

Town of Scarborough Maine Comprehensive Annual Financial Report

For Fiscal Year Ending:
June 30, 2020

Town of Scarborough Maine

Comprehensive Annual Financial Report

SCARBOROUGH
MAINE



Prepared By:

Town of Scarborough Maine

Finance Department

For Fiscal Year Ending: June 30, 2020

TOWN OF SCARBOROUGH, MAINE
Comprehensive Annual Financial Report
Year ended June 30, 2020

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Town of Scarborough Maine

Comprehensive Annual

Financial Report



Introduction

Outstanding Legacy Business 2020 – The Dairy Corner

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April 13, 2021

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, 2020.

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. Because the cost of an internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. 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, 2019. This is the fifteenth-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, the 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 approves 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. COVID-19 presented a myriad of challenges to the economy in 2020; further, it creates some uncertainty about the future. While COVID-19's full toll on the State, the region, and the Town, are yet to be fully determined, we see signs of growth and rebound that bodes well for the future.

Unemployment, which rose to 11% in April, began to steadily drop, returning to 3.8% by December. Retail sales in the economic summary area began to rise and by September, sales were in the positive range overall. Hospitality sales were still down, but restaurants began to recover.

While jobs in the second quarter did show a loss, the levels do not fully show the impact of the financial programs available to assist our employers. More than half of our employers took advantage of the Paycheck Protection Program (PPP), pumping in \$18.3 million in assistance to 533 businesses, with loans/grants under \$150,000. Another 101 businesses received loans over \$150,000 totaling, at a minimum, \$36 million in larger loans/grants. The PPP supported 635 businesses in total, protecting just over 7,700 jobs. The bulk of this support was converted from loans to grants. Well over half of the businesses in Scarborough took advantage of the program.

Third quarter job numbers are not available at this time; however, it is anticipated that third quarter numbers will show significant improvement as the PPP kicked in and employees were brought back to work.

Hospitality businesses, particularly lodging, took a significant loss from COVID-19. Sales in hospitality are still playing catch-up with a loss of more than 62% of sales from April of 2019 to April of 2020. By September of 2020, sales were down 18.1 percent from the previous September. Overall, taxable retail sales in the Portland Suburban Economic Summary area increased 2.2% from September to September 2020.

Local Economy. Scarborough was well situated going into 2020. Our major employers and our largest taxpayers are from a diverse set of businesses and industries. Employment and wages were increasing. The Downs project was on track, with new companies in the planning process for the manufacturing section known as the Innovation district.

By the second quarter of 2020, signs of COVID-19 impacts began to appear. In Scarborough, unemployment in April of 2020 rose to a high of 11% from under 3% in March. Jobs in Scarborough dropped by nearly 2,000 between the second quarter of 2019 and second quarter of 2020. As the summer began and businesses began to reopen, there was a sharp improvement of the numbers, as befitting an economy that was fundamentally sound going into the pandemic.

Another important aspect of Scarborough's economy is the role that at least two of our major employers played in the nation's road to recovery. Hannaford's corporate headquarters, as well as their major retail location in Oak Hill, are an example of an essential service that secured their supply chain, retained, and even grew their workforce, and responded to the changing information and guidance regarding COVID safety protocols. From a manufacturing perspective, Abbott designed and produced COVID-19 testing kits and by year end, had nearly tripled the number of employees. These increases were not fully accounted for by the second quarter of 2020.

Other essential service providers such as Ace Hardware, Lowes, Shaw's, On the Vine Market, Walmart and Sam's Club never closed. These companies provided Scarborough residents with access to necessary goods and services.

Construction activity continued and firms like Scarborough-based Landry French and Allied Cook managed projects throughout the region.

The latest release of the American Community Survey and the Current Population Estimates from the Census Bureau show the Scarborough continued to lead the state in population increases. As of July 2019, the Town's population reached 20,991, an increase of nearly 2,100 residents since July 2010. Scarborough's rate of increase during the nine years hit 11%, adding an average of 232 new residents each year. Scarborough was at the top of the list in terms of population increases since 2010.

The median household income in Scarborough continues to increase. According to the American Community Survey, the 2019 median household income in Scarborough was \$94,905, a 26.7% increase since 2010. This level of income ranks Scarborough the fifth highest income in Cumberland County, just behind communities like Cape Elizabeth, Falmouth, North Yarmouth, and Cumberland.

Another positive aspect of the demographic trends in Scarborough are that the percentage of the population that lives and works in Scarborough, has increased significantly between 2010 and 2019. The percentage increased from 24.7% in 2010 to 33.2% in 2019.

Scarborough continues to see new housing starts for both multifamily and single family. Scarborough issued building permits for 216 units in 2020, with more than half of those categorized as multifamily units. Permitting in 2020 exceeded the average number of total housing permits for the decade, which was 167 for 2010 through 2020. For the decade, Scarborough issued permits for 1,666 new units, of which 877 (53%) were for multifamily units of 2 or more units per structure. Due in part to the pandemic, Scarborough housing prices increased from \$417,000 in 2019 to \$480,000 in 2020, an increase of 15% in one year. The days on the market until sale was 26 days with the average sales price being 100% of the asking price.

Major Initiatives:

For the year. In FY2020, in response to the COVID-19 pandemic, the Town of Scarborough implemented several workplace changes and budgetary measures. At the onset of the pandemic and state mandated lock downs, the Town of Scarborough furloughed approximately 30 part-time employees mostly from childcare and town hall staff; closed municipal buildings to the public and altered schedules for law enforcement and dispatch staff. Beginning in early May, recognizing the diminishing demand on some municipal services and in-person transactions, the municipal offices reopened on a 3-day per week schedule. Additionally, the town began a workshare program with the Maine Department of Labor. The program dictated a partial furlough of approximately seventy-five (75), non-emergency full-time employees for the last eight (8) weeks of the fiscal year. The program will continue through the first four weeks of FY2021.

The Town moved all municipal board and committee meetings to virtual platforms, restricted in-person meetings with staff, required staff with the ability to remote work to do so, and implemented the Center for Disease Control (CDC) recommended workplace protocols. It is our expectation these initiatives will remain in effect for the duration of the pandemic and state emergency orders.

For the 2019-2020 school year, Scarborough High School continued to be ranked the fourth best High School in the State (2020 Niche Rankings). Even when the Covid-19 virus forced the school to close on March 13, 2020, student voices remained a priority and the fundamental purpose of Scarborough Schools remained the same, to provide a safe and inclusive learning environment where every student is empowered to be a resilient, lifelong learner. In response to the Pandemic, a task force was developed to review the most current recommendations from the Maine Department of Education and from the CDC. Community members, educators, public health officials including the district physician and public safety were all part

of the team. The school was able to provide remote learning for the students for the remainder of the school year. The school department focused on four strategic themes: effective teaching and learning, safe and inclusive schools, global citizenship, and community engagement. Progress to date included a new mathematics program, more emphasis on the Social Emotional Curriculum and staff and students engaged in ensuring safe and inclusive schools.

The Planning Department's zoning and code enforcement team was extremely active due to the high volume of permitting, inspections and related assistance provided to applicants and the public. In FY2020, overall development activity fell off slightly from prior years with 647 building permits issued; however, cost of construction and permitting revenues remained robust. The community continued to experience strong growth in multi-family developments. Single-family development remained stable with 67 new single-family building permits issued.

The Planning Department continue to develop and review the Town's Comprehensive Plan (the Plan). Part of this review includes ordinance modifications, transportation planning, and assisting the public. The Long-Range Planning Committee continued to refine the Plan aimed at ensuring the Plan reflects the nature of Scarborough and will serve as a guiding document for future policy decisions. The Planning Department staff collaborated with the School Department staff to conduct a joint workshop with the Town Council and Board of Education to discuss growth patterns and projections within the Town.

Also, the Planning Department maintained its board meeting process utilizing a virtual platform. The Planning Board approved an emergency ordinance to temporarily authorize the expansion of outdoor services to help businesses maintain social distancing and meet other health and safety requirements.

The ongoing Covid-19 pandemic dramatically impacted the Information Technology Department (IT) operations in many key areas. Various computer related devices distributed for remote use increased by 89%. 1,400 laptops were distributed to K-5 students and ongoing support was provided. 600 mobile and desktop devices were issued to school and town staff to facilitate working from home. Additionally, to enable quick and secure access to devices and software, the IT department implemented a single sign-on protocol for K-12 students and staff. The IT "Help Desk" saw help desk requests increase by 37% and active members in Google Meet increased by over 5,000% from March to June. Between April and June 2020, the IT department set up Town Council and School Board virtual meetings and helped conduct 154 virtual public meetings with more than 5,000 participants. In July 2020, the Information Technology (IT) Department implemented the new Town of Scarborough website at www.scarboroughmaine.org.

The Public Works administration team responded to 2,466 requests for service from residents, Scarborough municipal departments, outside municipalities, and the citizens. There was a slight decrease in the number of work orders, excavating permits, and excavator's licenses from the prior year relating to the pandemic.

The workload of the Operation Division of the Public Works Department varies significantly with the seasons, from road and drainage maintenance and repair to beach cleaning during the warmer months. Winter operations often prove to be the most challenging. During fiscal year 2020, Public Works spread 2,809 tons of salt, 4,621 tons of sand, and 15,507 gallons of magnesium chloride. The Operations Department also brought clearing Town sidewalks back in-house instead of contracting with outside vendors and will continue this in-house in the future.

Public Works entered into agreements with neighboring communities to maintain their vehicles. In FY2020, in addition to the 278 Town of Scarborough vehicles & equipment, the vehicle maintenance Division repaired and maintained 63 vehicles from external municipalities. The Vehicle Maintenance Division also retrofit two new Ford F550 trucks with spreaders, blades, and wings – creating Class 5 plow trucks. These smaller trucks can plow narrower streets in newer neighborhoods, and do not require a

commercial driver's license (CDL) to operate. Due to the pandemic, our in-house metal fabricator retrofitted all school busses with "sneeze guards" behind the driver, as well as sanitizer dispensers as a safety measure against COVID-19.

In response to global changes in recycling markets and resulting recycling challenges in Scarborough, the Town partnered with ecomaine along with three other municipalities to develop and implement an innovative recycling outreach program. Scarborough hired two interns to inspect and tag recycling carts on a portion of a collection route. Carts received a colored tag based on their contents: a green tag meant the cart contained only recyclables; a yellow tag meant that the cart contained a couple items that could not be recycled; and a red tag meant the cart contained too many items that could not be recycled and would not be picked up that week. Non-recyclable items mixed in with recycling is considered "contamination." The interns collected data indicated that recycling habits along the route improved over the course of the outreach program. Overall, the entire Town's recycling habits improved. Monthly contamination reports from ecomaine showed that Scarborough had fewer highly contaminated loads of recycling on all days of the week, both during the pilot and after. In FY 2019, when ecomaine started reporting recycling contamination rates to municipalities, Scarborough had a staggering 342 loads of highly contaminated recycling. In contrast, Scarborough had just 50 loads of highly contaminated recycling in FY20 resulting in presumptive savings of \$45,000 in waste disposal costs.

The Town's new contract with the Casella Transfer Station began at the tail end of FY20. This new contract allows Scarborough residents to dispose of grass clippings, leaves, and small amounts of household brush at no cost. Citizens may also dispose of bulky items, etc. at the transfer station for a fee. Most fees are weight based.

Also, Public Works completed a town wide pavement condition survey of all paved roads in town. This survey was conducted in house with the nationally recognized pavement management program "Micropaver". We chose a funding scenario that enables the town to have all roads at a condition rating of 75 %. The study indicates that the current pavement condition index (PCI) is at an average of 75% town wide. To maintain this, the PCI annual cost of the mid-level paving program would need to be \$800,000 with yearly adjustments for inflation and materials.

In FY2020, the Community Services Department undertook a staff reorganization plan resulting in the Office Coordinator position transitioning into the Operations and Facilities Manager thus combining overall office management and the oversight of indoor facilities management. The Community Services Grounds and Facilities Division staff also was restructured. The Recreation Manager position pivoted to Parks and Recreation Manager, encompassing both youth and adult recreational programming as well as outdoor facilities and fields maintenance, with the addition of a Parks Supervisor overseeing the day-to-day operations.

Due to Covid-19 challenges, Community Services made the decision to cancel their Summer Day Camp as well as all special events, including Concerts in the Park and Summerfest. One of the biggest financial hits for the department, beyond the cancellation of childcare and summer day camp, was the cancellation of essentially all spring and summer specialty programs. With the assistance of staff town-wide, as well as from Project GRACE, the department made phone calls to almost 1,000 senior citizens, making sure they had enough food and supplies; assisting them at their request, and to listen to them. Community Services also developed an activity packet that had various word games and puzzles that could be mailed to anyone interested. When it became apparent that all the spring programming was going to be cancelled due to COVID restrictions, the Community Services Department launched virtual programming. The Recreation Program Coordinator organized the department's first-ever Video Game Madness Tournaments for Grades 6-12. This new program ran for four weeks and had a total of 55 competitors creating a total of nine unique weekly schedules. Although all in-person services came to a halt, one service that continued, regardless of

COVID, was grounds maintenance. Full-time staff members from childcare and administration were added to the weekly grounds schedule to assist in the upkeep of fields and outdoor facilities in the spring and early summer. When beaches eventually opened to the public and needed staff, our Intergenerational Programs Manager transitioned to assist with beach operations management along with our Recreational Program Coordinator. Many part-time beach attendant positions were offered to current part-time childcare/summer camp staff or senior program staff in lieu of hiring out those positions. These changes kept many staff employed even if it was not their typical job responsibilities. In FY2020, operations for the boat launch were shifted from the Community Services Department to the Police Department.

The Scarborough Police Department welcomed the department's first ever community comfort dog. The police department received over 1,400 suggestions of names from its Facebook page request and Marlea Grace was chosen. Marlea Grace provides comfort to dispatchers and first responders as well as to the members of our community. Marlea is a hypoallergenic, low shedding Saint berdoodle and should grow to about 40 pounds.

In October 2019, the Scarborough Police Department launched a new Social Services Navigator position. The Social Services Navigator provides intervention and advocacy, while helping to collaboratively build a continuity of care where services are missing. During FY2020, the navigator position conducted 494 contacts with Scarborough citizens, totaling over 143 hours of direct services hour to include support and accompaniment for Protection From Abuse (PFA) collaborations with local crisis teams, emotional support to individuals and families facing difficult times, partnerships with Adult and Child Protective services to ensure safety, referrals to case management, therapy and/or psychiatry specialists, exploring and providing basic needs, and being an available resource to officers during psychiatric calls and well-being checks.

One of the biggest and most exciting stories of the past fiscal year was the completion of the Town's new public safety building. The groundbreaking ceremony was held on November 8, 2018, and the final phase of the move from our former facility at 246 US Route 1 was completed on Monday April 27, 2020. A critical phase of the move was the transition of our Public Safety Communications Center. There are dozens of critical components that were transferred as many of them were repurposed from the old, to the new center. A carefully orchestrated plan was created to ensure that radios, 911 phone lines, and other mission critical components transitioned without missing a single phone or radio call. The final phase of the transition took place when the Fire/EMS Operations personnel moved into their spaces, along with the fire and rescue apparatus which started responding from the new fire station bays.

In FY2020, the Fire Department went through a Call Force reorganization. Like many departments nationwide, the Fire department has struggled to attract and retain call members. The Call Force members are the people that live in town and volunteer to train and respond to calls from home when emergency calls are received. Today, Scarborough has fewer than 65 call members. The Town is fortunate that scheduled career and per-diem personnel help provide staffing to cover the routine EMS and other calls for service, but the call force still plays an especially important and critical role in serious labor-intensive incidents and natural disasters. The Town recognized that it could not continue to operate successfully within the structure of the past and needed to reorganize to maintain an active and viable call force. To accomplish this, the Town combined six neighborhood stations into three call force districts. Call Force members now respond within larger geographical districts, and the number of call company officers have been streamlined to provide an appropriate span of supervision.

When the Governor enacted a Civil State of Emergency on March 15, 2020, it caused the town to modify how emergency staff worked, lived, and interacted with everyone they serviced. For several months, the Town's first responders were on the front lines responding to dozens of confirmed positive COVID-19 calls for service within our community. This required extraordinary vigilance, the use of special personal protective equipment, and advanced decontamination techniques to keep the public and town personnel safe.

For the Future.

In July 2020, Community Services will participate in the Parks and Rec month, developing a calendar with suggested local sights and activities. The Town anticipates partnering with a local medical group, Martin's Point Health Care, to provide four unique and completely free outdoor exercise and activity sessions including yoga, Zumba, and Back to Basics Bootcamp in Memorial Park. In recognition of the year's theme (#GameOn), Community Services also included kids only #GameOn events on the Wentworth Middle School playground.

Keeping Community Services programming affordable is an ongoing concern. With new organizations and groups requesting field and facility space in Scarborough each year, the need for more indoor and outdoor space grows. Costs for travel, tickets, and attractions continue to rise each year, as do wages for part-time staff. Year to year, childcare and summer camp pricing is evaluated to make sure the town is in line with neighboring providers. The department looks at admission, programming, transportation, and staffing costs for summer camp when planning the eight-week summer schedule. For the 55+ programs, increasing costs are often barriers to participation making it a challenge to offer inclusive programming that is affordable for older adults who are on fixed incomes.

Watershed Planning & Restoration - The Town of Scarborough has two streams that the Maine Department of Environmental Protection (DEP) has classified as Urban Impaired Streams. This designation means that pollution levels make it difficult for stream life to survive. The Town continues work to improve the health of one of these streams, Phillips Brook started in 2019, by implementing the Brook's watershed management plan. The current improvement plans, which are anticipated to be constructed next year, are funded by a \$115,000 grant from DEP and EPA.

Document Management System – Due to the sheer volume of information collected by all Town Departments daily, a robust document management system is needed to store, manage, and track electronic documents and images. By connecting this new system to our existing WebGIS system, staff anticipates efficiencies in document retrieval, regulatory compliance, and collaboration between departments. By connecting our electronic files to the spatial components in WebGIS, the user will be able to easily search for any documents related to parcels, addresses, and physical utility assets and infrastructure. This two-part project that will continue into the following year with efforts to consolidate previously stored documents in one location. There are also plans to incorporate public-facing component of this system, which will allow the public to easily search for documents.

The Town is in the fourth and final year of the Surface Drainage Assessment project. The town's approximately 70 miles of subsurface drainage will be assessed and this will allow the Town to plan for future projects. Using industry standards an inspection will catalog the condition of subsurface pipe and associated structures. From this inspection, a *likelihood of failure* will be determined. From the data, a *consequence of failure* matrix will be created using such criteria as traffic flow, proximity to critical facilities and other factors. The FY2021 budget year goal is to seek funding for rehabilitation and replacement projects utilizing the information obtained from the survey. Rehabilitation of the complete system is expected to be a multi-year project.

Over a few years, major road construction work was performed on the Gorham Road. After the gas and sewer mains are replaced, Public Works will seek funding for roadway and pedestrian improvements. Partial funding will come from the State's Municipal Partnership Initiative (MPI) program.

Long Term Financial Planning.

Pine Point Parking Redesign: Currently on hold, this capital improvement project gained momentum in this fiscal year with multiple public input meetings held at Town Hall and the Pine Point Fire Station, giving residents several opportunities to provide input on the redesign of the Town's highest-used beach access point. A final design was proposed but never brought before Town Council due to budget constraints. This project will be brought included in the FY2022 budget.

North Scarborough Intersection Improvement Design: The intersections and road corridors in North Scarborough consisting of Route 22 and 114, exhibit severe traffic congestion in the commuter hours and at other peak travel times. This condition has been an issue for decades and a regional transportation solution by the Maine DOT or Maine Turnpike Authority (MTA) is needed. Plans are now in motion at the State, regional, and MTA level to plan for significant transportation improvements to address this acute congestion issue. At the local level, the three signalized intersections in North Scarborough (County Road/Saco Street, Beech Ridge Road/Gorham Road, and Gorham Road/County Road) also need new controllers, signal hardware, modernization, and coordination, in the short-term. Construction plans have been developed to update this traffic control infrastructure to optimize the function of the signals and more efficiently and safely move traffic through this area. The new signals will also integrate with the longer-range regional transportation improvements being considered by the MTA.

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.

In January of 2019, the School Department's Long-Range Planning Committee of the Board of Education was reconvened. The Building Steering Committee made recommendations to the Scarborough Board of Education to address facility overcrowding, particularly in primary schools. As this process moves forward there will be opportunities to engage the community including various subcommittees.

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.

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 2020 value by \$684,168,764 from 2019. For the 2020 tax year, the valuation was \$4,696,461,376 compared to the 2019 valuation of \$4,012,292,612.

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

<u>As of June 30, 20xx</u>	<u>As of June 30, 2020</u>
\$686,766 in 2016	\$16,148
\$517,690 in 2017	\$18,706
\$565,963 in 2018	\$37,338
\$689,670 in 2019	\$155,918
\$857,652 in 2020	\$857,652

For 2020, the Town Council authorized \$350,000 from the School’s fund balance to assist with their funding needs and \$2,643 from the Adult Education fund balance.

OTHER INFORMATION

Awards. Heroes with Heart Recognition. Paramedic/Firefighter, Cindy Gorham, was recognized by the Trauma Intervention Program (TIP) as a 2020 Hero with Heart recipient. The Trauma Intervention Program is a national organization that trains volunteers how to interact with public safety to provide emotional first aid to victims of trauma. TIP started a Portland Maine chapter several years ago and Scarborough is one of the participating communities. When a family deals with an unexpected death at home, or a traumatic accident or incident, first responders call TIP who then dispatches a volunteer to help the family deal with the tragedy allowing first responders to return to service. Cindy was nominated for this honor for her long history of kind and compassionate care to the citizens of Scarborough. Cindy always takes control of the scene and skillfully recognizes when a family member’s well-being is compromised. She is always nurturing and often a welcome, calming voice when tragedy strikes. Congratulations on this well-deserved recognition Cindy!

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 2020. This audit is designed to meet the requirements of Government Auditing Standards and the Uniform Guidance.

Acknowledgements. We would like to take this opportunity to acknowledge and thank Marla St. Pierre and Mary Pearson for their years of dedication to the community. This year, both women retired after servicing the Town for 39 and 33 years respectively. We wish you both the best and hope that you enjoy the next chapter. As 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 for her dedication, loyalty, and countless hours contributing to the 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
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Scarborough
Maine**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

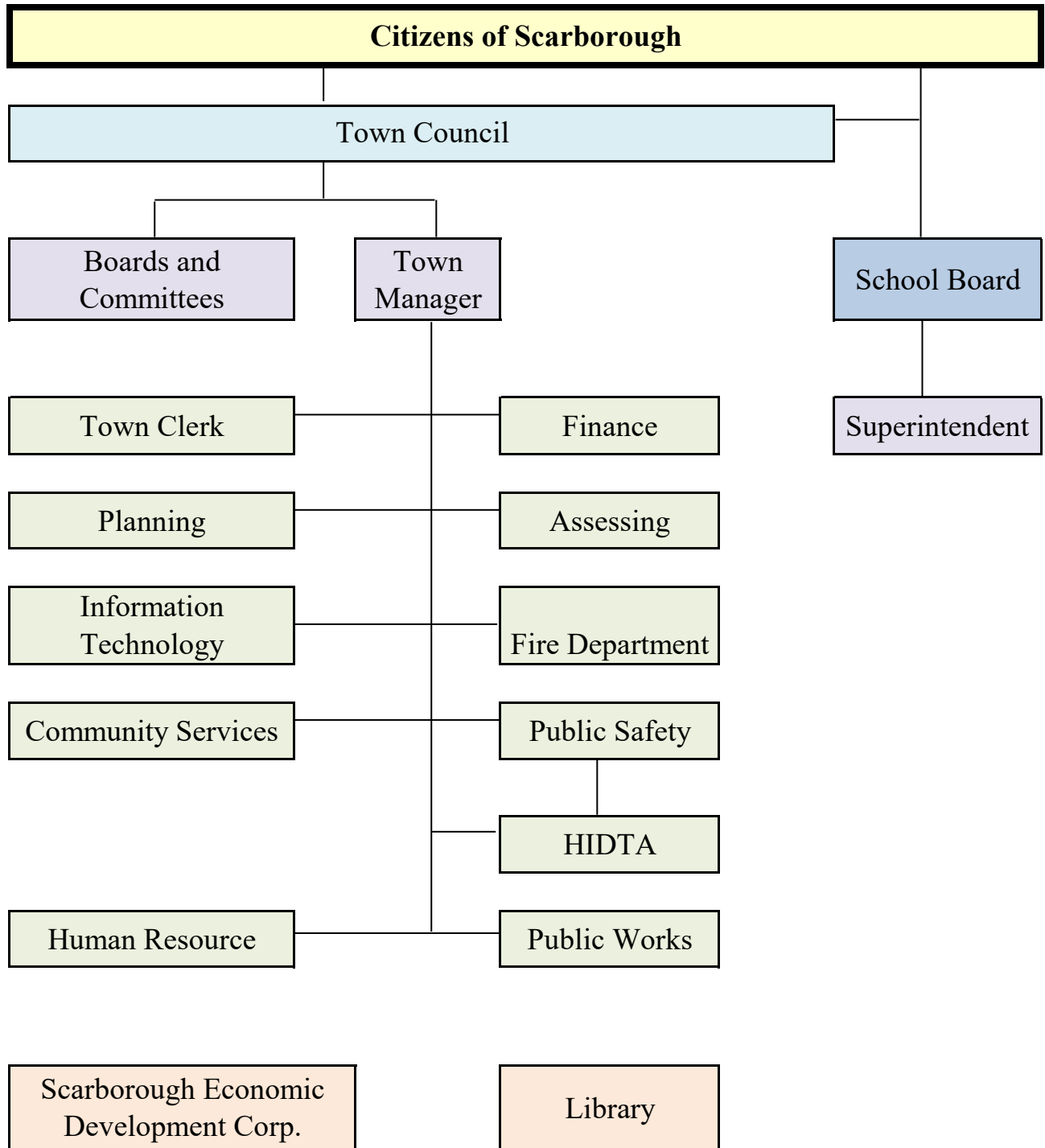
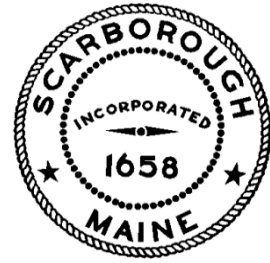
June 30, 2019

Christopher P. Morill

Executive Director/CEO

Town of Scarborough, Maine

Organizational Chart



Principal Executive Officers 2019-2020

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
	Betsy Gleysteen	Elected - 3 Year Term	11/2022
	Donald Hamill, Vice Chair	Elected - 3 Year Term	11/2021
	Peter Hayes, Council Chair	Elected - 3 Year Term	11/2020
	Kenneth Johnson	Elected - 3 Year Term	11/2022
	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
Chief of Police	Robert Moulton	Appointed/Indefinite	N/A
Fire Chief	B. Michael Thurlow	Appointed/Indefinite	N/A
Finance Director	Ruth D. Porter	Appointed/Indefinite	N/A
Treasurer	Gina Clukey	Appointed/Indefinite	N/A
Tax Collector	Lisa Saulle	Appointed/Indefinite	N/A
Assessor	Nicholas Cloutier	Appointed/Indefinite	N/A
Community Services Director	Todd Souza	Appointed/Indefinite	N/A
Human Resource/GA Director	Liam Gallagher	Appointed/Indefinite	N/A
Director of Public Works	Michael Shaw	Appointed/Indefinite	N/A
Town Planner	Jay Chace	Appointed/Indefinite	N/A
Assistant Town Planner	Jamel Torres	Appointed/Indefinite	N/A
Town Engineer	Angela Blanchette	Appointed/Indefinite	N/A
Zoning Administrator	Brian Longstaff	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	11/2022
	Nicholas Gill	Elected - 3 Year Term	11/2021
	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
	Kristen Turner	Elected - 3 Year Term	11/2022
Superintendent of Schools	Sanford Prince, IV	Appointed/Interim	06/2021
Assistant Superintendent of Schools/Adult Education Director	Diane Nadeau	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		

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Town of Scarborough Maine

Comprehensive Annual

Financial Report



Financial Section

For Fiscal Year Ending:

June 30, 2020

Beech Ridge 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, 2020, 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, 2020 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.

To the Town Council
Town of Scarborough, Maine

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 82, the Schedule of Changes in Net OPEB Liability and Related Ratios – MEABT Group Health Insurance Plan on page 83, the Schedule of Proportionate Share of the Net Pension Liability on page 84, and the Schedule of Contributions on page 85, 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 – 13, supplementary statements and schedules on pages 88 – 122, and statistical tables on pages 127 – 150, 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, 2019, 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, 2019 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, 2019 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, 2019 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 April 13, 2021, 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.



South Portland, Maine
April 13, 2021

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Town of Scarborough Maine

Comprehensive Annual

Financial Report



Management Discussion & Analysis

Scarborough Marsh

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TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis
June 30, 2020

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, 2020. 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 \$63,300,616 (net position).

- The Town's total net position increased \$1,729,637 from \$61,570,979 to \$63,300,616. This represents a 2.8% increase over last year's net position.
- As of June 30, 2020, the Town's governmental funds reported combined fund balances of \$18,998,467 a decrease of \$11,356,806 compared with the prior year. Approximately 41.05% of this amount or \$7,799,560 is available for spending at the Town's discretion (*assigned and unassigned fund balance*).
- Total nonspendable fund balance increased by \$27,332 from \$243,696 to \$271,028. Restricted fund balance decreased by \$9,994,750 from \$14,453,159 to \$4,458,409. Total committed fund balance decreased by \$721,559 from \$7,191,029 to \$6,469,470. Assigned fund balance increased by \$840,858 from \$2,474,808 to \$3,315,666. Finally, the unassigned fund balance for the governmental funds decreased by \$1,508,687 from \$5,992,581 to \$4,483,894.
- With respect to fund balances in the governmental funds, of the \$14,269,030 reported as committed (authorized by town council), assigned (authorized by town manager) and unassigned fund balance, \$3,692,035 are special revenue funds authorized for specific purposes, and the remaining amount of \$10,576,995 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 2019 totaled \$87,378,579. As of June 30, 2020, unassigned fund balance for the general fund was \$7,701,960 or 8.81% of the prior years' operating budget compared to 9.81% as of June 30, 2019.

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 decreased by a net of \$590,000 from the prior year. General obligation bonds retired was \$7,630,000. General obligation bonds issued was \$7,040,000.

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

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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 107-108 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 111-112 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 115-117 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 47-81.

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 88-122 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 \$63,300,616 as of June 30, 2020 compared to \$61,570,979 at June 30, 2019.

By far, the largest portion of the Town of Scarborough's Net Position 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

	2020	2019	2018
Assets:			
Current and other assets	\$ 29,805,376	\$ 43,051,001	\$ 42,984,704
Long term assets	642,184	965,964	1,194,017
Capital Assets	167,167,885	152,975,829	146,530,570
Total Assets	197,615,445	196,992,794	190,709,291
Total deferred outflows of resources	5,875,116	5,352,833	7,533,510
Total Deferred outflows	5,875,116	5,352,833	7,533,510
Liabilities:			
Long term liabilities outstanding	126,654,755	125,767,679	127,440,594
Other liabilities	11,085,615	13,202,854	9,514,480
Total Liabilities	137,740,370	138,970,533	136,955,074
Total deferred inflows of resources	2,449,575	1,804,115	3,088,396
Total Deferred inflows	2,449,575	1,804,115	3,088,396
Net assets:			
Net investment in capital assets	64,957,968	57,341,865	61,977,397
Restricted	2,407,963	1,540,755	2,577,864
Unrestricted	(4,065,315)	2,688,359	(6,355,930)
Total Net Position	\$ 63,300,616	\$ 61,570,979	\$ 58,199,331

\$2,407,963 or 3.8% of the Town of Scarborough's net position represents resources that are subject to external restrictions on how they may be used.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

GOVERNMENTAL ACTIVITIES. The increase pertaining to the Town of Scarborough's net position of \$1,729,637 is due to the governmental activities of the Town. The Town of Scarborough's tax revenues increased by \$2,244,429. Actual vehicle excise tax collections decreased slightly by \$10,204 from the prior year. This decrease in excise taxes is due to the State closures as a result of the Pandemic between March and June 2020. The property tax increase is due in part to the increase in the overall assessed valuation of the Town of \$684,168,803, up from \$4,012,292,612 to \$4,696,461,376 as a result of a residential 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.

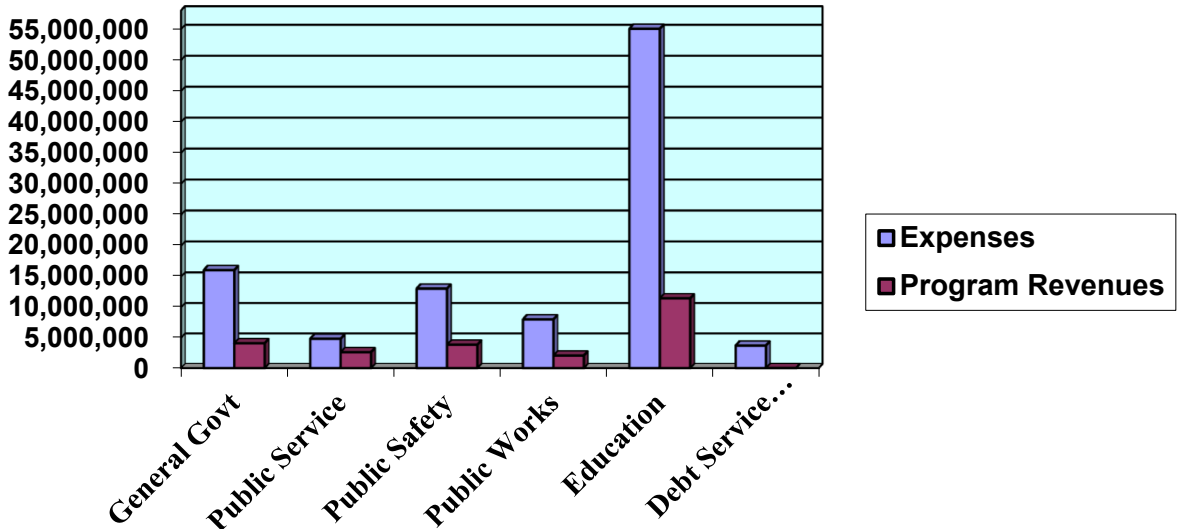
Key components of this net position increase are shown below.

Town of Scarborough's Changes in Net Position

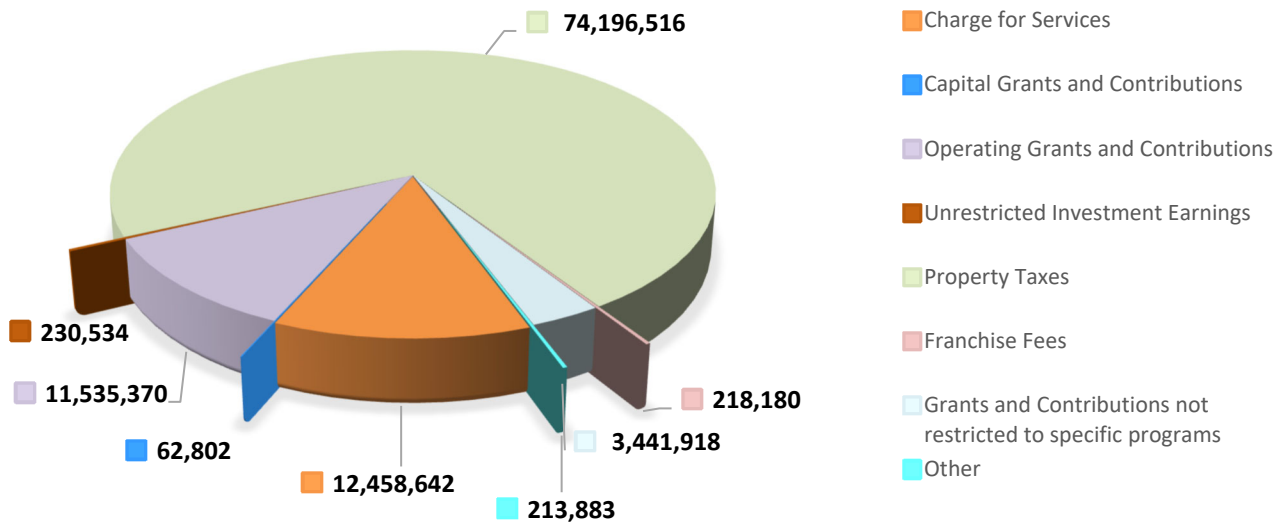
	2020	2019
Revenues:		
Program Revenues:		
Charge for services	\$ 12,458,642	\$ 13,146,673
Operating grants and contributions	11,535,370	7,633,881
Capital grants and contributions	62,802	96,626
General Revenues:		
Property and excise taxes, levied for general purposes	74,196,516	71,952,087
Franchise Tax	218,180	219,247
Grants and contributions not restricted to specific programs	3,441,918	3,392,316
Unrestricted investment earnings	230,534	525,771
Other	213,883	160,235
Total revenues	102,357,845	97,126,836
Expenses:		
General government	16,045,768	16,687,230
Public Services	4,810,221	4,752,163
Public Safety	13,043,518	11,081,295
Public Works	7,996,409	8,257,195
Education	55,037,803	49,389,226
Interest on Debt Service	3,694,489	3,588,079
Total expenses	100,628,208	93,755,188
Increase in net position	1,729,637	3,371,648
Net position beginning	61,570,979	58,199,331
Net position ending	\$ 63,300,616	\$ 61,570,979

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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, 2020, the Town of Scarborough’s governmental funds reported combined fund balances of \$18,998,467. This is a decrease of \$11,356,806 in comparison with the prior year. Approximately 23.60% of total fund balance or \$4,483,894 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 (\$271,028), 2) restricted for particular purposes (\$4,458,409), 3) committed for particular purposes (\$6,469,470) or 4) assigned for a particular purpose (\$3,315,666).

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

	2020	2019
General Fund	\$ 15,082,960	\$ 14,306,229
Haigis Parkway	(2,288,250)	(1,985,141)
Public Safety Building Construction	(1,805,908)	10,486,550
Other Governmental Funds	8,009,665	7,547,635
Total	\$ 18,998,467	\$ 30,355,273

As noted earlier, governmental funds reported combined fund balances of \$18,998,467, a decrease of \$11,356,806 compared with the prior year fund balances of \$30,355,273. Of the \$14,269,030 reported as unrestricted fund balance (total of committed, assigned and unassigned), \$3,692,035 are for special revenue fund projects authorized for specific purposes. Capital Projects has an unrestricted deficit of \$895,343 that will be funded with the sale of the old public safety building in 2021.

The remaining \$4,729,437 of fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for the following:

\$ 2,930,434		Deficit Fund Balances in Special Revenue Funds
774,327		Town Grants
285,049		Perpetual Care of Municipal Cemeteries
648,587		Education Funding
91,040		Food Service and Fuel Inventory
\$ 4,729,437		Total Governmental Fund Nonspendable and Restricted Fund Balance

Capital Projects Fund Highlights

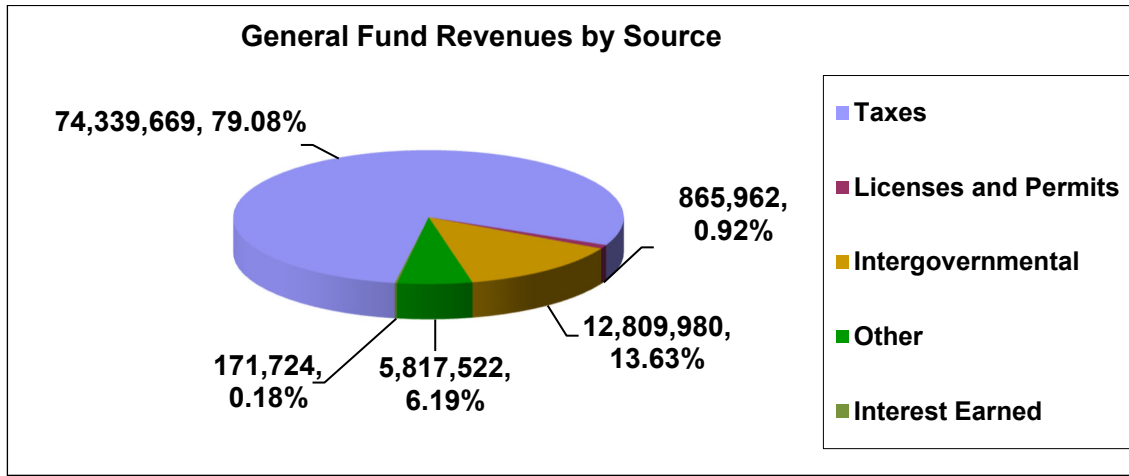
During this fiscal year, the Town of Scarborough’s fund balances for Capital Projects decreased \$11,134,961 from \$10,239,418 in 2019 to a deficit \$895,543 in 2020. Expenditures increased \$6,244,318 from \$12,840,178 in 2019 to \$19,084,496 in 2020. This decrease in fund balance and increase in expenditures are due to various projects nearing completion including the new public safety building. Anticipated revenues for the sale of the old public safety building will be received in fiscal year 2021.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

General Fund Highlights

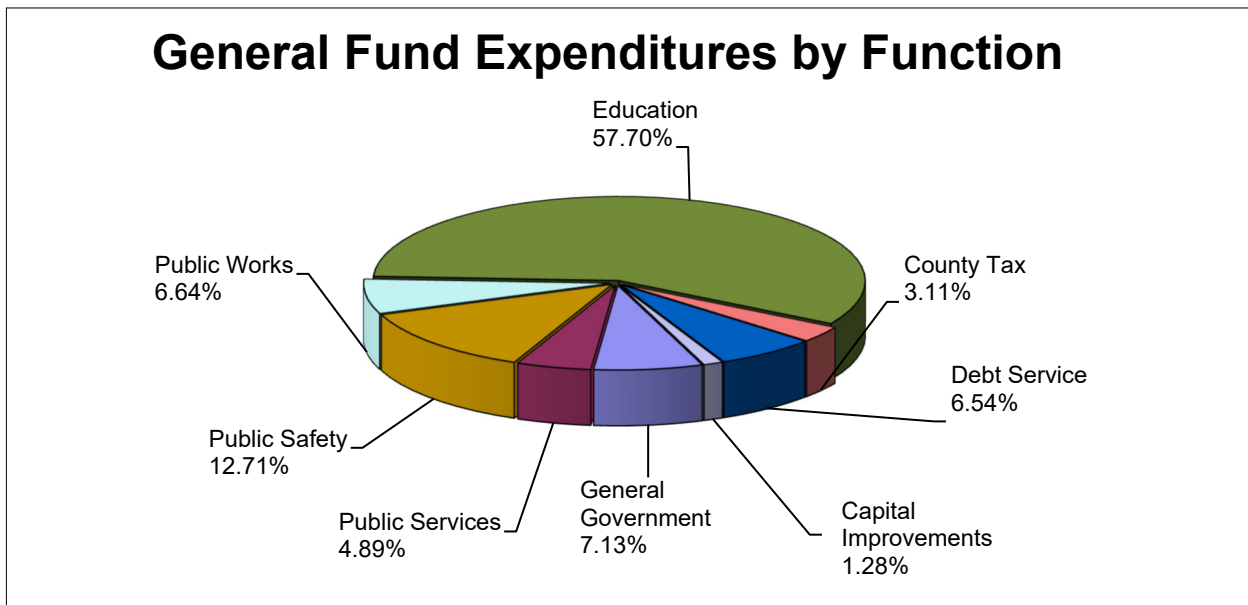
The General Fund is the chief operating fund of the Town of Scarborough. As of June 30, 2020, total fund balance was \$15,082,960 reflecting an increase of \$776,731 compared to the prior year of \$14,306,229. Unassigned fund balance in the General Fund was \$7,701,960 compared to total fund balance of \$15,082,960. 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 8.07% of total general fund expenditures compared to 8.95% last year, while total fund balance represents 15.81% of that same amount.

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



Property Tax revenues increased \$2,274,488 from 2019 to 2020 compared to the 2018 to 2019 increase of \$3,388,316. A comparison of the actual revenues to estimated revenues can be found on page 44 of the financial statements. The overall revenue shortfall was mostly due to the pandemic and the town unable to provide services from March to June.

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



TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Actual revenues were below the estimates by \$1,301,209 as a result of the pandemic closures during the last quarter of fiscal 2020. Actual expenditures came in below budget by \$4,627,822 for the same reason as the town of Scarborough was unable to provide service to the citizens due to the State of Maine emergency declaration.

Total general fund expenditures increased \$2,355,565 or 2.69% compared to 5.42% for the prior year. The factors for this increase are:

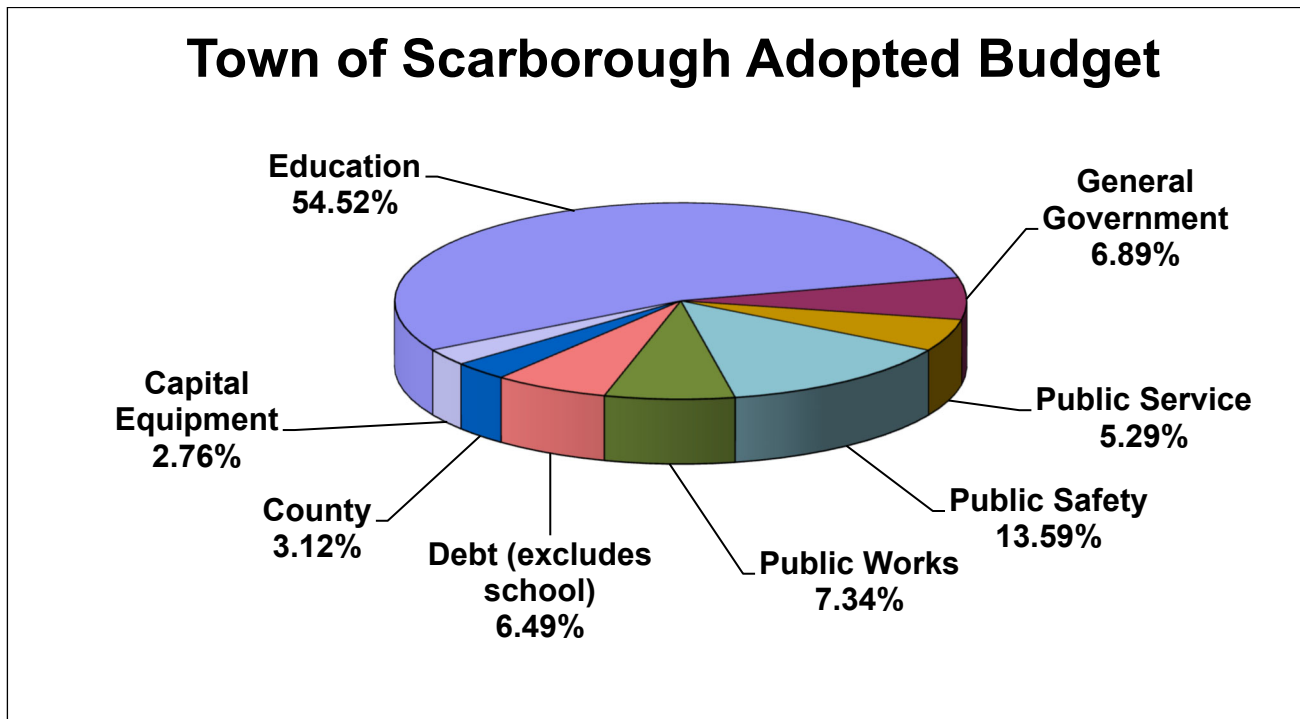
- General Government increased 5.46% due to personnel adjustments, legal fees due to litigation and increasing municipal insurance costs,
- Public Safety increased 4.52% due to the changes in contractual obligations,
- Debt increased 11.25% for increased interest debt payments, and
- County Tax increased 4.58% 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 2020, a total of \$2,615,666 was set aside for the Town for prior year encumbrances and commitments. \$700,000 for the School Department was set aside for carryforward to the 2021 budget.

The adopted operating budget for fiscal year 2020 amounted to \$94,701,497 compared to \$88,697,465 for fiscal year 2019 or a 6.77% 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, 2020, amounts to \$167,167,885 (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 9.28%.

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>2020</u>	<u>2019</u>
Land	\$ 7,082,922	\$ 7,293,622
Buildings	98,748,110	78,352,647
Vehicles	6,469,517	6,107,011
Equipment & Furniture	2,613,351	2,741,556
Infrastructure	48,888,229	46,873,915
Construction in Progress	3,365,756	11,607,078
Total	<u>\$ 167,167,885</u>	<u>\$ 152,975,829</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, 2020 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 the Notes to the Basic Financial Statements on page 57 of this report.

Long-term Debt. As of June 30, 2020, the Town had long-term bonds outstanding of \$102,130,000 compared to \$102,720,000 in the prior year resulting in a .57% decrease. This debt is backed by the full faith and credit of the Town of Scarborough.

During fiscal year ending June 30, 2020, the Town of Scarborough issued \$7,040,000 in bonds. This bond issue financed projects that included vehicle and equipment purchases, building improvements, road reconstruction and rehabilitation, watershed protection, land purchase and portable classrooms. During the year \$7,630,000 in principal debt was paid.

In August 2020, the town advance refunded \$43,355,000 and issued \$42,315,000. Further information can be found in the Notes to the Basic Financial Statements on page 81 of this report.

Interest payments for school and town debt in this fiscal year totaled \$3,784,372 a decrease of \$126,603 from 2019.

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

	2020	2019	2018
Municipal	\$ 43,293,084	\$ 42,376,225	\$ 38,495,570
Education	54,076,916	54,318,775	57,154,430
Sewer	4,760,000	6,025,000	7,000,000
Total Debt	\$ 102,130,000	\$ 102,720,000	\$ 102,650,000

Moody's Investors Service reviewed and assigned a rating of "Aa3" to the Town of Scarborough, Maine, (the Town) 2020 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 5, 2020. 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 2020 GO bonds per its rating report dated May 11, 2020. The stable outlook reflects the Town's very strong economy, strong management, adequate budgetary performance, strong budget 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 2021 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%.

However, with the beginning of the pandemic, uncertainty abounded and the goal changed to that of providing for the needs of the community without contributing to the potential burden they may face and the concern of a sluggish economy.

This budget reflects a modest increase of \$669,855 increase in General Purpose Aid to Education (GPA) compared to \$621,628 increase for the 2020 Budget. This is a 19.9% increase from FY2020. 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 2021 can be found on the Town of Scarborough's website at: <https://budget.scarboroughmaine.org/town-budget/fy2021-budget/fy2021-resources/adopted-fy21-budget.pdf/>

Below is a comparison of the 2019, 2020 and 2021 budgets (excluding carry forwards).

	2021	2020	2019
Administration	\$ 3,186,206	\$ 2,893,635	\$ 2,670,198
Finance Department	1,142,799	1,145,092	1,091,602
Information Systems	1,392,685	1,458,086	1,444,398
Planning Department	1,024,192	1,089,432	1,056,153
Community Services	2,127,738	2,608,210	2,461,721
Library	1,132,963	1,164,166	1,152,091
General Assistance	86,076	33,633	32,314
Economic Development	244,046	246,644	240,693
Fire/Rescue/EMA Department	5,770,261	5,527,520	5,295,093
Public Safety Department	7,085,513	7,000,227	6,661,219
Public Works Department	6,882,168	6,896,283	6,742,788
Debt Service	6,482,918	6,145,997	5,579,904
Capital Equipment	1,540,000	2,311,867	1,408,321
Total Municipal Operating	38,097,565	38,520,792	35,836,495
Education	53,505,801	51,629,304	48,715,005
County Tax	3,188,519	2,956,659	2,827,079
Total Operating Budget	94,791,885	93,106,755	87,378,579
School Food Services	1,777,105	1,746,555	1,548,315
Capital Improvement-Municipal	867,000	2,146,000	1,237,750
Capital Improvement-School	1,813,212	2,441,070	1,238,730
TIFs and Overlay	1,864,341	1,371,129	1,693,189
Total Budget	\$ 101,113,543	\$ 100,811,509	\$ 93,096,563

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

2021	\$4,727,230,976, an increase of \$ 30,769,561 over 2020,
2020	\$4,696,461,376, 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.

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:

2021	\$ 700,000
2020	\$ 352,643
2019	\$ 500,000
2018	\$ 2,100,000
2017	\$ 952,888
2016	\$ 425,000
2015	\$ 800,000
2014	\$ 200,000

Additionally, as a result of the pandemic, in the last quarter of 2020, the town furloughed its non-essential part-time employees, shutdown various public service programs and reduced non-essential full-time staff to 20 or 30 hours per week. The savings resulting from these actions for 2020 were anticipated to exceed \$400,000. For the 2021 fiscal year, the Town utilized \$400,000 of unassigned fund balance.

REQUEST FOR INFORMATION

For all those with an interest in the Town of Scarborough, Maine, 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

Municipal Campus

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TOWN OF SCARBOROUGH, MAINE
Statement of Net Position
June 30, 2020

	Governmental Activities	Component Unit Public Library
ASSETS		
Cash and cash equivalents	\$ 13,829,495	426,507
Investments	13,117,644	628,690
Receivables:		
Accounts, net	1,343,356	15,278
Intergovernmental	268,209	-
Taxes receivable	257,139	-
Tax liens	891,262	-
Tax acquired property	7,231	-
Prepays		39,388
Inventory	91,040	1,204
Notes receivable	642,184	-
Capital assets, not being depreciated	10,448,678	-
Capital assets, net	156,719,207	571,767
Total Assets	197,615,445	1,682,834
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	1,770,649	-
Deferred OPEB items	918,669	-
Deferred pension items	3,185,798	-
Total deferred outflows of resources	5,875,116	-
LIABILITIES		
Accounts payable and other current liabilities	4,581,889	30,701
Accrued payroll and other related liabilities	5,789,750	64,348
Unearned revenues	68,367	300
Accrued interest	645,609	-
Noncurrent liabilities:		
Due within one year	8,183,017	-
Due in more than one year	118,471,738	-
Total Liabilities	137,740,370	95,349
DEFERRED INFLOWS OF RESOURCES		
Deferred OPEB items	1,030,040	-
Deferred pension items	1,419,535	-
Total deferred inflows of resources	2,449,575	-
NET POSITION		
Net investment in capital assets	64,957,968	571,767
Restricted for:		
Nonexpendable trust principal	179,988	125,513
Expendable trust - income portion	105,061	-
Town grants and projects	774,327	-
Education	1,348,587	-
Unrestricted (Deficit)	(4,065,315)	890,205
Total Net Position	\$ 63,300,616	1,587,485

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Activities
For the year ended June 30, 2020

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	\$ 16,045,768	3,365,087	654,794	62,802	(11,963,085)	-
Public services	4,810,221	2,562,570	55,386	-	(2,192,265)	-
Public safety	13,043,518	3,606,215	240,568	-	(9,196,735)	-
Public works	7,996,409	1,707,293	351,444	-	(5,937,672)	-
Education	55,037,803	1,217,477	10,233,178	-	(43,587,148)	-
Interest on debt service	3,694,489	-	-	-	(3,694,489)	-
Total governmental activities	100,628,208	12,458,642	11,535,370	62,802	(76,571,394)	-
Total primary government	\$ 100,628,208	12,458,642	11,535,370	62,802	(76,571,394)	-
Component unit:						
Scarborough Public Library	\$ 1,477,326	-	1,559,094	-	-	81,768
General revenues:						
Property taxes, levied for general purposes				\$ 67,677,693		-
Excise taxes				6,352,261		-
Payments in lieu of taxes				71,450		-
Interest and costs on taxes				95,112		-
Franchise Tax				218,180		-
Grants and contributions not restricted to specific programs:						
Homestead exemption and business equipment exemption				1,461,557		-
Other State aid				598,114		-
State Revenue Sharing				1,382,247		-
Unrestricted investment earnings				230,534		-
Other				213,883		-
Total general revenues				78,301,031		-
Change in net position				1,729,637		81,768
Net position - beginning, (as restated - primary government)				61,570,979		1,505,717
Net position - ending				\$ 63,300,616		1,587,485

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE

Balance Sheet
Governmental Funds
June 30, 2020

	General	Haigis Parkway Assessments	Public Safety Bldg Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,512,531		-	316,964	13,829,495
Investments	4,801,230		310,605	8,005,809	13,117,644
Receivables:					
Accounts, net	772,091			571,265	1,343,356
Intergovernmental	262,259			5,950	268,209
Taxes receivable	257,139			-	257,139
Tax liens	891,262			-	891,262
Interfund loans receivable	4,315,524			831,935	5,147,459
Tax acquired property	7,231			-	7,231
Inventory	31,401			59,639	91,040
Notes receivable	-	642,184	-	-	642,184
Total assets	\$ 24,850,668	642,184	310,605	9,791,562	35,595,019
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and other current liabilities	2,900,504		991,891	689,494	4,581,889
Accrued payroll and other related liabilities	5,789,750			-	5,789,750
Accrued compensated absences	91,517			-	91,517
Interfund loans payable	-	2,930,434	1,124,622	1,092,403	5,147,459
Unearned revenues	68,367	-		-	68,367
Total liabilities	8,850,138	2,930,434	2,116,513	1,781,897	15,678,982
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	917,570	-	-	-	917,570
Total deferred inflows of resources	917,570	-	-	-	917,570
Fund balances:					
Nonspendable Permanent Fund Principal				179,988	179,988
Nonspendable Inventory	31,401			59,639	91,040
Restricted for Town	2,930,434			879,388	3,809,822
Restricted for Education	648,587			-	648,587
Committed - General Fund	454,912			-	454,912
Committed - Education	-			422,965	422,965
Committed - Special Revenues	-			5,591,593	5,591,593
Assigned - General Fund	2,615,666			-	2,615,666
Assigned - Education	700,000			-	700,000
Unassigned Town	7,701,960	(2,288,250)	(1,805,908)	876,092	4,483,894
Total fund balances	15,082,960	(2,288,250)	(1,805,908)	8,009,665	18,998,467
Total liabilities, deferred inflows of resources and fund balances	\$ 24,850,668	642,184	310,605	9,791,562	
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.					167,167,885
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					917,570
Deferred charge on refunding is not a financial resource and, therefore, is not reported in the funds					1,770,649
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					(109,437,717)
Capital leases					-
Accrued interest					(645,609)
Landfill liability					(388,034)
Other postemployment benefits liability with related deferred inflows and outflows of resources					(8,484,626)
Net pension liability with related deferred inflows and outflows of resources					(3,701,535)
Accrued compensated absences					(2,896,434)
Net position of governmental activities					\$ 63,300,616

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, 2020

	General	Haigis Parkway Assessments	Public Safety Bldg Construction	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 74,339,669	-	-	260,130	74,599,799
Licenses and permits	865,962	-	-	-	865,962
Intergovernmental	12,809,980	-	-	1,974,957	14,784,937
Interest earned	171,724	5,973	51,860	205,081	434,638
Donations	-	-	-	392,063	392,063
Sale of lots	-	-	-	7,380	7,380
Assessments and impact fees	-	-	-	2,767,141	2,767,141
Other	5,817,522	-	6,950	2,307,876	8,132,348
Total revenues	94,004,857	5,973	58,810	7,914,628	101,984,268
Expenditures:					
Current:					
General government	6,785,332	-	-	-	6,785,332
Public services	4,659,552	-	-	-	4,659,552
Public safety	12,101,459	-	-	-	12,101,459
Public works	6,322,048	-	-	-	6,322,048
Education	54,933,315	-	-	2,666,565	57,599,880
County tax	2,956,659	-	-	-	2,956,659
Debt service	6,228,805	-	-	-	6,228,805
Capital improvements	1,215,505	-	13,885,853	6,034,097	21,135,455
Other	185,852	57,118	-	3,391,608	3,634,578
Total expenditures	95,388,527	57,118	13,885,853	12,092,270	121,423,768
Deficiency of revenues over expenditures	(1,383,670)	(51,145)	(13,827,043)	(4,177,642)	(19,439,500)
Other financing sources (uses):					
Transfers in	700,044	118,036	-	1,160,010	1,978,090
Transfers out	(291,102)	(370,000)	-	(1,316,988)	(1,978,090)
Premium received on issued bonds, net of issuance costs	602,694	-	440,000	-	1,042,694
General obligation bonds	1,148,765	-	1,094,585	4,796,650	7,040,000
Total other financing sources (uses)	2,160,401	(251,964)	1,534,585	4,639,672	8,082,694
Net change in fund balances	776,731	(303,109)	(12,292,458)	462,030	(11,356,806)
Fund balances (deficit), beginning of year,	14,306,229	(1,985,141)	10,486,550	7,547,635	30,355,273
Fund balances (deficit), end of year	\$ 15,082,960	(2,288,250)	(1,805,908)	8,009,665	18,998,467

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, 2020

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)	\$	(11,356,806)
--	----	--------------

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	\$19,363,248	14,192,056
Depreciation expense	(4,679,316)	
Net book value of dispositions	(491,876)	

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

3,577

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		(36,814)
Landfill		6,500
Compensated absences		(229,299)
OPEB liability with deferred outflows and inflows of resources		(71,860)
Net pension liability with deferred outflows and inflows of resources		(569,325)

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	\$ (7,040,000)	
General obligation bond payments	7,630,000	
Capital lease principal payments	49,567	
Premiums received on issued bonds	(1,042,694)	
Amortization of bond premiums	337,050	
Amortization of deferred charge	(142,315)	(208,392)

Change in net position of governmental activities (see Statement 2)	\$	1,729,637
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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, 2020

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 74,862,952	74,862,952	74,339,669	(523,283)
Licenses and permits	824,255	824,255	865,962	41,707
Intergovernmental	7,563,377	7,563,377	7,680,980	117,603
Interest earned	165,000	165,000	171,724	6,724
Unclassified	6,761,482	6,761,482	5,817,522	(943,960)
Total revenues	90,177,066	90,177,066	88,875,857	(1,301,209)
Expenditures:				
Current:				
General government	6,529,057	6,529,057	6,785,332	(256,275)
Public services	5,012,971	5,012,971	4,659,552	353,419
Public safety	12,870,072	12,870,072	12,101,459	768,613
Public works	6,947,868	6,947,868	6,322,048	625,820
Education	51,629,304	51,629,304	49,804,315	1,824,989
County tax	2,956,659	2,956,659	2,956,659	-
Debt service	6,145,997	6,145,997	6,228,805	(82,808)
Capital improvements	2,609,569	2,609,569	1,215,505	1,394,064
Total expenditures	94,701,497	94,701,497	90,073,675	4,627,822
Excess (deficiency) of revenues over expenditures	(4,524,431)	(4,524,431)	(1,197,818)	3,326,613
Other financing sources (uses):				
Transfers in	1,994,608	1,994,608	700,044	(1,294,564)
Transfers out	(122,788)	(122,788)	(291,102)	(168,314)
Utilization of surplus	1,360,610	1,360,610	-	(1,360,610)
General obligation bonds	1,298,567	1,298,567	1,148,765	(149,802)
Premium received on issued bonds	-	-	602,694	602,694
Use of Bond Premium	350,000	350,000		
Overlay	(356,566)	(356,566)	(185,852)	170,714
Total other financing sources (uses)	4,524,431	4,524,431	1,974,549	(2,199,882)
Net change in fund balances - budgetary basis			776,731	1,126,731
Fund balance, beginning of year			14,306,229	
Fund balance, end of year	\$		15,082,960	

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Private-purpose Trust Funds (Scholarships)	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	754,637
Investments	224,521	-
Total assets	224,521	754,637
LIABILITIES		
Due to student groups	-	754,637
Total liabilities	-	754,637
NET POSITION		
Held in trust	\$ 224,521	-

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, 2020

		Private-purpose Trust Funds (Scholarships)
<hr/>		
Additions:		
Donations	\$	-
Interest and dividends		6,080
Total additions		<hr/> 6,080
<hr/>		
Deductions:		
School scholarships		6,500
Total deductions		<hr/> 6,500
<hr/>		
Change in net position		(420)
<hr/>		
Net position, beginning of year		222,941
<hr/>		
Net position, end of year	\$	222,521

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 \$242,143, or 97.2% of total revenues, to SEDCO for the year ended June 30, 2020.

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 \$1,164,166 of operating and \$137,360 capital totaling \$1,301,526 or approximately 83% of total revenues, to the Library for the year ended June 30, 2020.

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 net realizable value 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 2021 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>
2019-2020 budget as adopted	\$94,477,884	\$94,477,884
Budgetary adjustments:		
Subsequent authorization	-	-
Prior year encumbrances and carry forwards	702,967	702,967
Total adjusted budget	\$95,180,851	\$ 95,180,851

B. Deficit Fund Balance

At June 30, 2020, the following special revenue and capital projects funds had deficit fund balances:

The Haigis Parkway Assessments Fund had a deficit of \$2,288,250. This deficit is expected to grow initially and then be adequately funded in future years with TIF revenues and assessment payments.

The Town Public Safety Building Construction shows a deficit of \$1,805,908 which is expected to be funded through the sale of the old public safety building.

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, 2020, the Town reported deposits of \$14,854,132 with a bank balance of \$14,886,640. Of the Town's bank balances of \$14,886,640, \$289,627 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	\$13,829,495
Reported in fiduciary funds	754,637
Total deposits	\$14,854,132

At June 30, 2020, the Scarborough Public Library's cash balances was \$426,507, all of which was covered by F.D.I.C. insurance.

B. Investments

At June 30, 2020, the Town had the following investments and maturities:

	Fair value	Less than 1 year	1-5 years	More than 5 years
Money markets and repurchase agreements	\$13,342,165	\$13,342,165	-	-
Total investments	\$13,342,165	\$13,342,165	-	-

Investments have been reported as follows:

Reported in governmental funds	\$13,117,644
Reported in fiduciary funds	224,521
Total investments	\$13,342,165

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 3, 2019, 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, 2019 and 50% on March 16, 2020. Interest at the rate of 5% per annum was charged on amounts remaining unpaid after October 15th and 1.5% for amounts unpaid after March 16th. Assessed values are periodically established by the Town's Assessor at 100% of the assumed market value as of June 30, 2020 and the Town's value was 98% of the 2020 State valuation of \$4,778,350,000.

The Town is permitted by the laws of the State of Maine to levy up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$298,892 for the year ended June 30, 2020.

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, 2020 levy:

Assessed value	\$ 4,696,461,376
Tax rate (per \$1,000)	14.70
<u>Commitment</u>	<u>69,037,982</u>
<u>Supplemental taxes assessed</u>	<u>54,092</u>
	69,092,074
<u>Less - collections and abatements</u>	<u>68,282,423</u>
<u>Receivable at June 30</u>	<u>809,651</u>
Consisting of:	
Taxes	\$ 62,849
Liens	746,802
<u>Receivable at June 30</u>	<u>\$ 809,651</u>
Collection rate	98.83%

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2020 was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,293,622	\$ 90,720	\$ 301,420	\$ 7,082,922
<u>Construction in progress</u>	<u>11,607,078</u>	<u>15,631,281</u>	<u>23,872,603</u>	<u>3,365,756</u>
Total capital assets, not being depreciated	18,900,700	15,722,001	24,174,023	10,448,678
Capital assets, being depreciated:				
Buildings	103,337,829	22,309,723	152,586	125,494,966
Vehicles	15,556,742	1,607,390	604,952	16,559,180
Equipment and furniture	8,139,088	367,628	120,669	8,386,047
<u>Infrastructure</u>	<u>62,311,046</u>	<u>3,229,109</u>	<u>3,891</u>	<u>65,536,264</u>
Total capital assets being depreciated	189,344,705	27,513,850	882,098	215,976,457
Less accumulated depreciation for:				
Buildings	24,985,181	1,772,925	11,250	26,746,856
Vehicles	9,449,731	1,205,538	565,607	10,089,662
Equipment and furniture	5,397,532	488,975	113,811	5,772,696
<u>Infrastructure</u>	<u>15,437,131</u>	<u>1,211,878</u>	<u>974</u>	<u>16,648,035</u>
Total accumulated depreciation	55,269,575	4,679,316	691,642	59,257,250
Total capital assets being depreciated, net	134,075,130	22,834,534	190,456	156,719,208
Governmental activities capital assets, net	\$152,975,830	\$38,556,535	\$24,364,479	\$167,167,886

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

Governmental activities:	
General government	\$ 314,401
Public services	144,309
Public safety	522,275
Public works, including depreciation of general infrastructure assets	1,655,419
Education	2,042,912
Total depreciation expense – governmental activities	\$ 4,679,316

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

	<u>Library</u>
Buildings	\$1,695,401
Furniture and fixtures	745,741
<u>Books</u>	<u>927,599</u>
Total	3,368,741
<u>Less accumulated depreciation</u>	<u>(2,796,974)</u>
Property and equipment, net	\$ 571,767
Depreciation expense	\$ 110,935

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, 2020, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	<u>\$4,315,524</u>	<u>-</u>
Public Safety Construction	-	\$1,124,622
<u>Haigis Parkway</u>	<u>-</u>	<u>2,930,434</u>
Nonmajor Governmental Funds:		
Nonmajor Special Revenue Funds:		
Eastern Trail Alliance (Close the Gap)	-	239,766
School Lunch Program	-	59,406
Credit Enhancement Agreements	-	32,232
Recreational development	175,810	-
Payne Road Impact Fees	4,142	-
Other Impact Fees	20,345	312,103
Rescue equipment	39,922	-
Police Asset Forfeiture	8,287	-
Fire Department Equipment	-	3,440
<u>Departmental grants and programs</u>	<u>-</u>	<u>116,339</u>
<u>Total Nonmajor Special Revenue Funds</u>	<u>248,506</u>	<u>763,286</u>
Nonmajor Capital Project Funds:		
General School Improvements	309,606	328,212
Close the GAP Eastern Trail	239,766	-
No. Scarborough Traffic Signal Improve-Payne Rd D#5	12,480	-
Traffic Signal Improvements	2,498	-
<u>Co-op Parking Improvements</u>	<u>7,079</u>	<u>-</u>
<u>Total Nonmajor Capital Project Funds</u>	<u>571,429</u>	<u>328,212</u>
Nonmajor Permanent Funds		
Scarborough Memorial Cemetery	12,000	-
<u>Dunstan Perpetual Care</u>	<u>-</u>	<u>905</u>
<u>Total Permanent Funds</u>	<u>12,000</u>	<u>905</u>
<u>Total Other Governmental Funds</u>	<u>583,429</u>	<u>329,117</u>
<u>Private-purpose Trust Funds</u>	<u>-</u>	<u>-</u>
<u>Total all funds</u>	<u>\$5,147,459</u>	<u>\$5,147,459</u>

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, 2020, 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	\$ 700,044	\$ 291,102
Haigis Parkway Assessments	118,036	370,000
<u>Nonmajor Governmental Funds</u>	<u>1,160,010</u>	<u>1,316,988</u>
Total	<u>\$1,978,090</u>	<u>\$1,978,090</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, 2020, 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	\$102,720,000	\$7,040,000	\$7,630,000	\$102,130,000	\$8,085,000
Premium	6,602,073	1,042,694	337,050	7,307,717	
Capital leases	49,567	-	49,567	-	-
Compensated absences	2,820,775	320,816	153,640	2,987,951	91,517
Other postemployment					
Benefits liability	8,146,638	226,617		8,373,255	
Net pension liability	5,034,092	433,706		5,467,798	
Landfill post-closure care costs	394,534		6,500	388,034	6,500
Governmental activity					
Long-term liabilities	<u>\$125,767,679</u>	<u>\$9,063,833</u>	<u>\$8,176,757</u>	<u>\$126,654,755</u>	<u>\$8,183,017</u>

As of June 30, 2020, the Town had authorized, but unissued debt totaling \$3,952,281. 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, 2020 is comprised of the following:

General Obligation Notes and Bonds	Amount originally issued	Percentage applicable to			Interest rate	Final maturity date	Balance end of year
		Town	School	Sewer			
2010 Capital improvements	6,002,000	92.37%	7.63%	-	3.50%	2031	2,245,000
2011 Capital improvements	5,600,000	96.28%	3.72%	-	2.25%	2031	1,480,000
2012 Capital improvements	46,545,000	3.84%	81.82%	14.34%	4.00%	2042	33,190,000
2013 Capital improvements	25,685,000	6.32%	93.68%	-	3.00%	2043	20,830,000
2014 Capital improvements	6,505,000	53.70%	46.30%	-	2.00%	2034	2,735,000
2015 Capital improvements	6,085,000	90.43%	9.57%	-	4.00%	2035	3,745,000
2016 Capital improvements	7,540,000	94.27%	5.73%	-	2.00%	2036	4,195,000
2017 Capital improvements	2,755,000	63.85%	36.15%	-	2.00%	2037	2,035,000
2018 Capital Improvements	18,190,000	94.36%	5.64%	-	Varies	2048	17,255,000
2019 Capital Improvements	7,380,000	90.85%	9.15%	-	Varies	2049	7,380,000
2020 Capital improvements	7,040,000	58.36%	41.64%	-	Varies	2041	7,040,000
Total							\$102,130,000

The annual requirements to amortize all debt outstanding as of June 30, 2020 are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	8,085,000	3,780,131	11,865,131
2022	8,340,000	3,487,100	11,827,100
2023	8,025,000	3,193,444	11,218,444
2024	6,600,000	2,915,044	9,515,044
2025	5,985,000	2,658,375	8,643,375
2026-2030	26,225,000	9,805,641	36,030,641
2031-2035	19,895,000	5,254,425	25,149,425
2036-2040	10,755,000	2,440,106	13,195,106
2041-2045	6,240,000	744,237	6,984,237
2046-2049	1,980,000	107,550	2,087,550
Totals	\$ 102,130,000	\$34,386,053	\$136,516,053

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.

STATUTORY DEBT LIMIT

The Town is subject to a statutory limitation of its general long-term debt equal to 15% of the State's valuation of the Town. Based on a valuation of \$4,778,350,000, the Town's debt limit is \$716,752,500. The Town's outstanding long-term debt of \$102,130,000 at June 30, 2020 was within the Statutory limit.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

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, 2020, the Town's State valuation of \$4,778,350,000 was 9.48% of the County's State valuation of \$50,417,650,000. The Town's share is 9.48% or \$3,357,416 of Cumberland County's \$35,425,000 long-term debt outstanding as of June 30, 2020.

The Town is also served by the Portland Water District. At June 30, 2020, the Town's share of self-supporting bonded water debt is 14.04% or \$7,828,780 of total debt of \$55,760,544.

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 \$15,346,550 at June 30, 2020, the most recent data available. The Town's proportionate share of these estimated landfill closure and postclosure care costs is 9.17%, or \$1,407,975.

Total Debt and Contingencies

Governmental Unit	As of June 30, 2020			
	Direct debt	Overlapping debt	Contingent debt	Total debt
Town of Scarborough	\$102,130,000	-	-	\$102,130,000
Cumberland County	-	\$ 3,357,416	-	3,357,416
Portland Water District - water debt	-	7,828,780	-	7,828,780
ecomaine landfill closure/postclosure costs	-	-	\$1,407,975	1,407,975
Totals	\$ 102,130,000	\$11,186,196	\$1,407,975	\$114,724,171

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, 2020, 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

The Town of Scarborough has been involved in litigation over the years. Below is one suit that was resolved.

Maine Life Care Retirement Community, Inc., which owns and operates the Piper Shores retirement community (Map R101, Lots 5 and 2), filed property tax abatement applications regarding the Town Assessor's assessment of its real and personal property for the April 1, 2018 through April 1, 2020 tax years. Following consideration and appeals of the matters, the parties resolved the matter through a Settlement Agreement that resulted in abatement payments for April 1, 2018, April 1, 2019, and April 1, 2020, and which established a prospective value through April 1, 2023, subject to adjustments either up and/or down, based on addition(s) and/or deletion(s) of real property. The Town Assessor also processed an additional abatement payment of +/- \$58,640.09 made to the April 1, 2018 abatement case that was processed on or about October 2020 and which is in addition to the payments outlined in the Settlement Agreement.

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, 2020, approximately 20% of the landfill's total capacity has been used. The estimated total current cost of landfill closure, \$388,034 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, 2020. Additionally, annual monitoring and maintenance costs are estimated to be \$6,500 per year.

The total closure and postclosure care costs of \$388,034 have been accrued in the statement of activities for the year ended June 30, 2020. 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, 2020, 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, 2019</u>	<u>June 30, 2020</u>
Unemployment Compensation	\$ 183,121	\$ 127,541
HRA Deductible Plan	58,115	80,925
HRA Credit Plan	13,078	19,648
Hurd Park and Ferry Beach	165,283	203,863
Hunnell House	<u>21,502</u>	<u>22,935</u>
Total reclassification	<u>\$ 441,099</u>	<u>\$ 454,912</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, 2020:

	General Fund	Haigis Parkway Assessment	Public Safety Construction	Nonmajor Governmental
Fund Balances:				
Nonspendable-Permanent Funds	\$ -	\$ -	\$ -	\$ 179,988
Nonspendable-Inventory	31,401	-	-	59,639
	<u>31,401</u>	<u>-</u>	<u>-</u>	<u>239,627</u>
Restricted				
Permanent Fund Interest	-	-	-	105,061
Deficits in Other Funds (Haigis Parkway)	2,930,434	-	-	-
Credit Enhancement Agreements	-	-	-	50,972
Eastern Trail Alliance (Close the Gap)	-	-	-	374,290
Grants and Donations	-	-	-	105,444
Fire Department Equipment	-	-	-	23,945
Police Asset Forfeiture	-	-	-	219,676
Education	648,587	-	-	-
	<u>3,579,021</u>	<u>-</u>	<u>-</u>	<u>879,388</u>
Committed				
Unemp. Comp/Beach Reserve/Hunnewell	354,339	-	-	-
HRA Deductible/Credit Plans	100,573	-	-	-
Impact Fees/Reserves	-	-	-	5,591,593
Education	-	-	-	422,965
	<u>454,912</u>	<u>-</u>	<u>-</u>	<u>6,015,558</u>
Assigned				
Carryforward Balances/Encumbrances	2,615,666	-	-	-
Education	700,000	-	-	-
	<u>3,315,666</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	7,701,960	(2,288,250)	(1,805,908)	876,092
Total Fund Balances	<u>\$15,082,960</u>	<u>\$(2,288,250)</u>	<u>\$(1,805,908)</u>	<u>\$ 8,009,665</u>

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

ASSIGNED FUND BALANCES

At June 30, 2020, portions of the General Fund balance were assigned to future periods as follows:

	<u>2020</u>
General Fund:	
State Revenue Sharing	\$ 160,237
Cable Franchise Fees	10,080
Administration – Office Equipment	3,000
Benefits – Municipal Wellness Program	1,850
Accounting – Staffing	5,000
Planning Initiatives (former Comprehensive Plan)	37,465
Planning – Printing & Binding	1,500
CS – Oak Hill Building	16,871
CS – Municipal Building Rebate Revenues	350
Police – New Vehicles	167,878
Police – Full Time Training In-Service	2,100
Marine Resource Office – Inventory Management	12,071
MIS – Core Switch Upgrade	8,210
MIS – Disaster Recovery/Business Continuity	10,000
Assessing – Vision Software	16,550
Planning – New Vehicles	6,500
Library – Security Cameras & Equipment	6,218
Fire Department – Pumper Truck	181,375
Fire Department – Major Vehicle Repairs	24,127
Police Department – Equipment Issue Room Supplies	1,996
Police Department – Traffic Monitoring Cameras	17,509
Public Works – HVAC Improvements/Replacement	46,668
Encumbered purchase orders	58,646
Fund Balance Appropriated for the 2021 Municipal Budget	400,000
Fund Balance Appropriated for the 2021 Education Budget	700,000
<u>Reserve for Accrued Sick Pay</u>	<u>1,419,465</u>
<u>Total General Fund Assigned Fund Balance</u>	<u>\$ 3,315,666</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 239 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 307 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, 2019 was as follows:

	Teachers	PLD
Current participants: Vested and non-vested	39,876	11,731
Terminated participants: Vested	8,188	2,350
Terminated participants: Inactive due refunds	38,640	8,273
Retirees and beneficiaries receiving benefits	<u>36,471</u>	<u>9,534</u>
	<u>123,175</u>	<u>31,888</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 2.69%.

For the year ended June 30, 2020, the Town's total payroll for all employees was \$46,385,887. Total covered payroll was \$26,581,636 for the Teacher Plan and \$8,941,589 for the PLD Plan. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan. Total pension expense in the aggregate for both plans was \$2,778,875 for the year ended June 30, 2020.

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 17.89% 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, 2020, was 4.16% percent of annual teacher payroll, plus 14.95% 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, 2020 were \$1,166,575.

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 7.35-8.1%, police employees and fire/rescue employees contribute between 8.3%-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, 2020, was 10% of annual payroll. The Police and Fire/Rescue required contribution rate for the year ended June 30, 2020 was 12.8% or 16.2%, 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, 2020 were \$1,037,156.

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

Teacher Plan

At June 30, 2020, 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	\$ 524,183
State's proportionate share of the net pension liability associated with the Town of Scarborough School Department	<u>28,538,618</u>
Total	<u>\$ 29,062,801</u>

The net pension liability was measured as of June 30, 2019, 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, 2019, the School Department's proportion was 0.036 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2018.

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, 2020, the School Department recognized pension expense of \$1,102,210 and revenue of \$5,050,000 for support provided by the State. In addition, the School Department 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	\$ 40,774	
Changes of assumptions	15,176	
Net difference between projected and actual earnings on Plan investments		\$ 73,991
Changes in proportion and differences between contributions and proportionate share of contributions	1	15,247
Contributions subsequent to the measurement date	1,166,575	
Total	\$ 1,222,526	\$ 89,238

The \$1,166,575 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, 2020. 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,	
2021	\$ 13,245
2022	(30,129)
2023	(16,628)
2024	225
Total	\$ (33,287)

PLD Plan

At June 30, 2020, the Town and the Town School Department reported a liability of \$4,943,615 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Town and the Town School Department's proportion was 1.62%, which was a decrease of 0.04% from its proportion measured as of June 30, 2018.

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, 2020, the Town and the Town School Department recognized pension expense of \$1,676,665. At June 30, 2020, 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	\$ 585,340	\$1,238,253
Changes of assumptions	250,362	
Net difference between projected and actual earnings on Plan investments		
Changes in proportion and differences between contributions and proportionate share of contributions	90,414	92,044
Contributions subsequent to the measurement date	1,037,156	
Total	\$ 1,963,272	\$ 1,330,297

The \$1,037,156 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, 2020. 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,	
2021	\$ 277,238
2022	(565,743)
2023	(114,892)
2024	(784)
Total	\$ (404,181)

Actuarial Assumptions

The total pension liability in the June 30, 2019 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, 2019 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%	\$ 947,709
Current discount rate	6.75%	\$ 524,183
1% increase	7.75%	\$ 171,250

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%	\$ 11,261,237
Current discount rate	6.75%	\$ 4,943,615
1% increase	7.75%	\$ (965,916)

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 14.33% of the qualified teachers' salaries, plus an additional 3.56% for health insurance. For the year ended June 30, 2020, the total amount of on-behalf payments was approximately \$4,680,000 and was recognized in the fund financial statements plus an additional on-behalf payment amount of \$93,000 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 \$5,050,000.

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 \$309,633 which was 6% of the participating employees and 17% of the Town Manager's current year covered payroll. The covered payroll amounted to \$4,880,083 while the Town's total payroll was \$14,895,604.

Employee's required contributions amounted to \$283,629, 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 \$531,511 and the Town contributions amounted to \$306,547. The Town contributes a match up to 4%. The covered payroll amounted to \$8,026,103.

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 disclosures are provided below. Total pension expense in the aggregate for both plans was \$335,314 for the year ended June 30, 2020.

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, 2020, the following were covered by the benefit terms: Inactive employees or beneficiaries currently receiving benefit payments – 23, Active employees 174, total employees 197.

The Town's total OPEB liability of \$2,951,799 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2020 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 2.00% 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. The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2020 were non-Medicare of 8.55% and Medicare 7.84%, decreasing to 3.53% and 3.53%, respectively, over a grading period of 20 years. Mortality rates were based on the RP-2014 Total Dataset Healthy Annuitant Mortality Table for males or females. The mortality improvement scale RPEC_2015, with 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, 2020 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, 2019	\$ 3,150,699
Changes for the year:	
Service cost	94,071
Interest	130,878
Changes in benefit terms	(89,811)
Differences between expected and actual experience	412,934
Changes in assumptions or other inputs	(640,639)
Benefit payments	(106,333)
Net changes	(198,900)
Balance at June 30, 2020	\$ 2,951,799

Changes of assumptions or other inputs reflect a decrease of \$640,639. Changes in assumptions or other inputs reflect a change in the discount rate from 4.10% in 2019 to 2.74% in 2020.

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 (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$ 3,382,360	\$ 2,951,799	\$ 2,597,831

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

The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2020 were non-Medicare of 8.55% and Medicare 7.84%, decreasing to 3.53% and 3.53%, respectively, over a grading period of 20 years. 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	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,571,416	\$ 2,951,799	\$ 3,428,774

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

For the year ended June 30, 2020, the Town recognized OPEB expense of \$79,827. At June, 30, 2020, 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	\$ 437,704	
Changes in assumptions		\$ 854,164
Contributions subsequent to the measurement date	54,500	
Total	\$ 492,204	\$ 854,164

The \$54,500 of deferred outflows of resources resulting from the Town’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the Plan year ending June 30, 2020. 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,	
2021	(55,311)
2022	(55,311)
2023	(55,311)
2024	(55,311)
2025	(55,311)
Thereafter	(139,905)
Total	\$ (416,460)

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 is a single-employer defined benefit plan and 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, 2019 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 retiree 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, 2020, the Town School Department reported a liability of \$5,421,456 for its net OPEB liability. The net OPEB liability was measured as of June 30, 2019, 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, 2020, the Town School Department recognized OPEB expense of \$255,487. At June 30, 2020, 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	\$272,722	\$ 175,876
Net difference between projected and actual earnings on OPEB plan investments		
Contributions subsequent to the measurement date	153,743	
Total	\$ 426,465	\$ 175,876

Of the total amount reported as deferred outflows of resources related to OPEB, \$153,743 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	\$ 10,279
2021	10,279
2022	10,279
2023	10,279
2024	10,279
Thereafter	45,451
Total	\$ 96,846

Actuarial assumptions and methods: The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions:

Measurement date:	June 30, 2019
Discount Rate:	3.50% per annum for the year ended June 30, 2019 reporting.
Healthcare cost trend rates:	Non-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, 2019. The discount rate based on the index was 3.50% per annum as of June 30, 2019.

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, 2018	\$ 4,995,939
Changes for the year:	
Service cost	52,477
Interest	192,731
Changes in assumptions	318,176
Contributions – employer	
Benefit payments	(137,867)
Net changes	425,517
Balance as of June 30, 2019 (Measurement Date)	
Reporting as of June 30, 2020	\$ 5,421,456

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 2.50 percent or 1-percentage-point higher 4.50 percent than the current discount rate:

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Town School Department’s proportionate share of the collective net OPEB liability	\$ 6,438,780	\$ 5,421,456	\$ 4,621,192

Sensitivity of the Town School Department’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates. The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2019 were non-Medicare of 5.55% and Medicare 3.72%, decreasing to 3.73% and 2.81%, respectively, over a grading period of 15 years. 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	\$ 4,532,624	\$ 5,421,456	\$ 6,562,669

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, 2019 the estimated on-behalf OPEB subsidy for year ended June 30, 2020 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, 2020, the Town abated property taxes totaling \$944,505 under the CEA programs and \$122,788 under the TIF programs, including the following tax abatement agreements that each exceed 10 percent of the total amount abated:

A 100 percent property tax abatement up to an annual limit of \$825,000 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, and develop a 288-unit rental housing project. The abatement amounted to \$654,225. This CEA is part of the Haigis Parkway TIF District.

A 100 percent property tax abatement up to a limit of \$1,500,000 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 \$55,291 and is the final payment for this credit enhancement. A TIF specific to this property was created for the purposes of the CEA.

The remaining business abatement, Foundation Center (a TIF specific to this property was created for the CEA), totaled \$57,379.

The Town has an agreement for the Haigis Parkway district with total tax captured of \$118,036 which none is currently abated, and the funds are utilized for Town's parkway as an investment site.

The Town entered into a 30-year Downtown Omnibus tax increment financing district with total tax captured of \$4,753. The TIF District includes the new development at the former Scarborough Downs property and the majority of commercial property in Oak Hill. The District's development program assigns 3% of revenues to the Town for economic development purposes.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS, CONTINUED

In addition, a CEA was approved within the TIF District for Crossroads Holdings, LLC, the developer of the Scarborough Downs property. Reimbursement to Crossroads Holdings, LLC totaled \$60,081. The CEA reimburses the developer for a portion of infrastructure costs over a 30-year period. The CEA provides a reimbursement of 40% of the new revenues generated on property within the Crossroads Zoning District for a period of 20 years. The CEA provides a 10% reimbursement to Crossroads Holdings, LLC for an additional 10 years. Development thresholds were included in the CEA which could drop the percentage reimbursement in future years, should the project not proceed as anticipated. Property within the Crossroads Zoning District accounts for about 50% of the Downtown TIF District acreage.

Housing TIF's include the Bessey School I Senior Housing TIF for \$85,439 and Avesta Southgate Affordable Housing TIF for \$32,090. The Bessey School I TIF district program reimburses 100% of the incremental value for a period of 30 years and provided for 54 units of affordable senior housing, on land leased from the Town for \$1 per year for a 99-year term. The Avesta Southgate TIF district program reimburses 50% of the incremental value and assigns the remaining 50% to the Town's affordable housing initiative fund for a period of 17 years and provided for a 38-unit family rental affordable housing project.

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, 2020. 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, 2020:

	<u>Governmental Activities</u>
Capital assets	\$ 226,425,135
Accumulated depreciation	(59,257,250)
Bonds payable	(97,370,000)
Premium liabilities net of amortization	(7,307,717)
Deferred charge on refunding	1,770,649
Unspent bond proceeds	697,151
<u>Net investment in capital assets</u>	<u>\$64,957,968</u>

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

NET POSITION, CONTINUED

The Town's Bonds payable is \$102,130,000 as stated in the footnote on page 60. For the purpose of determining net investment in capital assets, bonds payable totaling \$4,760,000 have been excluded from this calculation because the Town transferred ownership of the capital assets to other entities.

COMMITMENTS

Construction in progress of \$3,365,756 as of June 30, 2020 consists of building improvements, street light purchase/improvements, traffic signals improvement, road improvements, and Eastern Trail improvements. These projects are expected to be completed during the fiscal years ending June 30, 2020 to June 30, 2021. The additional estimated costs to complete these projects are approximately \$558,694.

SUBSEQUENT EVENT – ADVANCE REFUNDING

Following the fiscal year ended June 30, 2020, on August 4, 2020, the Town issued \$2,855,000 in 2020 General Obligation Refunding Bonds – Series A and \$39,460,000 in 2020 General Obligation Refunding Bonds – Series B (Federally Taxable) (when collectively, the “Refunding Bonds”). The Town used a portion of the proceeds of the Refunding Bonds, plus bond premium: (a) to refund the Refunded 2010 and 2011 Bonds on a current basis, to be redeemed on November 1, 2020, their respective call date, (b) to advance refund, on a federally taxable basis, (i) the Refunded 2012 Bonds to be redeemed on its November 1, 2022 call date; (i) the Refunded 2013 Bonds to be redeemed on its November 1, 2023 call date, and (c) to pay costs of issuance. There is no call premium on the Refunded Bonds.

Proceeds from the Refunding Bonds in the amount of \$42,315,000, representing the Refunding Bonds principal and \$6,040,252, representing bid premium, less \$380,576, representing bond proceeds to finance costs of issuance, underwriter's discount and contingency, for a consolidated \$47,974,676 were deposited in an irrevocable trust with an escrow agent and are invested in U.S. governmental securities to provide all future associated debt service payments, and call premium for the Refunded Bonds.

As a result, the \$43,355,000 of prior general obligation bonds representing the callable portions of the 2010, 2011, 2012 and 2013 will be defeased and the liability for these bonds will be removed from the statement of net position for fiscal year ended June 30, 2021.

The refunding provided a Present Value Savings of \$3,136,490, or 7.234437% and an absolute savings of \$3,412,527.

TOWN OF SCARBOROUGH, MAINE
Schedule Changes in Net OPEB Liability and
Related Ratios – MMEHT Group Health Insurance Plan
Required Supplementary Information
June 30, 2020
(Unaudited)

Other Post-Employment Benefits

	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability			
Service Cost	\$ 94,071	\$ 107,114	\$ 95,617
Interest	130,878	116,667	121,874
Changes in benefit terms	(89,811)		
Difference between expected and actual experience	412,934	-	105,980
Changes in assumptions or other inputs	(640,639)	(305,884)	(70,197)
Benefit payments	<u>(106,333)</u>	<u>(102,243)</u>	<u>(92,711)</u>
Net change in total OPEB liability	(198,900)	(184,346)	160,563
Total OPEB liability - beginning		<u>3,335,048</u>	<u>3,174,482</u>
Total OPEB liability - ending	<u>\$ 2,951,799</u>	<u>\$ 3,150,699</u>	<u>\$ 3,335,045</u>
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, 2020	2.74%
June 30, 2019	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, 2020
(Unaudited)

	June 30, 2020	June 30, 2020
Total OPEB liability		
Service Cost	\$ 52,477	\$ 56,620
Interest	192,731	183,504
Differences between expected and actual experience		
Changes in assumptions or other inputs	318,176	(246,226)
Benefit payments	<u>(137,867)</u>	<u>(133,102)</u>
Net change in total OPEB liability	425,517	(139,204)
Total OPEB liability - beginning	4,995,939	5,135,143
Total OPEB liability - ending	<u>\$ 5,421,456</u>	<u>\$ 4,995,939</u>
Covered employee payroll	22,094,507	21,503,170
Net OPEB liability as a percentage of covered employee payroll	24.5%	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, 2020	3.50%
June 30, 2020	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, 2020
(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
2020	06-30-2019	0.036%	\$524,183	\$28,538,618	\$29,062,801	\$25,337,964	1.80%	82.73%
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
2020	06-30-2019	1.62%	\$4,943,615	\$8,527,341	57.97%	90.62%
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, 2020
(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
2020	06-30-2019	\$1,166,575	\$1,166,575	\$ 0	\$26,581,636	4.39%
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
2020	06-30-2019	\$1,037,156	\$1,037,156	\$ 0	\$8,941,589	11.60%
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.

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GENERAL FUND

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

TOWN OF SCARBOROUGH, MAINE
General Fund
Comparative Balance Sheets
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 13,512,531	12,497,354
Investments	4,801,230	8,113,153
Receivables:		
Taxes receivable	257,139	230,667
Tax liens	891,262	891,116
Accounts receivable , net	772,091	707,972
Intergovernmental	262,259	280,454
Inventory	31,401	27,679
Interfund loans receivable	4,315,524	2,459,044
Tax acquired property	7,231	7,231
Total assets	\$ 24,850,668	25,214,670
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and other current liabilities	2,900,504	4,582,112
Accrued payroll and other related liabilities	5,789,750	5,205,749
Accrued compensated absence (current)	91,517	153,640
Unearned revenues	68,367	52,947
Total liabilities	8,850,138	9,994,448
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	917,570	913,993
Total deferred inflows of resources	\$ 917,570	913,993
Fund balance:		
Nonspendable inventory	31,401	27,679
Restricted - Town	2,930,434	2,951,105
Restricted - Education	648,587	199,778
Committed - Town	454,912	441,099
Assigned - Town	2,615,666	2,122,165
Assigned - School	700,000	352,643
Unassigned - Town	7,701,960	8,211,760
Total fund balance	15,082,960	14,306,229
Total liabilities, deferred inflows of resources and fund balance	\$ 24,850,668	25,214,670

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, 2020
(with comparative totals for June 30, 2019)

	2020					
	2019 carryforward	Budget	Total Available	Actual	Variance positive (negative)	2019 Actual
Revenues:						
Taxes:						
Property taxes	\$ -	68,367,852	68,367,852	67,677,693	(690,159)	65,402,905
Change in deferred property tax revenue	-	-	-	(3,577)	(3,577)	(70,505)
Excise taxes	-	6,179,700	6,179,700	6,352,261	172,561	6,365,716
Cable franchise tax	-	208,100	208,100	218,180	10,080	219,247
Interest and costs on taxes	-	107,300	107,300	95,112	(12,188)	112,016
Total taxes	-	74,862,952	74,862,952	74,339,669	(523,283)	72,029,379
Licenses and permits:						
Plumbing fees	-	45,000	45,000	49,055	4,055	44,430
Fees and Permits	-	151,330	151,330	131,749	(19,581)	160,884
Building permits	-	475,000	475,000	507,947	32,947	482,041
Electrical permits	-	60,000	60,000	84,584	24,584	70,737
Zoning Board of Appeals	-	7,000	7,000	6,250	(750)	6,386
License plate fees	-	60,925	60,925	71,652	10,727	61,271
Subdivision fees	-	25,000	25,000	14,725	(10,275)	38,556
Total licenses and permits	-	824,255	824,255	865,962	41,707	864,305
Intergovernmental:						
Education state subsidies	-	3,366,032	3,366,032	3,273,967	(92,065)	2,596,959
FEMA/MEMA reimbursement	-	-	-	20,000	20,000	74,364
Federal HIDTA revenues	-	242,500	242,500	240,568	(1,932)	206,980
State Revenue Sharing	-	1,252,000	1,252,000	1,382,247	130,247	912,219
Homestead exemption	-	909,034	909,034	909,034	-	973,151
Business equipment tax exemption	-	552,161	552,161	552,523	362	774,383
LRAP (Local Road Assistance Program)	-	322,381	322,381	331,444	9,063	322,124
ecomaine payment in lieu of taxes	-	71,450	71,450	71,450	-	71,450
General assistance reimbursement	-	11,690	11,690	55,386	43,696	2,652
Adult education State subsidies	-	41,641	41,641	53,043	11,402	28,326
Other Federal and State revenues - School	-	232,000	232,000	193,204	(38,796)	202,247
Other Intergovernmental revenues - Town	-	562,488	562,488	598,114	35,626	732,563
Total intergovernmental	-	7,563,377	7,563,377	7,680,980	117,603	6,897,418
Interest earned	-	165,000	165,000	171,724	6,724	286,272
Unclassified:						
School Department miscellaneous	-	294,500	294,500	188,619	(105,881)	295,160
Adult education	-	60,500	60,500	20,762	(39,738)	61,406
Community services	-	2,139,400	2,139,400	1,448,243	(691,157)	2,121,317
Insurance reimbursements	-	45,000	45,000	149,625	104,625	165,177
Public Violations	-	71,000	71,000	108,237	37,237	93,529
Special duty police/fire	-	91,500	91,500	72,861	(18,639)	92,956
Inspection/review fees	-	177,300	177,300	161,451	(15,849)	144,747
Rescue donations	-	1,250,000	1,250,000	1,250,000	-	1,000,000
Rental income	-	121,836	121,836	121,547	(289)	121,074
Sale of Town-owned property	-	112,500	112,500	62,802	(49,698)	96,626
Salary reimbursement	-	1,344,020	1,344,020	1,219,396	(124,624)	1,313,468
Vehicle fuel reimbursement	-	343,290	343,290	316,725	(26,565)	378,931
Vehicle maintenance reimbursement	-	566,000	566,000	483,371	(82,629)	560,952
Miscellaneous	-	144,636	144,636	213,883	69,247	160,235
Total unclassified	-	6,761,482	6,761,482	5,817,522	(943,960)	6,605,578
Total revenues	-	90,177,066	90,177,066	88,875,857	(1,301,209)	86,682,952

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

	2019 carryforward	2020		2019 Actual	Variance positive (negative)	2019 Actual
		Budget	Total available			
Expenditures:						
Current:						
General government:						
Town Council	\$ -	11,573	11,573	11,367	206	11,573
Administration	325	488,503	488,828	470,255	18,573	466,965
Town Clerk	-	213,572	213,572	208,068	5,504	216,991
Human resources	2,139	310,782	312,921	297,655	15,266	287,101
Personnel benefits	1,850	375,679	377,529	556,665	(179,136)	492,527
Finance	8,466	397,444	405,910	382,586	23,324	375,112
Taxation/Treasury	805	429,487	430,292	390,807	39,485	405,290
Assessing	21,000	318,161	339,161	301,890	37,271	289,906
Management information systems	1,776	1,458,086	1,459,862	1,349,941	109,921	1,393,661
Planning	38,000	1,089,432	1,127,432	994,908	132,524	951,804
General government	-	139,527	139,527	134,321	5,206	115,266
Legal	-	113,000	113,000	336,282	(223,282)	277,522
Risk management	-	673,824	673,824	884,416	(210,592)	724,313
Municipal Building	17,110	369,225	386,335	426,726	(40,391)	379,829
Oak Hill Professional Bldg	-	33,906	33,906	25,650	8,256	31,627
Public information	85	2,800	2,885	1,295	1,590	2,260
Outside agencies	-	12,500	12,500	12,500	-	12,500
Total general government	91,556	6,437,501	6,529,057	6,785,332	(256,275)	6,434,247
Public services:						
Library	-	1,164,166	1,164,166	1,164,166	-	1,152,091
Public health and welfare	-	33,633	33,633	96,975	(63,342)	19,514
Tax Rebates (Credit Enhancement Agree)	-	949,449	949,449	944,505	4,944	743,940
Economic Development Corporation	-	246,644	246,644	242,143	4,501	239,311
Community services	10,869	2,608,210	2,619,079	2,211,763	407,316	2,569,353
Total public services	10,869	5,002,102	5,012,971	4,659,552	353,419	4,724,209
Public safety:						
Fire Department	44,007	3,578,092	3,622,099	3,443,937.00	178,162	3,279,692
Emergency Management	6,000	42,490	48,490	48,591	(101)	38,163
Emergency Medical Services	11,536	1,965,538	1,977,074	1,883,820	93,254	1,818,764
Marine resources/coop	12,071	106,770	118,841	106,179	12,662	96,718
Police Department	119,967	6,983,601	7,103,568	6,618,932	484,636	6,345,190
Total public safety	193,581	12,676,491	12,870,072	12,101,459	768,613	11,578,527
Public works:						
Public Works Department	39,000	3,099,199	3,138,199	2,774,041	364,158	3,248,531
GIS/Engineering services	-	114,090	114,090	108,305	5,785	109,079
Vehicle maintenance	-	1,847,834	1,847,834	1,582,096	265,738	1,813,583
Water charges	-	239,000	239,000	242,982	(3,982)	241,634
Street lighting	-	38,000	38,000	59,807	(21,807)	87,635
Traffic signals	12,585	119,400	131,985	125,500	6,485	100,961
Cemetery care	-	18,100	18,100	17,513	587	21,297
Memorials	-	8,042	8,042	4,929	3,113	8,438
Shade trees	-	2,000	2,000	550	1,450	490
Solid waste program	-	1,410,618	1,410,618	1,406,325	4,293	1,374,844
Total public works	51,585	6,896,283	6,947,868	6,322,048	625,820	7,006,492
Education:						
Adult education	-	202,311	202,311	175,077.00	27,234	184,654
Regular instruction	-	31,463,967	31,463,967	30,482,358	981,609	28,614,690
Improvement of instruction	-	1,016,939	1,016,939	943,084	73,855	774,247
Special services	-	4,700,486	4,700,486	4,474,065	226,421	4,294,992
General & special administration	-	267,948	267,948	275,542	(7,594)	261,332
Board of education	-	34,973	34,973	34,478	495	27,845
Office of the superintendent	-	830,950	830,950	803,378	27,572	724,478
Business administration	-	2,132,179	2,132,179	2,105,256	26,923	2,168,233
Transportation	-	1,731,562	1,731,562	1,576,153	155,409	1,657,656
Operation and maintenance of plant	-	4,003,876	4,003,876	3,681,319	322,557	3,689,726
Debt service	-	5,244,113	5,244,113	5,253,605	(9,492)	5,691,072
Total education	-	51,629,304	51,629,304	49,804,315	1,824,989	48,088,925

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

	2020					
	2019 carryforward	Budget	Total available	Actual	Variance positive (negative)	2019 Actual
Expenditures, continued:						
Current, continued:						
County tax	\$ -	2,956,659	2,956,659	2,956,659	-	2,827,079
Debt service (excluding education):						
Principal	-	4,456,756	4,456,756	4,456,756	-	3,798,979
Interest and other costs	-	1,689,241	1,689,241	1,772,049	(82,808)	1,800,134
Total debt service	-	6,145,997	6,145,997	6,228,805	(82,808)	5,599,113
Capital improvements	297,702	2,311,867	2,609,569	1,215,505	1,394,064	1,459,518
Total expenditures	645,293	94,056,204	94,701,497	90,073,675	4,627,822	87,718,110
Excess (deficiency) of revenues over expenditures	(645,293)	(3,879,138)	(4,524,431)	(1,197,818)	3,326,613	(1,035,158)
Other financing sources (uses):						
Transfers in	-	1,994,608	1,994,608	700,044	(1,294,564)	793,221
Transfers out	-	(122,788)	(122,788)	(291,102)	(168,314)	(344,527)
General obligation bonds	-	1,298,567	1,298,567	1,148,765	(149,802)	690,426
Premium received on issued bonds, net of issuance costs	-	-	-	602,694	602,694	423,393
Use of Bond Premium	-	350,000	350,000	-	(350,000)	-
Overlay	(57,674)	(298,892)	(356,566)	(185,852)	170,714	-
Total other financing sources (uses)	(57,674)	3,221,495	3,163,821	1,974,549	(1,189,272)	1,562,513
Net change in fund balances - budgetary basis	(702,967)	(657,643)	(1,360,610)	776,731	2,137,341	527,355
Utilization of prior year surplus and carrying balances	702,967	657,643	1,360,610	-	(1,360,610)	-
Total Utilization of Fund Balance and Carry forwards	-	-	-	776,731	776,731	527,355
Fund balances, beginning of year				14,306,229		13,765,284
Fund balances, end of year				15,082,960		14,292,639

TOWN OF SCARBOROUGH, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 68,857	248,107	-	316,964
Investments	7,062,778	669,078	273,953	8,005,809
Intergovernmental receivable	5,950	-	-	5,950
Accounts receivable	571,265	-	-	571,265
Interfund loans	248,506	571,429	12,000	831,935
Inventory	59,639	-	-	59,639
Notes receivable	-	-	-	-
Total assets	\$ 8,016,995	1,488,614	285,953	9,791,562
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	439,457	250,037	-	689,494
Interfund loans	763,287	328,212	904	1,092,403
Performance bond deposits	-	-	-	-
Total liabilities	1,202,744	578,249	904	1,781,897
Fund balances (deficit):				
Nonspendable trust principal	-	-	179,988	179,988
Nonspendable inventory	59,639	-	-	59,639
Restricted for Town	774,327	-	105,061	879,388
Restricted for Education	-	-	-	-
Committed for Town	5,591,593	-	-	5,591,593
Committed for Education	422,965	-	-	422,965
Unassigned for Town	(34,273)	910,365	-	876,092
Total fund balances (deficit)	6,814,251	910,365	285,049	8,009,665
Total liabilities and fund balances	\$ 8,016,995	1,488,614	285,953	9,791,562

TOWN OF SCARBOROUGH, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 1,242,931	732,026	-	1,974,957
Contributions	392,063	-	-	392,063
Taxes	-	260,130	-	260,130
Assessments and impact fees	2,767,141	-	-	2,767,141
Sale of lots	-	-	7,380	7,380
Other revenue	2,276,675	31,201	-	2,307,876
Interest revenue	192,986	4,969	7,126	205,081
Total revenues	6,871,796	1,028,326	14,506	7,914,628
Expenditures:				
Current:				
Capital expenditures	835,454	5,198,643	-	6,034,097
Education	2,666,565	-	-	2,666,565
Other	3,391,183	-	425	3,391,608
Total expenditures	6,893,202	5,198,643	425	12,092,270
Excess (deficiency) of revenues over expenditures	(21,406)	(4,170,317)	14,081	(4,177,642)
Other financing sources (uses):				
Transfers in	505,801	654,209	-	1,160,010
Transfers out	(1,193,943)	(123,045)	-	(1,316,988)
Premium received on issued bonds, net of issuance costs	-	-	-	-
General Obligation Bonds	-	4,796,650	-	4,796,650
Total other financing sources (uses)	(688,142)	5,327,814	-	4,639,672
Net change in fund balances	(709,548)	1,157,497	14,081	462,030
Fund balances, beginning of year	7,523,799	(247,132)	270,968	7,547,635
Fund balances, end of year	\$ 6,814,251	910,365	285,049	8,009,665

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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

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, 2020

		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	\$	-	-	42,423	-	-	-	-
Investments		-	83,204	-	614,056	26,983	76,741	2,417,069
Intergovernmental receivable		-	-	5,950	-	-	-	-
Due from State of Maine		-	-	-	-	-	-	-
Accounts receivable		-	-	1,000	-	-	-	-
Interfund loans receivable		175,810	-	-	-	-	-	4,142
Inventory		-	-	3,774	-	-	-	-
Notes receivable		-	-	-	-	-	-	-
Total assets	\$	175,810	83,204	53,147	614,056	26,983	76,741	2,421,211
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		-	-	8,817	-	-	-	302,919
Interfund loans payable		-	32,232	-	239,766	-	-	-
Performance bond deposits		-	-	-	-	-	-	-
Total liabilities		-	32,232	8,817	239,766	-	-	302,919
Fund balances:								
Nonspendable		-	-	3,774	-	-	-	-
Restricted		-	50,972	-	374,290	-	-	-
Committed		175,810	-	40,556	-	26,983	76,741	2,118,292
Unassigned		-	-	-	-	-	-	-
Total fund balances (deficit)		175,810	50,972	44,330	374,290	26,983	76,741	2,118,292
Total liabilities and fund balances	\$	175,810	83,204	53,147	614,056	26,983	76,741	2,421,211

	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	-	-	-	-	5,676	20,758	-	68,857
Investments	1,933,957	211,389	94,946	27,385	1,577,048	-	-	7,062,778
Intergovernmental receivable	-	-	-	-	-	-	-	5,950
Accounts receivable	-	-	24,721	-	37,284	479,915	28,345	571,265
Interfund loans receivable	20,345	8,287	39,922	-	-	-	-	248,506
Inventory	-	-	-	-	-	-	55,865	59,639
Notes receivable	-	-	-	-	-	-	-	-
Total Assets	1,954,302	219,676	159,589	27,385	1,620,008	500,673	84,210	8,016,995
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	-	38,078	-	8,723	77,708	3,212	439,457
Interfund loans payable	312,104	-	-	3,440	116,339	-	59,406	763,287
Performance bond deposits	-	-	-	-	-	-	-	-
Total Liabilities	312,104	-	38,078	3,440	125,062	77,708	62,618	1,202,744
Fund balances:								
Nonspendable	-	-	-	-	-	-	55,865	59,639
Restricted	-	219,676	-	23,945	105,444	-	-	774,327
Committed	1,642,198	-	121,511	-	1,389,502	422,965	-	6,014,558
Unassigned	-	-	-	-	-	-	(34,273)	(34,273)
Total fund balances (deficit)	1,642,198	219,676	121,511	23,945	1,494,946	422,965	21,592	6,814,251
Total liabilities and fund balances	1,954,302	219,676	159,589	27,385	1,620,008	500,673	84,210	8,016,995

TOWN OF SCARBOROUGH, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2020

	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	-	2,198	-	16,882	738	2,098	63,292
Contributions	-	-	249,031	-	-	-	-
Sale of Lots/Land/Equip	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	36,222
Assessments and impact fees	13,000	857,125	-	-	-	-	-
Total revenues	13,000	859,323	249,031	16,882	738	2,098	99,514
Expenditures:							
Construction and acquisitions	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-
Other	-	857,577	258,562	28,703	-	-	-
Total expenditures	-	857,577	258,562	28,703	-	-	-
Excess (deficiency) of revenues over expenditures	13,000	1,746	(9,531)	(11,821)	738	2,098	99,514
Other financing sources (uses):							
Transfers in	-	4,752	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(54,430)
Total other financing sources (uses)	-	4,752	-	-	-	-	(54,430)
Net change in fund balances	13,000	6,498	(9,531)	(11,821)	738	2,098	45,084
Fund balances (deficit), beginning of year	162,810	44,474	53,861	386,111	26,245	74,643	2,073,208
Fund balances (deficit), end of year	\$ 175,810	50,972	44,330	374,290	26,983	76,741	2,118,292

	Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	Totals
Revenues:								
Intergovernmental	-	78,134	27,133	-	63,567	883,430	190,667	1,242,931
Interest earned	53,434	5,634	1,823	761	46,126	-	-	192,986
Contributions	-	-	-	3,165	-	139,867	-	392,063
Sale of Lots/Land/Equip	-	-	-	-	-	-	-	-
Other	687,256	-	-	-	545,101	-	1,008,096	2,276,675
Assessments and impact fees	-	-	1,897,016	-	-	-	-	2,767,141
Total revenues	740,690	83,768	1,925,972	3,926	654,794	1,023,297	1,198,763	6,871,796
Expenditures:								
Construction and acquisitions	2,498	1,297	-	-	831,659	-	-	835,454
Education	-	-	-	-	-	1,044,792	1,621,773	2,666,565
Benefits paid	-	-	-	-	-	-	-	-
Other	-	-	2,246,341	-	-	-	-	3,391,183
Total expenditures	2,498	1,297	2,246,341	-	831,659	1,044,792	1,621,773	6,893,202
Excess (deficiency) of revenues over expenditures	738,192	82,471	(320,369)	3,926	(176,865)	(21,495)	(423,010)	(21,406)
Other financing sources (uses):								
Transfers in	59,089	-	-	-	-	-	441,960	505,801
Bond Proceeds	-	-	-	-	-	-	-	-
Transfers out	(1,057,534)	(25,000)	(50,000)	(3,440)	(3,539)	-	-	(1,193,943)
Total other financing sources (uses)	(998,445)	(25,000)	(50,000)	(3,440)	(3,539)	-	441,960	(688,142)
Net change in fund balances	(260,253)	57,471	(370,369)	486	(180,404)	(21,495)	18,950	(709,548)
Fund balances (deficit), beginning of year	1,902,451	162,205	491,880	23,459	1,675,350	444,460	2,642	7,523,799
Fund balances (deficit), end of year	1,642,198	219,676	121,511	23,945	1,494,946	422,965	21,592	6,814,251

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, 2020

	Fund balances beginning of year	Revenues		Program expenditures	Fund balances end of year
		Grants	Other		
Federal education grant programs:					
NCLB/Title IA	\$ -	111,107	-	111,107	-
NCLB/Title IIA	-	67,431	-	67,431	-
NCLB/Title IVA	-	6,513	-	6,513	-
Local Entitlement	(27,360)	681,742	-	654,382	-
Preschool handicapped	-	8,037	-	8,037	-
Total federal education grant programs	(27,360)	874,830	-	847,470	-
Other State grant programs:					
PEPG Grant	588	-	-	-	588
Scarborough Education Foundation	2,171	-	35,741	9,154	28,758
Finberg Trust	137,493	-	-	750	136,743
Other Donations	22,631	-	11,996	4,335	30,292
Proficiency Based Graduation	3,083	-	-	-	3,083
Technology Maintenance Fees	298,982	-	67,557	151,121	215,418
School Nutrition Special Programs	6,389	-	24,573	23,204	7,758
CC Admin Certification	483	-	8,600	8,758	325
Total other state grant programs	471,820	-	148,467	197,322	422,965
Total school categorical programs	\$ 444,460	874,830	148,467	1,044,792	422,965

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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, 2020

	General School Improvements	General Town Improvements	Totals
ASSETS			
Cash and cash equivalents	-	248,107	248,107
Investments	\$ 360,613	308,465	669,078
Accounts Receivable	-	-	-
Interfund loans receivable	309,606	261,823	571,429
Total assets	\$ 670,219	818,395	1,488,614
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	47,841	202,196	250,037
Interfund loans payable	328,212	-	328,212
Total liabilities	376,053	202,196	578,249
Fund balance (deficit):			
Restricted	-	-	-
Unassigned	294,166	616,199	910,365
Total fund balance (deficit)	294,166	616,199	910,365
Total liabilities and fund balance	\$ 670,219	818,395	1,488,614

TOWN OF SCARBOROUGH, MAINE
Nonmajor Capital Project Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2020

	General School Improvements	General Town Improvements	Totals
Revenues:			
Intergovernmental	\$ -	732,026	732,026
Taxes	175,130	85,000	260,130
Interest earned	225	4,744	4,969
Other	-	31,201	31,201
Total revenues	175,355	852,971	1,028,326
Expenditures:			
Capital Improvements	3,018,881	2,179,762	5,198,643
Total expenditures	3,018,881	2,179,762	5,198,643
Excess (deficiency) of revenues over expenditures	(2,843,526)	(1,326,791)	(4,170,317)
Other financing sources (uses):			
Transfers in	474,373	179,836	654,209
Transfers out	(50,625)	(72,420)	(123,045)
Premium received on issued bonds, net of issuance costs	-	-	-
Proceeds of general obligation bonds	2,931,385	1,865,265	4,796,650
Total other financing sources (uses)	3,355,133	1,972,681	5,327,814
Net change in fund balances	511,607	645,890	1,157,497
Fund balances (deficit), beginning of year	(217,441)	(29,691)	(247,132)
Fund balances, end of year	\$ 294,166	616,199	910,365

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, 2020

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
ASSETS				
Investments	\$ 244,779	26,038	3,136	273,953
Interfund loans receivable	12,000	-	-	12,000
Total assets	\$ 256,779	26,038	3,136	285,953
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	-	904	-	904
Total liabilities	-	904	-	904
Fund balances:				
Nonspendable Principal	166,121	13,367	500	179,988
Restricted Expendable Income	90,658	11,767	2,636	105,061
Total fund balances	256,779	25,134	3,136	285,049
Total liabilities and fund balances	\$ 256,779	26,038	3,136	285,953

TOWN OF SCARBOROUGH, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2020

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
Revenues:				
Interest and dividends	\$ 6,347	705	74	7,126
Sale of lots/perpetual care deposits	7,380	-	-	7,380
Total revenues	13,727	705	74	14,506
Expenditures:				
Earnings retained by General Fund	-	425	-	425
Other	-	-	-	-
Total expenditures	-	425	-	425
Net change in fund balances	13,727	280	74	14,081
Fund balances, beginning of year	243,052	24,854	3,062	270,968
Fund balances, end of year	\$ 256,779	25,134	3,136	285,049

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, 2020

	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	\$ 1,084	98,157	95,000	195	12	1,184	9,670	338	2,460	11,528	1,330	371	3,192	224,521
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,084	98,157	95,000	195	12	1,184	9,670	338	2,460	11,528	1,330	371	3,192	224,521
LIABILITIES AND NET ASSETS														
Liabilities:														
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	-	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000
Total liabilities	-	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000
Net position:														
Nonspendable Principal	1,240	100,000	87,680	-	-	-	-	500	2,026	3,500	-	350	3,810	199,106
Restricted Interest	(156)	(3,843)	7,320	195	12	1,184	9,670	(162)	434	8,028	1,330	21	(618)	23,415
Total net position	1,084	96,157	95,000	195	12	1,184	9,670	338	2,460	11,528	1,330	371	3,192	222,521
Total liabilities and net position	\$ 1,084	98,157	95,000	195	12	1,184	9,670	338	2,460	11,528	1,330	371	3,192	224,521

TOWN OF SCARBOROUGH, MAINE
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2020

	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	29	2,681	2,577	5	-	32	286	9	63	274	35	10	79	6,080
Total additions	29	2,681	2,577	5	-	32	286	9.00	63	274	35	10	79.0	6,080
Deductions:														
School scholarships	-	4,000	1,000	-	-	-	1,500	-	-	-	-	-	-	6,500.00
Total deductions	-	4,000	1,000	-	-	-	1,500	-	-	-	-	-	-	6,500.00
Changes in net assets	29	(1,319)	1,577	5	-	32	(1,214)	9	63	274	35	10	79	(420.00)
Net position, beginning 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
Net position, end of year	\$ 1,084	96,157	95,000	195	12	1,184	9,670	338	2,460	11,528	1,330	371	3,192	222,521

TOWN OF SCARBOROUGH, MAINE
Agency Funds
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
STUDENT ACTIVITIES:				
ASSETS				
Cash	\$ 658,806	669,735	573,904	754,637
LIABILITIES				
Payable to student groups	\$ 658,806	669,735	573,904	754,637

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Town of Scarborough Maine

Comprehensive Annual

Financial Report



General Long Term Debt

Public Safety Building

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TOWN OF SCARBOROUGH, MAINE
Statement of Changes in Long-term Debt
For the year ended June 30, 2020

	Interest rate	Final maturity date	Annual principal payments	Balance beginning of year	Current Year		Balance end of year
					Issued	Retired	
<u>General Obligation Bonds</u>							
2009 Bond Refunding	3.00%	2020	\$ 115,000 in 2020	115,000	-	115,000	-
2010 Capital Improvements	3.75%	2031	345,000 to 2021				
	Varies		280,000 to 2026				
2011 Capital Improvements	4.00%		100,000 to 2031	2,590,000	-	345,000	2,245,000
	2.75%	2031	355,000 to 2021				
	Varies		115,000 to 2026				
2012 Capital Improvements	4.00%	2042	110,000 to 2031	1,835,000	-	355,000	1,480,000
	5.00%		3,210,000 in 2020				
	3.00%		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				
2013 Capital Improvements	Varies	2043	685,000 to 2042	36,400,000	-	3,210,000	33,190,000
	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				
2014 Capital Improvements	Varies	2034	565,000 to 2043	21,600,000	-	770,000	20,830,000
	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	3,060,000	-	325,000	2,735,000

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

	Interest rate	Final maturity date	Annual principal payments	Balance beginning of year	Current Year		Balance end of year
					Issued	Retired	
<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		4,175,000	-	430,000
2016 Capital Improvements	2.00%	2036	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				
	4.00%		335,000 in 2028				
	4.00%		165,000 in 2029				
	3.00%		65,000 to 2036		4,980,000	-	785,000
2017 Capital Improvements	4.00%	2037	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				
	3.00%	35,000 to 2037		2,395,000	-	360,000	2,035,000
2018 Capital Improvements	5.00%	2048	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				
	4.00%		510,000 to 2039				
	Varies		500,000 to 2048		18,190,000	-	935,000
2019 Capital Improvements	Varies	2049	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	-	-
2020 Capital Improvements	Varies		0 in 2020				
	Varies		745,000 to 2026				
	5.00%		370,000 to 2031				
	Varies		215,000 to 2036				
	2.25%		80,000 to 2039				
	2.25%		75,000 to 2040		-	7,040,000	7,040,000
Total bonds				102,720,000	7,040,000	7,630,000	102,130,000
Total long-term debt		\$		102,720,000	7,040,000	7,630,000	102,130,000

Town of Scarborough Maine Comprehensive Annual Financial Report



Statistical Section

Project of the Year 2020 — Hospice of Southern Maine

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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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 64,957,968
Restricted	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	2,407,963
Unrestricted	(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	(4,065,315)
Total governmental activities net position	\$ 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	\$ 63,300,616

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Program revenues:										
Charges for services										
General government	\$ 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	\$ 3,365,087
Public services	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	2,562,570
Public safety	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	3,606,215
Public works	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	1,707,293
Education	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	1,217,477
Interest on debt services	-	-	-	-	-	-	-	-	-	-
Operating grants and activities	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	11,535,370
Capital grants and contributions	170,480	174,652	97,351	159,089	54,304	149,582	161,912	54,317	96,626	62,802
General revenues:										
Property and excise taxes, levies for general purposes	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	74,414,696
Grants and contributions not restricted to specific programs	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	3,655,801
Unrestricted investment earnings	42,024	66,255	42,573	108,862	390,260	84,783	175,917	152,437	525,771	230,534
Total revenues	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	102,357,845
Expenses:										
General government	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	16,045,768
Public services	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	4,810,221
Public safety	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	13,043,518
Public works	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	7,996,409
Education	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	55,037,803
Interest on debt service	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	3,694,489
Total expenses	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	100,628,208
Net (expense)/revenue:	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	1,729,637
Change in Net Position	\$ 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	\$ 1,729,637

Table 3

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable Inventory		34	34	48	43	31	13	28	28	31
Restricted for Town	2,685	2,993	3,861	2,838	2,898	2,743	2,958	3,148	2,951	2,930
Restricted for Education	496	440	977	509	540	2,224	242	332	200	649
Committed - General Fund	630	688	374	452	519	503	400	393	441	455
Assigned - General Fund	2,223	1,606	1,825	1,584	2,305	2,140	1,676	1,976	2,122	2,616
Assigned - Education	-	200	200	800	425	426	2,102	501	352	700
Unassigned - General Fund	955	2,093	1,787	3,377	4,973	6,108	6,894	7,387	8,212	7,702
Unreserved	-									
Total general fund	\$ 6,989	\$ 8,054	\$ 9,058	\$ 9,608	\$ 11,703	\$ 14,175	\$ 14,285	\$ 13,765	\$ 14,306	\$ 15,083
All Other Governmental Funds										
Nonspendable Permanent Fund Principal	126	129	132	135	147	155	164	168	173	180
Nonspendable Inventory Special Revenues	21	27	27	14	26	36	36	40	43	60
Restricted Special Revenues	852	473	463	651	624	637	645	873	717	774
Restricted Capital Projects	1,941	20,027	22,904	9,495	5,409	2,317	651	15,203	10,486	-
Restricted Permanent Fund Interest	84	84	84	85	86	90	90	91	98	105
Committed - Special Revenues	4,292	4,309	4,362	4,446	4,439	4,752	5,246	6,265	6,751	5,974
Unassigned - Special Revenues	(115)	(262)	(683)	(1,083)	(1,365)	(1,550)	(1,746)	(1,943)	(1,972)	(2,282)
Unassigned - Capital Projects	(434)	(378)	(308)	(206)	(567)	1,527	-	-	(247)	(896)
Total all other governmental funds	\$ 6,767	\$ 24,409	\$ 26,981	\$ 13,537	\$ 8,799	\$ 7,964	\$ 5,086	\$ 20,697	\$ 16,049	\$ 3,915
Total Governmental Funds Fund Balances:	13,756	\$ 32,463	\$ 36,039	\$ 23,145	\$ 20,502	\$ 22,139	\$ 19,371	\$ 34,462	\$ 30,355	\$ 18,998

¹ Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

² In fiscal year 2011 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 48,957	\$ 50,428	\$ 54,393	\$ 58,826	\$ 61,154	\$ 63,719	\$ 65,949	\$ 68,340	\$ 72,140	\$ 74,600
Licenses and permits	480	494	554	662	756	817	782	939	864	866
Intergovernmental	13,701	13,136	12,024	10,976	12,879	11,672	10,954	10,600	12,480	14,785
Interest earned	125	153	178	230	449	199	426	192	739	434
Other	7,549	8,420	8,883	8,966	10,376	10,418	11,193	11,852	12,613	11,299
Total revenues	70,812	72,631	76,032	79,660	85,614	86,825	89,304	91,923	98,836	101,984
Expenditures										
General government	6,144	4,403	4,957	5,201	4,829	4,951	5,932	7,070	8,005	6,785
Public services	4,831	3,841	3,931	4,146	4,612	4,690	4,922	4,945	4,724	4,660
Public safety	7,318	8,242	8,578	8,879	9,344	10,297	11,116	11,836	11,478	13,873
Public works	5,353	4,598	7,398	6,503	6,506	7,233	7,128	6,750	9,377	6,322
Education (Excludes School Debt)	33,364	33,220	37,295	40,149	45,614	43,681	45,541	46,291	49,401	52,346
Education Debt (Prin & Int)	4,142	3,758	3,653	4,150	4,606	5,119	5,761	5,614	5,691	5,254
County tax	1,923	1,976	2,075	2,194	2,355	2,493	2,569	2,710	2,827	2,957
Debt service (Principal-Town Only (1))	2,961	5,417	4,942	3,353	3,506	3,760	3,800	3,866	3,868	4,525
Debt service (Interest-Town Only)	1,810	1,151	1,109	1,118	1,100	1,164	1,058	1,008	1,731	1,704
Capital Outlay	6,037	6,347	16,988	21,840	9,942	3,626	4,415	3,636	10,887	19,363
Other	4,014	4,948	1,817	1,775	1,928	2,054	2,639	2,637	3,099	3,635
Total expenditures	77,897	77,901	92,743	99,308	94,342	89,068	94,881	96,363	111,088	121,424
Excess (deficiency) of revenues over (under) expenditures	(7,085)	(5,270)	(16,711)	(19,648)	(8,728)	(2,243)	(5,577)	(4,440)	(12,252)	(19,440)
Other financing sources (uses)										
Transfers in	1,477	2,061	1,845	1,371	1,071	1,410	3,208	1,264	1,368	1,978
Transfers out	(1,477)	(2,061)	(1,845)	(1,371)	(1,071)	(1,410)	(3,208)	(1,264)	(1,368)	(1,978)
Capital Lease proceeds	-	-	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	1,043
General obligation bonds and capital leases	4,445	21,940	18,620	6,505	6,085	3,755	2,755	18,190	7,380	7,040
Total other financing sources (uses)	4,433	23,975	20,288	6,754	6,085	3,840	2,755	19,531	8,145	8,083
Net change in fund balances	\$ (2,652)	18,705	3,577	(12,894)	(2,643)	1,597	(2,822)	15,091	(4,107)	(11,357)
Debt Service as a percentage of non-capital expenditures	6.64%	9.18%	7.99%	5.77%	5.46%	5.76%	5.37%	5.26%	5.59%	6.10%

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
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
2020	6,785,332	4,659,552	12,101,459	6,322,048	49,804,315	2,956,659	6,228,805	1,215,505	90,073,675

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
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
2020	67,674,116	95,112	6,323,543	28,718	218,180	74,339,669

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		
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%
2020	4,577,104,776	119,356,600	4,696,461,376	4,696,461,376	14.70	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
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
2020	4.091	10.147	0.630	0.228	0.064	(0.460)	14.70

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)

2011				2020			
<u>Taxpayer</u>	Taxable Assessed		Percentage of Total Taxable Assessed	<u>Taxpayer</u>	Taxable Assessed		Percentage of Total Taxable Assessed
	<u>Value</u>	<u>Rank</u>	<u>Value</u>		<u>Value</u>	<u>Rank</u>	<u>Value</u>
Maine Life Care Retirement	\$ 60,871,400	1	1.71%	Maine Life Care Retirement	\$ 82,419,800	1	1.75%
Wal-Mart/Sam's Club	39,987,600	2	1.12%	Wal-Mart/Sam's Club	43,186,300	2	0.92%
New England Expedition	35,132,100	3	0.99%	Gavin Ruotolo	35,231,700	3	0.74%
MMC Realty Maine Health	27,493,400	4	0.77%	Central Maine Power	34,720,900	4	0.74%
Hannaford Brothers	25,564,400	5	0.72%	RRE Foxcroft/Coach Lantern	29,781,500	5	0.63%
Scarborough Gallery	22,019,000	6	0.62%	Hannaford Brothers	28,927,900	6	0.62%
Gavin Ruotolo	18,598,300	7	0.52%	The Residences at Gateway Common	22,396,800	7	0.48%
Central Maine Power	14,597,500	8	0.41%	New England Expedition	22,335,200	8	0.48%
RRE Foxcroft/Coach Lantern	13,253,400	9	0.37%	Scarborough Gallery	21,284,600	9	0.45%
Shaw's Supermarkets	12,472,600	10	0.35%	Waterstone Scarborough	17,439,600	10	0.37%
Total Principal Taxpayers	269,989,700		7.59%		337,724,300		7.19%
Total Assessed Value:	\$ 3,556,551,900				\$ 4,696,461,376		

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
2011	44,928,747	44,325,013	98.7%	594,834	44,919,847	99.98%
2012	46,684,211	46,102,831	98.8%	572,949	46,675,780	99.98%
2013	50,125,493	49,483,773	98.7%	631,367	50,115,140	99.98%
2014	54,062,720	53,305,613	98.6%	745,241	54,050,854	99.98%
2015	55,877,372	55,321,988	99.0%	543,062	55,865,050	99.98%
2016	58,018,545	57,331,779	98.8%	670,618	58,002,396	99.97%
2017	60,119,691	59,602,002	99.1%	498,984	60,100,985	99.97%
2018	62,422,707	61,848,681	99.1%	528,625	62,377,306	99.93%
2019	66,162,710	65,462,458	98.9%	533,752	65,996,211	99.75%
2020	69,037,982	68,228,330	98.8%	-	68,228,330	98.83%

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
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
2020	4,577,104,776	119,356,600	4,696,461,376	14.70	69,037,982

Source: Town of Scarborough Assessor's Office

Table 12

STATUTORY DEBT LIMIT BY STATE AND LOCAL
State of Maine Legal Debt Margin Calculation
June 30, 2020

				State Assessed Value:	<u><u>\$4,778,350,000</u></u>
				Legal Debt Margin Limit of 15% of State Valuation	\$716,752,500
Purpose	State Legal Percent	State Legal Debt Limit	Principal Debt Outstanding	Margin	Actual Percent
Municipal - Other	7.5%	\$358,376,250	\$43,293,084	\$315,083,166	0.91%
Storm or Sanitary Sewer	7.5%	\$358,376,250	\$4,760,000	\$353,616,250	0.10%
School	10.0%	\$477,835,000	\$54,076,916	\$423,758,084	1.13%
Munc Airport, Water,Special District	3.0%	\$143,350,500	\$0	\$143,350,500	0.00%
		Total	<u><u>\$102,130,000</u></u>		
				Total Bonded Debt Applicable to Debt Limit	<u><u>\$102,130,000</u></u>
				Legal Debt Margin	<u><u>\$614,622,500</u></u>

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, 2020

				Scarborough Legal Debt Margin Limit of 8.50% of State Valuation	\$406,159,750
Purpose	Scarborough Legal Percent	Scarborough Legal Debt Limit	Principal Debt Outstanding	Margin	Actual Percent
Municipal - Other	4.0%	\$191,134,000	\$43,293,084	\$147,840,916	0.91%
Storm or Sanitary Sewer	4.0%	\$191,134,000	\$4,760,000	\$186,374,000	0.10%
School	5.0%	\$238,917,500	\$54,076,916	\$184,840,584	1.13%
Munc Airport, Water,Special District	1.5%	\$71,675,250	-	\$71,675,250	0.00%
		Total	<u><u>\$102,130,000</u></u>		
				Total Bonded Debt Applicable to Debt Limit	<u><u>\$102,130,000</u></u>
				Legal Debt Margin	<u><u>\$304,029,750</u></u>

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
2011	66,767,000		1,105,143	67,872,143	18,919	8.66%	3,588
2012	82,250,000	2,428,572	687,335	85,365,907	18,786	10.51%	4,544
2013	96,180,000	5,715,066	622,334	102,517,400	18,941	12.53%	5,412
2014	97,895,000	5,474,486	597,722	103,967,208	19,343	12.47%	5,375
2015	98,500,000	5,233,907	395,578	104,129,485	19,602	12.52%	5,312
2016	95,920,000	5,315,488	199,715	101,435,203	19,819	12.20%	5,118
2017	91,630,000	5,049,838	-	96,679,838	19,911	10.62%	4,856
2018	102,650,000	6,125,334	97,939	108,873,273	20,379	11.04%	5,342
2019	102,720,000	6,602,073	49,567	109,371,640	20,991	9.90%	5,210
2020	102,130,000	7,307,717	-	109,437,717	21,428	9.64%	5,107

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
2011	66,767,000		66,767,000	3,556,551,900	1.88%	18,919	8.66%	3,529
2012	82,250,000	2,428,572	84,678,572	3,571,196,300	2.30%	18,786	10.51%	4,378
2013	96,180,000	5,715,066	101,895,066	3,631,675,300	2.65%	18,941	12.53%	5,078
2014	97,895,000	5,474,486	103,369,486	3,660,305,700	2.67%	19,343	12.47%	5,061
2015	98,500,000	5,233,907	103,733,907	3,700,488,200	2.66%	19,602	12.52%	5,025
2016	95,920,000	5,315,488	101,235,488	3,745,548,100	2.56%	19,819	12.20%	4,840
2017	91,630,000	5,049,838	96,679,838	3,776,362,500	2.43%	19,911	10.62%	4,602
2018	102,650,000	6,125,334	108,775,334	3,785,488,342	2.71%	20,379	11.04%	5,037
2019	102,720,000	6,602,073	109,322,073	4,012,292,612	2.56%	20,991	9.90%	4,894
2020	102,130,000	7,307,717	109,437,717	4,696,461,376	2.17%	21,428	9.64%	4,766

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
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%
2020	7,630,000	3,784,372	11,414,372	90,073,675	12.67%

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 534,623	\$ 533,513	\$ 522,375	\$ 536,918	\$ 451,595	\$ 568,793	\$ 584,903	\$ 610,215	\$ 647,040	\$ 716,753
Total net debt applicable to limit	66,767	84,679	101,895	103,369	103,734	95,920	91,630	102,650	102,720	102,130
Legal debt margin	467,856	448,834	420,480	433,549	347,861	472,873	493,273	507,565	544,320	614,623
Total net debt applicable to the limit as a percentage of debt limit	12.49%	15.87%	19.51%	19.25%	22.97%	16.86%	15.67%	16.82%	15.88%	14.25%

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

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

Table 17

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

<u>Fiscal Year</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>	<u>2020</u>
Town of Scarborough:										
General Obligation Bonds	66,767	82,250	96,180	97,895	98,500	95,920	91,630	102,650	102,720	102,130
Premium		4,371	5,715	5,474	5,234	5,315	5,050	6,125	6,602	7,308
Capital Leases	1,105	687	623	598	396	200	-	98	50	-
Total Direct Debt	67,872	87,308	102,518	103,967	104,130	101,435	96,680	108,873	109,372	109,438
Cumberland County	126	3,352	3,254	3,458	3,457	3,321	3,464	3,286	3,486	3,357
Portland Water District	3,845	3,933	3,483	5,994	6,454	6,654	6,396	6,926	7,300	7,829
Total Overlapping Debt	3,971	7,285	6,737	9,452	9,911	9,975	9,860	10,212	10,786	11,186
ecomaine Waste Systems:										
Resource recovery system	231	-	-	-	-	-	-	-	-	-
Material recovery facility	120	-	-	-	-	-	-	-	-	-
Landfill closure/postclosure	1,302	1,371	1,405	1,436	1,467	1,504	1,318	1,324	1,381	1,408
Total Contingent Debt	1,653	1,371	1,405	1,436	1,467	1,504	1,318	1,324	1,381	1,408
Total Direct, Overlapping/Contingent	73,496	95,964	110,660	114,855	115,508	112,914	107,858	120,409	121,539	122,032

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 (c)	Median Age (c)	School Enrollment (d)	Unemployment Rate (e)
2011	19,034	771,409,952	40,528	44	3,269	5.50%
2012	19,120	782,428,640	40,922	45	3,205	5.20%
2013	19,299	767,752,818	39,782	45	3,157	4.70%
2014	19,494	785,003,886	40,269	45	3,106	3.70%
2015	19,602	786,804,678	40,139	45	2,989	3.10%
2016	19,819	786,477,377	39,683	45	2,971	2.90%
2017	19,911	862,703,808	43,328	46	2,920	2.80%
2018	20,379	929,954,907	45,633	47	2,948	2.70%
2019	20,991	1,037,417,202	49,422	48	2,999	2.40%
2020	21,428	1,059,014,616	49,422	48	2,873	6.20%

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

Source: U.S. Census Bureau, *Annual Estimates of Resident Population, 2010 to 2019, Vintage 2019 Minor Civil Divisions
 2020 Population projected based on average of 1 year and 9-year percentage increases.

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

(c) American Community Survey 5-Year Estimates- latest available is 5-Year 2015-2019 survey.

(d) Enrollment numbers for October of each year, produced by Scarborough School Department, includes out of district students

(e) State of Maine Department of Labor, Division of Economic Analysis and Research.

Table 19

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

2011			2020			Percentage of total Town Employment
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees *</u>	<u>Rank</u>	
Town of Scarborough	1,371	1	Town of Scarborough	1,260	1	8.8%
Hannaford Brothers	1,000	2	Hannaford	1,100	2	7.7%
US Postal Service	600	3	Abbott (formerly Alere)	926	3	6.5%
NorDX	300	4	Maine Health	500	4	3.5%
Maine Medical Center	300	5	US Postal Service	450	5	3.1%
Wal-Mart	250	6	Wal-Mart	300	6	2.1%
Cabela's	250	7	Johnson & Jordan	292	7	2.0%
Shaw's	200	8	Piper Shores	245	8	1.7%
Piper Shores	200	9	Morrison Center	244	9	1.7%
Sam's Wholesale Club	200	10	Comfort Keepers	180	10	1.3%

* Source: Scarborough Economic Development Corporation (SEDCO)

Latest Estimate of Employment: 14,299 (Source: ME Dept of Labor, Second Quarter, 2020 Covered Employment - all industries)

Note: Qtr 2, 2019 = 16,274

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
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%
2020	6.9%	6.5%	6.2%	11.2%

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.

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

Function:	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Govt:										
Town Clerk										
Certified Copies	5,820	5,068	4,624	5,596	5,577	5,962	5,762	5,077	5,446	5,049
Licenses	545	585	572	861	839	735	821	844	997	162
Permits	919	905	889	930	1,065	1,047	1,134	750	404	279
Beach Passes	2,443	2,701	2,934	2,763	2,665	2,496	4,775	5,603	5,970	5,279
Community Services										
Passports Applications	534	-	459	641	643	665	695	675	648	497
Finance Revenue Office										
Licenses & Permits	817	782	791	670	662	697	702	700	717	498
Tax Bill Issued	9,809	9,516	9,594	9,623	9,623	9,796	9,897	9,993	10,325	10,301
Excise Registrations	25,384	25,637	30,477	29,566	27,728	29,604	29,892	30,065	30,004	25,470
Planning:										
Permits	554	553	621	609	651	774	785	809	785	647
Certificates of Occupancy	176	173	174	217	198	262	267	252	190	256
Public Safety:										
Police:										
Physical arrests	989	1,026	898	826	895	697	521	864	768	582
Traffic violations	819	1,069	1,126	1,007	977	1,333	1,433	1,847	1,541	561
Fire:										
Number of calls answered	1,718	1,733	1,610	1,744	1,832	1,720	2,381	1,340	1,318	1,355
Number of Inspections	3,394	3,583	3,455	3,378	3,192	2,529	3,078	3,319	3,044	2,860
Rescue:										
Number of calls answered	2,125	2,141	2,116	1,950	2,359	3,029	2,900	2,917	2,950	2,876
Public Works:										
Street resurfacing (miles)	6.37	6.45	3.62	5.31	5.90	4.18	5.15	4.62	4.60	7.58
Pot holes repaired (qty used in tons)	24	24	13	29	12	4	48	42	39	74
No. times plows dispatched	26	30	60	35	28	19	21	24	28	26

Source: Town of Scarborough various departments

Note:

FY2020 Street resurfacing miles include Gorham Road

FY2012 Scarborough Public Library Processed Passport Applications

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

Function:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Govt:										
Planning Vehicles	5	4	4	4	4	4	3	4	3	3
Technology Vehicles	3	3	3	4	4	4	3	3	3	3
Public Service:										
Community Services										
Vehicles	5	5	6	7	7	8	8	6	7	8
Parks	4	5	6	6	6	6	6	6	6	6
Public Safety:										
Police:										
Vehicles - Patrol Units	8	12	12	12	12	12	12	14	14	14
Vehicles - Patrol Motorcycles				2	2	2	2	2	2	2
Facilities	1	1	1	1	1	1	1	1	1	1
Fire:										
Vehicles - Response Trucks	10	11	12	12	12	12	12	12	12	13
Marine	2	2	2	2	2	2	2	2	2	4
Facilities	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)	121.92	175.56	174.20	174.92	175.44	175.44	176.80	176.80	177.20	179.08
Streets Lights										1,100.00
Traffic Signals	35	35	37	37	43	43	43	43	43	43
Generators	10	10	10	10	10	11	11	11	11	12
Education:										
Vehicles - Buses	29	28	26	28	29	26	26	29	30	29
Facilities	6	6	6	6	6	6	6	6	6	6

Source: Town of Scarborough various departments

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

	<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>	<u>2020</u>
General Government:										
Full time	37	35	34	32	35	36	37	39	42	39
Part Time	55	57	61	52	64	14	23	12	14	34
Public Services:										
Full time	23	15	15	15	15	15	17	16	13	14
Part Time	146	148	160	139	125	123	156	150	102	53
Public Safety:										
Police										
Full time	52	53	55	53	53	55	67	61	60	61
Part Time	38	28	30	33	28	36	39	36	28	28
Fire										
Full time	5	5	5	8	8	8	9	9	9	6
Part Time	150	153	151	150	160	169	146	154	149	113
Rescue										
Full time	20	20	20	21	23	24	24	24	24	29
Part Time	11	11	10	0	0	0	0	0	0	0
Public Works:										
Full time	31	31	31	31	32	32	36	34	32	29
Part Time	1	1	3	1	1	2	5	8	7	6
Education:										
Full time	460	452	449	443	494	462	507	506	469	535
Part Time	262	302	296	246	327	323	274	307	347	198
Total:	1291	1311	1320	1224	1365	1299	1340	1356	1296	1145

Source: Town of Scarborough

Comments:

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

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

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

Source: Town of Scarborough