

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

Well, we made it through some tough January through March winter storms! Spring is in the air and the flowers are in bloom as we complete another financial quarter. Scarborough has completed nine months (or 75%) of our FY18 budget. Interestingly, as we compare our town general fund expenditures for the periods ending March 2018 and March 2017, we are 79% spent for both years after nine months of activity. Total expenditures for FY18 are at 76.3% spent and revenues are at 91.2% collected for the General Fund, which includes the town, school and adult education. Total expenditures reflect the full payment of the County Tax of \$2.7m and all of the principal debt payment of \$7.170m. Tax collections continue to come in favorably at 96.6% collected compared to the prior two years of 96.3% through March 2017 and 95.8% through March 2016.

Annually total fund balance is updated. Unassigned Fund Balance increased slightly from FY16 of \$6,107,559 to FY17 of \$6,893,626. Per our fund balance policy, the Town's goal is 10% of the prior year operating budget. As of the end of FY17, the 2016 Operating Budget was \$77,616,047. Thus, the unassigned fund balance goal is \$7,761,605. Per the June 30, 2017 financial statements, unassigned fund balance is \$6,893,626. This puts the Town's Unassigned Fund balance at 8.88% of the 2016 operating budget.

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.

With three quarters (3/4) of the fiscal year under our belt, Scarborough Administrators continue to be mindful of spending as is demonstrated in these reports.

Positive indicators include the community services department staff preparing fields and grounds in-house compared to outsourcing this work. This has resulted in significant savings to the Town. Due to the timing of the quarterly payment to the Library in 2018, only three quarters of payments show compared to four quarters in 2017. This is true of the Legislative line as well with 50% and 75% spent respectively. Departments continue to play catch up with their capital expenditures since the delay of an approved school budget earlier this year or are working to utilize savings through bulk purchases.

On the revenue side, the municipal/county property taxes committed are lower in FY18 than in FY17 by approximately \$268,000 although as noted above, we are better collected in FY18. The Senior Property Tax Relief payments increased from \$138,308 in FY17 to \$184,171 in FY18 as more citizens took advantage of this wonderful program. Actual excise revenues increased slightly over these past nine months from \$4.28m in FY17 to \$4.34m in FY18. Building Permit collections are 101% of estimates. As of this writing, both Plumbing and Electrical Permit revenues have exceeded their estimated revenues as well. These three revenues are a strong indicator of the increased development occurring in Scarborough. Intergovernmental revenues show higher than last year due to the increased reimbursement from the State for both the BETE

and Homestead programs. Some of the programs affecting the increase in revenues in FY18 for the Charge for Services Revenues include, Fire Inspection Fees, Child Care and Summer Programs. Total Fines and Forfeiture revenues are currently 106% of FY18 estimates or about \$15,000 higher than FY17, although I am uncertain if collecting more in fines should be considered a positive?! Investment interest is higher than this time last year as a result of the early bond sale and the receipt of bond premium. \$89,500 of the bond premium will offset the cost of issuing this bond. \$514,450 of the premium will close to fund balance to be used toward the November 2018 debt interest payment. The final portion of \$735,000 of the bond premium is reflected in the Capital Projects (Fund 1310) to be used for the construction of the Public Safety facility. Instead of borrowing \$15m for the project, we only needed to borrow \$14.265m.

Negative indicators: The legal budget is presently overspent by \$12,394 and this deficit will most likely increase. With the tough spring weather and the changing weather pattern, the Public Works salt account is \$105,000 overspent.

In summary, through the third quarter of this fiscal year, actual revenues are 91% collected compared to 76% spent. Revenues are coming in strong and all of our department administrators are closely monitoring their expenditures.

**TOWN OF SCARBOROUGH
TOWN GENERAL FUND BALANCE SHEET**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	30,038,357	26,591,318	3,447,040
Taxes Receivable	2,546,375	2,657,330	(110,955)
Accts Receivable	536,199	686,030	(149,830)
Due From Other Funds	2,283,149	2,573,608	(290,459)
Inventories	12,598	31,301	(18,703)
Total Assets and Outflows	<u>35,416,679</u>	<u>32,539,586</u>	<u>2,877,093</u>
<u>LIABILITIES</u>			
Accounts Payables	1,929,867	1,621,963	307,904
Accrued Payroll	4,520,705	4,345,036	175,670
Prepaid Items	-	-	-
Deferred Tax Revenues	786,089	863,100	(77,011)
Taxes Collected In Advance	320,297	35,890	284,407
Total Liabilitites and Inflows	<u>7,556,958</u>	<u>6,865,988</u>	<u>690,970</u>
<u>FUND BALANCE</u>			
Fund Balance Unrestricted	9,407,401	9,327,005	80,396
Fund Balance Reserved	4,478,814	4,375,231	103,583
Fuel Inventory Reserve	12,598	31,301	(18,703)
Actual Revenues	77,234,045	74,109,660	3,124,385
Actual Expenditures	63,273,138	62,169,600	1,103,538
Fund Balance	<u>27,859,720</u>	<u>25,673,598</u>	<u>2,186,123</u>
Total Liabilitites and Fund Balance	<u>35,416,679</u>	<u>32,539,586</u>	<u>2,877,093</u>

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

	3/31/2018			3/31/2017		
	Revised Appropriation	YTD Expended	Percent Used	Revised Appropriation	YTD Expended	Percent Used
1100 General Fund						
55 Legislative	11,573	5,786	50.0%	11,573	8,679	75.0%
56 Executive	2,226,711	1,865,253	84.0%	2,012,424	1,870,883	93.1%
57 Finance	1,030,572	715,661	69.9%	958,869	670,263	70.3%
58 Management Information Systems	1,207,438	902,059	78.5%	1,195,024	874,449	76.1%
59 Planning	976,741	692,831	71.1%	953,915	663,678	69.6%
62 Community Services	2,729,722	1,934,118	71.8%	2,761,072	2,064,841	75.3%
63 Library	1,130,246	847,685	75.0%	1,099,898	1,099,898	100.0%
66 Public Health & Welfare	30,211	23,975	79.4%	29,656	21,489	72.5%
68 SEDCo	234,773	164,444	70.0%	224,694	154,208	68.6%
71 Fire Services	5,043,056	3,512,194	69.8%	4,908,197	3,398,954	69.6%
72 Police Services	6,415,138	4,659,491	72.7%	6,274,840	4,429,759	71.0%
81 Public Works	6,762,140	5,134,074	87.7%	6,774,857	4,554,142	81.2%
85 Debt	4,817,198	4,395,592	91.2%	4,840,496	4,280,734	88.4%
91 County Tax	2,709,666	2,709,666	100.0%	2,568,852	2,568,852	100.0%
94 Capital Equipment	1,040,617	484,775	60.2%	1,214,582	1,047,448	91.3%
97 Other	987,053	431,629	43.7%	1,081,403	366,425	33.9%
Total General Fund Expenditures	37,352,855	28,479,232	79.0%	36,910,352	28,074,703	79.0%
Fund 7150 Adult Education	182,701	128,586	70.4%	182,805	133,264	73.0%
Fund 7100 Total School General Fund	47,125,168	34,665,319	74.1%	45,856,180	33,961,633	74.4%
Total School General Fund Expenditures	47,307,869	34,793,905	74.1%	46,038,985	34,094,897	74.4%
Grand Total	84,660,724	63,273,138	76.3%	82,949,336	62,169,600	76.5%

9 Months = 75.00%

NOTES:

56: Legal expenditures are \$112,394 in FY18 compared to \$101,140 in FY17 mostly due to litigation. The Ass't Town Manager & Sustainability Coordinator positions were funded in Fy17 starting in October. In FY18, these positions are funded for twelve months. The Human Resource budget shows less spent due to the hiring of a new director in Sept. 2017.

57: Reflects change of two part time staff to one full time staff.

58: MIS Software Maintenance added: Google, SEECLICKFIX and timing of payments

59: Engineering subdivision review expenditures are up this quarter. The related revenues were reflected, for the most part in FY17, or have not yet been billed to the subdivision.

62: Grounds maintenance realignments resulting in less spent on grounds maintenance contractual work from prior year. Municipal building heating costs are lower this year than last year.

63: Timing of Library quarterly payment.

71: Fire Dept staffing costs & electricity costs.

72: Police Staffing costs.

81: PW Paving expenditures are \$329,204 between July and December 2017 but only \$28,533 in the prior year. Additionally, spent \$56,000 more on salt this year compared to last year.

94: Timing of capital equipment purchases for prior year and current year.

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

	<u>3/31/2018</u>			<u>3/31/2017</u>		
	<u>Revised</u>	<u>Actual YTD</u>	<u>%</u>	<u>Revised</u>	<u>Actual YTD</u>	<u>%</u>
	<u>Estimated</u>			<u>Revenue</u>		
<u>1100 General Fund</u>						
90 Taxes	25,508,095	23,925,392	93.8%	25,408,946	24,315,243	95.7%
91 Interest On Delinquent Taxes	89,000	51,649	58.0%	88,000	45,285	51.5%
92 Licenses And Permits	645,680	577,800	89.5%	596,480	392,215	65.8%
93 Intergovernmental Revenues	2,923,418	2,312,765	79.1%	2,833,502	1,993,725	70.4%
94 Charge For Services	5,760,260	3,914,448	68.0%	5,555,292	3,635,466	65.4%
95 Fines Forfeits And Assessments	71,500	76,052	106.4%	65,550	61,174	93.3%
96 Miscellaneous Revenues	619,197	903,883	146.0%	566,556	358,674	63.3%
99 Other Financing Sources	1,735,705	1,065,840	61.4%	1,619,958	450,713	27.8%
Total General Fund Revenues	<u>37,352,855</u>	<u>32,827,829</u>	<u>87.9%</u>	<u>36,734,284</u>	<u>31,252,494</u>	<u>85.1%</u>
Fund 7150 Adult Education	182,701	158,465	86.7%	182,805	166,374	91.0%
Fund 7100 Total School General Fund	47,125,168	44,247,751	93.9%	45,855,067	42,690,791	93.1%
Total School General Fund Revenues	<u>47,307,869</u>	<u>44,406,216</u>	<u>93.9%</u>	<u>46,037,872</u>	<u>42,857,166</u>	<u>93.1%</u>
Grand Total	<u>84,660,724</u>	<u>77,234,045</u>	<u>91.2%</u>	<u>82,772,156</u>	<u>74,109,660</u>	<u>89.5%</u>

Property Taxes Collected: 96.55%
Collections as of 05-01-18: 97.54%
9 Months = 75.00%

2017 Property Taxes Collected Mar 2017: 96.34%
2016 Property Taxes Collected Mar 2016: 95.97%

NOTES:

- 90:** Taxes include property and excise taxes. Property taxes are recorded as revenue when the bills are issued.
- 91:** Interest rate remains at 7% for unpaid property taxes - this is set by the State.
- 92:** Licenses & Permits Building, Electrical and Plumbing Permits are the main reasons for this increase over last year.
- 93:** Intergovernmental Revenues: Increased BETE and Homestead revenues received over prior year.
- 94:** Charge for Services: Vehicle maintenance reimbursements, Child Care and Summer Program Revenues.
- 99:** School Impact Fee Transfer - normally processed at year end and bond premium received.

**Town of Scarborough
Year To Date Expenditures Through March 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	-	-	1,977,891	-	(1,977,891)	100.0%
Fund 1300 Total Capital Projects Fund	275,900	255,900	297,642	28,161	(69,903)	127.3%
Fund 1310 Total Capital Projects Fund	3,582,850	3,582,850	1,162,643	849,049	1,571,158	56.1%
Fund 1310 Public Safety Building	21,548,095	21,548,095	148,250	-	21,399,845	0.7%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	25,406,845	25,386,845	3,586,426	877,210	20,923,209	17.6%
<u>Other School Fund Expenditures</u>						
Fund 72xx Total School Special Revenue Fund	1,123,902	1,123,902	717,510	1,823	404,570	64.0%
Fund 7300 Total School Capital Projects Fund	110,000	110,000	3,123	-	106,877	2.8%
Fund 7400 Total School Capital Projects Fund	1,286,200	1,286,200	785,211	78,941	422,048	67.2%
Fund 7600 Total School Nutrition Program	1,521,802	1,521,802	1,084,421	143,784	293,597	80.7%
Fund 7800 Total School Scholarship Funds	-	-	1,400	-	(1,400)	100.0%
Total School Other Fund Exp	4,041,904	4,041,904	2,591,665	224,548	1,225,692	69.7%

Year To Date Revenues Through March 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	-	-	2,626,791	(2,626,791)	100.0%
Fund 1300 Total Capital Projects Fund	275,900	255,900	366,355	(110,455)	143.2%
Fund 1310 Total Capital Projects Fund	3,582,850	3,582,850	1,821,949	1,760,901	50.9%
Fund 1310 Public Safety Building	21,548,095	21,548,095	15,000,000	6,548,095	69.6%
Fund 1500 Total Cemetery Permanent Fund	-	-	1,751	(1,751)	100.0%
Total Town Other Fund Rev	25,406,845	25,386,845	19,816,847	5,569,998	78.1%
<u>Other School Fund Revenues</u>					
Fund 72xx Total School Special Revenue Fund	1,123,902.37	1,123,902	537,349	586,553	47.8%
Fund 7300 Total School Capital Projects Fund	110,000	110,000	58,300	51,700	53.0%
Fund 7400 Total School Capital Projects Fund	1,286,200	1,286,200	1,155,565	130,635	89.8%
Fund 7600 Total School Nutrition Program	1,521,802	1,521,802	1,057,443	464,359	69.5%
Fund 7800 Total School Scholarship Funds	-	-	1,756	(1,756)	100.0%
Total School Other Fund Rev	4,041,904	4,041,904	2,810,413	1,231,492	69.5%

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
Grand Totals Expenditures	114,440,474	114,089,474	69,451,229	42,254,586	63.0%
Grand Totals Revenues	114,440,474	114,089,474	99,861,304	14,228,170	87.5%

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

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	28,068,091	27,892,549	20,651,776	27,552	7,213,221	74.1%
Improvement of instruction	943,675	913,675	617,735	23,017	272,923	70.1%
Special services	4,162,949	4,141,207	2,770,183	102,405	1,268,619	69.4%
General & special administration	246,043	246,043	178,258	-	67,785	72.4%
Board of education	32,723	32,723	26,961	-	5,762	82.4%
Office of the superintendent	705,950	710,550	508,665	-	201,885	71.6%
Business administration	2,225,025	2,161,709	1,582,948	374	578,387	73.2%
Transportation	1,615,051	1,615,051	1,032,741	121	582,189	64.0%
Operation and maintenance of plant	3,808,090	3,808,090	2,766,217	91,595	950,279	75.0%
Adult Education	182,701	182,701	128,586	-	54,115	70.4%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,603,571	5,603,571	4,529,836	-	1,073,735	80.8%
Total Education	47,593,869	47,307,869	34,793,905	245,064	12,268,900	74.1%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	5,600,000	4,335,848	77.4%
State Revenue Sharing	837,993	617,656	73.7%
Rescue Revenues	900,000	675,000	75.0%
LRAP-Local Road Assist.	354,978	324,412	91.4%
Building Permits	425,000	429,292	101.0%
Investment Interest	41,500	664,114	1600.3%
Plumbing Permits	41,000	37,023	90.3%
Electrical Permits	57,000	52,441	92.0%
Education Subsidy	2,150,151	1,581,010	73.5%

Town General Fund Revenues by Department

Executive (TM, HR, TC)	544,936	176,603	32.4%
Fund Balance	-	-	0.0%
Finance	5,716,900	4,867,764	85.1%
Property Taxes	19,797,611	19,797,611	100.0%
MIS	505,425	264,770	52.4%
Planning	624,250	608,725	97.5%
Senior Programs	33,000	28,361	85.9%
Community Serv	2,149,836	1,368,695	63.7%
SEDCO	-	-	100.0%
Fire Dept	989,400	814,814	82.4%
Police Dept	797,981	593,074	74.3%
Public Works	1,553,568	917,410	59.1%
Debt	728,735	672,585	92.3%
Intergovernmental	2,914,243	2,302,817	79.0%
TIFs and Interfund Transfer:	996,970	414,600	41.6%
	<u>37,352,855</u>	<u>32,827,829</u>	87.9%