



# *Town of Scarborough, Maine*

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

RUTH D. PORTER  
FINANCE DIRECTOR  
TREASURER

## **TOWN OF SCARBOROUGH Executive Summary for the period ending September 30, 2020**

Unbelievably, it seems we just started a new fiscal year and here we are, already completing the first quarter! We have been very lucky with the beautiful weather we had during these months. The Community Services staff have been working steadily to outfit the House of Lights building to offer child care and to support the school department's hybrid school model. This building will provide the needed social distancing space for the staff and children. Registration for all residents began on Friday, September 25<sup>th</sup>. Our Assistant Town Manager, Larissa Crockett has left the town's employ to work as the Town Manager in the Town of Wells. Good Luck Larissa!! The pandemic continues to affect all we do. For most of July, the town hall offices were only open three days/week with staff hours only at 20 hours/week. Revenue office and Town Clerk staff processed over 11,860 transactions this July to September compared to 10,304 for this same period in 2019. The town opened its doors fully on July 27<sup>th</sup>. Zoom meetings, masks and social distancing are becoming a way of life.

Herewith, please view this executive summary with attached quarterly financial reports to provide a high-level review of the town's finances for this quarter.

As mentioned last quarter, the Town advance refunded four bonds (Series 2010 through 2013). This provided a net present value savings of over 3.1m over the life of the bonds.

To better track costs, the new public safety building facility expenditures were transferred from the police and fire budgets into a new budget under the executive department.

**Positive** indicators: After three months, Scarborough expenditures and revenues, on average, should be around 25%. Between the town and school general fund, we are at 20% spent compared to budget. State revenues are at almost 33% collected due to the increased homestead reimbursements, state revenue sharing and educational subsidy. Excise taxes are also above projections at 30.3%. Fines and forfeiture revenues show 54% collected. The town applied for and was awarded various grants this year in excess of \$622g; the largest for a HOPE grant for \$457,298. Additionally, the town has received some COVID-19 grants to assist the town with increased safety measures relating to the pandemic.

While revenues show collections of 78.3%, we need to remember that property tax revenues are recorded as revenues when committed and the uncollected portion shows as a receivable on the financial statements balance sheet. Tax collections through September 30<sup>th</sup> are at 14.1% 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 2020 operating budget total was \$94,056,204 making the fund balance 10% goal to be \$9,405,620.

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: Legal costs are a little high at 32%, however, all other departments are within the 25% range after completing three months of the year.

I appreciate everyone's patience as the municipal staff endeavor to catch up on workloads affected by the furlough and reduced work hours resulting from this pandemic.

Stay safe, wear masks and please social distance.

**TOWN OF SCARBOROUGH  
TOWN GENERAL FUND BALANCE SHEET**

	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>Variance</u>
<b><u>ASSETS</u></b>			
Cash	17,560,042	13,669,558	3,890,484
Taxes Receivable	61,076,542	61,563,289	(486,747)
Accts Receivable	516,948	461,846	55,102
Due From Other Funds	2,563,482	1,998,101	565,381
Inventories	27,679	27,679	-
<b>Total Assets and Outflows</b>	<u>81,744,692</u>	<u>77,720,473</u>	<u>4,024,219</u>
<b><u>LIABILITIES</u></b>			
Accounts Payables	3,751,656	2,145,882	1,605,774
Accrued Payroll	5,576,500	4,955,873	620,627
Prepaid Items	-	3,340	(3,340)
Deferred Tax Revenues	913,993	843,488	70,505
Taxes Collected In Advance	3,853	4,153	(300)
<b>Total Liabilitites and Inflows</b>	<u>10,238,297</u>	<u>7,944,431</u>	<u>2,293,866</u>
<b><u>FUND BALANCE</u></b>			
Fund Balance Unrestricted	7,672,328	9,141,683	(1,469,355)
Fund Balance Reserved	5,070,810	4,970,732	100,077
Fuel Inventory Reserve	27,679	27,679	-
Actual Revenues	75,667,441	73,883,251	1,784,189
Actual Expenditures	16,931,862	18,247,304	(1,315,441)
<b>Fund Balance</b>	<u>71,506,395</u>	<u>69,776,042</u>	<u>1,730,353</u>
<b>Total Liabilities and Fund Balance</b>	<u>81,744,692</u>	<u>77,720,473</u>	<u>4,024,219</u>

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

	<u>9/30/2020</u>			<u>9/30/2019</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>
<b><u>1100 General Fund</u></b>						
55 Legislative	11,573	206	1.8%	11,573	-	0.0%
56 Executive	3,226,713	500,231	15.5%	2,733,318	719,057	26.1%
57 Finance	1,144,209	230,758	20.4%	1,145,092	259,921	22.8%
58 Management Information Systems	1,338,293	305,401	23.6%	1,458,086	360,505	25.1%
59 Planning	1,038,027	209,381	20.4%	1,089,432	211,225	19.4%
62 Community Services	2,129,666	404,367	19.3%	2,608,210	814,306	32.0%
63 Library	1,152,963	283,241	24.6%	1,164,166	582,083	50.0%
66 Public Health & Welfare	86,076	20,378	23.7%	33,633	8,456	25.1%
68 SEDCo	246,051	46,937	19.1%	246,644	46,753	19.0%
71 Fire Services	5,754,862	1,294,834	22.7%	5,580,120	1,235,391	21.8%
72 Police Services	7,094,837	1,566,825	22.1%	7,096,371	1,648,480	23.3%
81 Public Works	6,903,287	1,123,388	47.3%	6,896,283	1,335,405	45.2%
85 Debt	6,482,918	127,337	2.0%	6,145,997	-	0.0%
91 County Tax	3,188,519	-	0.0%	2,956,659	-	0.0%
94 Capital Equipment	1,546,736	24,125	1.6%	2,311,867	317,758	15.1%
97 Other	1,864,341	81,753	4.4%	1,371,129	36,808	2.7%
<b>Total General Fund Expenditures</b>	<b>43,209,071</b>	<b>6,220,473</b>	<b>19.4%</b>	<b>42,848,580</b>	<b>7,576,149</b>	<b>21.9%</b>
Fund 7150 Adult Education	194,558	25,911	13.6%	202,311	48,469	24.0%
Fund 7100 Total School General Fund	53,312,138	10,685,479	20.5%	51,426,993	10,622,685	21.2%
<b>Total School General Fund Expenditures</b>	<b>53,506,696</b>	<b>10,711,389</b>	<b>20.5%</b>	<b>51,629,304</b>	<b>10,671,154</b>	<b>21.2%</b>
<b>Grand Total</b>	<b>96,715,767</b>	<b>16,931,862</b>	<b>20.0%</b>	<b>94,477,884</b>	<b>18,247,304</b>	<b>21.6%</b>

3 Months = 25.00%

**NOTES:**

**Overall:** Non-union furloughed time (avg 20 hrs/week) ended July 24, 2020.

**Overall:** COLA adjustment for non-union staff to take effect on Jan. 1, 2021 - normally adjusted in July.

**56:** Reflects the resignation of the Asst. Town Manager (LC).

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

**62:** Community Services: Reduction in programs due to COVID

**66:** Public Assistance: Increase in GA costs beginning in Nov/Dec 2019.

**71:** Fire Dept staffing costs/moved certain facility costs to Executive

**72:** Police staffing/moved certain facility costs to Executive

**81:** PW purchase orders

**85:** Debt - cost of issuance on Advance Refunding

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

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

	<u>9/30/2020</u>			<u>9/30/2019</u>		
	<b>Revised</b>			<b>Revised</b>		
	<b>Estimated</b>	<b>Actual YTD</b>	<b>%</b>	<b>Estimated</b>	<b>Actual YTD</b>	<b>%</b>
<b><u>1100 General Fund</u></b>	<b><u>Revenue</u></b>	<b><u>Revenue</u></b>	<b><u>Collected</u></b>	<b><u>Revenue</u></b>	<b><u>Revenue</u></b>	<b><u>Collected</u></b>
90 Taxes	27,335,611	72,091,437	263.7%	27,483,464	23,010,718	83.7%
91 Interest On Delinquent Taxes	97,500	2,904	3.0%	97,500	25,170	25.8%
92 Licenses And Permits	794,880	165,110	20.8%	699,480	198,002	28.3%
93 Intergovernmental Revenues	4,476,411	1,466,144	32.8%	3,406,016	1,054,706	31.0%
94 Charge For Services	6,515,892	571,811	8.8%	6,639,097	1,205,145	18.2%
95 Fines Forfeits And Assessments	87,700	47,466	54.1%	71,000	36,315	51.1%
96 Miscellaneous Revenues	792,719	218,740	27.6%	823,848	161,595	19.6%
99 Other Financing Sources	3,049,711	5,000	0.2%	3,628,175	5,000	0.1%
<b>Total General Fund Revenues</b>	<b>43,150,425</b>	<b>74,568,612</b>	<b>172.8%</b>	<b>42,848,580</b>	<b>25,696,650</b>	<b>60.0%</b>
Fund 7150 Adult Education	194,558	2,561	1.3%	202,311	97,887	48.4%
Fund 7100 Total School General Fund	53,311,243	1,096,268	2.1%	51,426,993	48,088,714	93.5%
<b>Total School General Fund Revenues</b>	<b>53,505,801</b>	<b>1,098,829</b>	<b>2.1%</b>	<b>51,629,304</b>	<b>48,186,601</b>	<b>93.3%</b>
<b>Grand Total</b>	<b>96,656,226</b>	<b>75,667,441</b>	<b>78.3%</b>	<b>94,477,884</b>	<b>73,883,251</b>	<b>78.2%</b>

Property Taxes Collected: 14.14%  
 Collections as of 10-16-20: 46.49%  
 3 Months = 25.00%

**2020** Property Taxes Collected Sept 2019: **11.99%**  
**2019** Property Taxes Collected Sept 2018: **7.02%**  
**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:** Tax allocation not yet completed. Property taxes are recorded as revenue when the bills are issued. Excise Revenues are 30.3% of estimate.
- 91:** Interest rate decreased to 8% for unpaid property taxes as set by the State. Scarborough set our rate at 5%.
- 92:** Licenses & Permits: Planning Permits (Building, Electrical, Plumbing) are \$45,562 lower than the prior year at this time
- 93:** Intergovernmental Revenues: Increased Homestead revenues received over prior year - state increased reimbursement from 62.50% to 70%.
- 94:** Charge for Services: Invoices for services were processed after Sept 30.
- 96:** Miscellaneous Revenues: \$101,245 received from Advance Bond Refunding to cover cost of issuance.

Town of Scarborough

**Year To Date Expenditures Through September 30, 2020**

	<u>Original</u>	<u>Revised</u>	<u>YTD</u>		<u>Available</u>	<u>Percent</u>
<u>Other Town Fund Expenditures</u>	<u>Appropriation</u>	<u>Budget</u>	<u>Expended</u>	<u>Encumb</u>	<u>Budget</u>	<u>Used</u>
Fund 1200 Total Special Revenue Fund	-	-	250,003	607	(250,610)	100.0%
Fund 1300 Total Capital Projects Fund	-	-	-	24,635	(24,635)	100.0%
Fund 1310 Total Capital Projects Fund	867,000	867,000	-	11,000	856,000	1.3%
Fund 1310 Public Safety Building	-	6,139	16,799	-	(10,660)	273.6%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
<b>Total Town Other Fund Exp</b>	<b>867,000</b>	<b>873,139</b>	<b>266,802</b>	<b>36,242</b>	<b>570,095</b>	<b>34.7%</b>

**Other School Fund Expenditures**

Fund 72xx Total School Special Revenue Fund	-	-	682,677	537,505	(1,220,182)	100.0%
Fund 7300 Total School Capital Projects Fund	100,000	100,000	-	-	100,000	0.0%
Fund 7400 Total School Capital Projects Fund	1,713,212	1,713,212	760,562	60,464	892,185	47.9%
Fund 7600 Total School Nutrition Program	1,777,105	1,777,105	200,130	505,648	1,071,327	39.7%
Fund 7800 Total School Scholarship Funds	-	-	-	-	-	100.0%
<b>Total School Other Fund Exp</b>	<b>3,590,317</b>	<b>3,590,317</b>	<b>1,643,369</b>	<b>1,103,617</b>	<b>843,330</b>	<b>76.5%</b>

**Year To Date Revenues Through September 30, 2020**

	<u>Original</u>	<u>Revised</u>	<u>Actual YTD</u>	<u>Remaining</u>	<u>%</u>
<u>Other Town Fund Revenues</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Collected</u>
	<u>Revenue</u>	<u>Revenue</u>			
Fund 1200 Total Special Revenue Fund	-	-	2,003,137	(2,003,137)	100.0%
Fund 1300 Total Capital Projects Fund	-	-	138	(138)	100.0%
Fund 1310 Total Capital Projects Fund	867,000	867,000	0	867,000	0.0%
Fund 1310 Public Safety Building	-	-	-	-	100.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	459	(459)	100.0%
<b>Total Town Other Fund Rev</b>	<b>867,000</b>	<b>867,000</b>	<b>2,003,734</b>	<b>(1,136,734)</b>	<b>231.1%</b>

**Other School Fund Revenues**

Fund 72xx Total School Special Revenue Fund	-	-	400	(400)	100.0%
Fund 7300 Total School Capital Projects Fund	100,000	100,000	-	100,000	0.0%
Fund 7400 Total School Capital Projects Fund	1,713,212	1,713,212	-	1,713,212	0.0%
Fund 7600 Total School Nutrition Program	1,777,105	1,777,105	16,844	1,760,261	0.9%
Fund 7800 Total School Scholarship Funds	-	-	376	(376)	100.0%
<b>Total School Other Fund Rev</b>	<b>3,590,317</b>	<b>3,590,317</b>	<b>17,620</b>	<b>3,572,697</b>	<b>0.5%</b>

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
<b>Grand Totals Expenditures</b>	<b>101,113,543</b>	<b>101,179,223</b>	<b>18,842,033</b>	<b>78,763,304</b>	<b>22.2%</b>
<b>Grand Totals Revenues</b>	<b>101,113,543</b>	<b>101,113,543</b>	<b>77,688,794</b>	<b>23,424,748</b>	<b>76.8%</b>

Town of Scarborough  
Year To Date Education Expenditures  
Through September 30, 2020

<b>Education:</b>	<b>Original <u>Appropriation</u></b>	<b>Revised <u>Budget</u></b>	<b>YTD <u>Expended</u></b>	<b><u>Encumb</u></b>	<b>Available <u>Budget</u></b>	<b>Percent <u>Used</u></b>
Regular instruction	32,894,838	32,894,838	7,392,634	145,234	25,356,970	22.9%
Improvement of instruction	992,791	992,791	404,716	19,395	568,680	42.7%
Special services	4,757,146	4,758,041	943,251	20,288	3,794,502	20.3%
General & special administration	279,295	279,295	68,525	-	210,770	24.5%
Board of education	37,851	37,851	26,971	-	10,880	71.3%
Office of the superintendent	754,591	754,591	204,646	-	549,945	27.1%
Business administration	2,291,654	2,291,654	520,246	443	1,770,965	22.7%
Transportation	1,828,951	1,828,951	198,562	-	1,630,389	10.9%
Operation and maintenance of plant	4,164,388	4,164,388	925,927	66,487	3,171,973	23.8%
Adult Education	194,558	194,558	25,911	456	168,192	13.6%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,309,738	5,309,738	-	-	5,309,738	0.0%
<b>Total Education</b>	<b>53,505,801</b>	<b>53,506,696</b>	<b>10,711,389</b>	<b>252,303</b>	<b>42,543,004</b>	<b>20.5%</b>

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	6,000,000	1,820,237	30.3%
State Revenue Sharing	1,397,937	411,207	29.4%
Rescue Revenues	1,250,000	-	0.0%
LRAP-Local Road Assist.	331,444	-	0.0%
Building Permits	500,000	111,262	22.3%
Investment Interest	100,000	106,285	106.3%
Plumbing Permits	45,000	8,060	17.9%
Electrical Permits	70,000	18,165	26.0%
Education Subsidy	4,035,887	1,024,738	25.4%

**Town General Fund Revenues by Department**

Executive (TM, HR, TC)	744,699	114,078	15.3%
Fund Balance	400,000	-	0.0%
Finance	6,051,665	1,981,380	32.7%
Property Taxes	21,340,911	70,246,653	329.2%
MIS	673,145	-	0.0%
Planning	725,803	161,132	22.2%
Community Serv	2,206,000	293,909	13.3%
SEDCO	-	-	100.0%
Fire Dept	1,408,000	23,948	1.7%
Police Dept	967,729	151,010	15.6%
Public Works	1,514,250	130,357	8.6%
Debt	1,982,611	-	0.0%
Intergovernmental	4,073,511	1,466,144	36.0%
TIFs and Interfund Transfers	1,062,100	-	0.0%
	<b>43,150,425</b>	<b>74,568,612</b>	<b>172.8%</b>