



Town of Scarborough, Maine

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

TOWN OF SCARBOROUGH Executive Summary for the period ending December 31, 2018

We have completed our second quarter of this fiscal year. The residential revaluation for the town is in full swing. As the quarterly financial report shows, tax collections for the current year are over 51%. Engineering and architectural work continues for the new public safety building and recently, rock drilling and blasting work has begun. Staff have watched in fascination when a blast is about to occur. The Town and School audits are in their final stages of completion.

Scarborough has completed six months (or 50%) of our FY19 budget. During the budget process, we were concerned about increasing the estimate for excise revenues by \$250,000. At this time, we are 54% collected and are on track. While some of the revenues are below last year, intergovernmental revenues are about \$300,000 higher than last year. This increase is mostly due to the additional revenues for Homestead and the BETE program. Charge for services is also higher than last year, due in part to the vehicle maintenance work for other communities by the public work's staff.

Total expenditures for FY19 are at 56.5% spent and revenues are at 86.0% collected for the General Fund, which includes the town, school and adult education. As mentioned in prior summaries, tax revenues are recorded when billed and not when collected and that is why the revenues seem high at 86%. A tax receivable is then recorded on the balance sheet and this is where we determine how much of tax payments have been received. Tax collections for the past three years through December are 54.4%, 50.8% and 51.1% respectively compared to 51.4% for this year.

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 2018 operating budget total is \$83,673,671. 10% of this amount is 8,367,367. Unassigned Fund Balance as of June 30, 2018 is \$7,386,943 or 8.83% of operating. Total Fund Balance decreased from FY17 by \$519,504. Although this may seem to be a large decrease, we anticipated using over \$2 million from fund balance in FY18 and instead only used \$519,504. Conversely, unassigned fund balance increased from \$6,894m to \$7,387m.

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 are that most departments are within the 50% range of expenditures after six months. Those departments exceeding 50% include the Technology department at 55% due to their software licensing agreements paid at the beginning of the fiscal year; the Library at 75% whose third quarterly allotment was paid in December; the County Tax at 100% due by November 1 of each year and debt at 85%. All of the principal debt and the first interest payment is due by November 1. The second interest payment will be due by May 1.

On the revenue side, as the selected revenue sheet shows, most revenues are showing at or exceeding second quarter estimates. Intergovernmental revenues show higher than last year due to the increased reimbursement from the State for the Homestead program. With the Federal Reserve rate increases, the town's investment interest revenues are \$68,141 through December compared to \$15,270 at this same time last year.

Negative indicators: Licenses and Permits are lower collected than last year, the major cause of this decrease (58% down to 42% this year) has to do with building permits. While this may seem like a negative, the building permit revenues in FY17 were higher than in years past at \$291,352. The \$208,797 so far this year is more in line with prior year collections. Interest on delinquent taxes in FY17 were abnormally high as a result of a couple of multi-year tax liens being paid. Again, the FY17 year is an abnormality compared to other years.

In summary, through the second quarter of this fiscal year, the revenues and expenditures are fairly consistent with the prior year percentage used/collected. I applaud all departments for their conscientious care of the funds with which they have been entrusted.

TOWN OF SCARBOROUGH

TOWN GENERAL FUND BALANCE SHEET

	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	18,082,105	14,750,874	3,331,231
Taxes Receivable	32,727,029	28,901,354	3,825,675
Accts Receivable	630,718	625,380	5,337
Due From Other Funds	2,426,744	2,506,595	(79,851)
Inventories	28,179	12,598	15,581
Total Assets and Outflows	<u>53,894,775</u>	<u>43,909,533</u>	<u>9,985,242</u>
<u>LIABILITIES</u>			
Accounts Paayables	6,774,788	1,822,216	4,952,573
Accrued Payroll	4,815,035	4,520,705	294,329
Prepaid Items	910	0	910
Deferred Tax Revenues	843,488	786,089	57,400
Taxes Collected In Advance	2,230	271,239	(269,009)
Total Liabilitites and Inflows	<u>12,434,631</u>	<u>7,123,647</u>	<u>5,310,984</u>
<u>FUND BALANCE</u>			
Fund Balance Unrestricted	8,372,861	9,407,401	(1,034,540)
Fund Balance Reserved	4,970,732	4,478,814	491,918
Fuel Inventory Reserve	28,179	12,598	15,581
Actual Revenues	76,601,414	71,914,875	4,686,540
Actual Expenditures	48,513,043	46,417,134	2,095,908
Fund Balance	<u>41,460,144</u>	<u>36,785,886</u>	<u>4,674,258</u>
Total Liabilities and Fund Balance	<u>53,894,775</u>	<u>43,909,533</u>	<u>9,985,242</u>

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

	12/31/2018			12/31/2017		
	Revised	YTD	Percent	Revised	YTD	Percent
<u>1100 General Fund</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Used</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Used</u>
55 Legislative	11,573	5,786	50.0%	11,573	5,786	50.0%
56 Executive	2,699,751	1,345,733	49.9%	2,226,711	1,394,863	62.7%
57 Finance	1,095,711	508,384	46.8%	1,030,572	444,073	43.6%
58 Management Information Systems	1,446,086	751,900	55.0%	1,207,438	617,785	55.4%
59 Planning	1,056,153	448,456	42.5%	976,741	442,476	45.3%
62 Community Services	2,471,542	1,293,581	52.8%	2,729,722	1,235,026	46.2%
63 Library	1,152,091	864,068	75.0%	1,130,246	565,123	50.0%
66 Public Health & Welfare	32,314	10,952	33.9%	30,211	15,948	52.8%
68 SEDCo	240,693	109,626	45.5%	234,773	99,397	42.3%
71 Fire Services	5,314,941	2,515,182	47.5%	5,043,056	2,299,034	45.8%
72 Police Services	6,627,305	3,137,424	47.4%	6,415,138	3,039,982	49.7%
81 Public Works	6,775,465	3,331,326	67.2%	6,762,140	3,298,526	68.7%
85 Debt	5,579,904	4,753,023	85.2%	4,817,198	4,305,236	89.4%
91 County Tax	2,827,079	2,827,079	100.0%	2,709,666	2,709,666	100.0%
94 Capital Equipment	1,485,901	837,004	89.0%	1,040,617	370,049	57.9%
97 Other	1,693,189	324,803	19.2%	987,053	281,566	28.5%
Total General Fund Expenditures	40,509,697	23,064,327	61.3%	37,352,855	21,124,537	61.4%
Fund 7150 Adult Education	188,501	85,040	45.1%	182,701	89,755	49.1%
Fund 7100 Total School General Fund	48,526,504	25,363,676	52.5%	47,125,168	25,202,842	54.1%
Total School General Fund Expenditures	48,715,005	25,448,716	52.5%	47,307,869	25,292,597	54.0%
Grand Total	89,224,702	48,513,043	56.5%	84,660,724	46,417,134	57.3%

6 Months = 50.00%

NOTES:

- 56:** Re-allocation of Sustainability Coordinator to Planning, lower legal and municipal insurance costs
- 57:** Timing of expenditures/Increase in CS credit card costs/Change from contracted assessor to full time assessor.
- 59:** Code Officer position not filled yet
- 62:** Cable TV New Equipment and wage adjustments
- 63:** Timing of quarterly payment to Library.
- 71:** Vehicle Fuel/Maintenance, Fire Dept staffing costs
- 72:** Police staffing costs
- 81:** PW Deputy Director position filled in Sept 2017 & GIS Coordinator in Nov 2017.
- 94:** Timing of capital equipment purchases for prior year and current year.

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

	12/31/2018			12/31/2017		
	Revised Estimated Revenue	Actual YTD Revenue	% Collected	Revised Estimated Revenue	Actual YTD Revenue	% Collected
<u>1100 General Fund</u>						
90 Taxes	26,946,812	23,775,656	88.2%	25,508,095	22,641,930	88.8%
91 Interest On Delinquent Taxes	97,965	27,832	28.4%	89,000	36,419	40.9%
92 Licenses And Permits	700,980	294,830	42.1%	645,680	376,168	58.3%
93 Intergovernmental Revenues	3,261,100	2,363,514	72.5%	2,923,418	2,051,771	70.2%
94 Charge For Services	6,303,393	3,203,300	50.8%	5,760,260	2,391,445	41.5%
95 Fines Forfeits And Assessments	71,500	32,549	45.5%	71,500	55,665	77.9%
96 Miscellaneous Revenues	693,163	410,272	59.2%	619,197	231,445	37.4%
99 Other Financing Sources	2,281,850	10,000	0.4%	1,735,705	424,600	24.5%
Total General Fund Revenues	40,356,763	30,117,952	74.6%	37,352,855	28,209,442	75.5%
Fund 7150 Adult Education	188,501	138,951	73.7%	182,701	141,062	77.2%
Fund 7100 Total School General Fund	48,526,504	46,344,511	95.5%	47,125,168	43,564,370	92.4%
Total School General Fund Revenues	48,715,005	46,483,462	95.4%	47,307,869	43,705,432	92.4%
Grand Total	89,071,768	76,601,414	86.0%	84,660,724	71,914,875	84.9%
Property Taxes Collected: 51.35%				2018 Property Taxes Collected Dec 2017: 54.41%		
Collections as of 02-18-19: 54.69%				2017 Property Taxes Collected Dec 2016: 50.79%		
6 Months = 50.00%				2016 Property Taxes Collected Dec 2015: 51.10%		

NOTES:

- 90:** Taxes include property and excise taxes. Property taxes are recorded as revenue when the bills are issued.
- 91:** A few taxpayers paid all of their prior year taxes plus interest in FY17.
- 92:** Licenses & Permits: Building permit revenues in FY17 make up most of this difference (Haigis Parkway Apartments).
- 93:** Intergovernmental Revenues: Increased Homestead, BETE & St. Revenue Sharing over prior year.
- 94:** Charge for Services: PW Department vehicle maintenance reimbursements by depts and outside sources
- 95:** Fines & Forfeitures: Parking and false alarm violations are down in FY19
- 96:** Miscellaneous Revenues: \$124,797 State Reimb for PW Salt Shed & Investment Interest Revenues
- 99:** Other Financing Sources: \$414,000 Sch Develop Impact Fees transferred for FY18 in Sept 2017 - not yet transferred in FY19

Town of Scarborough

Expenditures Through December 31, 2018

	<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	-	-	928,962	-	(928,962)	100.0%
Fund 1300 Total Capital Projects Fund	309,000	353,397	321,315	7,558	24,524	93.1%
Fund 1310 Total Capital Projects Fund	928,750	1,241,404	1,098,967	43,560	98,878	92.0%
Fund 1310 Public Safety Building	-	-	450,039	153,775	(603,814)	0.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	1,237,750	1,594,800	2,799,282	204,892	(1,409,373)	188.4%

Other School Fund Expenditures

Fund 72xx Total School Special Revenue Fund	856,844	856,844	530,105	2,062	324,677	62.1%
Fund 7300 Total School Capital Projects Fund	50,000	50,000	12,665	-	37,335	25.3%
Fund 7400 Total School Capital Projects Fund	1,188,730	1,188,730	694,680	80,162	413,888	65.2%
Fund 7600 Total School Nutrition Program	1,548,315	1,548,315	746,194	277,705	524,416	66.1%
Fund 7800 Total School Scholarship Funds	-	-	-	-	-	100.0%
Total School Other Fund Exp	3,643,889	3,643,889	1,983,645	359,929	1,300,316	64.3%

Revenues Through December 31, 2018

	<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	-	-	1,515,008	(1,515,008)	100.0%
Fund 1300 Total Capital Projects Fund	309,000	309,000	85,456	223,544	27.7%
Fund 1310 Total Capital Projects Fund	928,750	928,750	7,296	921,454	0.8%
Fund 1310 Public Safety Building	-	-	-	0	100.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	2,047	(2,047)	100.0%
Total Town Other Fund Rev	1,237,750	1,237,750	1,609,807	(372,057)	130.1%

Other School Fund Revenues

Fund 72xx Total School Special Revenue Fund	856,844.00	856,844	121,701.94	735,142	14.2%
Fund 7300 Total School Capital Projects Fund	50,000	50,000	-	50,000	0.0%
Fund 7400 Total School Capital Projects Fund	1,188,730	1,188,730	47,197.30	1,141,533	4.0%
Fund 7600 Total School Nutrition Program	1,548,315	1,548,315	715,643.54	832,671	46.2%
Fund 7800 Total School Scholarship Funds	-	-	1,673.73	(1,674)	100.0%
Total School Other Fund Rev	3,643,889	3,643,889	886,216.51	2,757,672	24.3%

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
Grand Totals Expenditures	93,953,407	94,463,392	53,295,969	38,700,374	59.0%
Grand Totals Revenues	93,953,407	93,953,407	79,097,438	14,855,969	84.2%

Town of Scarborough
Year To Date Education Expenditures
Through December 31, 2018

Education:	<u>Original</u>	<u>Revised</u>	<u>YTD</u>		<u>Available</u>	<u>Percent</u>
	<u>Appropriation</u>	<u>Budget</u>	<u>Expended</u>	<u>Encumb</u>	<u>Budget</u>	<u>Used</u>
Regular instruction	28,924,138	28,929,228	13,917,844	35,048	14,976,336	48.2%
Improvement of instruction	865,376	865,376	425,561	21,185	418,630	51.6%
Special services	4,364,172	4,359,082	2,095,939	18,638	2,244,505	48.5%
General & special administration	254,911	254,911	134,046	-	120,865	52.6%
Board of education	30,271	30,271	20,243	-	10,028	66.9%
Office of the superintendent	698,983	698,983	407,119	3,110	288,754	58.7%
Business administration	2,176,963	2,176,963	1,029,967	-	1,146,996	47.3%
Transportation	1,606,958	1,606,958	750,781	-	856,177	46.7%
Operation and maintenance of plant	3,913,660	3,913,660	1,947,914	42,849	1,922,897	50.9%
Adult Education	188,501	188,501	85,040	-	103,461	45.1%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,691,072	5,691,072	4,634,261	-	1,056,811	81.4%
Total Education	48,715,005	48,715,005	25,448,716	120,830	23,145,459	52.5%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	5,850,000	3,165,696	54.1%
State Revenue Sharing	876,575	454,366	51.8%
LRAP-Local Road Assist.	321,816	322,124	100.1%
Plumbing Permits	45,000	23,390	52.0%
Building Permits	475,000	208,797	44.0%
Electrical Permits	60,000	35,439	59.1%
Rescue Revenues	1,000,000	500,004	50.0%
Investment Interest	50,000	68,141	136.3%
Education Subsidy	2,744,404	1,340,209	48.8%

Town General Fund Revenues by Department

Executive (TM, HR, TC)	537,806	163,116	30.3%
Fund Balance	-	-	0.0%
Finance	5,905,075	2,845,442	48.2%
Property Taxes	21,059,318	21,059,318	100.0%
MIS	712,465	342,219	48.0%
Planning	688,503	326,052	47.4%
Senior Programs	40,000	21,475	53.7%
Community Serv	2,235,721	1,025,134	45.9%
SEDCO	-	-	100.0%
Fire Dept	1,165,500	552,936	47.4%
Police Dept	894,075	445,592	49.8%
Public Works	1,588,150	848,358	53.4%
Debt	1,405,500	-	0.0%
Intergovernmental	3,258,300	2,488,311	76.4%
TIFs and Interfund Transfers	866,350	-	0.0%
	<u>40,356,763</u>	<u>30,117,952</u>	74.6%