



Town of Scarborough, Maine

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FINANCE DIRECTOR
TREASURER

TOWN OF SCARBOROUGH Executive Summary for the period ending March 31, 2019

The third quarter of this fiscal year is now complete. The residential revaluation for the town is in full swing and the new public safety facility is evolving every day. Property taxes through the first nine months are over 96.5% collected. The fiscal 2020 Town and School budgets are being printed and will be ready for distribution for the April 3rd Town Council meeting.

Scarborough has completed nine months (or 75%) of our FY19 budget. During the 2019 budget process, we were concerned about increasing the estimate for excise revenues by \$250,000. At this time, we are 79% collected. While many of the actual revenues collected continue to trend below last year at this time, intergovernmental revenues are about \$400,000 higher than last year. This increase is mostly due to the additional revenues for Homestead and the BETE program and receiving FEMA and MEMA reimbursements. 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 77% spent and revenues are at 91% 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 this is why the revenues seem high at 91.3%. 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 March are 96.6%, 96.3% and 96.6% respectively compared to 96.6% for this year. As we can see, although total property taxes have increased each year, the tax collections have been fairly consistent over the past four years.

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 only 8.83% of operating. Total Fund Balance decreased from FY17 by \$519,504.

The 2019 operating budget total is \$88,050,859 and based on the Town's policy, Unassigned Fund Balance should be \$8,805,086. To bring the Town into compliance with our fund balance policy, unassigned fund balance will need to increase \$1.418m by June 30, 2019.

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 department expenditures are within the 75% range of expenditures after nine months. On the revenue side, as the selected revenue sheet shows, investment interest is higher than estimated and electrical and plumbing permits are exceeding nine month estimates. Intergovernmental revenues show higher than last year due to the increased reimbursement from the State for the Homestead and BETE programs.

Negative indicators: Total Licenses and Permits are trending lower than last year by \$116,835. Of this amount, \$105,345 are building permit revenues, lower than the prior year. While this may seem like a negative, building permit revenues in FY18 were an outlier compared to other years. Building permits collections after nine months were \$261,905, \$429,292 and \$323,947 for FY17, 18 and 19 respectively.

Those departments exceeding 75% expenditures include Administration at 77% mostly due to legal costs, Technology department at 76% due to their software licensing agreements paid at the beginning of the fiscal year; the Library at 100% whose fourth quarterly allotment was paid in March; 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 November 1. The second interest payment will be due May 1.

In summary, through the third quarter of this fiscal year, the expenditures are fairly consistent with the prior year percentage used/collected. We will need to watch revenues over the next three months. 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>March 31, 2019</u>	<u>March 31, 2018</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	32,206,546	30,038,357	2,168,189
Taxes Receivable	2,743,070	2,546,375	196,696
Accts Receivable	655,730	536,199	119,530
Due From Other Funds	2,351,473	2,283,149	68,324
Inventories	28,179	12,598	15,581
Total Assets and Outflows	<u>37,984,998</u>	<u>35,416,679</u>	<u>2,568,319</u>
<u>LIABILITIES</u>			
Accounts Payables	4,837,278	1,929,867	2,907,411
Accrued Payroll	4,815,035	4,520,705	294,329
Prepaid Items	1,910	-	1,910
Deferred Tax Revenues	843,488	786,089	57,400
Taxes Collected In Advance	25,819	320,297	(294,478)
Total Liabilities and Inflows	<u>10,519,710</u>	<u>7,556,958</u>	<u>2,962,751</u>
<u>FUND BALANCE</u>			
Fund Balance Unrestrictd	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	81,336,387	77,234,045	4,102,342
Actual Expenditures	67,242,871	63,273,138	3,969,734
Fund Balance	<u>27,465,288</u>	<u>27,859,720</u>	<u>(394,432)</u>
Total Liabilities and Fund Balance	<u>37,984,998</u>	<u>35,416,679</u>	<u>2,568,319</u>

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

	<u>3/31/2019</u>			<u>3/31/2018</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	8,679	75.0%	11,573	5,786	50.0%
56 Executive	2,666,240	2,059,840	77.3%	2,226,711	1,865,253	84.0%
57 Finance	1,095,711	788,097	72.3%	1,030,572	715,661	69.9%
58 Management Information Systems	1,446,086	1,097,573	76.1%	1,207,438	902,059	78.5%
59 Planning	1,056,153	690,690	65.4%	976,741	692,831	71.1%
62 Community Services	2,471,012	1,786,501	72.7%	2,729,722	1,934,118	71.8%
63 Library	1,152,091	1,152,091	100.0%	1,130,246	847,685	75.0%
66 Public Health & Welfare	32,314	15,276	47.3%	30,211	23,975	79.4%
68 SEDCo	240,693	166,458	69.2%	234,773	164,444	70.0%
71 Fire Services	5,314,941	3,770,594	71.2%	5,043,056	3,512,194	69.8%
72 Police Services	6,661,346	4,694,537	72.3%	6,415,138	4,659,491	72.7%
81 Public Works	6,775,465	5,026,077	85.5%	6,762,140	5,134,074	87.7%
85 Debt	5,579,904	4,753,023	85.2%	4,817,198	4,395,592	91.2%
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	1,218,785	102.5%	1,040,617	484,775	60.2%
97 Other	1,693,189	627,850	37.1%	987,053	431,629	43.7%
Total General Fund Expenditures	40,509,697	30,683,150	78.8%	37,352,855	28,479,232	79.0%
Fund 7150 Adult Education	188,501	130,986	69.6%	182,701	128,586	70.4%
Fund 7100 Total School General Fund	48,526,504	36,428,735	75.3%	47,125,168	34,665,319	74.1%
Total School General Fund Expenditures	48,715,005	36,559,721	75.3%	47,307,869	34,793,905	74.1%
Grand Total	89,224,702	67,242,871	76.9%	84,660,724	63,273,138	76.3%

9 Months = 75.00%

NOTES:

56: Re-allocation of Sustainability Coordinator to Planning, re-call vote costs, COG dues increased, legal up \$58gs from last year (Downs and Piper Shores), move Mun Bldg & OH Bldg to Admin.

57: Timing of expenditures, Increase in Comm Serv credit card costs, Change from contracted assessor to full time assessor.

58: Software costs and wages

59: Code Officer staffing

62: Move Mun Bldg & OH Bldg to Admin

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**

	<u>3/31/2019</u>			<u>3/31/2018</u>		
	Revised Estimated	Actual YTD	%	Revised Estimated	Actual YTD	%
	<u>Revenue</u>	<u>Revenue</u>	<u>Collected</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Collected</u>
<u>1100 General Fund</u>						
90 Taxes	26,946,812	25,219,967	93.6%	25,508,095	23,925,392	93.8%
91 Interest On Delinquent Taxes	97,965	45,342	46.3%	89,000	51,649	58.0%
92 Licenses And Permits	700,980	460,965	65.8%	645,680	577,800	89.5%
93 Intergovernmental Revenues	3,261,100	2,719,173	83.4%	2,923,418	2,312,765	79.1%
94 Charge For Services	6,303,393	4,455,285	70.7%	5,760,260	3,914,448	68.0%
95 Fines Forfeits And Assessments	71,500	59,776	83.6%	71,500	76,052	106.4%
96 Miscellaneous Revenues	693,163	672,420	97.0%	619,197	903,883	146.0%
99 Other Financing Sources	2,281,850	402,850	17.7%	1,735,705	1,065,840	61.4%
Total General Fund Revenues	<u>40,356,763</u>	<u>34,035,779</u>	<u>84.3%</u>	<u>37,352,855</u>	<u>32,827,829</u>	<u>87.9%</u>
Fund 7150 Adult Education	188,501	151,523	80.4%	182,701	158,465	86.7%
Fund 7100 Total School General Fund	48,526,504	47,149,085	97.2%	47,125,168	44,247,751	93.9%
Total School General Fund Revenues	<u>48,715,005</u>	<u>47,300,608</u>	<u>97.1%</u>	<u>47,307,869</u>	<u>44,406,216</u>	<u>93.9%</u>
Grand Total	<u>89,071,768</u>	<u>81,336,387</u>	<u>91.3%</u>	<u>84,660,724</u>	<u>77,234,045</u>	<u>91.2%</u>
Property Taxes Collected:	96.56%			2018 Property Taxes Collected Mar 2018: 96.55%		
Collections as of 06-17-19:	98.63%			2017 Property Taxes Collected Mar 2017: 96.34%		
9 Months =	75.00%			2016 Property Taxes Collected Mar 2016: 96.55%		

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: Year end transfers not yet transferred

**Town of Scarborough
Through March 31, 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	-	-	1,805,139	-	(1,805,139)	100.0%
Fund 1300 Total Capital Projects Fund	309,000	353,378	391,677	5,058	(43,357)	112.3%
Fund 1310 Total Capital Projects Fund	928,750	1,223,910	1,191,787	48,866	(16,742)	101.4%
Fund 1310 Public Safety Building	-	-	3,005,895	138,936	(3,144,831)	0.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	1,237,750	1,577,288	6,394,499	192,859	(5,010,070)	417.6%

<u>Other School Fund Expenditures</u>						
Fund 72xx Total School Special Revenue Fund	856,844	856,844	794,551	4,296	57,997	93.2%
Fund 7300 Total School Capital Projects Fund	50,000	50,000	26,944	-	23,056	53.9%
Fund 7400 Total School Capital Projects Fund	1,188,730	1,188,730	881,124	356,565	(48,959)	104.1%
Fund 7600 Total School Nutrition Program	1,548,315	1,548,315	1,268,492	99,961	179,862	88.4%
Fund 7800 Total School Scholarship Funds	-	-	3,500	-	(3,500)	100.0%
Total School Other Fund Exp	3,643,889	3,643,889	2,974,612	460,822	208,455	94.3%

	<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	-	-	2,499,351	(2,499,351)	100.0%
Fund 1300 Total Capital Projects Fund	309,000	309,000	85,956	223,044	27.8%
Fund 1310 Total Capital Projects Fund	928,750	928,750	72,946	855,804	7.9%
Fund 1310 Public Safety Building	-	-	-	-	100.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	3,305	(3,305)	100.0%
Total Town Other Fund Rev	1,237,750	1,237,750	2,661,558	(1,423,808)	215.0%

<u>Other School Fund Revenues</u>					
Fund 72xx Total School Special Revenue Fund	856,844	856,844	676,573	180,271	79.0%
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	47,941	1,140,789	4.0%
Fund 7600 Total School Nutrition Program	1,548,315	1,548,315	1,119,961	428,354	72.3%
Fund 7800 Total School Scholarship Funds	-	-	2,724	(2,724)	100.0%
Total School Other Fund Rev	3,643,889	3,643,889	1,847,200	1,796,689	50.7%

	<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	94,445,879	76,611,981	15,839,096	83.2%
Grand Totals Revenues	93,953,407	93,953,407	85,845,145	8,108,262	91.4%

**Town of Scarborough
Year To Date Education Expenditures
Through March 31, 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	28,924,138	28,929,228	21,532,497.31	44,935	7,351,796	74.6%
Improvement of instruction	865,376	865,376	584,281.58	2,090	279,005	67.8%
Special services	4,364,172	4,359,082	3,095,598.63	19,990	1,243,494	71.5%
General & special administration	254,911	254,911	199,439.72	-	55,471	78.2%
Board of education	30,271	30,271	27,021.25	-	3,250	89.3%
Office of the superintendent	698,983	698,983	575,739.25	4,400	118,844	83.0%
Business administration	2,176,963	2,176,963	1,613,755.97	351	562,856	74.1%
Transportation	1,606,958	1,606,958	1,232,493.99	-	374,464	76.7%
Operation and maintenance of plant	3,913,660	3,913,660	2,933,645.87	39,379	940,635	76.0%
Adult Education	188,501	188,501	130,986.08	208	57,307	69.6%
Food Service Allocation	-	-	0.00	-	-	0.0%
Debt service	5,691,072	5,691,072	4,634,261.46	-	1,056,811	81.4%
Total Education	48,715,005	48,715,005	36,559,721.11	111,352	12,043,932	75.3%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	5,850,000	4,621,860	79.0%
State Revenue Sharing	876,575	650,272	74.2%
LRAP-Local Road Assist.	321,816	322,124	100.1%
Plumbing Permits	45,000	35,198	78.2%
Building Permits	475,000	323,947	68.2%
Electrical Permits	60,000	47,668	79.4%
Rescue Revenues	1,000,000	750,006	75.0%
Investment Interest	50,000	119,872	239.7%
Education Subsidy	2,744,404	1,979,771	72.1%

Town General Fund Revenues by Department

Executive (TM, HR, TC)	621,243	295,961	47.6%
Fund Balance	-	-	0.0%
Finance	5,905,075	4,524,853	76.6%
Property Taxes	21,059,318	21,059,318	100.0%
MIS	712,465	342,219	48.0%
Planning	688,503	493,945	71.7%
Senior Programs	40,000	24,028	60.1%
Community Serv	2,152,284	1,457,148	67.7%
SEDCO	-	-	100.0%
Fire Dept	1,165,500	830,467	71.3%
Police Dept	894,075	659,726	73.8%
Public Works	1,588,150	1,109,187	69.8%
Debt	1,405,500	-	0.0%
Intergovernmental	3,258,300	2,841,077	87.2%
TIFs and Interfund Transfers	866,350	397,850	45.9%
	<u>40,356,763</u>	<u>34,035,779</u>	84.3%