



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, 2019

Summer has officially ended and we are feeling the coolness of fall. The communication tower is up, the windows are in and the new public safety facility exterior work has begun. The residential revaluation for the town is complete and the taxes have been committed. Property taxes through September show almost 12% collected. The Assessing staff work diligently; meeting with citizens who have questions on their new property valuations. Finally, the town is reviewing the feasibility of a community center with Crossroads Holdings on the old Scarborough Downs property. We also welcome our interim Superintendent, Sanford Prince. There is always something exciting going on here in Scarborough!

Scarborough has completed its first quarter of FY20. At this point in time, generally; we should be about 25% collected/spent. Excise revenues are 26.6% of budget, Building permits are 27% collected and the town received an unexpected \$12,737 property and casualty dividend payment. Also, parking violation revenues are 42% 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 September are at 12% collected. As of October 16th, collections are at 47%.

Total expenditures for the quarter (town and school) are at 21.6% spent. The Library has received their 2nd quarter allotment so are currently at 50% spent. Because many of the Community Services programs run through the summer, they are showing 32% spent. We are also beginning to see general assistance costs increase as Asylum Seekers arrive in Scarborough. Public Works uses the encumbrance system extensively and show 45% of their budget committed. The encumbrance process, by its name encumbers or reserves a portion of a budget for specific costs. Excluding the encumbrances, Public Works would show 19.4% spent.

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 **Unaudited, Unassigned Fund Balance estimate** as of June 30, 2019 is \$8,155,265 or 8.39% of operating. To bring the Town into compliance with our fund balance policy of 10%, Unassigned Fund Balance will need to increase \$653,351. These numbers are still estimates and will most likely change.

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 show intergovernmental revenues are at 31% collected and most other revenues are exceeding quarterly estimates. Additionally, most departments are within the 25% range of expenditures. We could see some savings with the upcoming bond advance refunding.

Negative indicators: Legal expenditures are currently at 56% spent. Abatements due to the recent revaluations and settlements could exceed \$380,000. The General Assistance budget as mentioned earlier may exceed its budget. Debt is expected to be over budget by approximately \$15,000 as we did not receive final numbers for the \$7.380m bond until after the budget was approved and the interest costs were higher than anticipated.

In summary, we have a few areas that we will need to monitor to ensure we remain within the approved budget.

I wish to thank the Finance staff for their assistance with preparing the June 30th and first quarter financial reports during this very busy week.

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

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	13,669,558	9,345,904	4,323,654
Taxes Receivable	61,563,289	62,322,322	(759,033)
Accts Receivable	461,846	269,937	191,909
Due From Other Funds	1,998,101	2,292,888	(294,787)
Inventories	27,679	12,598	15,081
Total Assets and Outflows	<u>77,720,473</u>	<u>74,243,649</u>	<u>3,476,823</u>
<u>LIABILITIES</u>			
Accounts Payables	2,145,882	1,611,286	534,597
Accrued Payroll	4,955,873	4,704,379	251,494
Prepaid Items	3,340	910	2,430
Deferred Tax Revenues	843,488	786,089	57,400
Taxes Collected In Advance	4,153	-	4,153
Total Liabilities and Inflows	<u>7,944,431</u>	<u>7,100,844</u>	<u>843,587</u>
<u>FUND BALANCE</u>			
Fund Balance Unrestricted	9,141,683	8,698,586	443,097
Fund Balance Reserved	4,970,732	4,478,814	491,918
Fuel Inventory Reserve	27,679	12,598	15,081
Actual Revenues	73,883,251	70,906,749	2,976,502
Actual Expenditures	18,247,304	16,953,941	1,293,362
Fund Balance	<u>69,776,042</u>	<u>67,142,806</u>	<u>2,633,236</u>
Total Liabilities and Fund Balance	<u>77,720,473</u>	<u>74,243,649</u>	<u>3,476,823</u>

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

	<u>9/30/2019</u>			<u>9/30/2018</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	-	0.0%	11,573	2,893	25.0%
56 Executive	2,733,318	719,057	26.1%	2,320,576	565,123	24.3%
57 Finance	1,145,092	259,921	22.8%	1,091,602	244,850	22.5%
58 Management Information Systems	1,458,086	360,505	25.1%	1,444,398	356,447	24.9%
59 Planning	1,089,432	211,225	19.4%	1,056,153	186,247	17.6%
62 Community Services	2,608,210	814,306	32.0%	2,848,282	828,119	29.3%
63 Library	1,164,166	582,083	50.0%	1,152,091	288,023	25.0%
66 Public Health & Welfare	33,633	8,456	25.1%	32,314	5,255	16.3%
68 SEDCo	246,644	46,753	19.0%	240,693	45,238	18.8%
71 Fire Services	5,580,120	1,235,391	21.8%	5,295,093	1,174,590	22.1%
72 Police Services	7,096,371	1,648,480	23.3%	6,612,707	1,487,443	22.5%
81 Public Works	6,896,283	1,335,405	45.2%	6,742,788	1,454,402	44.4%
85 Debt	6,145,997	-	0.0%	5,579,904	-	0.0%
91 County Tax	2,956,659	-	0.0%	2,827,079	-	0.0%
94 Capital Equipment	2,311,867	317,758	15.1%	1,408,321	86,348	59.4%
97 Other	1,371,129	36,808	2.7%	1,693,189	100,208	5.9%
Total General Fund Expenditures	<u>42,848,580</u>	<u>7,576,149</u>	<u>21.9%</u>	<u>40,356,763</u>	<u>6,825,186</u>	<u>22.6%</u>
Fund 7150 Adult Education	202,311	48,469	24.0%	188,501	36,886	19.7%
Fund 7100 Total School General Fund	51,426,993	10,622,685	21.2%	48,526,504	10,091,869	21.4%
Total School General Fund Expenditures	<u>51,629,304</u>	<u>10,671,154</u>	<u>21.2%</u>	<u>48,715,005</u>	<u>10,128,756</u>	<u>21.3%</u>
Grand Total	<u>94,477,884</u>	<u>18,247,304</u>	<u>21.6%</u>	<u>89,071,768</u>	<u>16,953,941</u>	<u>21.9%</u>

3 Months = 25.00%

NOTES:

55: Quarterly Stipend for Council paid in October for FY20.

56: Legal fees are 45% spent through September.

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

63: Timing of Library quarterly allotment.

71: Fire Dept staffing costs

72: Police vehicle maintenance costs not yet allocated

81: PW encumbered funds for the year - system shows as spent.

85: Debt payments due November (P&I) and in May (interest only).

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

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

	<u>9/30/2019</u>			<u>9/30/2018</u>		
	Revised Estimated Revenue	Actual YTD Revenue	% Collected	Revised Estimated Revenue	Actual YTD Revenue	% Collected
<u>1100 General Fund</u>						
90 Taxes	27,483,464	23,010,718	83.7%	26,940,002	22,620,338	84.0%
91 Interest On Delinquent Taxes	97,500	25,170	25.8%	97,965	5,091	5.2%
92 Licenses And Permits	699,480	198,002	28.3%	700,980	177,470	25.3%
93 Intergovernmental Revenues	3,406,016	1,054,706	31.0%	3,267,910	1,007,451	30.8%
94 Charge For Services	6,639,097	1,205,145	18.2%	6,303,393	1,247,488	19.8%
95 Fines Forfeits And Assessments	71,000	36,315	51.1%	71,500	18,575	26.0%
96 Miscellaneous Revenues	823,848	161,595	19.6%	693,163	121,717	17.6%
99 Other Financing Sources	3,628,175	5,000	0.1%	2,281,850	-	0.0%
Total General Fund Revenues	42,848,580	25,696,650	60.0%	40,356,763	25,198,129	62.4%
Fund 7150 Adult Education	202,311	97,887	48.4%	188,501	103,644	55.0%
Fund 7100 Total School General Fund	51,426,993	48,088,714	93.5%	48,526,504	45,604,976	94.0%
Total School General Fund Revenues	51,629,304	48,186,601	93.3%	48,715,005	45,708,620	93.8%
Grand Total	94,477,884	73,883,251	78.2%	89,071,768	70,906,749	79.6%

Property Taxes Collected: 11.99%
Collections as of 10-16-19: 46.67%
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:** Sale of Whitten property - interest paid \$15,096.
- 92:** Licenses & Permits: Building, Plumbing & Electrical Permits
- 93:** Intergovernmental Revenues: Increased State Revenue Sharing increase over prior year.
- 95:** Fines & Forfeits: Increase in parking violation payments
- 96:** Miscellaneous Revenues: PW Sale of Vehicles & Insurance reimbursements.

**Town of Scarborough
Year To Date Expenditures Through September 30, 2019**

	<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	-	-	205,336	-	(205,336)	100.0%
Fund 1300 Total Capital Projects Fund	1,251,000	1,251,000	166,219	-	1,084,781	13.3%
Fund 1310 Total Capital Projects Fund	895,000	895,000	946,859	(9,610)	(42,249)	104.7%
Fund 1310 Public Safety Building	-	-	3,430,255	17,900	(3,448,155)	0.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	2,146,000	2,146,000	4,748,669	8,290	(2,610,959)	221.7%

<u>Other School Fund Expenditures</u>						
Fund 72xx Total School Special Revenue Fund	-	-	257,616	12,258	(269,875)	100.0%
Fund 7300 Total School Capital Projects Fund	-	-	6,168	-	(6,168)	100.0%
Fund 7400 Total School Capital Projects Fund	2,441,070	2,441,070	1,320,462	102,162	1,018,446	58.3%
Fund 7600 Total School Nutrition Program	1,746,555	1,746,555	280,166	456,880	1,009,509	42.2%
Fund 7800 Total School Scholarship Funds	-	-	-	-	-	100.0%
Total School Other Fund Exp	4,187,625	4,187,625	1,864,412	571,301	1,751,913	58.2%

Year To Date Revenues Through September 30, 2019

	<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	-	-	687,888	(687,888)	100.0%
Fund 1300 Total Capital Projects Fund	1,251,000	1,251,000	45,258	1,205,743	3.6%
Fund 1310 Total Capital Projects Fund	895,000	895,000	40,000	855,000	4.5%
Fund 1310 Public Safety Building	-	-	-	-	100.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	578	(578)	100.0%
Total Town Other Fund Rev	2,146,000	2,146,000	773,723	1,372,277	36.1%

<u>Other School Fund Revenues</u>					
Fund 72xx Total School Special Revenue Fund	-	-	34,572	(34,572)	100.0%
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	378,155	1,368,400	21.7%
Fund 7800 Total School Scholarship Funds	-	-	607	(607)	100.0%
Total School Other Fund Rev	4,187,625	4,187,625	588,464	3,599,161	14.1%

	<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	100,811,509	24,860,384	73,254,567	27.3%
Grand Totals Revenues	100,811,509	100,811,509	75,245,438	25,566,071	74.6%

Town of Scarborough
Year To Date Education Expenditures
Through September 30, 2019

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	7,307,868	194,015	23,922,531	23.9%
Improvement of instruction	1,016,939	1,016,939	295,881	22,596	698,462	31.3%
Special services	4,700,486	4,700,486	961,989	29,504	3,708,993	21.1%
General & special administration	267,948	267,948	68,741	-	199,207	25.7%
Board of education	34,973	34,973	22,807	498	11,668	66.6%
Office of the superintendent	766,255	766,255	215,639	1,592	549,024	28.3%
Business administration	2,236,427	2,236,427	518,933	96	1,717,397	23.2%
Transportation	1,731,562	1,731,562	300,452	-	1,431,110	17.4%
Operation and maintenance of plant	4,003,876	4,003,876	930,376	48,114	3,025,386	24.4%
Adult Education	202,311	202,311	48,469	-	153,842	24.0%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,244,113	5,244,113	-	-	5,244,113	0.0%
Total Education	51,629,304	51,629,304	10,671,154	296,416	40,661,734	21.2%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	6,150,000	1,736,910	28.2%
State Revenue Sharing	1,252,000	343,256	27.4%
Rescue Revenues	1,250,000	104,167	8.3%
LRAP-Local Road Assist.	322,381	-	0.0%
Building Permits	475,000	140,988	29.7%
Investment Interest	165,000	16,895	10.2%
Plumbing Permits	45,000	14,563	32.4%
Electrical Permits	60,000	27,499	45.8%
Education Subsidy	3,366,032	836,037	24.8%

Town General Fund Revenues by Department

Executive (TM, HR, TC)	626,616	125,557	20.0%
Fund Balance	-	-	0.0%
Finance	6,311,525	1,775,558	28.1%
Property Taxes	21,295,864	21,295,864	100.0%
MIS	765,397	4,718	0.6%
Planning	688,603	197,219	28.6%
Community Serv	2,347,500	733,099	31.2%
SEDCO	-	-	100.0%
Fire Dept	1,420,500	133,845	9.4%
Police Dept	908,586	230,722	25.4%
Public Works	1,462,598	145,361	9.9%
Debt	1,768,585	-	0.0%
Intergovernmental	3,406,216	1,054,706	31.0%
TIFs and Interfund Transfer:	1,849,590	-	0.0%
	42,851,580	25,696,650	60.0%