

**TOWN OF SCARBOROUGH**  
**Executive Summary for the period ending September 30, 2018**

Fall is in the air and the leaves are turning their beautiful colors. Much has happened during this first quarter of FY19. The commercial and industrial revaluation is complete and Scarborough's taxable valuation is now more than four billion. While the Assessor committed taxes one week later than last year, he was able to keep the tax rate at \$16.49, the same as last year. Property tax bills, therefore were mailed one week later and we have begun receiving tax payments. Engineering and architectural work continues for the new public safety building although we await the permits from the Maine Department of Environmental Protection (DEP). And last but not least the Town is evaluating the potential designation of one Tax Increment Finance District for the Oak Hill and the Downs areas.

Scarborough has completed three months (or 25%) of our FY19 budget. During the budget process, we were concerned about increasing the estimate for excise revenues by \$250,000. At this time, we are 26.6% collected and are on track. Most revenues are at or above this same time last year except for public works (PW) revenues. PW's charges each department for their cost of vehicle parts, fuel and labor. PW is presently in the process of streamlining this billing process to departments and so these intra-department revenues/transfers will be reflected in the second quarter reports. Last year at this time, these vehicle charges totaled about \$166,000 through the first quarter.

Total expenditures for FY19 are at 22.6% spent and revenues are at 62.42% collected for the General Fund, which includes the town, school and adult education. Tax collections for the past three years through September are 11.1%, 10.3% and 10.4% respectively compared to 7% for this year. While collections for this year are lower than in past years through September, in the first five days of October, tax payments are above 24% collected.

Annually, the unassigned fund balance is updated. Per our fund balance policy, the Town's goal is to maintain unassigned fund balance equal to 10% of the prior year operating budget. The 2018 Operating budget total is \$83,673,671. 10% of this amount is 8,367,367. We are currently working on our year ended June 30, 2018 financial statements that will help us determine our FY18 audited unassigned fund balance value to determine if we are at our fund balance goal.

The assets and liabilities are mostly determined by the timing of the expenditures and revenues and as such, I will focus on the expenditures and revenues. As a general indicator of fund balance, actual revenues and expenditures can measure the anticipated changes that could affect total fund balance.

**Positive** indicators are that most departments are within the 25% range of expenditures after the first quarter. One exception to this is the Community Services department which provide youth programs during the summer and front loads those expenditures.

On the revenue side, as the selected revenue sheet shows, most revenues are showing at or exceeding quarterly estimates. Intergovernmental revenues show higher than last year due to the increased reimbursement from the State for the Homestead program. With the Federal Reserve

increasing interest rate, the town's investment interest revenues are reaping the benefits with higher yields.

**Negative** indicators: The largest unknown at the end of September is the cost of vehicle maintenance not currently showing in department budgets. While this will even out over the next months, it does tend to skew some of the numbers in these reports.

In summary, through the first quarter of this fiscal year, the town staff continue to provide services to the Scarborough community and still keep a watchful eye on their expenditures.

# TOWN OF SCARBOROUGH

## TOWN GENERAL FUND BALANCE SHEET

	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>Variance</u>
<b><u>ASSETS</u></b>			
Cash	9,345,904	11,441,032	(2,095,128)
Taxes Receivable	62,322,322	56,241,384	6,080,938
Accts Receivable	269,937	770,738	(500,800)
Due From Other Funds	2,292,888	2,317,932	(25,044)
Inventories	12,598	31,301	(18,703)
<b>Total Assets and Outflows</b>	<b><u>74,243,649</u></b>	<b><u>70,802,386</u></b>	<b><u>3,441,263</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Paayables	1,611,286	1,636,205	(24,919)
Accrued Payroll	4,704,379	4,517,095	187,285
Prepaid Items	910	-	910
Deferred Tax Revenues	786,089	863,100	(77,010.94)
Taxes Collected In Advance	-	6	(6)
<b>Total Liabilitites and Inflows</b>	<b><u>7,100,844</u></b>	<b><u>7,016,405</u></b>	<b><u>84,439</u></b>
<b><u>FUND BALANCE</u></b>			
Fund Balance Unrestricted	8,698,586	9,676,097	(977,511)
Fund Balance Reserved	4,478,814	4,375,231	103,583
Fuel Inventory Reserve	12,598	31,301	(18,702.85)
Actual Revenues	70,906,749	66,712,691	4,194,058
Actual Expenditures	16,953,941	17,009,339	(55,398)
<b>Fund Balance</b>	<b><u>67,142,806</u></b>	<b><u>63,785,981</u></b>	<b><u>3,356,825</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>74,243,649</u></b>	<b><u>70,802,386</u></b>	<b><u>3,441,263</u></b>

**Town of Scarborough  
Comparative Year To Date Expenditures**

	<u>9/30/2018</u>			<u>9/30/2017</u>		
	<u>Revised</u> <u>Appropriation</u>	<u>YTD</u> <u>Expended</u>	<u>Percent</u> <u>Used</u>	<u>Revised</u> <u>Appropriation</u>	<u>YTD</u> <u>Expended</u>	<u>Percent</u> <u>Used</u>
<b><u>1100 General Fund</u></b>						
55 Legislative	11,573	2,893	25.0%	11,573	2,893	25.0%
56 Executive	2,320,576	565,123	24.3%	2,226,711	571,306	25.7%
57 Finance	1,091,602	244,850	22.5%	1,030,572	221,349	21.5%
58 Management Information Systems	1,444,398	356,447	24.9%	1,207,438	291,877	25.3%
59 Planning	1,056,153	186,247	17.6%	976,741	184,340	19.0%
62 Community Services	2,848,282	828,119	29.3%	2,729,722	762,783	28.2%
63 Library	1,152,091	288,023	25.0%	1,130,246	282,562	25.0%
66 Public Health & Welfare	32,314	5,255	16.3%	30,211	7,012	23.2%
68 SEDCo	240,693	45,238	18.8%	234,773	44,885	19.1%
71 Fire Services	5,295,093	1,174,590	22.1%	5,043,056	1,110,855	22.2%
72 Police Services	6,612,707	1,487,443	22.5%	6,415,138	1,500,497	23.4%
81 Public Works	6,742,788	1,454,402	44.4%	6,762,140	1,600,988	52.7%
85 Debt	5,579,904	-	0.0%	4,817,198	-	0.0%
91 County Tax	2,827,079	-	0.0%	2,709,666	-	0.0%
94 Capital Equipment	1,408,321	86,348	59.4%	1,040,617	198,757	43.0%
97 Other	1,693,189	100,208	5.9%	987,053	140,100	14.2%
<b>Total General Fund Expenditures</b>	<b>40,356,763</b>	<b>6,825,186</b>	<b>22.6%</b>	<b>37,352,855</b>	<b>6,920,205</b>	<b>24.5%</b>
Fund 7150 Adult Education	188,501	36,886	19.7%	182,701	29,670	16.2%
Fund 7100 Total School General Fund	48,526,504	10,091,869	21.4%	47,125,168	10,059,464	22.0%
<b>Total School General Fund Expenditures</b>	<b>48,715,005</b>	<b>10,128,756</b>	<b>21.3%</b>	<b>47,307,869</b>	<b>10,089,134</b>	<b>22.0%</b>
<b>Grand Total</b>	<b>89,071,768</b>	<b>16,953,941</b>	<b>21.9%</b>	<b>84,660,724</b>	<b>17,009,339</b>	<b>23.1%</b>

**3 Months = 25.00%**

**NOTES:**

**57:** Reflects change from contracted assessor to full time assessor and benefits.

**58:** MIS Staffing changes and higher software maintenance costs

**62:** Community Services: Additional Staffing for Youth Programs. Municipal Bldg - heating costs (Gas) Grounds maintenance: New

**71:** Fire Dept staffing costs

**72:** Police vehicle maintenance costs not yet allocated

**81:** PW vehicle maintenance costs not yet allocated and purchased recycling bins in FY18

**94:** Timing of capital equipment purchases for prior year and current year.

**Town of Scarborough  
Comparative Year To Date Revenues**

	<u>9/30/2018</u>			<u>9/30/2017</u>		
	<u>Revised Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>	<u>Revised Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
<b><u>1100 General Fund</u></b>						
90 Taxes	26,940,002	22,620,338	84.0%	25,508,095	21,242,572	83.3%
91 Interest On Delinquent Taxes	97,965	5,091	5.2%	89,000	5,026	5.6%
92 Licenses And Permits	700,980	177,470	25.3%	645,680	161,891	25.1%
93 Intergovernmental Revenues	3,267,910	1,007,451	30.8%	2,923,418	770,959	26.4%
94 Charge For Services	6,303,393	1,247,488	19.8%	5,760,260	1,280,883	22.2%
95 Fines Forfeits And Assessments	71,500	18,575	26.0%	71,500	34,114	47.7%
96 Miscellaneous Revenues	693,163	121,717	17.6%	619,197	163,091	26.3%
99 Other Financing Sources	2,281,850	-	0.0%	1,735,705	5,000	0.3%
<b>Total General Fund Revenues</b>	<b><u>40,356,763</u></b>	<b><u>25,198,129</u></b>	<b><u>62.4%</u></b>	<b><u>37,352,855</u></b>	<b><u>23,663,536</u></b>	<b><u>63.4%</u></b>
Fund 7150 Adult Education	188,501	103,644	55.0%	182,701	101,986	55.8%
Fund 7100 Total School General Fund	48,526,504	45,604,976	94.0%	47,125,168	42,947,168	91.1%
<b>Total School General Fund Revenues</b>	<b><u>48,715,005</u></b>	<b><u>45,708,620</u></b>	<b><u>93.8%</u></b>	<b><u>47,307,869</u></b>	<b><u>43,049,155</u></b>	<b><u>91.0%</u></b>
<b>Grand Total</b>	<b><u>89,071,768</u></b>	<b><u>70,906,749</u></b>	<b><u>79.6%</u></b>	<b><u>84,660,724</u></b>	<b><u>66,712,691</u></b>	<b><u>78.8%</u></b>

**Property Taxes Collected: 7.02%**  
**Collections as of 10-04-18: 22.78%**  
**3 Months = 25.00%**

**2018 Property Taxes Collected Sept 2017: 11.13%**  
**2017 Property Taxes Collected Sept 2016: 10.32%**  
**2016 Property Taxes Collected Sept 2015: 10.44%**

**NOTES:**

- 90:** Taxes include property and excise taxes. Property taxes are recorded as revenue when the bills are issued.
- 91:** Interest rate changed to 8% for unpaid property taxes - this is set by the State.
- 92:** Licenses & Permits: Are on track compared to the prior year and the current year budget.
- 93:** Intergovernmental Revenues: Increased Homestead revenues received over prior year - state increased reimbursement.
- 94:** Charge for Services: PW Department vehicle maintenance steamlining
- 96:** Miscellaneous Revenues: \$20,814 MMA Dividend received in 2017 and timing of revenues

**Town of Scarborough  
Year To Date Expenditures Through September 30, 2018**

	<b>Original Appropriation</b>	<b>Revised Budget</b>	<b>YTD Expended</b>	<b>Encumb</b>	<b>Available Budget</b>	<b>Percent Used</b>
<b><u>Other Town Fund Expenditures</u></b>						
Fund 1200 Total Special Revenue Fund	-	-	461,478	-	(461,478)	100.0%
Fund 1300 Total Capital Projects Fund	309,000	309,000	79,246	(22,270)	252,024	18.4%
Fund 1310 Total Capital Projects Fund	928,750	928,750	422,192	(155,781)	662,340	28.7%
Fund 1310 Public Safety Building	-	-	51,414	113,775	(165,189)	0.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
<b>Total Town Other Fund Exp</b>	<b>1,237,750</b>	<b>1,237,750</b>	<b>1,014,330</b>	<b>(64,277)</b>	<b>287,696</b>	<b>76.8%</b>
<b><u>Other School Fund Expenditures</u></b>						
Fund 72xx Total School Special Revenue Fund	-	-	247,203	30,302	(277,504)	100.0%
Fund 7300 Total School Capital Projects Fund	50,000	50,000	-	-	50,000	0.0%
Fund 7400 Total School Capital Projects Fund	1,188,730	1,188,730	583,584	134,380	470,766	60.4%
Fund 7600 Total School Nutrition Program	1,548,315	1,548,315	232,257	460,491	855,567	44.7%
Fund 7800 Total School Scholarship Funds	-	-	-	-	-	100.0%
<b>Total School Other Fund Exp</b>	<b>2,787,045</b>	<b>2,787,045</b>	<b>1,063,044</b>	<b>625,173</b>	<b>1,098,828</b>	<b>60.6%</b>

**Year To Date Revenues Through September 30, 2018**

	<b>Original Estimated Revenue</b>	<b>Revised Estimated Revenue</b>	<b>Actual YTD Revenue</b>	<b>Remaining Revenue</b>	<b>% Collected</b>
<b><u>Other Town Fund Revenues</u></b>					
Fund 1200 Total Special Revenue Fund	-	-	681,650.46	(681,650)	100.0%
Fund 1300 Total Capital Projects Fund	309,000	309,000	64,000.00	245,000	20.7%
Fund 1310 Total Capital Projects Fund	928,750	928,750	-	928,750	0.0%
Fund 1310 Public Safety Building	-	-	-	0	100.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	736.23	(736)	100.0%
<b>Total Town Other Fund Rev</b>	<b>1,237,750</b>	<b>1,237,750</b>	<b>746,386.69</b>	<b>491,363</b>	<b>60.3%</b>
<b><u>Other School Fund Revenues</u></b>					
Fund 72xx Total School Special Revenue Fund	-	-	45,301.36	(45,301)	0.0%
Fund 7300 Total School Capital Projects Fund	50,000	50,000	-	50,000	0.0%
Fund 7400 Total School Capital Projects Fund	1,188,730	1,188,730	47,000.00	1,141,730	4.0%
Fund 7600 Total School Nutrition Program	1,548,315	1,548,315	323,532.62	1,224,782	20.9%
Fund 7800 Total School Scholarship Funds	-	-	602.06	(602)	100.0%
<b>Total School Other Fund Rev</b>	<b>2,787,045</b>	<b>2,787,045</b>	<b>416,436.04</b>	<b>2,370,609</b>	<b>14.9%</b>

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>YTD Activity</b>	<b>Remaining Bal</b>	<b>Percentage</b>
<b>Grand Totals Expenditures</b>	<b>93,096,562.91</b>	<b>93,096,563</b>	<b>19,031,315</b>	<b>70,943,407</b>	<b>23.8%</b>
<b>Grand Totals Revenues</b>	<b>93,096,563</b>	<b>93,096,563</b>	<b>72,069,572</b>	<b>21,026,991</b>	<b>77.4%</b>

Town of Scarborough  
Year To Date Education Expenditures  
Through September 30, 2018

<b>Education:</b>	<b><u>Original</u></b>	<b><u>Revised</u></b>	<b><u>YTD</u></b>	<b><u>Encumb</u></b>	<b><u>Available</u></b>	<b><u>Percent</u></b>
	<b><u>Appropriation</u></b>	<b><u>Budget</u></b>	<b><u>Expended</u></b>		<b><u>Budget</u></b>	<b><u>Used</u></b>
Regular instruction	28,924,138	28,929,228	6,906,484	131,364	21,891,381	24.3%
Improvement of instruction	865,376	865,376	289,143	31,719	544,514	37.1%
Special services	4,364,172	4,359,082	896,650	54,571	3,407,861	21.8%
General & special administration	254,911	254,911	65,551	-	189,360	25.7%
Board of education	30,271	30,271	16,185	-	14,086	53.5%
Office of the superintendent	698,983	698,983	237,075	2,238	459,670	34.2%
Business administration	2,176,963	2,176,963	516,114	56	1,660,793	23.7%
Transportation	1,606,958	1,606,958	215,572	-	1,391,386	13.4%
Operation and maintenance of plant	3,913,660	3,913,660	949,095	48,592	2,915,974	25.5%
Adult Education	188,501	188,501	36,886	263	151,352	19.7%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,691,072	5,691,072	-	-	5,691,072	0.0%
<b>Total Education</b>	<b>48,715,005</b>	<b>48,715,005</b>	<b>10,128,756</b>	<b>268,802</b>	<b>38,317,447</b>	<b>21.3%</b>

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	5,850,000	1,556,459	26.6%
State Revenue Sharing	876,575	221,535	25.3%
Rescue Revenues	1,000,000	250,002	25.0%
LRAP-Local Road Assist.	321,816	-	0.0%
Building Permits	475,000	127,852	26.9%
Investment Interest	50,000	25,108	50.2%
Plumbing Permits	45,000	12,858	28.6%
Electrical Permits	60,000	17,879	29.8%
Education Subsidy	2,744,404	681,126	24.8%

**Town General Fund Revenues by Department**

Executive (TM, HR, TC)	537,806.00	46,500	8.6%
Fund Balance	-	-	0.0%
Finance	5,905,075.00	1,607,912	27.2%
Property Taxes	21,059,317.85	21,059,318	100.0%
MIS	712,465.00	-	0.0%
Planning	688,503.00	183,460	26.6%
Senior Programs	40,000.00	10,605	26.5%
Community Serv	2,250,721.00	732,040	32.5%
SEDCO	-	-	100.0%
Fire Dept	1,165,500.00	283,431	24.3%
Police Dept	879,075.00	256,590	29.2%
Public Works	1,588,150.00	10,824	0.7%
Debt	1,405,500.00	-	0.0%
Intergovernmental	3,258,300.06	1,007,451	30.9%
TIFs and Interfund Transfer:	866,350.00	-	0.0%
	<b><u>40,356,762.91</u></b>	<b><u>25,198,129.14</u></b>	<b>62.4%</b>