



Town of Scarborough, Maine

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FINANCE DIRECTOR
TREASURER

TOWN OF SCARBOROUGH Executive Summary for the period ending March 31, 2020

The third quarter of this fiscal year has ended. Public Safety staff have begun the arduous task of preparing to move to the new facility. The start of the new normal arrived with the pandemic impacting our work and home life. We all learned how to hold virtual meetings and spending more time cleaning and disinfecting work stations. The goal of this executive summary and attached quarterly financial reports is to provide high level review of the town's finances.

Positive indicators: Scarborough has completed nine months of our FY2020 budget. At this point in time, generally, we should be 75% collected/spent. Excise revenues collections are 77% of the budget, building permits are 78% collected. Also, parking violation revenues are 150% collected. State revenues are currently at 79% collected. The school's general-purpose aid is at 74% collected. As mentioned in prior summaries, tax revenues are recorded when billed and not when collected. A tax receivable is then recorded on the balance sheet and this is where we determine how much has been received. Tax collections through March are at 94.4% collected. As of May 1st, collections are at 95.4%. With the slow start to the spring season, boat registrations are 33% collected compared to 40% through the end of March. We expect boat excise revenues to increase as the warmer weather arrives. Overall, revenue collections are 89% collected for school and town operating budgets. Expenditures for school and town operating are at 74% spent.

The online tax payment feature is up and running and we have been receiving tax payments through this feature. We anticipate that the online payments will increase as more people become aware of this functionality.

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 2019 operating budget total is \$88,086,163. 10% of this amount is 8,808,616. The Unassigned Fund Balance as of June 30, 2019 is \$8,211,760 or 9.32% of operating. To bring the Town into compliance with our fund balance policy of 10%, Unassigned Fund Balance will need to increase \$155,607.

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.

Negative indicators: The Library has received their 4th quarter allotment and so are currently at 100% spent. The general assistance costs have increased and this budget is overspent by more than \$30,000. While the State reimburses the town for a portion of these expenditures and those revenues will exceed estimates, the reimbursements will not cover the over-expenditure. Legal expenditures are over expended by \$138,171. Abatements due to the recent revaluations and settlements are at \$731,607 through March. Overlay is used to offset abatements and for FY2020 is budgeted at \$298,892. As anticipated interest on unpaid taxes is significantly lower than budget at only 49% collected.

On December 13th, the Town Manager instituted a curtailment of non-essential spending to mitigate and help offset these over expenditures. With the total operating expenditures at 76% for just the municipal expenditures; we are working toward covering most of the over expenditures.

Finally, as we begin to adjust to the new normal about the pandemic, there is much uncertainty with regard to revenues and expenditures and public access to services. We will be closely monitoring our revenue collections and expenditures over the next three months.

TOWN OF SCARBOROUGH
TOWN GENERAL FUND BALANCE SHEET

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	30,291,023	32,206,546	(1,915,523)
Taxes Receivable	3,349,691	2,743,070	606,620
Accts Receivable	430,729	655,730	(225,001)
Due From Other Funds	2,177,790	2,351,473	(173,683)
Inventories	27,679	28,179	(500)
Total Assets and Outflows	<u><u>36,276,911</u></u>	<u><u>37,984,998</u></u>	<u><u>(1,708,087)</u></u>
<u>LIABILITIES</u>			
Accounts Payables	1,786,766	4,837,278	(3,050,513)
Accrued Payroll	5,000,331	4,815,035	185,297
Prepaid Items	3,754	1,910	1,844
Deferred Tax Revenues	913,993	843,488	70,505
Taxes Collected In Advance	11,623	25,819	(14,196)
Total Liabilities and Inflows	<u><u>7,708,959</u></u>	<u><u>10,519,710</u></u>	<u><u>(2,810,751)</u></u>
<u>FUND BALANCE</u>			
Fund Balance Unrestricted	8,766,643	8,372,861	393,782
Fund Balance Reserved	5,070,810	4,970,732	100,077
Fuel Inventory Reserve	27,679	28,179	(500)
Actual Revenues	84,043,256	81,336,387	2,706,869
Actual Expenditures	69,340,435	67,242,871	2,097,564
Fund Balance	<u><u>28,567,952</u></u>	<u><u>27,465,288</u></u>	<u><u>1,102,664</u></u>
Total Liabilities and Fund Balance	<u><u>36,276,911</u></u>	<u><u>37,984,998</u></u>	<u><u>(1,708,087)</u></u>

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

	<u>3/31/2020</u>			<u>3/31/2019</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>
<u>1100 General Fund</u>						
55 Legislative	11,573	5,786	50.0%	11,573	8,679	75.0%
56 Executive	2,751,280	2,485,290	90.4%	2,666,240	2,059,840	77.3%
57 Finance	1,150,366	822,437	72.0%	1,095,711	788,097	72.3%
58 Management Information Systems	1,459,862	1,052,227	75.1%	1,446,086	1,097,573	76.1%
59 Planning	1,111,432	752,338	68.3%	1,056,153	690,690	65.4%
62 Community Services	2,615,535	1,783,731	68.8%	2,471,012	1,786,501	72.7%
63 Library	1,164,166	1,164,166	100.0%	1,152,091	1,152,091	100.0%
66 Public Health & Welfare	33,633	63,773	189.6%	32,314	15,276	47.3%
68 SEDCo	246,644	177,805	72.1%	240,693	166,458	69.2%
71 Fire Services	5,643,939	3,935,943	69.8%	5,314,941	3,770,594	71.2%
72 Police Services	7,210,338	5,012,843	70.4%	6,661,346	4,694,537	72.3%
81 Public Works	6,947,868	5,040,356	83.9%	6,775,465	5,026,077	85.5%
85 Debt	6,145,997	5,330,173	86.7%	5,579,904	4,753,023	85.2%
91 County Tax	2,956,659	2,956,659	100.0%	2,827,079	2,827,079	100.0%
94 Capital Equipment	2,375,819	740,392	31.3%	1,485,901	1,218,785	102.5%
97 Other	1,371,129	611,213	44.6%	1,693,189	627,850	37.1%
Total General Fund Expenditures	43,196,240	31,935,133	76.1%	40,509,697	30,683,150	78.8%
Fund 7150 Adult Education	202,311	151,192	74.7%	188,501	130,986	69.6%
Fund 7100 Total School General Fund	51,426,993	37,254,110	72.7%	48,526,504	36,428,735	75.3%
Total School General Fund Expenditures	51,629,304	37,405,302	72.7%	48,715,005	36,559,721	75.3%
Grand Total	94,825,544	69,340,435	74.2%	89,224,702	67,242,871	76.9%

9 Months = 75.00%

NOTES:

56: \$8,000 recreation complex study, Legal expenditures are \$251,171 on a budget of \$113,000, Employer Insurance is 94% spent, Paid Vac/Sick overspent but covered by assigned fund balances, \$16,760 for municipal building air handlers for CCA.

63: Library is paid quarterly and they have received their annual allotment.

66: Public Health & Welfare - General Assistance overspent.

81: PW Use of Purchase Orders and Solid Waste is close to 100%

94: Capital Equipment - curtailment and timin of purchases

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

	<u>3/31/2020</u>			<u>3/31/2019</u>		
	Revised Estimated	Actual YTD	%	Revised Estimated	Actual YTD	%
	<u>Revenue</u>	<u>Revenue</u>	<u>Collected</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Collected</u>
<u>1100 General Fund</u>						
90 Taxes	27,483,464	25,354,095	92.3%	26,946,812	25,219,967	93.6%
91 Interest On Delinquent Taxes	97,500	50,971	52.3%	97,965	45,342	46.3%
92 Licenses And Permits	699,480	508,831	72.7%	700,980	460,965	65.8%
93 Intergovernmental Revenues	3,406,016	2,687,151	78.9%	3,261,100	2,719,173	83.4%
94 Charge For Services	6,639,097	4,238,033	63.8%	6,303,393	4,455,285	70.7%
95 Fines Forfeits And Assessments	71,000	79,533	112.0%	71,500	59,776	83.6%
96 Miscellaneous Revenues	823,848	355,563	43.2%	693,163	672,420	97.0%
99 Other Financing Sources	3,628,175	634,608	17.5%	2,281,850	402,850	17.7%
Total General Fund Revenues	<u>42,848,580</u>	<u>33,908,784</u>	<u>79.1%</u>	<u>40,356,763</u>	<u>34,035,779</u>	<u>84.3%</u>
Fund 7150 Adult Education	202,311	165,108	81.6%	188,501	151,523	80.4%
Fund 7100 Total School General Fund	51,426,993	49,969,364	97.2%	48,526,504	47,149,085	97.2%
Total School General Fund Revenues	<u>51,629,304</u>	<u>50,134,472</u>	<u>97.1%</u>	<u>48,715,005</u>	<u>47,300,608</u>	<u>97.1%</u>
Grand Total	<u>94,477,884</u>	<u>84,043,256</u>	<u>89.0%</u>	<u>89,071,768</u>	<u>81,336,387</u>	<u>91.3%</u>

Property Taxes Collected: 94.36%
Collections as of 04-17-20: 94.90%
9 Months = 75.00%

2019 Property Taxes Collected Mar 2019: 96.56%
2018 Property Taxes Collected Mar 2018: 96.55%
2017 Property Taxes Collected Mar 2017: 96.34%
2016 Property Taxes Collected Mar 2016: 96.55%

NOTES:

- 90:** Taxes include property and excise taxes. Property taxes are recorded as revenue when the bills are issued.
- 91:** Town Council reduced Delinquent Tax Interest Rate. FY20 interest revenues are \$6,253 compared to \$72,972 for FY19.
- 92:** Licenses & Permits: Building and Plumbing permit revenues are higher for FY20 than in FY19.
- 93:** Intergovernmental Revenues: FY19 received FEMA/MEMA funds \$62.6g, however FY20 Revenue Sharing expected to be below estimates.
- 94:** Charge for Services: Expected reduced revenues due to pandemic
- 96:** Miscellaneous Revenues: FY19 received \$124,797 State Reimb for PW Salt Shed & Investment Interest Revenue rates were higher than FY20
- 99:** Other Financing Sources: Year end transfers not yet transferred

**Town of Scarborough
Through March 31, 2020**

	<u>Original Appropriation</u>	<u>Revised Budget</u>	<u>YTD Expended</u>	<u>Encumb</u>	<u>Available Budget</u>	<u>Percent Used</u>
<u>Other Town Fund Expenditures</u>						
Fund 1200 Total Special Revenue Fund	-	-	2,842,382	-	(2,842,382)	100.0%
Fund 1300 Total Capital Projects Fund	1,251,000	1,251,000	289,365	-	961,635	23.1%
Fund 1310 Total Capital Projects Fund	895,000	926,766	1,678,645	-	(751,879)	181.1%
Fund 1310 Public Safety Building	-	101,831	11,726,318	487,316	(12,111,803)	11994.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	2,146,000	2,279,597	16,536,710	487,316	(14,744,429)	746.8%

Other School Fund Expenditures

Fund 72xx Total School Special Revenue Fund	-	-	904,434	846	(905,280)	100.0%
Fund 7300 Total School Capital Projects Fund	-	-	36,276	-	(36,276)	100.0%
Fund 7400 Total School Capital Projects Fund	2,441,070	2,441,070	2,407,573	130,034	(96,537)	104.0%
Fund 7600 Total School Nutrition Program	1,746,555	1,746,555	1,303,425	147,719	295,411	83.1%
Fund 7800 Total School Scholarship Funds	-	-	3,000	-	(3,000)	100.0%
Total School Other Fund Exp	4,187,625	4,187,625	4,654,708	278,599	(745,682)	117.8%

	<u>Original Estimated Revenue</u>	<u>Revised Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>Remaining Revenue</u>	<u>% Collected</u>
<u>Other Town Fund Revenues</u>					
Fund 1200 Total Special Revenue Fund	-	-	2,816,341	(2,816,341)	100.0%
Fund 1300 Total Capital Projects Fund	1,251,000	1,251,000	56,652	1,194,348	4.5%
Fund 1310 Total Capital Projects Fund	895,000	895,000	680,971	214,029	76.1%
Fund 1310 Public Safety Building	-	-	-	-	100.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	3,046	(3,046)	100.0%
Total Town Other Fund Rev	2,146,000	2,146,000	3,557,010	(1,411,010)	165.8%

Other School Fund Revenues

Fund 72xx Total School Special Revenue Fund	-	-	281,447	(281,447)	0.0%
Fund 7300 Total School Capital Projects Fund	-	-	-	-	100.0%
Fund 7400 Total School Capital Projects Fund	2,441,070	2,441,070	175,130	2,265,940	7.2%
Fund 7600 Total School Nutrition Program	1,746,555	1,746,555	1,097,253	649,302	62.8%
Fund 7800 Total School Scholarship Funds	-	-	2,734	(2,734)	100.0%
Total School Other Fund Rev	4,187,625	4,187,625	1,556,564	2,631,061	37.2%

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
Grand Totals Expenditures	100,811,509	101,292,766	90,531,853	8,928,833	91.2%
Grand Totals Revenues	100,811,509	100,811,509	89,156,830	11,654,679	88.4%

**Town of Scarborough
Year To Date Education Expenditures
Through March 31, 2020**

Education:	<u>Original</u>	<u>Revised</u>	<u>YTD</u>	<u>Encumb</u>	<u>Available</u>	<u>Percent</u>
	<u>Appropriation</u>	<u>Budget</u>	<u>Expended</u>		<u>Budget</u>	<u>Used</u>
Regular instruction	31,424,414	31,424,414	22,594,608	15,019	8,814,787	71.9%
Improvement of instruction	1,016,939	1,016,939	760,425	2,354	254,160	75.0%
Special services	4,700,486	4,700,486	3,187,940	63,002	1,449,544	69.2%
General & special administration	267,948	267,948	194,475	-	73,473	72.6%
Board of education	34,973	34,973	33,530	100	1,343	96.2%
Office of the superintendent	766,255	766,255	639,332	-	126,923	83.4%
Business administration	2,236,427	2,236,427	1,531,213	161	705,052	68.5%
Transportation	1,731,562	1,731,562	1,199,961	-	531,601	69.3%
Operation and maintenance of plant	4,003,876	4,003,876	2,870,742	46,833	1,086,302	72.9%
Adult Education	202,311	202,311	151,192	-	51,119	74.7%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,244,113	5,244,113	4,241,884	-	1,002,229	80.9%
Total Education	51,629,304	51,629,304	37,405,302	127,469	14,096,533	72.7%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	6,150,000	4,762,562	77.4%
State Revenue Sharing	1,252,000	1,018,502	81.3%
Rescue Revenues	1,250,000	937,500	75.0%
LRAP-Local Road Assist.	322,381	331,444	102.8%
Investment Interest	165,000	72,616	44.0%
Building Permits	475,000	369,352	77.8%
Plumbing Permits	45,000	34,210	76.0%
Electrical Permits	60,000	60,536	100.9%
Education Subsidy	3,366,032	2,473,892	73.5%
		312,499.97	

Town General Fund Revenues by Department

Executive (TM, HR, TC)	626,616	275,826	44.0%
Fund Balance	-	-	0.0%
Finance	6,311,525	4,025,181	63.8%
Property Taxes	21,295,864	21,295,864	100.0%
MIS	765,397	351,348	45.9%
Planning	688,603	509,870	74.0%
Community Serv	2,347,500	1,525,017	65.0%
SEDCO	-	-	100.0%
Fire Dept	1,420,500	1,036,758	73.0%
Police Dept	908,586	615,928	67.8%
Public Works	1,462,598	959,173	65.6%
Debt	1,768,585	120,018	6.8%
Intergovernmental	3,403,216	2,684,211	78.9%
TIFs and Interfund Transfers	1,849,590	509,590	27.6%
	42,848,580	33,908,784	79.1%