



Town of Scarborough, Maine

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FINANCE DIRECTOR
TREASURER

TOWN OF SCARBOROUGH Executive Summary for the period ending June 30, 2021

After what has seemed like a very long year, fiscal 2021 has come to an end. The FY2020 annual audit is finally completed. The FY22 Budget has been approved and the voters have approved the School's Budget. The Assessor and his staff are working to finalize the commitment and set the tax rate. Finance staff are also working on issuing bonds for the FY21 year. After many months, The Town's Growth Management Ordinance and Comprehensive Plan have been reviewed and approved by the Town Council. The Charter Review is now under review. While more people have been getting vaccinated against COVID, it looks like we might not be out of the woods quite yet with this new Delta variant. Our front-line customer service employees, here in the town hall building, have continuously served the citizens since May 2020 when the Town opened back up during the height of the pandemic. These town hall workers are Scarborough's HEROES. We appreciate their sacrifices as they continue to come in contact with customers.

Summer is here! Let's enjoy it.

Herewith, please view this executive summary with attached quarterly financial reports to provide a high-level overview of the town's finances after completing fiscal year 2021. As this is the last quarter of the fiscal year, the quarterly reports attached herein, are unaudited and the numbers will continue to change as we work through the various year end processes and adjusting journal entries.

In August 2020, the Town Advance Refunded all or portions of our 2010, 2011, 2012 and 2013 outstanding bonds. The town paid \$47,974,675 and received \$48,129,521. These amounts are reflected in the quarterly reports as you will note by the higher than budgeted actual revenues and expenditure columns.

Positive indicators: Overall, the municipal departments spent 95.9% of their budget. Exceptions are the Executive, Public Health and Welfare. Scarborough is doing very well with Revenues at 106.1% collected. State revenue sharing is 131% collected. Excise taxes revenues did very well and came in at 119% collected. Fines and forfeiture revenues show over 123% collected. Building and Electrical permits are 147.3% and 143.4% collected respectively. Finally, the property tax collections are a positive 99.24% compared to 98.83% collected last year.

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.

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, not to fall below 8.33%. The 2021 operating budget total is \$96,034,595 thus making the fund balance 10% goal to be \$9,603,459. As of the June 30, 2020 audited financial statements, the Unassigned Fund Balance is \$7,701,960 or 8.02% of the 10% goal. Per the Financial and Fiscal Policy – Fund Balance Policy section, if the unassigned fund balance “drops below the established minimum level (8.33%), the Town Council will develop a plan to replenish the fund balance to the established minimum level within two years”. To replenish the fund balance at the minimum level, we need to increase unassigned fund balance by \$297,722. To bring us to the policy goal of 10%, we would need to increase the unassigned fund balance by \$1,901,699.

Negative indicators: As mentioned, the unassigned fund balance has fallen below the Town's policy.

Community Service expenditures show 87.1% spent and revenues at 72.3% collected. General Assistance is currently overspent; however, the town is governed by the State's guidelines as adopted by the Town. The town also receives reimbursement from the State for general assistance and this reimbursement is currently at 132% collected. Charges for service revenues are below estimates as they were last year. These are all related to the pandemic. The total Executive Budget is overspent relating to although many other budgets are underspent to offset some of these overages: Legal services show overspent by \$14,197, Worker's Comp., shows overspent by \$75,276. Unemployment Comp., is also overspent but we will transfer funds to cover the unemployment costs from the Town's reserve account, Elections are overspent by \$32,969 – a presidential election year.

Stay safe, wear masks and please social distance and let us all hope for a better fiscal 2022 year.

TOWN OF SCARBOROUGH
TOWN GENERAL FUND BALANCE SHEET

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	23,288,646	18,356,397	4,932,249
Taxes Receivable	934,158	1,101,890	(167,732)
Accts Receivable	(81,710)	327,159	(408,869)
Due From Other Funds	2,238,689	2,561,069	(322,380)
Inventories	31,401	27,679	3,722
Total Assets and Outflows	<u>26,411,184</u>	<u>22,374,194</u>	<u>4,036,990</u>
<u>LIABILITIES</u>			
Accounts Payables	3,150,102	2,510,018	640,084
Accrued Payroll	5,925,742	5,000,331	925,411
Prepaid Items	5,372	345	5,026
Deferred Tax Revenues	917,570	913,993	3,577
Taxes Collected In Advance	68,886	70,639	(1,752)
Total Liabilities and Inflows	<u>10,067,672</u>	<u>8,495,327</u>	<u>1,572,345</u>
<u>FUND BALANCE</u>			
Fund Balance Unrestricted	8,409,195	8,766,643	(357,447)
Fund Balance Restricted	6,645,698	5,070,810	1,574,889
Fuel Inventory Reserve	31,401	27,679	3,722
Actual Revenues	140,622,090	88,414,053	52,208,038
Actual Expenditures	139,364,873	88,400,317	50,964,556
Fund Balance	<u>16,343,512</u>	<u>13,878,867</u>	<u>2,464,645</u>
Total Liabilities and Fund Balance	<u>26,411,184</u>	<u>22,374,194</u>	<u>4,036,990</u>

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

(21,361)

	<u>6/30/2021</u>			<u>6/30/2020</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	8,885	76.8%	11,573	11,367	75.0%
56 Executive	3,175,530	3,196,890	100.7%	2,751,195	3,120,566	113.5%
57 Finance	1,145,261	1,090,392	95.4%	1,146,953	1,060,983	92.7%
58 Management Information Systems	1,394,461	1,295,703	93.7%	1,459,862	1,335,054	91.6%
59 Planning	1,026,692	933,837	91.2%	1,107,322	981,987	88.9%
62 Community Services	2,127,738	1,851,520	87.1%	2,615,535	2,156,089	82.4%
63 Library	1,132,963	1,132,963	100.0%	1,164,166	1,164,166	100.0%
66 Public Health & Welfare	86,076	136,270	158.3%	33,633	92,637	275.4%
68 SEDCo	244,046	227,227	93.1%	246,644	228,565	92.7%
71 Fire Services	5,777,278	5,491,073	96.0%	5,643,939	5,220,003	92.6%
72 Police Services	7,088,141	6,659,448	94.1%	7,210,338	6,593,632	91.5%
81 Public Works	6,915,273	6,327,186	93.9%	6,947,868	6,262,309	90.8%
85 Debt	6,482,918	54,872,095	846.4%	6,145,997	6,210,552	101.1%
91 County Tax	3,188,519	3,188,519	100.0%	2,956,659	2,956,659	100.0%
94 Capital Equipment	1,546,736	1,331,203	99.1%	2,375,819	1,215,505	51.4%
97 Other	1,864,341	1,127,066	60.5%	1,371,129	841,030	61.3%
Total General Fund Expenditures	<u>43,207,546</u>	<u>88,941,543</u>	<u>206.9%</u>	<u>43,188,632</u>	<u>39,451,104</u>	<u>91.5%</u>
Fund 7150 Adult Education	194,558	123,444	63.4%	202,311	181,487	89.7%
Fund 7100 Total School General Fund	53,312,138	50,299,886	94.4%	51,426,993	48,770,413	94.8%
Total School General Fund Expenditures	<u>53,506,696</u>	<u>50,423,330</u>	<u>94.2%</u>	<u>51,629,304</u>	<u>48,951,900</u>	<u>94.8%</u>
Grand Total	<u>96,714,242</u>	<u>139,364,873</u>	<u>144.6%</u>	<u>94,817,936</u>	<u>88,403,004</u>	<u>93.3%</u>

12 Months = 100.00%

NOTES:

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

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

Overall: Not all year end transfers have been made.

58: MIS Staffing changes - unfilled position recently filled

62: Community Services: Reduction in programs due to COVID

66: Public Assistance: Increase in GA housing costs.

85: Debt - including cost of issuance on Advance Refunding

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

	<u>6/30/2021</u>			<u>6/30/2020</u>		
	Revised	Actual YTD	%	Revised	Actual YTD	%
	Estimated			Estimated		
<u>1100 General Fund</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Collected</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Collected</u>
90 Taxes	27,335,611	28,142,475	103.0%	27,483,464	26,801,711	97.5%
91 Interest On Delinquent Taxes	97,500	66,326	68.0%	97,500	90,150	92.5%
92 Licenses And Permits	794,880	1,068,273	134.4%	699,480	735,354	105.1%
93 Intergovernmental Revenues	4,476,411	4,179,005	93.4%	3,406,016	3,258,115	95.7%
94 Charge For Services	6,515,892	5,094,194	78.2%	6,639,097	5,241,614	79.0%
95 Fines Forfeits And Assessments	87,700	108,569	123.8%	71,000	97,222	136.9%
96 Miscellaneous Revenues	767,719	6,511,452	848.2%	823,848	533,333	64.7%
99 Other Financing Sources	3,074,711	42,912,191	1395.6%	3,628,175	634,608	17.5%
Total General Fund Revenues	43,150,425	88,082,485	204.1%	42,848,580	37,392,107	87.3%
Fund 7150 Adult Education	194,558	164,348	84.5%	202,311	168,586	83.3%
Fund 7100 Total School General Fund	53,311,243	52,375,258	98.2%	51,426,993	50,853,359	98.9%
Total School General Fund Revenues	53,505,801	52,539,606	98.2%	51,629,304	51,021,945	98.8%
Grand Total	96,656,226	140,622,090	145.5%	94,477,884	88,414,053	93.6%

Property Taxes Collected: 99.24%
 Collections as of 07-31-2021: 99.31%
12 Months = 100.00%

FY2020 Property Taxes Collected June 2020: 98.83%
 FY2019 Property Taxes Collected June 2019: 99.02%
 FY2018 Property Taxes Collected June 2018: 99.10%
 FY2017 Property Taxes Collected June 2017: 99.15%

NOTES:

- 90:** Property taxes are recorded as revenue when the bills are issued. Excise taxes are above estimates by \$1,140,356.
- 91:** Interest rate decreased to 8% for unpaid property taxes as set by the State. Scarborough set our rate at 5%.
- 92:** Licenses & Permits: Electrical, Building & Plumbing Rev are all above estimates in FY21. Marijuana licenses are above estimates by \$13,65
- 93:** Intergovernmental Revenues: Final Homestead revenues not yet received. State Rev Sharing is \$441,874 over collected at year end.
- 94:** Charge for Services: Comm Service summer programs and child care are below estimates. (Due to Covid Restrictions)
- 95:** Fines & Forfeits: Parking and False Alarm Violations have exceeded estimates
- 96:** Includes premium on advanced refunding.

Town of Scarborough
Year To Date Expenditures Through June 30, 2021 - Unaudited

	<u>Original</u> <u>Appropriation</u>	<u>Revised</u> <u>Budget</u>	<u>YTD</u> <u>Expended</u>	<u>Encumb</u>	<u>Available</u> <u>Budget</u>	<u>Percent</u> <u>Used</u>
<u>Other Town Fund Expenditures</u>						
Fund 1200 Total Special Revenue Fund	-	-	5,660,242	21,188	(5,681,430)	100.0%
Fund 1300 Total Capital Projects Fund	-	-	494,177	-	(494,177)	100.0%
Fund 1310 Total Capital Projects Fund	867,000	867,000	1,210,948	-	(343,948)	139.7%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	867,000	867,000	7,365,368	21,188	(6,519,555)	852.0%

<u>Other School Fund Expenditures</u>						
Fund 72xx Total School Special Revenue Fund	-	-	5,447,319	-	(5,447,319)	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	1,223,672	3,051	486,489	71.6%
Fund 7600 Total School Nutrition Program	1,777,105	1,777,105	1,411,786	-	365,319	79.4%
Fund 7800 Total School Scholarship Funds	-	-	4,500	-	(4,500)	100.0%
Total School Other Fund Exp	3,590,317	3,590,317	8,087,276	3,051	(4,500,010)	225.3%

Year To Date Revenues Through June 30, 2021 - Unaudited

	<u>Original</u> <u>Estimated</u> <u>Revenue</u>	<u>Revised</u> <u>Estimated</u> <u>Revenue</u>	<u>Actual YTD</u> <u>Revenue</u>	<u>Remaining</u> <u>Revenue</u>	<u>%</u> <u>Collected</u>
<u>Other Town Fund Revenues</u>					
Fund 1200 Total Special Revenue Fund	-	-	5,845,743	(5,845,743)	100.0%
Fund 1300 Total Capital Projects Fund	-	-	54,394	(54,394)	100.0%
Fund 1310 Total Capital Projects Fund	867,000	867,000	2,221,625	(1,354,625)	256.2%
Fund 1500 Total Cemetery Permanent Fund	-	-	1,851	(1,851)	100.0%
Total Town Other Fund Rev	867,000	867,000	8,123,612	(7,256,612)	937.0%

<u>Other School Fund Revenues</u>					
Fund 72xx Total School Special Revenue Fund	-	-	4,840,042	(4,840,042)	100.0%
Fund 7300 Total School Capital Projects Fund	100,000	100,000	100,005	(5)	100.0%
Fund 7400 Total School Capital Projects Fund	1,713,212	1,713,212	270,427	1,442,785	15.8%
Fund 7600 Total School Nutrition Program	1,777,105	1,777,105	977,015	800,090	55.0%
Fund 7800 Total School Scholarship Funds	-	-	1,477	(1,477)	100.0%
Total School Other Fund Rev	3,590,317	3,590,317	6,188,966	(2,598,649)	172.4%

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
Grand Totals Expenditures	101,113,542.75	101,171,558.59	154,817,516.09	(54,128,440.99)	153.5%
Grand Totals Revenues	101,113,542.75	101,113,542.75	154,934,668.41	(53,821,125.66)	153.2%

Town of Scarborough
Year To Date Education Expenditures
Through June 30, 2021 - Unaudited

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	32,894,838	32,902,338	31,289,477.83	-	1,612,860	95.1%
Improvement of instruction	992,791	992,791	839,674.34	-	153,117	84.6%
Special services	4,757,146	4,760,741	4,587,170.26	4,396.72	169,174	96.4%
General & special administration	279,295	279,295	268,323.38	-	10,972	96.1%
Board of education	37,851	37,851	38,786.57	-	(936)	102.5%
Office of the superintendent	754,591	754,591	682,729.97	-	71,861	90.5%
Business administration	2,291,654	2,291,654	2,251,037.76	-	40,616	98.2%
Transportation	1,828,951	1,828,951	1,367,080.01	-	461,871	74.7%
Operation and maintenance of plant	4,164,388	4,154,188	3,831,134.43	-	323,054	92.2%
Adult Education	194,558	194,558	123,443.95	-	71,114	63.4%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,309,738	5,309,738	5,144,471.53	-	165,266	96.9%
Total Education	53,505,801	53,506,696	50,423,330.03	4,396.72	3,078,969.25	94.2%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	6,000,000	7,140,356	119.0%
State Revenue Sharing	1,397,937	1,839,811	131.6%
Rescue Revenues	1,250,000	729,167	58.3%
LRAP-Local Road Assist.	331,444	309,920	93.5%
Building Permits	500,000	736,567	147.3%
Investment Interest	100,000	6,073,212	6073.2%
Plumbing Permits	45,000	45,633	101.4%
Electrical Permits	70,000	100,384	143.4%
Education Subsidy	4,035,887	4,032,960	99.9%

Town General Fund Revenues by Department

Executive (TM, HR, TC)	744,699	504,109	67.7%
Fund Balance	400,000	-	0.0%
Finance	6,051,665	12,819,385	211.8%
Property Taxes	21,340,911	21,340,912	100.0%
MIS	673,145	632,675	94.0%
Planning	725,803	1,009,385	139.1%
Community Serv	2,206,000	1,595,683	72.3%
General Assist. Misc Rev	-	4,097	100.0%
SEDCO	-	-	0.0%
Fire Dept	1,408,000	933,310	66.3%
Police Dept	967,729	909,354	94.0%
Public Works	1,514,250	1,250,240	82.6%
Debt	1,982,611	42,315,000	2134.3%
Intergovernmental	4,073,511	4,176,145	102.5%
TIFs and Interfund Transfer:	1,062,100	592,191	55.8%
	<u>43,150,425</u>	<u>88,082,485</u>	204.1%