\$	162,810	44,474	62,951	597,174	26,245	74,643	2,402,048
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		-	-	9,090	-	-	-	292,341
Interfund loans payable		-	-	-	211,063	-	-	36,499
Performance bond deposits		-	-	-	-	-	-	-
Total liabilities		-	-	9,090	211,063	-	-	328,840
Fund balances:								
Nonspendable		-	-	6,494	-	-	-	-
Restricted		-	44,474	-	386,111	-	-	-
Committed		162,810	-	-	-	26,245	74,643	2,073,208
Unassigned		-	-	47,367	-	-	-	-
Total fund balances (deficit)		162,810	44,474	53,861	386,111	26,245	74,643	2,073,208
Total liabilities and fund balances	\$	162,810	44,474	62,951	597,174	26,245	74,643	2,402,048

	Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	Totals
ASSETS								
Cash and cash equivalents	-	-	-	-	57,876	87,932	(59,406)	417,781
Investments	2,076,591	178,918	18,222	30,103	1,768,811	-	-	6,928,010
Intergovernmental receivable	-	-	-	-	-	430,738	-	444,255
Accounts receivable	-	-	38,367	-	15,634	-	28,345	83,126
Interfund loans receivable	1,500	-	487,917	-	-	-	-	652,227
Inventory	-	-	-	-	-	-	36,915	43,409
Notes receivable	-	-	-	-	-	-	-	-
Total Assets	2,078,091	178,918	544,506	30,103	1,842,321	518,670	5,854	8,568,808
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	66	52,626	-	6,133	74,210	3,212	437,678
Interfund loans payable	175,640	16,647	-	6,644	160,838	-	-	607,331
Performance bond deposits	-	-	-	-	-	-	-	-
Total Liabilities	175,640	16,713	52,626	6,644	166,971	74,210	3,212	1,045,009
Fund balances:								
Nonspendable	-	-	-	-	-	-	36,915	43,409
Restricted	-	162,205	-	23,459	101,117	-	-	717,366
Committed	1,902,451	-	491,880	-	1,574,233	444,460	-	6,749,930
Unassigned	-	-	-	-	-	-	(34,273)	13,094
Total fund balances (deficit)	1,902,451	162,205	491,880	23,459	1,675,350	444,460	2,642	7,523,799
Total liabilities and fund balances	2,078,091	178,918	544,506	30,103	1,842,321	518,670	5,854	8,568,808

TOWN OF SCARBOROUGH, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	Recrea- tional Develop- ment	Credit Enhancement Agreements	Scarborough Economic Development Corporation	Eastern Trail Alliance Close the Gap	Prouts Landing Conserva- tion	Payne Road Improvements	Payne Road Impact Fees
Revenues:							
Intergovernmental	\$ -	-	-	-	-	-	-
Interest earned	-	904	-	16,252	767	2,181	58,146
Contributions	-	-	253,612	6,542	-	-	-
Sale of Lots/Land/Equip	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	58,911
Assessments and impact fees	57,750	620,211	-	-	-	-	-
Total revenues	57,750	621,115	253,612	22,794	767	2,181	117,057
Expenditures:							
Construction and acquisitions	-	-	-	-	-	-	(16,413)
Education	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-
Other	-	620,211	250,149	211,063	-	-	-
Total expenditures	-	620,211	250,149	211,063	-	-	(16,413)
Excess (deficiency) of revenues over expenditures	57,750	904	3,463	(188,269)	767	2,181	133,470
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(39,998)
Total other financing sources (uses)	-	-	-	-	-	-	(39,998)
Net change in fund balances	57,750	904	3,463	(188,269)	767	2,181	93,472
Fund balances (deficit), beginning of year	105,060	43,570	50,398	574,380	25,478	72,462	1,979,736
Fund balances (deficit), end of year	\$ 162,810	44,474	53,861	386,111	26,245	74,643	2,073,208

	Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	Totals
Revenues:								
Intergovernmental	-	63,071	-	-	91,446	1,041,647	288,588	1,484,752
Interest earned	46,835	3,901	6,552	928	38,278	-	-	174,744
Contributions	-	-	-	825	-	80,671	-	341,650
Sale of Lots/Land/Equip	-	-	-	-	-	-	-	-
Other	788,839	-	-	-	345,599	-	1,292,962	2,486,311
Assessments and impact fees	-	-	2,017,676	-	-	-	-	2,695,637
Total revenues	835,674	66,972	2,024,228	1,753	475,323	1,122,318	1,581,550	7,183,094
Expenditures:								
Construction and acquisitions	175,401	9,284	-	-	272,174	-	-	440,446
Education	-	-	-	-	-	1,146,271	1,763,967	2,910,238
Benefits paid	-	-	-	-	-	-	-	-
Other	-	-	2,017,421	-	-	-	-	3,098,844
Total expenditures	175,401	9,284	2,017,421	-	272,174	1,146,271	1,763,967	6,449,528
Excess (deficiency) of revenues over expenditures	660,273	57,688	6,807	1,753	203,149	(23,953)	(182,417)	733,566
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	185,059	185,059
Bond Proceeds	-	-	-	-	-	-	-	-
Transfers out	(397,850)	(25,000)	(98,500)	(6,694)	(15,000)	(713)	-	(583,755)
Total other financing sources (uses)	(397,850)	(25,000)	(98,500)	(6,694)	(15,000)	(713)	185,059	(398,696)
Net change in fund balances	262,423	32,688	(91,693)	(4,941)	188,149	(24,666)	2,642	334,870
Fund balances (deficit), beginning of year	1,640,028	129,517	583,573	28,400	1,487,201	469,126	-	7,188,929
Fund balances (deficit), end of year	1,902,451	162,205	491,880	23,459	1,675,350	444,460	2,642	7,523,799

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, 2019

	Fund balances beginning of year	Revenues		Program expenditures	Fund balances end of year
		Grants	Other		
Federal education grant programs:					
NCLB/Title IA	\$ -	153,646	-	153,646	-
NCLB/Title IIA	750	88,449	-	89,199	-
NCLB/Title IVA	-	19,526	-	19,526	-
Local Entitlement	(1)	765,205	-	792,564	(27,360)
Preschool handicapped	(34)	6,221	-	6,187	-
Total federal education grant programs	715	1,033,047	-	1,061,122	(27,360)
Other State grant programs:					
PEPG Grant	588	-	-	-	588
Scarborough Education Foundation	37,606	-	-	35,435	2,171
Finberg Trust	165,074	-	-	27,581	137,493
Other Donations	19,982	-	3,700	1,051	22,631
Proficiency Based Graduation	3,083	-	-	-	3,083
Technology Maintenance Fees	230,210	-	79,636	10,864	298,982
School Nutrition Special Programs	10,999	-	(2,665)	1,945	6,389
CC Admin Certification	869	-	8,600	8,986	483
Total other state grant programs	468,411	-	89,271	85,862	471,820
Total school categorical programs	\$ 469,126	1,033,047	89,271	1,146,984	444,460

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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.

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TOWN OF SCARBOROUGH, MAINE
Nonmajor Capital Project Fund
Balance Sheet
June 30, 2019

	General School Improvements	General Town Improvements	Totals
ASSETS			
Cash and cash equivalents	\$ (202,919)	801,643	598,724
Investments	-	-	-
Accounts Receivable	-	4,743	4,743
Interfund loans receivable	-	450,126	450,126
Total assets	\$ (202,919)	1,256,512	1,053,593
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	14,522	1,279,101	1,293,623
Interfund loans payable	-	7,102	7,102
Total liabilities	14,522	1,286,203	1,300,725
Fund balance (deficit):			
Restricted	-	-	-
Unassigned	(217,441)	(29,691)	(247,132)
Total fund balance (deficit)	(217,441)	(29,691)	(247,132)
Total liabilities and fund balance	\$ (202,919)	1,256,512	1,053,593

TOWN OF SCARBOROUGH, MAINE
Nonmajor Capital Project Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2019

	General School Improvements	General Town Improvements	Totals
Revenues:			
Intergovernmental	\$ -	4,743	4,743
Taxes	47,000	64,000	111,000
Interest earned	2,016	3,584	5,600
Other	-	477,649	477,649
Total revenues	49,016	549,976	598,992
Expenditures:			
Capital Improvements	1,412,891	3,981,148	5,394,039
Total expenditures	1,412,891	3,981,148	5,394,039
Excess (deficiency) of revenues over expenditures	(1,363,875)	(3,431,172)	(4,795,047)
Other financing sources (uses):			
Transfers in	13,146	63,424	76,570
Transfers out	(4,747)	(65,146)	(69,893)
Premium received on issued bonds, net of issuance costs	65,824	150,356	216,180
Proceeds of general obligation bonds	675,366	2,639,794	3,315,160
Total other financing sources (uses)	749,589	2,788,428	3,538,017
Net change in fund balances	(614,286)	(642,744)	(1,257,030)
Fund balances (deficit), beginning of year	396,845	613,053	1,009,898
Fund balances (deficit), end of year	\$ (217,441)	(29,691)	(247,132)

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 dedicated principal and only the interest earnings may be used for cemetery improvements.

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 town council 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, 2019

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
ASSETS				
Investments	\$ 238,432	25,333	3,062	266,827
Interfund loans receivable	4,620	-	-	4,620
Total assets	\$ 243,052	25,333	3,062	271,447
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	-	479	-	479
Total liabilities	-	479	-	479
Fund balances:				
Nonspendable Principal	158,741	13,367	500	172,608
Restricted Expendable Income	84,311	11,487	2,562	98,360
Total fund balances	243,052	24,854	3,062	270,968
Total liabilities and fund balances	\$ 243,052	25,333	3,062	271,447

TOWN OF SCARBOROUGH, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
Revenues:				
Interest and dividends	\$ 7,016	739	87	7,842
Sale of lots/perpetual care deposits	4,620	-	-	4,620
Total revenues	11,636	739	87	12,462
Expenditures:				
Earnings retained by General Fund	-	480	-	480
Other	-	-	-	-
Total expenditures	-	480	-	480
Net change in fund balances	11,636	259	87	11,982
Fund balances, beginning of year	231,416	24,595	2,975	258,986
Fund balances, end of year	\$ 243,052	24,854	3,062	270,968

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.

Class of 1976 Scholarship Fund

A scholarship fund established to provide scholarships from the Class of 1976 for a deserving student with the intention of fund raising between 2017 and 2026 to celebrate their 50 year class reunion.

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, 2019

	Shirley Grover Fund	Edith Warga Art Scholarship	Mary Campbell Peterson Fund	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	Class of 1976 Scholarship Fund	Kathy Pearson Scholarship Fund	Totals
ASSETS														
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	\$ 1,055	97,476	93,423	190	12	1,152	10,884	329	2,397	11,254	1,295	361	3,113	222,941
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,055	97,476	93,423	190	12	1,152	10,884	329	2,397	11,254	1,295	361	3,113	222,941
LIABILITIES AND NET ASSETS														
Liabilities:														
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net position:														
Nonspendable Principal	1,240	100,000	87,680	-	-	-	-	500	2,026	3,500	-	350	3,810	199,106
Restricted Interest	(185)	(2,524)	5,743	190	12	1,152	10,884	(171)	371	7,754	1,295	11	(697)	23,835
Total net position	1,055	97,476	93,423	190	12	1,152	10,884	329	2,397	11,254	1,295	361	3,113	222,941
Total liabilities and net position	\$ 1,055	97,476	93,423	190	12	1,152	10,884	329	2,397	11,254	1,295	361	3,113	222,941

TOWN OF SCARBOROUGH, MAINE
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2019

	Shirley Grover Fund	Edith Warga Art Scholarship	Mary Campbell Pederson Fund	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	Class of 1976 Scholarship Fund	Kathy Pearson Scholarship Fund	Totals
Additions														
Donations	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends	31	2,903	2,746	6	-	34	359	10	70	318	37	10	89	6,613
Total additions	31	2,903	2,746	6	-	34	359	10	70	318	37	10	89	6,613
Deductions:														
School scholarships	-	2,500	1,000	-	-	-	1,500	-	-	-	-	-	-	5,000.00
Total deductions	-	2,500	1,000	-	-	-	1,500	-	-	-	-	-	-	5,000.00
Changes in net assets	31	403	1,746	6	-	34	(1,141)	10	70	318	37	10	89	1,613.00
Net position, beginning of year	1,024	97,073	91,677	184	12	1,118	12,025	319	2,327	10,936	1,258	351	3,024	221,328
Net position, end of year	\$ 1,055	97,476	93,423	190	12	1,152	10,884	329	2,397	11,254	1,295	361	3,113	222,941

TOWN OF SCARBOROUGH, MAINE
Agency Funds
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2019

		Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
STUDENT ACTIVITIES:					
ASSETS					
Cash	\$	482,022	976,189	799,405	658,806
LIABILITIES					
Payable to student groups	\$	482,022	976,189	799,405	658,806

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Town of Scarborough Maine Comprehensive Annual Financial Report



General Long Term Debt

Leader in Sustainability 2019 — Hannaford

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TOWN OF SCARBOROUGH, MAINE
Statement of Changes in Long-term Debt
For the year ended June 30, 2019

	Interest rate	Final maturity date		Annual principal payments	Balance beginning of year	Current Year		Balance end of year
<u>General Obligation Bonds</u>								
2009 Capital Improvements	Varies	2019	\$	310,000 to 2019	310,000	-	310,000	-
2009 Bond Refunding	3.00%	2020		115,000 in 2020	300,000	-	185,000	115,000
2010 Capital Improvements	Varies	2031		345,000 to 2021				
	Varies			280,000 to 2026				
	4.00%			100,000 to 2031	2,935,000	-	345,000	2,590,000
2011 Capital Improvements	Varies	2031		355,000 to 2021				
	Varies			115,000 to 2026				
	Varies			110,000 to 2031	2,190,000	-	355,000	1,835,000
2012 Capital Improvements	4.00%	2042		2,825,000 in 2019				
	4.00%			3,210,000 in 2020				
	5.00%			3,475,000 in 2021				
	3.00%			3,685,000 in 2022				
	3.00%			3,520,000 in 2023				
	4.00%			2,170,000 in 2024				
	4.00%			1,870,000 in 2025				
	4.00%			1,585,000 in 2026				
	4.00%			1,335,000 in 2027				
	4.00%			1,310,000 in 2028				
	4.00%			1,330,000 in 2029				
	4.00%			1,355,000 in 2030				
	4.00%			1,775,000 in 2031				
	4.00%			1,815,000 in 2032				
	4.00%			1,800,000 in 2033				
	Varies			685,000 to 2042	39,225,000	-	2,825,000	36,400,000
2013 Capital Improvements	3.00%	2043		765,000 in 2019				
	4.00%			770,000 in 2020				
	Varies			765,000 to 2023				
	5.00%			715,000 in 2024				
	4.00%			720,000 in 2025				
	5.00%			1,045,000 in 2026				
	5.00%			1,430,000 in 2027				
	3.00%			1,465,000 in 2028				
	4.00%			1,405,000 in 2029				
	3.25%			1,435,000 in 2030				
	3.25%			1,065,000 in 2031				
	3.25%			1,075,000 in 2032				
	4.00%			1,090,000 in 2033				
	4.00%			1,525,000 in 2034				
	4.00%			1,045,000 in 2035				
	Varies			565,000 to 2043	22,365,000	-	765,000	21,600,000
2014 Capital Improvements	2.00%	2034		700,000 in 2019				
	2.00%			325,000 to 2021				
	2.00%			310,000 in 2022				
	3.00%			300,000 to 2024				
	3.00%			250,000 to 2029				
	4.00%			50,000 to 2034	3,760,000	-	700,000	3,060,000

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
<u>General Obligation Bonds</u>							
2015 Capital Improvements	4.00%	2035	430,000 to 2020				
	Varies		335,000 to 2023				
	4.00%		320,000 to 2025				
	Varies		265,000 to 2029				
	3.00%		245,000 in 2030				
	3.00%		165,000 in 2031				
	3.00%		160,000 to 2034				
	3.00%		150,000 in 2035	4,605,000	-	430,000	4,175,000
2016 Capital Improvements	2.00%	2036	1,035,000 in 2019				
	2.00%		785,000 in 2020				
	2.00%		780,000 in 2021				
	2.00%		465,000 in 2022				
	2.00%		435,000 in 2023				
	2.50%		430,000 in 2024				
	3.00%		395,000 to 2026				
	3.00%		340,000 in 2027				
2017 Capital Improvements	4.00%	2037	335,000 in 2028				
	4.00%		165,000 in 2029				
	3.00%		65,000 to 2036	6,015,000	-	1,035,000	4,980,000
	Varies		360,000 to 2021				
	5.00%		295,000 in 2022				
	5.00%		190,000 in 2023				
	5.00%		185,000 to 2027				
	3.00%		55,000 to 2032				
2018 Capital Improvements	3.00%	2048	35,000 to 2037	2,755,000	-	360,000	2,395,000
	5.00%		0 in 2019				
	5.00%		935,000 to 2022				
	5.00%		930,000 to 2024				
	5.00%		695,000 to 2027				
	5.00%		690,000 to 2029				
	4.00%		635,000 to 2031				
	Varies		580,000 to 2034				
2019 Capital Improvements	4.00%	2049	510,000 to 2039				
	Varies		500,000 to 2048	18,190,000	-	-	18,190,000
	Varies		0 in 2020				
	5.00%		410,000 to 2025				
	Varies		295,000 to 2035				
	3.00%		260,000 to 2040				
	3.00%		120,000 to 2049	-	7,380,000	-	7,380,000
	Total bonds				102,650,000	7,380,000	7,310,000
Total long-term debt		\$	102,650,000	7,380,000	7,310,000	102,720,000	

Town of Scarborough Maine Comprehensive Annual Financial Report



Statistical Section

Legacy Business 2019 – Glidden Roofing Corporation

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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 <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	1-5
Revenue Capacity <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	6-11
Debt Capacity <i>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.</i>	12-17
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	18-20
Operating Information <i>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.</i>	21-24

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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Table 1

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 47,588,145	\$ 53,031,962	\$ 54,339,258	\$ 49,823,697	\$ 53,887,278	\$ 57,103,811	\$ 59,088,465	\$ 61,708,817	\$ 61,977,397	\$ 57,341,865
Restricted	2,199,233	1,642,063	1,111,295	3,555,142	4,049,315	3,373,177	5,568,308	3,883,241	2,577,864	1,540,755
Unrestricted	2,916,603	(702,917)	2,127,242	6,347,111	3,907,583	(688,245)	(2,259,046)	(3,775,014)	(6,355,930)	2,688,359
Total governmental activities net position	\$ 52,703,981	\$ 53,971,108	\$ 57,577,795	\$ 59,725,950	\$ 61,844,176	\$ 59,788,743	\$ 62,397,727	\$ 61,817,044	\$ 58,199,331	\$ 61,570,979

Notes:

- 1) Total Net Position as restated for the fiscal years ended June 30, 2014. The Restatement resulted from implementation of GASB Statement No. 68.
- 2) Total Net Position as restated for the fiscal year ended June 30, 2017. The Restatement resulted from implementation of GASB Statement No. 75.
- 3) Total Net Position as restated for the fiscal year ended June 30, 2018. The Restatement resulted from implementation of GASB Statement No. 75 for an additional OPEB plan identified.

Table 2

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Program revenues:										
Charges for services										
General government	\$ 1,986,246	\$ 1,851,983	\$ 1,386,497	\$ 1,525,062	\$ 1,868,477	\$ 3,170,678	\$ 3,257,876	\$ 2,821,305	\$ 2,370,489	\$ 3,088,056
Public services	1,719,617	1,680,722	1,791,859	2,363,475	2,481,387	2,531,113	2,510,082	2,883,349	3,004,909	3,021,376
Public safety	1,629,561	1,632,627	2,069,487	2,449,062	2,156,498	2,731,150	2,780,266	3,094,403	3,075,250	3,424,185
Public works	1,665,084	1,542,707	1,843,317	1,405,040	1,590,382	1,692,802	1,635,542	1,740,432	2,040,177	1,963,528
Education	1,217,302	1,252,673	1,248,055	1,191,085	1,282,369	1,299,774	1,356,477	1,268,370	1,523,725	1,649,528
Interest on debt services	-	-	-	-	-	-	-	-	-	-
Operating grants and activities	12,269,970	11,719,082	11,093,321	9,912,515	9,983,992	8,586,603	8,150,991	9,486,212	7,247,352	7,633,881
Capital grants and contributions	122,376	170,480	174,652	97,351	159,089	54,304	149,582	161,912	54,317	96,626
General revenues:										
Property and excise taxes, levies for general purposes	47,029,220	49,050,813	50,571,377	54,442,643	58,838,156	60,877,879	63,529,063	65,631,946	68,335,117	72,171,334
Grants and contributions not restricted to specific programs	1,947,274	1,904,938	2,473,014	2,656,313	1,352,303	1,908,036	1,796,997	2,206,632	2,880,488	3,552,551
Unrestricted investment earnings	141,496	42,024	66,255	42,573	108,862	390,260	84,783	175,917	152,437	525,771
Total revenues	69,728,146	70,848,049	72,717,834	76,085,119	79,821,515	83,242,599	85,251,659	89,470,478	90,684,261	97,126,836
Expenses:										
General government	10,656,413	12,022,846	11,537,424	11,413,745	11,346,043	14,077,217	12,728,572	14,435,000	13,113,500	16,687,230
Public services	3,831,908	5,041,659	3,868,072	3,851,672	4,188,079	4,658,690	4,733,734	4,923,303	4,996,328	4,752,163
Public safety	8,265,739	7,331,259	8,691,510	8,555,020	9,362,899	9,716,227	10,922,234	11,496,900	12,599,095	11,081,295
Public works	9,479,984	7,245,892	7,805,045	7,874,408	7,617,844	7,713,975	8,048,143	8,245,900	8,116,981	8,257,195
Education	34,546,380	35,275,130	34,346,445	39,167,124	41,772,944	41,617,985	42,774,764	46,499,772	46,873,688	49,389,226
Interest on debt service	2,693,682	2,664,136	2,862,650	3,074,995	3,415,482	3,418,748	3,435,228	3,230,297	3,502,402	3,588,079
Total expenses	69,474,106	69,580,922	69,111,146	73,936,964	77,703,291	81,202,842	82,642,675	88,831,172	89,201,994	93,755,188
Net (expense)/revenue:	254,040	1,267,127	3,606,688	2,148,155	2,118,224	2,039,757	2,608,984	639,306	1,482,267	3,371,648
Change in Net Position	\$ 254,040	\$ 1,267,127	\$ 3,606,688	\$ 2,148,155	\$ 2,118,224	\$ 2,039,757	\$ 2,608,984	\$ 639,306	\$ 1,482,267	\$ 3,371,648

Table 3

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

	2010 ¹	2011 ²	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable Inventory			34	34	48	43	31	13	28	28
Restricted for Town	2,482	2,685	2,993	3,861	2,838	2,898	2,743	2,958	3,148	2,951
Restricted for Education	1,056	496	440	977	509	540	2,224	242	332	200
Committed - General Fund	634	630 ³	688 ³	374 ³	452 ³	519 ³	503 ³	400 ³	393 ³	441
Assigned - General Fund	1,469	2,223	1,606	1,825	1,584	2,305	2,140	1,676	1,976	2,122
Assigned - Education		-	200	200	800	425	426	2,102	501	352
Unassigned - General Fund	2,231	955	2,093	1,787	3,377	4,973	6,108	6,894	7,387	8,212
Unreserved	-	-								
Total general fund	\$ 7,872	\$ 6,989	\$ 8,054	\$ 9,058	\$ 9,608	\$ 11,703	\$ 14,175	\$ 14,285	\$ 13,765	\$ 14,306
All Other Governmental Funds										
Nonspendable Permanent Fund Principal	125	126	129	132	135	147	155	164	168	173
Nonspendable Inventory Special Revenues	26	21	27	27	14	26	36	36	40	43
Restricted Special Revenues	1,621	852	473	463	651	624	637	645	873	717
Restricted Capital Projects	2,483	1,941	20,027	22,904	9,495	5,409	2,317	651	15,203	10,486
Restricted Permanent Fund Interest	84	84	84	84	85	86	90	90	91	98
Committed - Special Revenues	4,820	4,292	4,309	4,362	4,446	4,439	4,752	5,246	6,265	6,751
Unassigned - Special Revenues	(129)	(115)	(262)	(683)	(1,083)	(1,365)	(1,550)	(1,746)	(1,943)	(1,972)
Unassigned - Capital Projects	(493)	(434)	(378)	(308)	(206)	(567)	1,527	-	-	(247)
Total all other governmental funds	\$ 8,537	\$ 6,767	\$ 24,409	\$ 26,981	\$ 13,537	\$ 8,799	\$ 7,964	\$ 5,086	\$ 20,697	\$ 16,049
Total Governmental Funds Fund Balances:	16,409	\$ 13,756	\$ 32,463	\$ 36,039	\$ 23,145	\$ 20,502	\$ 22,139	\$ 19,371	\$ 34,462	\$ 30,355

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

² Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

³ Re-allocated Special Revenues to General Fund for 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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 46,880	\$ 48,957	\$ 50,428	\$ 54,393	\$ 58,826	\$ 61,154	\$ 63,719	\$ 65,949	\$ 68,340	\$ 72,140
Licenses and permits	573	480	494	554	662	756	817	782	939	864
Intergovernmental	14,106	13,701	13,136	12,024	10,976	12,879	11,672	10,954	10,600	12,480
Interest earned	242	125	153	178	230	449	199	426	192	739
Other	7,849	7,549	8,420	8,883	8,966	10,376	10,418	11,193	11,852	12,613
Total revenues	69,650	70,812	72,631	76,032	79,660	85,614	86,825	89,304	91,923	98,836
Expenditures										
General government	4,742	6,144	4,403	4,957	5,201	4,829	4,951	5,932	7,070	8,005
Public services	3,766	4,831	3,841	3,931	4,146	4,612	4,690	4,922	4,945	4,724
Public safety	7,355	7,318	8,242	8,578	8,879	9,344	10,297	11,116	11,836	11,478
Public works	8,027	5,353	4,598	7,398	6,503	6,506	7,233	7,128	6,750	9,377
Education (Excludes School Debt)	33,127	33,364	33,220	37,295	40,149	45,614	43,681	45,541	46,291	49,401
Education Debt (Prin & Int)	4,174	4,142	3,758	3,653	4,150	4,606	5,119	5,761	5,614	5,691
County tax	1,886	1,923	1,976	2,075	2,194	2,355	2,493	2,569	2,710	2,827
Debt service (Principal-Town Only (1))	3,044	2,961	5,417	4,942	3,353	3,506	3,760	3,800	3,866	3,868
Debt service (Interest-Town Only)	1,911	1,810	1,151	1,109	1,118	1,100	1,164	1,058	1,008	1,731
Capital Outlay	5,167	6,037	6,347	16,988	21,840	9,942	3,626	4,415	3,636	10,887
Other	4,085	4,014	4,948	1,817	1,775	1,928	2,054	2,639	2,637	3,099
Total expenditures	77,284	77,897	77,901	92,743	99,308	94,342	89,068	94,881	96,363	111,088
Excess (deficiency) of revenues over (under) expenditures	(7,634)	(7,085)	(5,270)	(16,711)	(19,648)	(8,728)	(2,243)	(5,577)	(4,440)	(12,252)
Other financing sources (uses)										
Transfers in	1,982	1,477	2,061	1,845	1,371	1,071	1,410	3,208	1,264	1,368
Transfers out	(1,982)	(1,477)	(2,061)	(1,845)	(1,371)	(1,071)	(1,410)	(3,208)	(1,264)	(1,368)
Capital Lease proceeds	52	-	-	365	249	-	-	-	-	-
Refunding bond issued	-	1,155	24,605	7,065	-	-	3,785	-	-	-
Payment to refunding bond escrow agent	-	(1,155)	(27,125)	(7,347)	-	-	(3,972)	-	-	-
Premium received on refunded debt	-	(12)	2,642	322	-	-	187	-	-	-
Premium received on issued debt	-	-	1,913	1,263	-	-	85	-	1,341	765
General obligation bonds and capital leases	6,002	4,445	21,940	18,620	6,505	6,085	3,755	2,755	18,190	7,380
Total other financing sources (uses)	6,054	4,433	23,975	20,288	6,754	6,085	3,840	2,755	19,531	8,145
Net change in fund balances	\$ (1,580)	(2,652)	18,705	3,577	(12,894)	(2,643)	1,597	(2,822)	15,091	(4,107)
Debt Service as a percentage of non-capital expenditures	6.87%	6.64%	9.18%	7.99%	5.77%	5.46%	5.76%	5.37%	5.26%	5.59%

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

Years ended	General government	Public service	Public safety	Public works	Education	County tax	Debt service	Capital expenditures	Total
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
2015	4,829,444	4,612,240	9,514,108	6,506,439	41,496,318	2,355,415	4,605,500	1,192,358	75,111,822
2016	4,904,706	4,690,296	10,125,943	6,677,609	41,218,487	2,493,342	4,923,898	1,037,678	76,071,959
2017	5,337,246	4,852,147	10,845,773	6,529,061	45,161,286	2,568,852	4,857,655	1,148,329	81,300,349
2018	5,994,561	4,576,134	11,220,717	6,749,774	46,315,653	2,709,666	4,873,855	766,814	83,207,174
2019	6,434,247	4,724,209	11,578,527	7,006,492	48,088,925	2,827,079	5,599,113	1,459,518	87,718,110

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)

Fiscal Year	Property tax	Interest and Costs on taxes	Vehicle Excise tax	Boat Excise tax	Franchise tax fees	Total
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
2015	55,621,936	105,060	5,026,029	27,530	191,317	60,971,872
2016	57,470,744	113,124	5,596,389	30,144	190,592	63,400,993
2017	59,523,351	101,590	5,873,919	28,925	200,984	65,728,769
2018	61,957,189	106,100	5,903,828	31,034	208,117	68,206,268
2019	65,332,400	112,016	6,333,746	31,970	219,247	72,029,379

Table 7

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

Fiscal Year	Real property	Personal property	Totals		Direct Tax Rate	Ratio of total assessed value to total estimated actual value
	Assessed property	Assessed property	Assessed property	Estimated actual value		
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%
2015	3,587,500,600	112,987,600	3,700,488,200	3,700,488,200	15.10	100%
2016	3,637,366,300	108,181,800	3,745,548,100	3,745,548,100	15.49	100%
2017	3,667,678,200	108,684,300	3,776,362,500	3,776,362,500	15.92	100%
2018	3,678,001,742	107,486,600	3,785,488,342	3,785,488,342	16.49	100%
2019	3,908,909,212	103,383,400	4,012,292,612	4,012,292,612	16.49	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

Fiscal Year	Town	School	County Tax	Tax Increment Financing District	Overlay	State Revenue Sharing ⁽¹⁾	Total Property Tax Rates by Year
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
2015	4.649	9.774	0.637	0.245	0.089	(0.292)	15.10
2016	4.597	10.144	0.666	0.254	0.132	(0.303)	15.49
2017	4.743	10.563	0.680	0.240	0.046	(0.353)	15.92
2018	4.698	11.239	0.716	0.224	0.037	(0.423)	16.49
2019	4.599	11.225	0.705	0.254	0.168	(0.461)	16.49

¹ 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)**

2010				2019			
<u>Taxpayer</u>	<u>Taxable Assessed</u>		<u>Percentage of Total Taxable Assessed</u>	<u>Taxpayer</u>	<u>Taxable Assessed</u>		<u>Percentage of Total Taxable Assessed</u>
	<u>Value</u>	<u>Rank</u>	<u>Value</u>		<u>Value</u>	<u>Rank</u>	<u>Value</u>
Maine Life Care Retirement	\$ 61,155,000	1	1.74%	Maine Life Care Retirement	\$ 87,837,700	1	2.19%
Wal-Mart/Sam's Club	40,489,500	2	1.15%	Wal-Mart/Sam's Club	41,761,500	2	1.04%
New England Expedition	35,132,100	3	1.00%	Gavin Ruotolo	34,545,000	3	0.85%
Hannaford Brothers	23,902,400	4	0.68%	Central Maine Power	32,114,500	4	0.80%
MMC Realty Maine Health	22,162,800	5	0.63%	RRE Foxcroft/Coach Lantern	29,504,400	5	0.74%
Scarborough Gallery	22,019,000	6	0.62%	Hannaford Brothers	28,215,300	6	0.70%
Gavin Ruotolo	18,598,300	7	0.53%	New England Expedition	22,335,200	7	0.56%
Central Maine Power	15,070,700	8	0.43%	Scarborough Gallery	21,284,800	8	0.53%
Shaw's Supermarket	14,296,400	9	0.41%	Waterstone Scarborough LLC	16,857,400	9	0.42%
RRE Foxcroft/Coach Lantern	13,253,400	10	0.38%	Scarborough ME Senior Property LLC	14,462,500	10	0.36%
Total Principal Taxpayers	<u>266,079,600</u>		<u>7.55%</u>		<u>328,918,300</u>		<u>8.20%</u>
 Total Assessed Value:	 \$ <u>3,524,771,600</u>				 \$ <u>4,012,292,612</u>		

Source: Town of Scarborough, Maine Assessor

Table 10

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
2010	42,877,989	42,370,914	98.8%	488,484	42,859,398	99.96%
2011	44,928,747	44,325,013	98.7%	590,907	44,915,920	99.97%
2012	46,684,211	46,102,831	98.8%	568,862	46,671,693	99.97%
2013	50,125,493	49,483,773	98.7%	625,867	50,109,640	99.97%
2014	54,062,720	53,305,613	98.6%	743,947	54,049,560	99.98%
2015	55,877,372	55,321,988	99.0%	541,688	55,863,676	99.98%
2016	58,018,545	57,331,779	98.8%	668,758	58,000,537	99.97%
2017	60,119,691	59,602,001	99.1%	479,198	60,081,199	99.94%
2018	62,422,707	61,848,681	99.1%	359,180	62,207,861	99.66%
2019	66,162,710	65,462,458	98.9%	-	65,462,458	98.94%

Source: Town of Scarborough Tax Collector's Office

Table 11

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

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Rate	Tax Levy
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
2015	3,587,500,600	112,987,600	3,700,488,200	15.10	55,877,372
2016	3,637,366,300	108,181,800	3,745,548,100	15.49	58,018,545
2017	3,667,678,200	108,684,300	3,776,362,500	15.92	60,119,691
2018	3,678,001,742	107,486,600	3,785,488,342	16.49	62,422,707
2019	3,908,909,212	103,383,400	4,012,292,612	16.49	66,162,710

Source: Town of Scarborough Assessor's Office

Table 12

TOWN OF SCARBOROUGH, MAINE
Statutory Debt Limit By State and Local
June 30, 2019

State Assessed Value:					\$4,313,600,000
Legal Debt Margin Limit of 15% of State Valuation					\$647,040,000
Purpose	State Legal Percent	State Legal Debt Limit	Principal Debt Outstanding	Margin	Actual Percent
Municipal - Other	7.5%	\$323,520,000	\$42,376,225	\$281,143,775	0.98%
Storm or Sanitary Sewer	7.5%	\$323,520,000	\$6,025,000	\$317,495,000	0.14%
School	10.0%	\$431,360,000	\$54,318,775	\$377,041,225	1.26%
Munc Airport, Water, Special District	3.0%	\$129,408,000	\$0	\$129,408,000	0.00%
Total			\$102,720,000		
Total Bonded Debt Applicable to Debt Limit					\$102,720,000
Legal Debt Margin					\$544,320,000

Note: Statutory debt limit is in accordance with 30 MRSA, Section 5061, as amended.

Table 12A

Town of Scarborough Legal Debt Margin Calculation
June 30, 2019

Scarborough Legal Debt Margin Limit of 8.50% of State Valuation					\$366,656,000
Purpose	Scarborough Legal Percent	Scarborough Legal Debt Limit	Principal Debt Outstanding	Margin	Actual Percent
Municipal - Other	4.0%	\$172,544,000	\$42,376,225	\$130,167,775	0.98%
Storm or Sanitary Sewer	4.0%	\$172,544,000	\$6,025,000	\$166,519,000	0.14%
School	5.0%	\$215,680,000	\$54,318,775	\$161,361,225	1.26%
Munc Airport, Water, Special District	1.5%	\$64,704,000	-	\$64,704,000	0.00%
Total			\$102,720,000		
Total Bonded Debt Applicable to Debt Limit					\$102,720,000
Legal Debt Margin					\$263,936,000

Note: Statutory debt limit is in accordance with Scarborough's Financial and Fiscal Policy Section I. Debt Management, as amended.

Table 13

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

Fiscal Year	General Obligation Bonds	Other Bond Adjustments	Capital Leases	Total Outstanding Debt	Population*	Percentage of personal income	Debt Per Capita
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
2015	98,500,000	5,233,907	395,578	104,129,485	19,691	12.68%	5,288
2016	95,920,000	5,315,488	199,715	101,435,203	20,023	12.10%	5,066
2017	91,630,000	5,049,838	-	96,679,838	20,208	11.40%	4,784
2018	102,650,000	6,125,334	97,939	108,873,273	20,208	12.80%	5,388
2019	102,720,000	6,602,073	49,567	109,371,640	20,352	11.65%	5,374

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 Table 18 for personal income and population data.

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

Table 14

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

Fiscal Year	General Obligation Bonds	Other Bond Adjustments	Total	Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Population*	Percentage of personal income	Debt Per Capita
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
2015	98,500,000	5,233,907	103,733,907	3,700,488,200	2.66%	19,691	12.68%	5,002
2016	95,920,000	5,315,488	101,235,488	3,745,548,100	2.56%	20,023	12.10%	4,790
2017	91,630,000	5,049,838	96,679,838	3,776,362,500	2.43%	20,208	11.40%	4,534
2018	102,650,000	6,125,334	108,775,334	3,785,488,342	2.71%	20,208	12.80%	5,080
2019	102,720,000	6,602,073	109,322,073	4,012,292,612	2.56%	20,352	11.65%	5,047

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 Table 18 for personal income and population data.

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

Table 15

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

Fiscal year	Principal	Interest	Total debt service	Total general fund expenditures	Ratio of debt service to general fund expenditures
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%
2015	5,480,000	3,505,753	8,985,753	75,111,822	11.96%
2016	6,320,000	2,139,692	8,459,692	76,071,959	11.12%
2017	7,045,000	3,348,228	10,393,228	81,300,349	12.78%
2018	7,170,000	3,227,906	10,397,906	83,207,174	12.50%
2019	7,310,000	3,910,975	11,220,975	87,718,110	12.79%

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

Table 16

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 543,068	\$ 534,623	\$ 533,513	\$ 522,375	\$ 536,918	\$ 451,595	\$ 568,793	\$ 584,903	\$ 610,215	\$ 647,040
Total net debt applicable to limit	68,042	66,767	84,679	101,895	103,369	103,734	95,920	91,630	102,650	102,720
Legal debt margin	475,026	467,856	448,834	420,480	433,549	347,861	472,873	493,273	507,565	544,320
Total net debt applicable to the limit as a percentage of debt limit	12.53%	12.49%	15.87%	19.51%	19.25%	22.97%	16.86%	15.67%	16.82%	15.88%

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.

Table 17

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

<u>Fiscal Year</u>	<u>2010</u>	<u>2011</u>	<u>2012 *</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Town of Scarborough:										
General Obligation Bonds	68,042	66,767	82,250	96,180	97,895	98,500	95,920	91,630	102,650	102,720
Premium			4,371	5,715	5,474	5,234	5,315	5,050	6,125	6,602
Capital Leases	1,641	1,105	687	623	598	396	200	-	98	50
Total Direct Debt	69,683	67,872	87,308	102,518	103,967	104,130	101,435	96,680	108,873	109,372
Cumberland County	327	126	3,352	3,254	3,458	3,457	3,321	3,464	3,286	3,486
Portland Water District	4,210	3,845	3,933	3,483	5,994	6,454	6,654	6,396	6,926	7,300
Total Overlapping Debt	4,537	3,971	7,285	6,737	9,452	9,911	9,975	9,860	10,212	10,786
ecomaine Waste Systems:										
Resource recovery system	792	231	-	-	-	-	-	-	-	-
Material recovery facility	125	120	-	-	-	-	-	-	-	-
Landfill closure/postclosure	1,266	1,302	1,371	1,405	1,436	1,467	1,504	1,318	1,324	1,381
Total Contingent Debt	2,183	1,653	1,371	1,405	1,436	1,467	1,504	1,318	1,324	1,381
Total Direct, Overlapping/Contingent	76,403	73,496	95,964	110,660	114,855	115,508	112,914	107,858	120,409	121,539

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

* Premium Included on Table as of 2012

Table 18

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

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (a)	Median Age (a)	School Enrollment (c)	Unemployment Rate (d)
2010	19,239	506,389,719	26,321	39	3,363	5.70%
2011	18,919	718,146,321	37,959	44	3,269	5.50%
2012	18,786	761,359,008	40,528	44	3,205	5.20%
2013	18,941	775,103,302	40,922	45	3,157	4.70%
2014	19,343	791,554,246	40,922	45	3,112	3.70%
2015	19,524	776,703,768	39,782	45	3,117	3.10%
2016	19,691	792,936,879	40,269	45	2,989	2.90%
2017	20,023	803,703,197	40,139	45	2,966	2.80%
2018	20,208	801,914,064	39,683	47	2,938	2.70%
2019	20,352	881,811,456	43,328	46	2,943	2.40%

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

Source: U.S. Census Bureau, *2017 American Community Survey 1-Year Estimates

2019 Population is July 2018 Census Bureau Population estimate (the latest available series)

Median Age 2019 based on 2013-2017 five year estimates

Per capita Income is based on latest ACS 5-Year Estimates 2013-2017

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

(c) State of Maine Department of Education Census data - October 2018 (2019 School Year)

(d) State of Maine Department of Labor, Division of Economic Analysis and Research,
unemployment based on June 2019 data

Table 19

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

2010			2019			
<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	1,417	1	Town of Scarborough	1,385	1	8.7%
Hannaford Brothers	1,109	2	Hannaford	1,086	2	6.8%
US Postal Service	635	3	MaineHealth	500	4	3.1%
NorDX	286	4	US Postal Service	450	3	2.8%
Wal-Mart	275	5	Abbott Labs (Alere)	359	6	2.3%
Cabela's	270	6	Wal-Mart	300	5	1.9%
Shaw's	250	7	Piper Shores	245	9	1.5%
Piper Shores	192	8	NorDX	220	8	1.4%
Sam's Wholesale Club	186	9	Cabela's	174	7	1.1%
Johnson & Jordan	167	10	Sam's Wholesale Club	150	10	0.9%

* Source: Scarborough Economic Development Corporation (SEDCO)

Latest Estimate of Employment: 15,926 (Source: ME Dept of Labor, Second Quarter, 2018 Covered Employment - all industries)

Does not include self employed

Table 20

TOWN OF SCARBOROUGH, MAINE
Unemployment Data
Last Ten Fiscal Years

Fiscal Year ending June 30,	Portland Metropolitan Statistical Area (PMSA)*	State of Maine	Town of Scarborough	US
2010	6.7%	7.9%	5.7%	9.4%
2011	6.4%	7.7%	5.5%	9.1%
2012	6.1%	7.3%	5.2%	8.2%
2013	5.4%	6.4%	4.7%	7.5%
2014	4.4%	5.3%	3.7%	6.1%
2015	3.5%	4.2%	3.1%	5.5%
2016	3.1%	3.7%	3.0%	5.1%
2017	2.8%	3.3%	2.6%	4.5%
2018	2.7%	3.2%	2.7%	4.2%
2019	2.3%	2.8%	2.4%	3.8%

Data Source: The Maine Department of Labor, Labor Force Statistics by Geography, Not Seasonally adjusted

Scarborough is within the Portland-South Portland-Biddeford Labor Market Area (LMA).

Data is for June of each year.

Table 21

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

Function:	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Govt:										
Town Clerk										
Certified Copies	4,988	5,820	5,068	4,624	5,596	5,577	5,962	5,762	5,077	5,446
Licenses	440	545	585	572	861	839	735	821	844	997
Permits		919	905	889	930	1,065	1,047	1,134	750	404
Beach Passes	2,358	2,443	2,701	2,934	2,763	2,665	2,496	4,775	5,603	5,970
Community Services										
Passports Applications	665	534	-	459	641	643	665	695	675	648
Finance Revenue Office										
Licenses & Permits	991	817	782	791	670	662	697	702	700	717
Tax Bill Issued	9,389	9,809	9,516	9,594	9,623	9,623	9,796	9,897	9,993	10,325
Excise Registrations	25,570	25,384	25,637	30,477	29,566	27,728	29,604	29,892	30,065	30,004
Planning:										
Permits	558	554	553	621	609	651	774	785	809	785
Certificates of Occupancy	222	176	173	174	217	198	262	267	252	190
Public Safety:										
Police:										
Physical arrests	619	989	1,026	898	826	895	697	521	864	768
Traffic violations	1,404	819	1,069	1,126	1,007	977	1,333	1,433	1,847	1,541
Fire:										
Number of calls answered	1,598	1,718	1,733	1,610	1,744	1,832	1,720	2,381	1,340	1,318
Number of Inspections	3,537	3,394	3,583	3,455	3,378	3,192	2,529	3,078	3,319	3,044
Rescue:										
Number of calls answered	1,946	2,125	2,141	2,116	1,950	2,359	3,029	2,900	2,917	2,950
Public Works:										
Street resurfacing (miles)	8.62	6.37	6.45	3.62	5.31	5.90	4.18	5.15	4.62	4.60
Pot holes repaired (qty used in tons)	24	24	24	13	29	12	4	48	42	39
No. times plows dispatched	24	26	30	60	35	28	19	21	24	28

Source: Town of Scarborough various departments

Note:

FY2012 Scarborough Public Library Processed Passport Applications

Table 22

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

Function:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Govt:										
Planning Vehicles	4	5	4	4	4	4	4	3	4	3
Technology Vehicles	3	3	3	3	4	4	4	3	3	3
Public Service:										
Community Services										
Vehicles	5	5	5	6	7	7	8	8	6	7
Parks	4	4	5	6	6	6	6	6	6	6
Public Safety:										
Police:										
Vehicles - Patrol Units	8	8	12	12	12	12	12	12	14	14
Facilities	1	1	1	1	1	1	1	1	1	1
Fire:										
Vehicles - Response Trucks	10	10	11	12	12	12	12	12	12	12
Marine	2	2	2	2	2	2	2	2	2	2
Facilities	6	6	6	6	6	6	6	6	6	6
Rescue:										
Vehicles - Response Trucks	3	3	3	3	3	3	3	3	3	3
Public Works:										
Streets (miles)	117.28	121.92	175.56	174.20	174.92	175.44	175.44	176.80	176.80	177.20
Streets Lights										
Traffic Signals	35	35	35	37	37	43	43	43	43	43
Generators	10	10	10	10	10	10	11	11	11	11
Education:										
Vehicles - Buses	29	29	28	26	28	29	26	26	29	30
Facilities	6	6	6	6	6	6	6	6	6	6

Source: Town of Scarborough various departments

Table 23

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

		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government:											
	Full time	35	37	35	34	32	35	36	37	39	42
	Part Time	72	55	57	61	52	64	14	23	12	14
Public Services:											
	Full time	17	23	15	15	15	15	15	17	16	13
	Part Time	134	146	148	160	139	125	123	156	150	102
Public Safety:											
Police											
	Full time	50	52	53	55	53	53	55	67	61	60
	Part Time	35	38	28	30	33	28	36	39	36	28
Fire											
	Full time	4	5	5	5	8	8	8	9	9	9
	Part Time	148	150	153	151	150	160	169	146	154	149
Rescue											
	Full time	16	20	20	20	21	23	24	24	24	24
	Part Time	10	11	11	10	0	0	0	0	0	0
Public Works:											
	Full time	31	31	31	31	31	32	32	36	34	32
	Part Time	4	1	1	3	1	1	2	5	8	7
Education:											
	Full time	503	460	452	449	443	494	462	507	506	469
	Part Time	268	262	302	296	246	327	323	274	307	347
Total:		1327	1291	1311	1320	1224	1365	1299	1340	1356	1296

Source: Town of Scarborough

Comments:

As of 2014, Fire/Rescue Part Time are all cross trained.

As of 2016, Voter Reg Clerks not included Gen Govt part time count

As of 2016, General Govt part-time count does not include Voter Reg Clerks

Table 24

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

Division	Department	Function	Division	Department	Function
General Government:	Legislative	Town Council	Public Works:	Public Works:	Road/Highway Maintenance
	Administration:	Executive			Vehicle Maintenance
		Assistant Town Manager			Stock Room
		Purchasing			Traffic Signals
		Town Clerk			Engineering/GIS
		Elections			Solid Waste
		Human Resources			Water Charges
		Legal			Street Lighting
		Municipal Insurance			Cemetery Care
		Municipal Building			Memorials
		Oak Hill Prof. Bldg.	Education:		Shade Trees
		Public Information			
	Finance:	Accounting			Primary
		Tax/Treasury			Elementary
		Assessing			Secondary
	Planning:	Planning			Instruction Improvement
		Engineering			Food Services
		Technical Division			Special Services
		Code Enforcement			General & Special Administration
		Zoning & Planning Boards			Board of Education
	Information Syst.				Office of the Superintendent
Public Service:	Community Serv:	Administration			Business Administration
		Recreation			Transportation
		Intergeneration			Operation & Maintenance of Plant
		Grounds Maintenance			Debt Service
		Beach Care			
	Public Assistance	Welfare/Health Assistance			
Public Safety:		Economic Develop.			
		Library			
	Fire:	Fire Suppression			
		Fire Prevention			
		Rescue			
		Emergency Preparedness			
	Police:	Patrol			
		Dispatch			
		Marine Resources			
		Animal Control			
Source: Town of Scarborough					