



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 December 31, 2020

The second quarter of fiscal 2021 is complete. It is my hope that everyone had a wonderful holiday season and that all continue to stay safe. I applaud the Community Service staff who helped brighten our moods by putting up the Christmas lights and trees. The presidential election is over and Scarborough, once again, had a record turn-out of 80%. The COVID-19 vaccine is slowly rolling out and our essential medical workers are beginning to be vaccinated. The Town of Scarborough is one of a few communities that are fully open and providing services to our citizens and we continue to be vigilant with requiring masks, social distancing and disinfecting work and customer spaces. On the other hand, with the spike in COVID-19 cases Statewide, the Town has reverted to Zoom meetings. Staff continue to catch up their work from the furloughed hours earlier this year.

Herewith, please view this executive summary with attached quarterly financial reports to provide a high-level overview of the town's finances for the first six months of this fiscal year.

Positive indicators: Through these first six months, Scarborough expenditures and revenues, on average, should be around 50%. Both the town and school general fund expenditures are about the same as the prior year at this same time. State revenues are over 63% collected due to the increased homestead reimbursements, state revenue sharing and educational subsidy. Excise taxes revenues continue to come in and are now at 58% collected. Fines and forfeiture revenues show 82% collected.

While revenues show collections of 84.1%, 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 December 31st are at 50.1% 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: As mentioned last quarter, the town and school have been approved for various COVID-19 grants. Most of these grants require that Scarborough spend the funds before we are reimbursed. We have spent those funds and are now awaiting the reimbursements.

Community Service expenditures are at 40% spent, however, revenues are only at 20% collected. Let us hope that once the new vaccines are more fully implemented, we will be able to get back to some semblance of normalcy.

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 and let us all hope for a better new year.

**TOWN OF SCARBOROUGH
GENERAL FUND BALANCE SHEET**

| | <u>December 31, 2020</u> | <u>December 31, 2019</u> | <u>Variance</u> |
|-------------------------------------------|--------------------------|--------------------------|-------------------------|
| <u>ASSETS</u> | | | |
| Cash | 15,724,990 | 14,500,900 | 1,224,091 |
| Taxes Receivable | 34,939,111 | 34,025,056 | 914,055 |
| Accts Receivable | 419,839 | 582,740 | (162,901) |
| Due From Other Funds | 2,707,433 | 2,141,328 | 566,105 |
| Inventories | 27,678.53 | 27,679 | - |
| Total Assets and Outflows | <u><u>53,819,052</u></u> | <u><u>51,277,702</u></u> | <u><u>2,541,350</u></u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payables | 1,630,253 | 1,860,507 | (230,255) |
| Accrued Payroll | 5,576,500 | 5,000,331 | 576,168 |
| Prepaid Items | - | 910 | (910) |
| Deferred Tax Revenues | 913,993 | 913,993 | - |
| Taxes Collected In Advance | 2,463 | 1,334 | 1,129 |
| Total Liabilities and Inflows | <u><u>8,118,283</u></u> | <u><u>7,775,256</u></u> | <u><u>343,027</u></u> |
| <u>FUND BALANCE</u> | | | |
| Fund Balance Unrestricted | 9,434,246 | 8,766,643 | 667,603 |
| Fund Balance Reserved | 5,070,810 | 5,070,810 | - |
| Fuel Inventory Reserve | 27,679 | 27,679 | - |
| Actual Revenues | 81,243,996 | 79,252,480 | 1,991,516 |
| Actual Expenditures | 50,075,961 | 49,615,165 | 460,796 |
| Fund Balance | <u><u>45,700,770</u></u> | <u><u>43,502,446</u></u> | <u><u>2,198,323</u></u> |
| Total Liabilities and Fund Balance | <u><u>53,819,052</u></u> | <u><u>51,277,702</u></u> | <u><u>2,541,350</u></u> |

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

| | <u>12/31/2020</u> | | | <u>12/31/2019</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 | 3,099 | 26.8% | 11,573 | 5,786 | 50.0% |
| 56 Executive | 3,226,713 | 1,423,110 | 44.1% | 2,751,280 | 1,496,945 | 54.8% |
| 57 Finance | 1,144,209 | 519,542 | 45.7% | 1,150,366 | 540,967 | 47.6% |
| 58 Management Information Systems | 1,338,293 | 690,562 | 53.1% | 1,459,862 | 734,687 | 53.9% |
| 59 Planning | 1,038,027 | 477,541 | 46.2% | 1,111,432 | 470,566 | 44.3% |
| 62 Community Services | 2,129,666 | 825,317 | 39.8% | 2,615,535 | 1,317,752 | 50.8% |
| 63 Library | 1,152,963 | 566,482 | 49.1% | 1,164,166 | 873,125 | 75.0% |
| 66 Public Health & Welfare | 86,076 | 51,350 | 59.7% | 33,633 | 36,028 | 107.1% |
| 68 SEDCo | 246,051 | 101,809 | 41.4% | 246,644 | 104,669 | 42.4% |
| 71 Fire Services | 5,754,740 | 2,760,018 | 48.0% | 5,637,939 | 2,584,912 | 46.2% |
| 72 Police Services | 7,094,837 | 3,336,980 | 47.4% | 7,216,338 | 3,376,966 | 48.5% |
| 81 Public Works | 6,902,217 | 2,904,658 | 63.1% | 6,947,868 | 3,321,584 | 66.5% |
| 85 Debt | 6,482,918 | 5,875,136 | 90.6% | 6,145,997 | 5,330,173 | 86.7% |
| 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 | 24,125 | 2.3% | 2,376,539 | 564,261 | 26.4% |
| 97 Other | 1,864,341 | 321,269 | 17.2% | 1,371,129 | 388,389 | 28.3% |
| Total General Fund Expenditures | <u>43,207,879</u> | <u>23,085,803</u> | <u>57.0%</u> | <u>43,196,960</u> | <u>24,103,468</u> | <u>59.5%</u> |
| Fund 7150 Adult Education | 194,558 | 64,832 | 33.3% | 202,311 | 106,819 | 52.8% |
| Fund 7100 Total School General Fund | 53,312,138 | 26,925,326 | 50.9% | 51,426,993 | 25,404,878 | 49.8% |
| Total School General Fund Expenditures | <u>53,506,696</u> | <u>26,990,158</u> | <u>50.9%</u> | <u>51,629,304</u> | <u>25,511,697</u> | <u>49.9%</u> |
| Grand Total | <u>96,714,575</u> | <u>50,075,961</u> | <u>53.6%</u> | <u>94,826,264</u> | <u>49,615,165</u> | <u>54.3%</u> |

6 Months = 50.00%

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.

58: MIS Staffing changes

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

72: Police staffing/moved certain facility costs to Executive

81: PW purchase orders

85: Debt - cost of issuance on Advance Refunding

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

| | <u>12/31/2020</u> | | | <u>12/31/2019</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> |
| <u>1100 General Fund</u> | | | | | | |
| 90 Taxes | 27,335,611 | 73,176,624 | 267.7% | 27,483,464 | 23,737,864 | 86.4% |
| 91 Interest On Delinquent Taxes | 97,500 | 17,611 | 18.1% | 97,500 | 43,712 | 44.8% |
| 92 Licenses And Permits | 794,880 | 425,872 | 53.6% | 699,480 | 342,769 | 49.0% |
| 93 Intergovernmental Revenues | 4,476,411 | 2,845,882 | 63.6% | 3,406,016 | 2,352,466 | 69.1% |
| 94 Charge For Services | 6,515,892 | 2,150,493 | 33.0% | 6,639,097 | 2,684,134 | 40.4% |
| 95 Fines Forfeits And Assessments | 87,700 | 72,062 | 82.2% | 71,000 | 58,872 | 82.9% |
| 96 Miscellaneous Revenues | 792,719 | 311,943 | 39.4% | 823,848 | 274,887 | 33.4% |
| 98 Grants & Contributions | - | - | 0.0% | - | - | 0.0% |
| 99 Other Financing Sources | 3,049,711 | 5,000 | 0.2% | 3,628,175 | 514,590 | 14.2% |
| Total General Fund Revenues | <u>43,150,425</u> | <u>79,005,487</u> | <u>183.1%</u> | <u>42,848,580</u> | <u>30,009,293</u> | <u>70.0%</u> |
| Fund 7150 Adult Education | 194,558 | 51,563 | 26.5% | 202,311 | 148,541 | 73.4% |
| Fund 7100 Total School General Fund | 53,311,243 | 2,186,946 | 4.1% | 51,426,993 | 49,094,646 | 95.5% |
| Total School General Fund Revenues | <u>53,505,801</u> | <u>2,238,509</u> | <u>4.2%</u> | <u>51,629,304</u> | <u>49,243,187</u> | <u>95.4%</u> |
| Grand Total | <u>96,656,226</u> | <u>81,243,996</u> | <u>84.1%</u> | <u>94,477,884</u> | <u>79,252,480</u> | <u>83.9%</u> |

Property Taxes Collected: 50.07%
 Collections as of 01-12-2021: 51.36%
6 Months = 50.00%

FY2020 Property Taxes Collected Dec 2019: **50.01%**
FY2019 Property Taxes Collected Dec 2018: **51.35%**
FY2018 Property Taxes Collected Dec 2017: **54.41%**
FY2017 Property Taxes Collected Dec 2016: **50.79%**
FY2016 Property Taxes Collected Dec 2015: **51.10%**

NOTES:

- 90:** Tax allocation in process. Property taxes are recorded as revenue when the bills are issued. Excise Revenues are \$163,600 higher than last year.
- 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 & Plumbing Rev are \$9,176 lower than last year. Marijuana licenses are at 68.7% collected.
- 93:** Intergovernmental Revenues: Increased Homestead revenues received. State Rev Sharing is 62.7% collected through December.
- 94:** Charge for Services: Comm Service summer programs and child care are below estimates.
- 95:** Fines & Forfeits: Parking and False Alarm Violations are higher than FY20.
- 96:** Miscellaneous Revenues: \$101,245 received from Advance Bond Refunding to cover cost of issuance.

**Town of Scarborough
Year To Date Expenditures Through December 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 | - | - | 1,377,469 | 15,099 | (1,392,568) | 100.0% |
| Fund 1300 Total Capital Projects Fund | - | - | 41,989 | 3,216 | (45,205) | 100.0% |
| Fund 1310 Total Capital Projects Fund | 867,000 | 867,000 | 815,298 | - | 51,702 | 94.0% |
| Fund 1310 Public Safety Building | - | 6,139 | 62,903 | - | (56,764) | 1024.6% |
| Fund 1500 Total Cemetery Permanent Fund | - | - | - | - | - | 0.0% |
| Total Town Other Fund Exp | 867,000 | 873,139 | 2,297,660 | 18,315 | (1,442,835) | 265.2% |

| | | | | | | |
|----------------------------------------------|------------------|------------------|------------------|----------------|--------------------|---------------|
| <u>Other School Fund Expenditures</u> | | | | | | |
| Fund 72xx Total School Special Revenue Fund | - | - | 4,148,513 | 76,031 | (4,224,544) | 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 | 848,445 | 225,208 | 639,559 | 62.7% |
| Fund 7600 Total School Nutrition Program | 1,777,105 | 1,777,105 | 642,875 | 457,192 | 677,038 | 61.9% |
| Fund 7800 Total School Scholarship Funds | - | - | - | - | - | 100.0% |
| Total School Other Fund Exp | 3,590,317 | 3,590,317 | 5,639,833 | 758,431 | (2,807,948) | 178.2% |

Year To Date Revenues Through December 31, 2020

| | <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 | - | - | 3,144,847 | (3,144,847) | 100.0% |
| Fund 1300 Total Capital Projects Fund | - | - | 18,243 | (18,243) | 100.0% |
| Fund 1310 Total Capital Projects Fund | 867,000 | 867,000 | 2 | 866,998 | 0.0% |
| Fund 1310 Public Safety Building | - | - | - | - | 100.0% |
| Fund 1500 Total Cemetery Permanent Fund | - | - | 1,134 | (1,134) | 100.0% |
| Total Town Other Fund Rev | 867,000 | 867,000 | 3,164,226 | (2,297,226) | 365.0% |

| | | | | | |
|----------------------------------------------|------------------|------------------|------------------|------------------|--------------|
| <u>Other School Fund Revenues</u> | | | | | |
| Fund 72xx Total School Special Revenue Fund | - | - | 1,986,681 | (1,986,681) | 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 | 211,663 | 1,565,442 | 11.9% |
| Fund 7800 Total School Scholarship Funds | - | - | 922 | (922) | 100.0% |
| Total School Other Fund Rev | 3,590,317 | 3,590,317 | 2,199,266 | 1,391,051 | 61.3% |

| | <u>Original Budget</u> | <u>Revised Budget</u> | <u>YTD Activity</u> | <u>Remaining Bal</u> | <u>Percentage</u> |
|----------------------------------|------------------------|-----------------------|---------------------|----------------------|-------------------|
| Grand Totals Expenditures | 101,113,543 | 101,178,032 | 58,013,453 | 40,627,052 | 59.8% |
| Grand Totals Revenues | 101,113,543 | 101,113,543 | 86,607,488 | 14,506,055 | 85.7% |

Town of Scarborough
Year To Date Education Expenditures
Through December 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 | 32,894,838 | 32,902,338 | 15,790,678 | 73,287 | 17,038,373 | 48.2% |
| Improvement of instruction | 992,791 | 992,791 | 548,458 | 1,842 | 442,492 | 55.4% |
| Special services | 4,757,146 | 4,750,541 | 2,304,495 | 98,903 | 2,347,143 | 50.6% |
| General & special administration | 279,295 | 279,295 | 137,014 | - | 142,281 | 49.1% |
| Board of education | 37,851 | 37,851 | 32,034 | - | 5,817 | 84.6% |
| Office of the superintendent | 754,591 | 754,591 | 358,853 | 4,110 | 391,628 | 48.1% |
| Business administration | 2,291,654 | 2,291,654 | 1,174,849 | - | 1,116,805 | 51.3% |
| Transportation | 1,828,951 | 1,828,951 | 582,883 | - | 1,246,068 | 31.9% |
| Operation and maintenance of plant | 4,164,388 | 4,164,388 | 1,818,863 | 45,980 | 2,299,545 | 44.8% |
| Adult Education | 194,558 | 194,558 | 64,832 | - | 129,726.27 | 33.3% |
| Food Service Allocation | - | - | - | - | - | 0.0% |
| Debt service | 5,309,738 | 5,309,738 | 4,177,199 | - | 1,132,539 | 78.7% |
| Total Education | 53,505,801 | 53,506,696 | 26,990,158 | 224,122 | 26,292,417 | 50.9% |

| <u>Selected Revenues</u> | <u>Estimated Revenue</u> | <u>Actual YTD Revenue</u> | <u>% Collected</u> |
|--------------------------|--------------------------|---------------------------|--------------------|
| Excise Tax Collections | 6,000,000 | 3,495,727 | 58.3% |
| State Revenue Sharing | 1,397,937 | 876,896 | 62.7% |
| Rescue Revenues | 1,250,000 | 520,833 | 41.7% |
| LRAP-Local Road Assist. | 331,444 | 309,920 | 93.5% |
| Building Permits | 500,000 | 298,473 | 59.7% |
| Investment Interest | 100,000 | 110,894 | 110.9% |
| Plumbing Permits | 45,000 | 21,673 | 48.2% |
| Electrical Permits | 70,000 | 37,090 | 53.0% |
| Education Subsidy | 4,035,887 | 2,047,201 | 50.7% |

Town General Fund Revenues by Department

| | | | |
|------------------------------|-------------------|-------------------|--------|
| Executive (TM, HR, TC) | 744,699 | 232,701 | 31.2% |
| Fund Balance | 400,000 | - | 0.0% |
| Finance | 6,051,665 | 3,105,188 | 51.3% |
| Property Taxes | 21,340,911 | 70,246,653 | 329.2% |
| MIS | 673,145 | 323,914 | 48.1% |
| Planning | 725,803 | 435,869 | 60.1% |
| Community Serv | 2,206,000 | 431,855 | 19.6% |
| SEDCO | - | - | 100.0% |
| Fire Dept | 1,408,000 | 599,591 | 42.6% |
| Police Dept | 967,729 | 444,570 | 45.9% |
| Public Works | 1,514,250 | 335,856 | 22.2% |
| Debt | 1,982,611 | - | 0.0% |
| Intergovernmental | 4,073,511 | 2,845,882 | 69.9% |
| TIFs and Interfund Transfer: | 1,062,100 | - | 0.0% |
| | 43,150,425 | 79,002,077 | 183.1% |