



# *Town of Scarborough, Maine*

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## **TOWN OF SCARBOROUGH**

### **Executive Summary for the period ending March 31, 2021**

The third quarter of fiscal 2021 is complete. Spring is here! Or is it? I am looking out my window at the falling snow! Chief Rob Moulton has let us know that he will be retiring in a few short months after more than 40 years of dedicated service to the Town of Scarborough and its citizens. Congratulations Rob!! Finance is finalizing the FY2020 audit and the school and town departments are feverishly working on the FY2022 budget. Over 35% of the State has been vaccinated although we are once again experiencing an increase in cases. Most of our front-line customer service employees have been vaccinated and the town still requires wearing masks, social distancing and disinfecting work and customer spaces.

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

**Positive** indicators: Overall, the municipal departments spent \$276,171 less through March 2021 than at this same time last year. Exceptions are the Legislative, Fire and Debt functions. Full time staffing for firefighters hired part way through the prior fiscal year is the main reason for the Fire Dept. Also, through nine months, Scarborough expenditures and revenues, on average, should be around 75%. Total general fund expenditures are 72.9% in 2021 compared to 74.2% spent in 2020. Most of this difference, however, is due to the furloughing of most non-union staff during the month of July. Scarborough is doing very well with Revenues at 89.3% collected. State revenue sharing is 96% collected. Excise taxes revenues continue to come in and are now at 88% collected. Fines and forfeiture revenues show over 107% collected. Building and Electrical permits are 93% and 94% collected respectively. Finally, property tax collections are a positive 97.11% compared to 94.4% 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. With the issuance 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 \$297,922. 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 61% spent with revenues only at 40% collected. We anticipate running various recreation programs this summer that will increase the revenues over the next three months. General Assistance is currently overspent; however, the town is governed by the State’s guidelines as adopted by the Town. Charges for service revenues are below estimates as they were last year. Many of these revenues will most likely improve as the summer season begins and folks begin enjoying the outdoor summer events.

While the capital equipment expenditures through March appear high compared to last year, the main reason is the down payment on the ladder truck approved by the citizens last fall.

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 fiscal 2022 year.

# TOWN OF SCARBOROUGH

## TOWN GENERAL FUND BALANCE SHEET

	<u>March 31, 2021</u>	<u>March 31, 2020</u>	<u>Variance</u>
<b><u>ASSETS</u></b>			
Cash	35,095,545	30,291,023	4,804,521
Taxes Receivable	2,534,362	3,349,691	(815,328)
Accts Receivable	36,061	430,729	(394,668)
Due From Other Funds	2,733,984	2,177,790	556,194
Inventories	31,401	27,679	3,722
<b>Total Assets and Outflows</b>	<u>40,431,353</u>	<u>36,276,911</u>	<u>4,154,441</u>
<b><u>LIABILITIES</u></b>			
Accounts Payables	2,244,309	1,786,766	457,543
Accrued Payroll	5,544,087	5,000,331	543,756
Prepaid Items	9,828	3,754	6,074
Deferred Tax Revenues	917,570	913,993	3,577
Taxes Collected In Advance	17,111	11,623	5,488
<b>Total Liabilities and Inflows</b>	<u>8,732,905</u>	<u>7,708,959</u>	<u>1,023,946</u>
<b><u>FUND BALANCE</u></b>			
Fund Balance Unrestricted	8,409,195	8,766,643	(357,447)
Fund Balance Reserved	6,187,454	5,070,810	1,116,644
Fuel Inventory Reserve	31,401	27,679	3,722
Actual Revenues	86,329,361	84,043,256	2,286,104
Actual Expenditures	69,258,963	69,340,435	(81,472)
<b>Fund Balance</b>	<u>31,698,447</u>	<u>28,567,952</u>	<u>3,130,495</u>
<b>Total Liabilities and Fund Balance</b>	<u>40,431,353</u>	<u>36,276,911</u>	<u>4,154,441</u>

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

	<b>3/31/2021</b>			<b>3/31/2020</b>		
	<b>Revised</b>	<b>YTD</b>	<b>Percent</b>	<b>Revised</b>	<b>YTD</b>	<b>Percent</b>
<b><u>1100 General Fund</u></b>	<b><u>Appropriation</u></b>	<b><u>Expended</u></b>	<b><u>Used</u></b>	<b><u>Appropriation</u></b>	<b><u>Expended</u></b>	<b><u>Used</u></b>
55 Legislative	11,573	5,992	51.8%	11,573	5,786	50.0%
56 Executive	3,175,530	2,356,817	74.2%	2,751,280	2,485,290	90.4%
57 Finance	1,145,261	781,830	68.5%	1,150,366	822,437	72.0%
58 Management Information Systems	1,394,461	994,715	72.5%	1,459,862	1,052,227	75.1%
59 Planning	1,026,692	654,669	64.0%	1,111,432	752,338	68.3%
62 Community Services	2,127,738	1,295,182	61.2%	2,615,535	1,783,731	68.8%
63 Library	1,132,963	849,722	75.0%	1,164,166	1,164,166	100.0%
66 Public Health & Welfare	86,076	99,794	115.9%	33,633	63,773	189.6%
68 SEDCo	244,046	162,640	66.6%	246,644	177,805	72.1%
71 Fire Services	5,777,278	4,043,529	70.0%	5,643,939	3,935,943	69.8%
72 Police Services	7,088,141	4,824,633	68.1%	7,210,338	5,012,843	70.4%
81 Public Works	6,915,606	4,587,560	78.3%	6,947,868	5,040,356	83.9%
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	1,138,893	87.0%	2,375,819	740,392	31.3%
97 Other	1,864,341	728,573	39.1%	1,371,129	611,213	44.6%
<b>Total General Fund Expenditures</b>	<b>43,207,879</b>	<b>31,658,962</b>	<b>75.7%</b>	<b>43,196,240</b>	<b>31,935,133</b>	<b>76.1%</b>
Fund 7150 Adult Education	194,558	91,515	47.2%	202,311	151,192	74.7%
Fund 7100 Total School General Fund	53,312,138	37,508,486	70.6%	51,426,993	37,254,110	72.7%
<b>Total School General Fund Expenditures</b>	<b>53,506,696</b>	<b>37,600,001</b>	<b>70.5%</b>	<b>51,629,304</b>	<b>37,405,302</b>	<b>72.7%</b>
<b>Grand Total</b>	<b>96,714,575</b>	<b>69,258,963</b>	<b>72.9%</b>	<b>94,826,264</b>	<b>69,340,435</b>	<b>74.2%</b>

**9 Months = 75.00%**

**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:** Most Departments at March 31st are below FY20 expenditures.

**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.

**71:** Fire Dept staffing costs

**81:** PW purchase orders

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

**94:** \$961,206 down payment on voter approved ladder truck.

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

	<b>3/31/2021</b>			<b>3/31/2020</b>		
	<b>Revised Estimated Revenue</b>	<b>Actual YTD Revenue</b>	<b>% Collected</b>	<b>Revised Estimated Revenue</b>	<b>Actual YTD Revenue</b>	<b>% Collected</b>
<b><u>1100 General Fund</u></b>						
90 Taxes	27,335,611	26,304,075	96.2%	27,483,464	25,354,095	92.3%
91 Interest On Delinquent Taxes	97,500	29,114	29.9%	97,500	50,971	52.3%
92 Licenses And Permits	794,880	666,697	83.9%	699,480	508,831	72.7%
93 Intergovernmental Revenues	4,476,411	3,454,912	77.2%	3,406,016	2,687,151	78.9%
94 Charge For Services	6,515,892	3,254,296	49.9%	6,639,097	4,238,033	63.8%
95 Fines Forfeits And Assessments	87,700	94,582	107.8%	71,000	79,533	112.0%
96 Miscellaneous Revenues	792,719	355,187	44.8%	823,848	355,563	43.2%
98 Grants & Contributions	-	-	0.0%	-	-	0.0%
99 Other Financing Sources	3,049,711	584,100	19.2%	3,628,175	634,608	17.5%
<b>Total General Fund Revenues</b>	<b>43,150,425</b>	<b>34,742,962</b>	<b>80.5%</b>	<b>42,848,580</b>	<b>33,908,784</b>	<b>79.1%</b>
 Fund 7150 Adult Education	 194,558	 150,385	 77.3%	 202,311	 165,108	 81.7%
Fund 7100 Total School General Fund	53,311,243	51,436,013	96.5%	51,426,993	49,969,364	97.3%
<b>Total School General Fund Revenues</b>	<b>53,505,801</b>	<b>51,586,398</b>	<b>96.4%</b>	<b>51,629,304</b>	<b>50,134,472</b>	<b>97.3%</b>
 <b>Grand Total</b>	 <b>96,656,226</b>	 <b>86,329,361</b>	 <b>89.3%</b>	 <b>94,477,884</b>	 <b>84,043,256</b>	 <b>89.0%</b>

Property Taxes Collected: 97.11%  
Collections as of 04-14-2021: 97.62%  
**9 Months = 75.00%**

FY2020 Property Taxes Collected Mar 2020: 94.36%  
FY2019 Property Taxes Collected Mar 2019: 96.56%  
FY2018 Property Taxes Collected Mar 2018: 96.55%  
FY2017 Property Taxes Collected Mar 2017: 96.34%  
FY2016 Property Taxes Collected Mar 2016: 96.55%

**NOTES:**

- 90:** Property taxes are recorded as revenue when the bills are issued. Excise taxes increased \$533,441 from Mar 2020 to Mar 2021
- 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 \$97,859 higher than last year. Marijuana licenses are at 91% collected.
- 93:** Intergovernmental Revenues: Increased \$91,632 Homestead revenues received. State Rev Sharing is 96.3% collected through December.
- 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

**Town of Scarborough**  
**Year To Date Expenditures Through March 31, 2021**

	<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>
<b><u>Other Town Fund Expenditures</u></b>						
Fund 1200 Total Special Revenue Fund	-	-	2,476,042	983	(2,477,025)	100.0%
Fund 1300 Total Capital Projects Fund	-	-	474,271	-	(474,271)	100.0%
Fund 1310 Total Capital Projects Fund	867,000	867,000	848,641	-	18,359	97.9%
Fund 1310 Public Safety Building	-	6,139	104,903	-	(98,764)	1708.7%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
<b>Total Town Other Fund Exp</b>	<b>867,000</b>	<b>873,139</b>	<b>3,903,857</b>	<b>983</b>	<b>(3,031,700)</b>	<b>447.2%</b>

<b><u>Other School Fund Expenditures</u></b>						
Fund 72xx Total School Special Revenue Fund	-	-	4,906,406	78,287	(4,984,692)	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	998,761	91,825	622,626	63.7%
Fund 7600 Total School Nutrition Program	1,777,105	1,777,105	992,910	411,802	372,393	79.0%
Fund 7800 Total School Scholarship Funds	-	-	2,500	-	(2,500)	100.0%
<b>Total School Other Fund Exp</b>	<b>3,590,317</b>	<b>3,590,317</b>	<b>6,900,576</b>	<b>581,914</b>	<b>(3,892,174)</b>	<b>208.4%</b>

**Year To Date Revenues Through March 31, 2021**

	<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>
<b><u>Other Town Fund Revenues</u></b>					
Fund 1200 Total Special Revenue Fund	-	-	3,968,739	(3,968,739)	100.0%
Fund 1300 Total Capital Projects Fund	-	-	36,266	(36,266)	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	-	-	1,448	(1,448)	100.0%
<b>Total Town Other Fund Rev</b>	<b>867,000</b>	<b>867,000</b>	<b>4,006,455</b>	<b>(3,139,455)</b>	<b>462.1%</b>

<b><u>Other School Fund Revenues</u></b>					
Fund 72xx Total School Special Revenue Fund	-	-	3,240,283	(3,240,283)	100.0%
Fund 7300 Total School Capital Projects Fund	100,000	100,000	100,001	(1)	100.0%
Fund 7400 Total School Capital Projects Fund	1,713,212	1,713,212	319,072	1,394,140	18.6%
Fund 7600 Total School Nutrition Program	1,777,105	1,777,105	646,297	1,130,808	36.4%
Fund 7800 Total School Scholarship Funds	-	-	1,166	(1,166)	100.0%
<b>Total School Other Fund Rev</b>	<b>3,590,317</b>	<b>3,590,317</b>	<b>4,306,819</b>	<b>(716,502)</b>	<b>120.0%</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>101,178,032</b>	<b>80,063,397</b>	<b>19,322,027</b>	<b>80.9%</b>
<b>Grand Totals Revenues</b>	<b>101,113,543</b>	<b>101,113,543</b>	<b>94,642,634</b>	<b>6,470,909</b>	<b>93.6%</b>

Town of Scarborough  
Year To Date Education Expenditures  
Through March 31, 2021

<b>Education:</b>	<b><u>Original</u></b>	<b><u>Revised</u></b>	<b><u>YTD</u></b>		<b><u>Available</u></b>	<b><u>Percent</u></b>
	<b><u>Appropriation</u></b>	<b><u>Budget</u></b>	<b><u>Expended</u></b>	<b><u>Encumb</u></b>	<b><u>Budget</u></b>	<b><u>Used</u></b>
Regular instruction	32,894,838	32,902,338	23,185,099	52,589	9,664,650	70.6%
Improvement of instruction	992,791	992,791	661,127	2,048	329,616	66.8%
Special services	4,757,146	4,760,741	3,295,324	30,652	1,434,765	69.9%
General & special administration	279,295	279,295	197,227	-	82,068	70.6%
Board of education	37,851	37,851	37,980	-	(129)	100.3%
Office of the superintendent	754,591	754,591	495,918	4,110	254,563	66.3%
Business administration	2,291,654	2,291,654	1,693,384	-	598,270	73.9%
Transportation	1,828,951	1,828,951	955,819	-	873,132	52.3%
Operation and maintenance of plant	4,164,388	4,154,188	2,809,410	49,889	1,294,889	68.8%
Adult Education	194,558	194,558	91,515	383	102,660	47.2%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,309,738	5,309,738	4,177,199	-	1,132,539	78.7%
<b>Total Education</b>	<b>53,505,801</b>	<b>53,506,696</b>	<b>37,600,001</b>	<b>139,671</b>	<b>15,767,025</b>	<b>70.5%</b>



<b><u>Selected Revenues</u></b>	<b><u>Estimated Revenue</u></b>	<b><u>Actual YTD Revenue</u></b>	<b><u>% Collected</u></b>
Excise Tax Collections	6,000,000	5,296,002	88.3%
State Revenue Sharing	1,397,937	1,346,179	96.3%
Rescue Revenues	1,250,000	520,833	41.7%
LRAP-Local Road Assist.	331,444	309,920	93.5%
Building Permits	500,000	462,940	92.6%
Investment Interest	100,000	118,934	118.9%
Plumbing Permits	45,000	33,425	74.3%
Electrical Permits	70,000	65,592	93.7%
Education Subsidy	4,035,887	3,056,428	75.7%

<b><u>Town General Fund Revenues by Department</u></b>			
Executive (TM, HR, TC)	744,699	298,741	40.1%
Fund Balance	400,000	-	0.0%
Finance	6,051,665	4,950,496	81.8%
Property Taxes	21,340,911	21,340,912	100.0%
MIS	673,145	323,914	48.1%
Planning	725,803	668,494	92.1%
Community Serv	2,206,000	1,024,524	46.4%
General Assist. Misc Rev	-	4,097	100.0%
Fire Dept	1,408,000	639,787	45.4%
Police Dept	967,729	638,597	66.0%
Public Works	1,514,250	822,249	54.3%
Debt	1,982,611	-	0.0%
Intergovernmental	4,073,511	3,452,052	84.7%
TIFs and Interfund Transfer	1,062,100	579,100	54.5%
	<b><u>43,150,425</u></b>	<b><u>34,742,962</u></b>	<b>80.5%</b>