



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, 2021**

What a wonderful fall we have had! I hope everyone was able to enjoy the holidays. And now winter is in the air and the snow is falling. Stay warm everyone.

Vacant positions are slowly filling but new vacant positions occur continuously. The different variants of COVID continue to create havoc and frustration here in Maine. And still, our front-line employees in the town hall, continue to welcome and serve our citizens. We appreciate their sacrifice and dedication as they continue to come in contact with customers.

Herewith, please view this executive summary with attached quarterly financial reports to provide a high-level overview of the town's finances through this second quarter of FY22.

Positive indicators: On average, after this second quarter, one would expect the town to have collected revenues or processed expenditures at 50%. Total expenditures are 55% spent after six months including the school department. The town has received 76% of the homestead reimbursement from the State. Excise tax revenues are currently at 49.9% collected. Planning Permits are 49.3% collected due mostly to building permits. Fines and violations are 57.5% collected. While the various charge for services revenue lines show only 34.2% collected, Community Service revenues have almost doubled what was collected at this same time last year mostly due to programs coming back online. The Public Works Department's vehicle maintenance of other communities now includes the addition of the City of Westbrook Fire Department. Miscellaneous revenues show 107.1% collected and is related directly to the premium received on the bonds issued in September. Finally, property taxes are accrued at commitment and a receivable is created for the tax collections. Therefore, the year to date revenues show the full committed amount and not the amounts actually collected. Intergovernmental revenue is still trending above average at 64.4% collected in part due to the Town receiving more than anticipated for the Local Road Assistance Program and higher State Revenue Sharing.

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. As the balance sheet shows, changes from the second quarter 2021 to 2022 have not changed significantly.

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%. As defined in the Fund Balance Policy, the FY21 Operating Budget total is \$96,034,595, thus making the fund balance 10% goal to be \$9,603,459 for FY22. Because the

FY21 year-end adjustments are still in motion, unassigned fund balance is still a moving target at this time.

Negative indicators: A few departments expenditures are above the spending average of 50%, including Executive 53.5% and Public Works is showing 66.8% expended through December 31, 2021. This is mostly due to union negotiations and winter storms. The Public Works department generally utilizes the financial purchase order system and encumbers many of their accounts such as solid waste and vehicle maintenance purchases. Since the funds are encumbered, they are not available for other spending and therefore contribute to the larger than normal percentage spent.

I would like to take this time to acknowledge the retirement of Fire Chief Mike Thurlow after 46 years of service and Police Detective Ricky Rouse after 35 years of service. Additionally, congratulations to Mark Holmquist on joining Scarborough as our new Police Chief.

TOWN OF SCARBOROUGH

TOWN GENERAL FUND BALANCE SHEET

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	21,339,612	15,724,990	5,614,621
Taxes Receivable	35,677,593	34,939,111	738,482
Accts Receivable	160,547	419,839	(259,292)
Due From Other Funds	3,080,852	2,707,433	373,419
Inventories	31,401	27,679	3,722
Total Assets and Outflows	<u>60,290,005</u>	<u>53,819,052</u>	<u>6,470,953</u>
<u>LIABILITIES</u>			
Accounts Payables	4,670,766	1,630,253	3,040,513
Accrued Payroll	5,990,702	5,576,500	414,202
Prepaid Items	-	-	-
Deferred Tax Revenues	837,446	913,993	(76,547)
Taxes Collected In Advance	1,178	2,463	(1,285)
Total Liabilities and Inflows	<u>11,500,092</u>	<u>8,118,283</u>	<u>3,381,809</u>
<u>FUND BALANCE</u>			
Fund Balance Unrestricted	9,669,669	9,434,246	235,423
Fund Balance Reserved	6,187,454	5,070,810	1,116,644
Fuel Inventory Reserve	31,401	27,679	3,722
Actual Revenues	86,522,696	81,243,996	5,278,700
Actual Expenditures	53,621,306	50,075,961	3,545,345
Fund Balance	<u>48,789,914</u>	<u>45,700,770</u>	<u>3,089,144</u>
Total Liabilities and Fund Balance	<u>60,290,005</u>	<u>53,819,052</u>	<u>6,470,953</u>

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

	12/31/2021			12/31/2020		
	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	5,454	47.1%	11,573	3,099	26.8%
56 Executive	3,410,138	1,824,071	53.5%	3,226,713	1,423,110	44.1%
57 Finance	1,314,927	606,645	46.7%	1,144,209	519,542	45.7%
58 Management Information Systems	1,603,775	702,626	44.6%	1,338,293	690,562	53.1%
59 Planning	1,227,012	494,262	40.5%	1,038,027	477,541	46.2%
62 Community Services	2,905,735	1,416,414	48.8%	2,129,666	825,317	39.8%
63 Library	1,071,119	535,560	50.0%	1,152,963	566,482	49.1%
66 Public Health & Welfare	105,813	46,673	44.1%	86,076	51,350	59.7%
68 SEDCO	258,326	120,846	46.8%	246,051	101,809	41.4%
71 Fire Services	6,261,923	3,080,438	50.0%	5,754,740	2,760,018	48.0%
72 Police Services	7,583,068	3,324,753	44.0%	7,094,837	3,336,980	47.4%
81 Public Works	7,452,764	3,007,395	66.8%	6,902,217	2,904,658	63.1%
85 Debt	6,287,816	5,598,910	89.0%	6,482,918	5,875,136	90.6%
86 Storm Related Expenditures	229	229	100.0%	-	16,288	100.0%
91 County Tax	3,081,933	3,081,933	100.0%	3,188,519	3,188,519	100.0%
94 Capital Equipment	2,507,669	620,923	61.1%	1,546,736	24,125	2.3%
97 Other	2,143,417	385,857	18.0%	1,864,341	321,269	17.2%
Total General Fund Expenditures	47,227,236	24,852,989	58.9%	43,207,879	23,085,803	57.0%
Fund 7150 Adult Education	179,639	75,693	42.4%	194,558	64,832	33.3%
Fund 7100 Total School General Fund	55,686,517	28,692,624	51.7%	53,312,138	26,925,326	50.9%
Total School General Fund Expenditures	55,866,156	28,768,317	51.7%	53,506,696	26,990,158	50.9%
Grand Total	103,093,392	53,621,306	55.0%	96,714,575	50,075,961	53.6%

6 Months = 50.00%

NOTES:

Overall: Non-union & part time furloughed time (avg 20 hrs/week) ended July 24, 2020. Staffing not fully funded in FY21. Increase in benef

55: The Town paid two quarters of Town councilors pay in FY22

56: Election ballots and legal services

62: Community Services: Continuation of restoring programs affected by COVID in FY21

71: Fire Dept union contract adjustments

72: Police Chief hired & union contract adjustments

81: PW staffing - Union contract adjustments and storms

85: Debt - Cost of issuance (COI) on Advance Refunding higher in FY21 than the COI for bonds in FY22

94: FY22 \$72,000 on solar array buyout & FY22 street sweeper purchase for \$218,575.

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

	12/31/2021			12/31/2020		
	Revised Estimated Revenue	Actual YTD Revenue	% Collected	Revised Estimated Revenue	Actual YTD Revenue	% Collected
<u>1100 General Fund</u>						
90 Taxes	29,127,939	25,344,134	87.0%	27,335,611	73,176,624	267.7%
91 Interest On Delinquent Taxes	70,000	9,025	12.9%	97,500	17,611	18.1%
92 Licenses And Permits	921,480	454,008	49.3%	794,880	425,872	53.6%
93 Intergovernmental Revenues	5,855,256	3,770,914	64.4%	4,476,411	2,845,882	63.6%
94 Charge For Services	6,810,789	2,326,053	34.2%	6,515,892	2,150,493	33.0%
95 Fines Forfeits And Assessments	94,700	54,416	57.5%	87,700	72,062	82.2%
96 Miscellaneous Revenues	881,421	943,684	107.1%	792,719	311,943	39.4%
99 Other Financing Sources	3,099,085	1,141,575	36.8%	3,049,711	5,000	0.2%
Total General Fund Revenues	46,860,670	34,043,809	72.6%	43,150,425	79,005,487	183.1%
 Fund 7150 Adult Education	 179,639	 127,613	 71.0%	 194,558	 51,563	 26.5%
Fund 7100 Total School General Fund	55,683,015	52,351,274	94.0%	53,311,243	2,186,946	4.1%
Total School General Fund Revenues	55,862,654	52,478,887	93.9%	53,505,801	2,238,509	2.1%
 Grand Total	 102,723,324	 86,522,696	 84.2%	 96,656,226	 81,243,996	 84.1%

Property Taxes Collected: 51.79%

Collections as of 01-12-2022: 51.96%

6 Months = 50.00%

FY2021 Property Taxes Collected Dec 2020: **50.07%**

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%**

NOTES:

90: Property taxes not fully allocated between town and school in FY21.

91: Unpaid tax interest rate reduced from 5% to 0% from March to July 2020 and then to 5%. FY22 rate set at 6%.

92: Licenses & Permits: Town Clerk licenses/permits are down however Electrical, Building & Plumbing Rev are all above estimates in FY22.

93: Intergovernmental Revenues: State Rev Sharing is \$1,485,771 & Local Road Assistance was higher than expected from the State.

95: Fines & Forfeits: False Alarm Violations are higher at 57.5% collected in FY22 than FY21.

96: Includes premium on FY22 Bond of \$3.725m.

Town of Scarborough
Year To Date Expenditures Through December 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>
<u>Other Town Fund Expenditures</u>						
Fund 1200 Total Special Revenue Fund	-	21,188	1,717,153	20,542	(1,716,506)	8201.4%
Fund 1300 Total Capital Projects Fund	235,500	235,500	271,450	-	(35,950)	115.3%
Fund 1310 Total Capital Projects Fund	4,525,000	4,525,000	522,313	105,965	3,896,722	13.9%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	4,760,500	4,781,688	2,510,916	126,507	2,144,265	55.2%

<u>Other School Fund Expenditures</u>						
Fund 72xx Total School Special Revenue Fund	-	-	1,151,307	5,861	(1,157,168)	100.0%
Fund 7300 Total School Capital Projects Fund	286,250	286,250	-	-	286,250	0.0%
Fund 7400 Total School Capital Projects Fund	3,352,651	3,355,702	1,037,081	138,549	2,180,072	35.0%
Fund 7600 Total School Nutrition Program	1,806,963	1,806,963	914,194	220,582	672,186	62.8%
Fund 7800 Total School Scholarship Funds	-	-	-	-	-	100.0%
Total School Other Fund Exp	5,445,864	5,448,915	3,102,583	364,992	1,981,341	63.6%

Year To Date Revenues Through December 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>
<u>Other Town Fund Revenues</u>					
Fund 1200 Total Special Revenue Fund	-	-	2,834,822	(2,834,822)	100.0%
Fund 1300 Total Capital Projects Fund	235,500	235,500	607,797	(372,297)	258.1%
Fund 1310 Total Capital Projects Fund	4,525,000	4,525,000	998,645	3,526,355	22.1%
Fund 1500 Total Cemetery Permanent Fund	-	-	599	(599)	100.0%
Total Town Other Fund Rev	4,760,500	4,760,500	4,441,863	318,637	93.3%

<u>Other School Fund Revenues</u>					
Fund 72xx Total School Special Revenue Fund	-	-	332,732	(332,732)	100.0%
Fund 7300 Total School Capital Projects Fund	-	-	0	(0)	100.0%
Fund 7400 Total School Capital Projects Fund	3,638,901	3,638,901	1,902,638	1,736,263	52.3%
Fund 7600 Total School Nutrition Program	1,806,963	1,806,963	1,014,532	792,431	56.1%
Fund 7800 Total School Scholarship Funds	-	-	469	(469)	100.0%
Total School Other Fund Rev	5,445,864	5,445,864	3,250,371	2,195,493	59.7%

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
Grand Totals Expenditures	112,929,688	113,323,995	59,234,804	50,506,438	55.4%
Grand Totals Revenues	112,929,688	112,929,688	94,214,930	18,714,758	83.4%

Year To Date Education Expenditures
Through December 31, 2021

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	34,384,116	34,384,116	16,968,705	40,218	17,375,193	49.5%
Improvement of instruction	977,217	977,217	469,716	9,746	497,755	49.1%
Special services	5,157,656	5,161,158	2,114,365	22,496	3,024,297	41.4%
General & special administration	289,513	289,513	141,703	-	147,810	48.9%
Board of education	44,418	44,418	25,116	-	19,302	56.5%
Office of the superintendent	833,720	833,720	454,494	-	379,226	54.5%
Business administration	2,362,477	2,362,477	1,199,808	512	1,162,157	50.8%
Transportation	1,905,797	1,905,797	744,062	-	1,161,735	39.0%
Operation and maintenance of plant	4,190,725	4,190,725	1,997,716	50,248	2,142,761	48.9%
Adult Education	179,639	179,639	75,693	554	103,392	42.4%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,537,376	5,537,376	4,576,940	-	960,436	82.7%
Total Education	55,862,654	55,866,156	28,768,317	123,775	26,974,064	51.7%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	7,000,000	3,492,976.12	49.9%
State Revenue Sharing	2,950,000	1,464,228.82	49.6%
Rescue Revenues	1,150,000	574,999.98	50.0%
LRAP-Local Road Assist.	309,920	318,948.00	102.9%
Building Permits	625,000	344,955.40	55.2%
Investment Interest	125,000	660,111.54	528.1%
Plumbing Permits	45,000	23,015.00	51.1%
Electrical Permits	70,000	38,883.80	55.5%
Education Subsidy	4,903,083	2,710,034.40	55.3%

<u>Town General Fund Revenues by Department</u>			
Executive (TM, HR, TC)	754,569	260,988	34.6%
Fund Balance	-	-	0.0%
Finance	7,044,377	3,915,352	55.6%
Property Taxes	22,141,892	22,141,892	100.0%
MIS	794,049	-	0.0%
Planning	889,603	442,005	49.7%
Community Serv	2,480,725	915,422	36.9%
General Assist. Misc Rev	-	-	0.0%
SEDCO	-	-	0.0%
Fire Dept	1,358,000	655,176	48.2%
Police Dept	1,014,492	449,351	44.3%
Public Works	1,466,482	358,635	24.5%
Debt	1,976,565	1,134,075	57.4%
Intergovernmental	5,852,396	3,770,914	64.4%
TIFs and Interfund Transfer	1,087,520	-	0.0%
	<u>46,860,670</u>	<u>34,043,809.14</u>	72.6%