

Town of Scarborough Maine Annual Comprehensive Financial Report

**For Fiscal Year Ending:
June 30, 2021**

Town of Scarborough Maine

Annual Comprehensive Financial Report

SCARBOROUGH
MAINE



Prepared By:

Town of Scarborough Maine

Finance Department

For Fiscal Year Ending: June 30, 2021

TOWN OF SCARBOROUGH, MAINE
Comprehensive Annual Financial Report
Year ended June 30, 2021

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Town of Scarborough Maine

Annual Comprehensive Financial Report



Introduction

Beach Ambassadors

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March 31, 2022

John Cloutier, Council Chairperson
and Distinguished Members of the Town Council
Scarborough, Maine

In accordance with the requirements of our Town Charter and state statutes, we hereby issue to the citizens of the Town of Scarborough and to all interested parties, the annual comprehensive financial report of the Town of Scarborough, Maine for the fiscal year ended June 30, 2021.

Responsibility for the accuracy, completeness, and reliability of the financial information, including all disclosures, rests with the Town of Scarborough and its management. Management has established a framework of internal controls that all the data is accurate in all material respects and reported in a manner that presents fairly the financial position of the Town of Scarborough. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities are included.

The annual comprehensive financial report is prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America. Please take this opportunity to review Management's discussion and analysis (MD&A) immediately following the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the Town's financial statements. The MD&A complements this letter of transmittal, and we encourage readers to view the MD&A in conjunction with the letter of transmittal.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Scarborough for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This is the sixteenth-consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

TOWN'S ORGANIZATIONAL STRUCTURE AND SERVICES PROVIDED

The Town of Scarborough is located on the southern coast of the State of Maine in the southeastern most section of the County of Cumberland, the State's most populous county. Scarborough is bordered by the Spurwink River and the Atlantic Ocean on its eastern side and is bordered by the communities of Cape Elizabeth, South Portland, Old Orchard Beach, Saco, Buxton, Gorham, and Westbrook.

The Town, first settled in 1633, was incorporated as the sixth town in the Province of Maine on July 14, 1658. The Town operates under a charter first adopted on October 7, 1969 and provides for a Town Council and Town Manager form of government. The legislative body consists of a seven-member town council. A seven-member school board has general authority for the public schools. The Town Council is responsible for passing ordinances, adopting the annual budget, appointing committees, and hiring both the Town Manager and the Town Assessor. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the government, and for appointing the administrators of the various departments.

Although legally separate entities, the Town of Scarborough has two component units, the Scarborough Economic Development Corporation and the Scarborough Public Library.

The Scarborough Public Library is a discretely presented component unit in a separate column in the government wide financial statements to emphasize that they are legally separate from the Town of Scarborough and to differentiate their financial position and results of operations and cash flows from those of the Town. The Scarborough Public Library's 14-member Board of Trustees include twelve members appointed by its own board members, one representative from the Friends of the Scarborough Library Board (a 501(c)(3) corporation) and one member appointed from the Town Council, however, the Town provides the majority of the Library's funding.

The Scarborough Economic Development Corporation (SEDCO) assists both current and prospective businesses. SEDCO is a blended component unit of the Town because the Town appoints the board members for SEDCO and any SEDCO debt outstanding is paid entirely with the resources of the Town. Additionally, SEDCO issues its own separate financial statements.

Financial statements for the following entities excluded from this report because the boards that administer them are separate from and independent of the Town Council. These entities have not met the established criteria for inclusion in this report; however, a brief description is incorporated in the notes to the financial statements:

Portland Water District
ecomaine

In accordance with the provisions of Article V of the Town Charter, the annual budget serves as the foundation for Scarborough's financial planning and control. The Town's budget year begins July 1 and ends June 30 of the following year. The Charter provides that the Town Manager submit a budget to the Town Council, at least 60 days prior to the beginning of each fiscal year. The Finance Committee reviews the proposed budget and makes recommendations to the Town Council. With prior public notification, the Council orders a public hearing. If the Council does not adopt the annual budget prior to July 1, then the budgets presented by the Town Manager and the Board of Education becomes the budget for the fiscal year. Department Administrators and the Board of Education may make transfers of appropriations within their departments. Transfers of appropriations between departments, however, require the approval of the Town Council. Once the Council approves the school's budget, the budget then goes to the voters for approval. If the voters do not approve the budget, it goes back to the School Board for revision, the Council approves it, and then it goes back to the citizens. This process continues until the voters approve a school budget. In the event the voters do not approve the school's budget by July 1, the last budget approved by the Town Council becomes the school's budget until the school referendum is approved.

ECONOMIC CONDITION AND FUTURE OUTLOOK

Maine Economy. COVID-19 continues to challenge the recovery of Maine's economy. However, an influx of State and National resources is targeting specific sectors suffering the greatest losses. Furthermore, the availability of infrastructure funds through COVID federal, state and county resources have the ability to lift all industries. These strategic investments over the next few years, should improve Maine's competitiveness while supporting the economic recovery process.

Maine's population increased 2.6% between 2010 and 2020, according to the newly released Census 2020 full count of the population. While population increased, the rate of increase lagged New England and the United States, 4.7% and 7.4% respectively. Maine's Census 2020 population count of 1,362,359 accounted for 9.0% of New England's population.

Looking at recent economic indicators, Maine's personal income change from the first quarter of 2020 to the first Quarter of 2021 and increased 20.5%, outpacing New England and the United States. Per capita income also increased in Maine (20.2%) at a faster pace than New England (15.3%) and the United States (16.3%). Lastly, wages & salaries increased faster in Maine (6.4%) than in the New England (4.3%) and the United States (4.0%). Some of the increased income clearly came from increased payments to individuals and families from the stimulus packages, but wages are increasing as the availability of workers lags behind demand.

Maine's unemployment rate remains lower than the both the United States and New England. The State's labor force participation rate of 60.4% in July 2021 is slightly below the United States' participation of 61.7%. Increasing labor force participation rates will be critical to the State's economic health as we absorb more of the generation of baby boomer retirements.

In July 2021, the total nonfarm payroll job estimate included 617,500 jobs. While jobs increased in July, the overall total employment for the state was down approximately 3.7% compared to pre-pandemic. The goods producing sectors outpaced service-providing sectors in job growth.

The price of housing continues to be in the spotlight here and across the country. The median sales price increased 23.6% over the 12-month period of July 2020 to July 2021. In Cumberland County, the median sales price increased 20.6% reaching \$446,140 in July 2021. It is quite notable that the biggest increases in housing prices came from smaller, more rural counties. This increase in the price of housing was fueled by a lack of supply and some increased interest from out of state buyers. As workers are freed from the tether to their work offices, workers from all over the country had more choice in their home locations. Even within the state, those urban workers, who no longer need to commute into Portland and other job hubs, are choosing suburban and rural locations. Only time and Covid, will tell us how much of the workforce will remain untethered to their home offices.

Local Economy. Scarborough's solid and diversified economic base continues to insulate the community against the worst of Covid19 impacts. While the economy's foundation is solid, we are not immune to the continued threat posed by current economic conditions, including continued uncertainty regarding Covid, continued lack of labor supply and the impact on housing affordability from increasing median sales prices.

The release of the Census 2020 count of population confirmed what most people in the community already knew – that population increased faster than Census Bureau estimates indicated. Scarborough's population for April 1, 2020, reached 22,135, outpacing earlier estimates. Scarborough has moved from the ninth largest community in the state to the seventh largest community in the state.

Between 2010 and 2020, Scarborough added 3,216 net new residents, more than any other community in Cumberland County and in the state. Westbrook added 2,906 net new residents, while Portland added 2,214 net new residents.

The desirability of Scarborough as a place to live has certainly driven this population growth. Scarborough's attractiveness also brought new housing development to the community. According to the Census 2020 Count, an additional 1,724 new units were added between 2010 and 2020. This increase in units tracks with the number of building permits reported by the Town (1,666 units), with an additional 200 units permitted in the first six months of 2021. As of April 1, 2020, the Census Bureau reports 10,341 housing units in Scarborough. During the ten years between 2010 and 2020, only the City of Portland added more housing units (1,911 units).

As of July 2021, unemployment in Scarborough is down to 3.7% from a high of 11% in April 2020. This level of unemployment is higher than pre-pandemic numbers which hovered between 2% and 3% throughout 2019.

In terms of jobs, two of the Town's largest employers, Hannaford and Abbott, fared well during the pandemic. Hannaford continues to provide essential services for the State and has seen sales growth over the previous year. The Scarborough location is often the top grossing store in New England in terms of sales.

Abbott nearly tripled their employment last year, focusing on the production of Covid test kits. And while Abbott did trim their workforce in Scarborough earlier this year, they have since added back a similar number of jobs to address the need for Covid tests as the Delta variant surges throughout the United States.

In terms of new development, The Downs project is in full swing, and as of mid-summer, sold all the lots in the Innovation District. The Innovation District is the section of The Downs that accommodates light industrial companies needing flexible space with storage, office and production space.

The number of jobs in Scarborough did increase from Quarter 1 2019 (before the pandemic) to Quarter 1 2021. The State of Maine reports that Scarborough was home to 16,359 jobs in Quarter 1 2021, an increase of 732 total jobs over pre-pandemic job numbers. This increase represents the sum of increases AND decreases from different industries. The Visitor industry lost employment and wages, while Manufacturing added 1,131 jobs between 2019 and 2021 (Quarter 1), accounting for nearly all the increase in jobs during this period in Scarborough.

The increase is also a reflection of changes in our existing businesses as well as the beginning of increasing job opportunities resulting from The Downs project. The full extent of The Downs Innovation district will likely not be seen until FY 2023, as buildings are completed. One important observation is that the Innovation District, being primarily production companies, will be less affected by the changing work from home (WFH) trends.

However, the impact of the WFH trends on Scarborough was clearly in evidence as WEX cancelled their plans to build a 200,000 square foot office building on The Downs Campus. While this is disheartening news, the decision was not unexpected given the continued pounding of Covid, even in a community that is more than 90% vaccinated.

The changing WFH trends are also a major factor as we look at planning for the future. While jobs may be reported at the physical location of the plant, we do not know how many workers are commuting into their jobs. Furthermore, no one knows the extent of the long-term impacts on the workforce. It is clear that some portion of workers will continue to work from home either full time or in a hybrid situation. Beyond traffic, there is the impact on local retail, restaurants and services.

Lastly, the visitor industry continues to face uncertainty. This summer certainly had a positive impact on the visitor industry, as hopes that the vaccine would tamp down the impact of Covid on people's desires to travel and partake in restaurants and events. This seemed true as we entered the summer, however, the impact of Delta on the willingness to travel and enjoy the local food, drink and attractions is clearly going to increase as we enter late summer and fall.

Only first quarter 2021 employment numbers are available for the visitor industry. In 2021, the first quarter resulted in an average employment of 929 jobs, 21% lower than the pre-pandemic 2019 first quarter jobs (1,173). Jobs in the first quarter of 2021 (929) in this sector were also below the first quarter of 2020 (1,140), however the pandemic impact on tourism was not significant until the second quarter.

It is important to note that part of the slow recovery of the visitor industry is due to the lack of available employees. In late Spring and early summer, we heard from many restaurants that they were forced to reduce the number of days open, not due to Covid restrictions or lack of demand, but to a universal lack of employees. This situation may improve with the ceasing of the increase in pandemic payments through the unemployment system, however, there are other industries in the market for employment attracting folks away from the seasonal visitor industry. How many former visitor industry workers will eventually return to the industry, is unknown.

Lastly, we cannot ignore the increasing cost of housing in the Scarborough market. Sales prices are up, inventory was down but is now increasing. The stock of multi-family rentals is increasing, which is providing some diversity in Scarborough's overwhelmingly dominant single-family market. The median sales price in Scarborough for April 2020 through April 2021 reached \$512,000. The median sales price for the month of April 2021 was a staggering \$633,000.

In summary, the outlook for Scarborough is positive. We have a sound and diversified economic base. Based on the housing market, Scarborough continues to be attractive to new residents, both out of state and in state, due to our location and our amenities. Our diversified economic base provided stability during the worst of the pandemic impacts. New commercial development continues to add additional value to the tax base and jobs to the economy. With some strategic assistance from federal and state resources, we can assist those industries and businesses that have been hit hardest by the pandemic. Lastly, the amount of federal and state aid targeted toward improving infrastructure will assist our community and the region in securing our future competitiveness.

Major Initiatives:

For the year. As the global pandemic continued to touch and affect nearly all aspects of life in some way, the Town of Scarborough departments resolutely forged ahead with daily and seasonal responsibilities. Despite the ongoing challenges of COVID along with Town wide cutbacks for a number of months, the Town regrouped, reworked, and revised work and programs, as needed, in order to continue effectively maintaining services for the Town of Scarborough citizens.

The COVID-19 pandemic caused many to modify work, personal lives and interactions. The Scarborough Fire Department first responders were severely impacted. The Governor enacted a Civil State of Emergency on March 15, 2020, that expired on June 30, 2021. During this time frame, the town's first responders were key in the Town's response and recovery from this pandemic. The Scarborough Fire Department remained on the front lines responding to aid those infected with COVID-19 or stricken with other emergencies. This required extraordinary vigilance, the use of special personal protective equipment, and advanced decontamination techniques to keep the public and Town personnel safe. They continued to work their normal schedule (as well as a significant amount of required overtime) to meet the emergency response needs of the community. At the end of the fiscal year, over 80% of the Town's local population have been vaccinated, businesses are reopening, mask mandates have been lifted. When the first vaccine supplies were released, the State reached out to key EMS agencies to assist with the task of vaccinating all the first responders across the state. Scarborough Fire/EMS met that challenge. Scarborough, Portland and Gorham Fire departments were deployed to begin the process of vaccinating all Cumberland County public safety employees.

This fiscal year, the Town continued having all municipal board and committee meetings on virtual and hybrid platforms, restricted in-person meetings with staff, allowed staff with the ability to work remotely, and implemented the Occupational Safety and Health Administration (OSHA) emergency temporary standard. It is our expectation these initiatives will remain in effect for the duration of the pandemic.

Scarborough High School had an incredibly unique school year in 2020-21. Due to Covid-19, school opened in the fall with hybrid learning. Most students began the year coming to school two days a week and learning on-line synchronously the other two and a half days in the week. Some students were entirely remote for their academics. Wednesday afternoons were devoted to professional development for the staff in order to adapt to this new learning style.

This fiscal year the Planning Department expanded capacity with the development of the Technical Division led by our Town Engineer and supported by the Town's Sustainability Coordinator and GIS & Project Administrator. The Technical Division is an internal restructuring of existing town positions to promote and encourage the sharing between all town departments the technical expertise and knowledge-base that the division staff have to offer.

The Planning Department's Zoning and Codes team is very active with a high volume of permitting, inspections and related assistance provided to applicants and the general public. Overall development activity is robust with 885 building permits issued in FY 2021. This year, the community continued to experience strong growth in multi-family developments. Single-family development remained stable with over ninety-nine new single-family building permits issued. Similar to the volume of construction activity managed by the Zoning and Code Enforcement team, the Planning Division directed a similar load of development review, planning studies, zoning efforts, and ordinance initiatives. FY 2021 was defined by the Planning department's efforts related to the completion of the Comprehensive Plan development review, ordinance modifications, transportation planning, and assisting the public. The Town Council, working with the Planning Department and the Long-Range Planning Committee, officially adopted the 2021 Town of Scarborough Comprehensive Plan. This nearly four-year planning exercise will help inform future policy and land use decisions. Another key Planning initiative was advanced by collaborating with the Down's development team, the State of Maine Department of Transportation, the Maine Environmental Protection Agency and various Town committees and Boards to shape and refine the progress and improvements within the Down's development site. These partnerships will continue to take shape throughout FY 2022. In addition to these initiatives, the Town Engineer and Planners also manage the Planning Board's Site Plan and Subdivision review process. Over 370,000 square feet of new commercial space was approved for development in FY 2021.

The ongoing Covid-19 pandemic continued to impact the Information Technology Department (IT) operations in FY 2021. Various computer related devices were distributed to Town staff, School staff and students for remote use. Additionally, in this fiscal year, the Information Technology (IT) Department completed the implementation of the new Town of Scarborough website at www.scarboroughmaine.org.

In fiscal year 2021, the Public Works administration team responded to 2,522 requests for service from residents, Scarborough town departments, outside municipalities, and the general public. This was an increase in nearly 100 work orders from the prior year. Despite the limitations and challenges of the pandemic, the demand for services were not reduced. The Public Works Department continues to experience steady usage of the universal contact email pwinfo@scarboroughmaine.org. This email has proven to be an effective way for residents to contact Public Works with questions, comments, and concerns. The email platform enables residents to provide a surplus of information inclusive of photographs, etc. This has been a tremendously effective communication tool, particularly during the quarantine, etc. The email is monitored by our administrative staff, who respond to all emails accordingly, and then distributes the requests, questions, and concerns to the applicable staff/department for any additional action items necessary for the request and/or question. Even with administrative staff working remotely during the pandemic, there was no disruption in the communications between residents and Public Works staff. The Public Works Department processed 158 excavating permits, and 25 excavating licenses.

The Public Works Operations crew monitors, repairs, and maintains the Town's infrastructure. The winter of FY 2021 was marginally less demanding in that there were fewer storms than years previous, with 17 storm/weather events that required road treatment. Additionally, Public Works spread 1,322 tons of salt and 2,805 tons of sand. Little magnesium chloride was utilized during this winter, primarily due to warmer temperatures of the season.

In addition to the 277 Town of Scarborough vehicles & equipment (Police, Fire, Rescue, School, Public Works, etc.), the Public Works Vehicle Maintenance Department also repairs and maintains 64 vehicles from external municipalities: Hollis Fire/Rescue Department, Kennebunk Fire/Rescue Department, Old Orchard Beach Fire/Rescue Department, Old Orchard Beach Police Department and the Wells Fire/Rescue Department. This is a mutually beneficial arrangement, as the contracted work with these external municipalities generates revenue for the Town and provides quality and cost-effective service for the external entities.

In FY 2019, the Town partnered with ecomaine along with three other municipalities to develop and implement an innovative recycling outreach program. In FY 2021, Scarborough saw an increase from the prior year in recycling contamination (non-recyclables and trash mixed with recycling) during the Covid-19 pandemic. In the Fall of 2020 and Spring of 2021, the Town along with ecomaine, provided an outreach and education program to residents in hopes of reducing contamination. Interns from ecomaine checked recycling bins for contamination and placed a colored tag on the bins based on their contents. The program proved successful and resulted in less contamination in Scarborough's recycling. Between July and December 2020, ecomaine rejected 49 recycling loads from Scarborough because they contained too much contamination, while only 10 recycling loads were rejected between January and June.

In FY 2020, the Community Services staff developed creative programming and made facility improvements for program participants, park goers, and most importantly, for the health of our community. The highlight of the community services accomplishments, as well as greatest challenge this year, has been our Hybrid Care program. The Town negotiated a lease to operate the department at 418 Payne Road, helped decommission the facility, and then transform the space into a functioning recreational childcare space called the Hub. Students were separated into pods based on their school for educational purposes as well as meeting safety protocols. During the school day, children were assisted with their schoolwork, helped connect with their online classes, and participated in recreational activities. This program provided parents a safe space for their students while focusing on educational support and social interaction opportunities. This program allowed a high percentage of our parents the opportunity to work. Due to hiring challenges during this year, all of our full-time employees assisted as classroom educators. They organized online class schedules, class assignments, and developed activities to provide social and recreational opportunities.

As of FY 2021, beach trash barrels were reduced at all beaches and were concentrated to the parking lots. The *Pitch In Pails* campaign was a new effort to help keep the beaches clean. Debuting at Hurd Park/Pine Point Beach, the Pitch In Pails encouraged beachgoers to participate in their own mini beach clean-ups. A station with buckets was located at the beach entrance where beachgoers could grab a bucket, collect litter on the beach, and empty the trash into the bin that was built into the station on their way out. The bucket was then returned for others to use. Pitch In Pails allowed anyone to "pitch in" to help keep the beach clean. Because of the success of this new program, the plan is to bring them to other beaches and parks in Scarborough.

During the height of the pandemic, with people of all ages following stay-at-home orders, the need to recreate safely and outdoors was never more necessary. With the additional help of re-assigned Community Services full-time staff during the busy spring and summer seasons, all 25 of the town-managed parks and facilities remained open for the public.

Due to COVID shutting down all senior programming, the Community Services staff in partnership with the Southern Maine Agency on Aging, the Scarborough School Nutrition Program, Scarborough Food Pantry, Martin's Point, Scarborough Police Department, and volunteers provided meals-to-go via curbside pickup. All together 3,910 meals were served over the course of 25 meal pickup dates.

During this fiscal year, the Police Department learned how to conduct business remotely, as the Town buildings were for the most part shutdown to normal business. The department had to learn how to interact with people on calls, during traffic stops, and in meetings in a whole different way. Many people were working from home and while this helped in terms of the amount of traffic on the roadways, the frustrations of not being able to mingle and socialize caused many people anxiety that resulted in additional calls for service. The ripple effect of the pandemic was also felt in many other ways. Operation HOPE was forced to shut down as it did not have the ability to meet with people and very few resources were open to accept individuals.

The Scarborough community has grown significantly over the last few years and is projected to continue that trajectory. This continued growth creates a greater number of calls, accidents, traffic enforcement etc., and is getting more challenging for the Police patrol division. The detective division has an inhouse certified polygraph operator. The State of Maine requires all law enforcement officers to be polygraphed prior to going to the academy. This was a benefit as the Town did not have to work around the schedule or pay another agency for the service. The Town was also able to generate annual revenues by administering exams for other agencies.

During this past year, the Town Council approved the new position of Social Services Navigator, and the police department filled this new position. The Navigator can connect with those who may be struggling over difficult calls by effectively following up with citizens and keeping officers abreast of the status of these situations. The navigator has also written grants and worked collaboratively with Project GRACE as well as other agencies and organizations.

Operation HOPE has now placed over 530 individuals seeking help from substance use disorder. With grant funding, a new initiative will provide limited safe sober living for individuals returning from treatment and getting reestablished. The grant also enabled the Town to initiate a Law Enforcement Assisted Diversion (LEAD) program which works with a number of stakeholders to include local business owners and the Cumberland County District Attorney's office. The program allows the Police department to work with individuals that are identified as needing assistance with societal issues such as mental health, and homelessness. Scarborough Police Department is the first police department in the state to initiate a successful LEAD program.

Another new initiative of this grant was to fund a documentary series on substance use disorder. The series started as an idea to involve students from Scarborough, Bath, Windham, Yarmouth, and Gorham. The students would be challenged to produce age-appropriate messages to inform school aged children about substance use disorder, the brain disease model of addiction, and healthy alternatives. This project developed into the formation of a grass roots; student-based organization called Students Empowered to End Dependency (SEED). The messaging that SEED came up with turned in to a twelve-part documentary series called *Voices of Hope: The Rugged Road to Recovery*. A local television station started airing the series in May 2021.

In FY 2021, the Town's Emergency Management's Emergency Operations Plans were updated by the Fire department and approved by the Town Council. The function of the Town's Emergency Management Agency is to maintain the Town's emergency operating plans. Functional emergency operation plans are essential when dealing with natural and human-made disasters and are required to receive federal funding under Presidential emergency declarations.

One of the highlights of the past fiscal year was the replacement of the town's 1989 fire truck after 32 years of service. The fire department's Standing Truck Committee worked diligently on a new design for a smaller and more maneuverable truck to better navigate Scarborough's dense modern developments and protect our built-out neighborhoods. After voter approval in 2019 and a competitive bid process, a 2021 Pierce® pumping engine was delivered on May 25th. After several weeks spent outfitting the truck, mounting equipment, and training personnel, it was officially placed in service as Engine 4 on July 5th. The truck is assigned to the Pine Point Fire Company which has not received a new fire engine in over 40 years. The company had been assigned several hand-me-down trucks to work with over the years as new trucks were assigned to busier stations.

For the Future.

Beginning in September 2021, Scarborough Community Services will be bringing back a much-needed pre-kindergarten program. Open to children ages 4 and 5 entering *Grade K* in school year 2022-23, the newly revised Plover Program will help children work towards the social, physical, and academic skills they will need for kindergarten and beyond. A combination of free-play time, group activities and discussions will allow the children to practice the social readiness skills necessary to begin Kindergarten with a positive self-image. Fun themes (seasons, weather, holidays, feelings, etc.) will be incorporated throughout the year to make foundational learning outcomes that are more relatable and memorable. There will also be weekly scheduled time for music, art, gym, and outdoor exploration, a key piece to the whole-child teaching concept.

The Planning Department Technical Division continued to administer and implement the Phillips Brook Restoration Project, which is funded in part by a federal grant from the US Environmental Protection Agency and administered by the Maine Department of Environmental Protection (DEP). Stream improvements in a stretch of Phillips Brook near Payne Road were delayed in 2020 due to the Covid-19 pandemic. The Town released a request for proposals to complete restoration at the site in the spring of 2021. Unfortunately, construction costs exceeded the project budget. The Town worked with DEP to secure a project extension through 2022 in hopes that the construction climate will improve. Scarborough Public Works is scheduled to complete site work in the fall of 2021 in preparation for restoration work in 2022.

Long Term Financial Planning.

The Scarborough Town Council adopted a Capital Projects Reserve Policy on May 19, 2021. The purpose of this reserve is to provide an additional method to fund capital items as recommended in the Financial and Fiscal Policy adopted in FY 2020. Initial funding for this reserve is to come from excess revenues over general fund estimates.

Scarborough utilizes a five-year Capital Improvement Plan. This plan encompasses a scheduled equipment replacement program as well as proposed building construction/improvements, land and infrastructure improvements, land acquisition for capital purposes, open space, and existing farmland preservation. The plan is updated annually.

The Public Works department recently completed a town wide pavement condition survey of all paved roads in town. This survey was conducted in house with the nationally recognized pavement management program, “Micropaver.” The information from this survey enables the Town to determine which roads receive priority attention as the funds are available for road rehabilitation. This survey provides the Town with the ability to forecast road rehabilitation costs well into the future. The primary purpose is to keep roads at a minimal level of wear over a longer period, by closely tracking their condition and usage, and prioritizing rehabilitation projects, as necessary.

FINANCIAL INFORMATION

Assessed Valuation and Collections.

An indicator of Scarborough’s strong local economy is in the growth of the Town’s assessed value of real and personal property. The Town of Scarborough increased its 2021 value by \$30,769,561 from 2020. For the 2021 tax year, the valuation was \$4,727,230,976 compared to the 2020 valuation of \$4,696,461,415.

Below is a list of unpaid property taxes, for the last five years. The first column represents the original amount of unpaid taxes based on the assessment year and the second column represents the amount of remaining unpaid taxes as of the current fiscal year.

| <u>As of June 30, 20xx</u> | <u>As of June 30, 2021</u> |
|----------------------------|----------------------------|
| \$517,690 in 2017 | \$15,411 |
| \$565,963 in 2018 | \$28,320 |
| \$689,670 in 2019 | \$39,363 |
| \$857,652 in 2020 | \$191,297 |
| \$537,799 in 2021 | \$537,799 |

For 2021, the Town Council authorized \$400,00 from the Town’s fund balance, \$700,000 from the School’s fund balance and \$2,527 from the Adult Education fund balance to assist with funding needs in FY 2021.

OTHER INFORMATION

Awards. In recognition of Retired Chief Robert Carson’s 60+ years of active service to the Fire Department and for all he has done for our community, the Town dedicated the new 2021 Pierce® pumping engine and had the original bell re-chromed and engraved. The dedication ceremony was held at the Engine 4 station as well as the traditional ceremonial push of the new truck into the station. This fire department tradition goes back to the 1800s when the fire departments used hand-drawn pumpers or horse-drawn equipment. The new fire trucks are pushed into the station by the members when they enter service.

This fiscal year, the Scarborough Police Chief announced his retirement after 44 total years of service, 22 years as the Police Chief.



Independent Audit. The Town Charter requires an annual financial audit by independent certified public accountants appointed by the Town Council. The firm of Wipfli, LLP was engaged to perform the annual audit for the Scarborough Town Council for fiscal year 2021. This audit is designed to meet the requirements of Government Auditing Standards and the Uniform Guidance.

Acknowledgements. As such, the preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Revenue and Accounting staff. Special thanks to Gina Clukey, Deputy Finance Director for her dedication, loyalty, and countless hours contributing to the preparation of this report. I wish to thank all of Scarborough’s departments for their assistance in providing the necessary data to prepare this report. Credit is also due to the Town Manager, the Town Council, and the Finance Committee for their full support in maintaining the highest standards of professionalism for the management of the Town of Scarborough’s finances. Finally, I would like to acknowledge the firm of Wipfli LLP for their efforts and guidance during this engagement.

Respectfully Submitted,

Ruth D. Porter
Finance Director



Government Finance Officers Association

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Reporting

Presented to

**Town of Scarborough
Maine**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

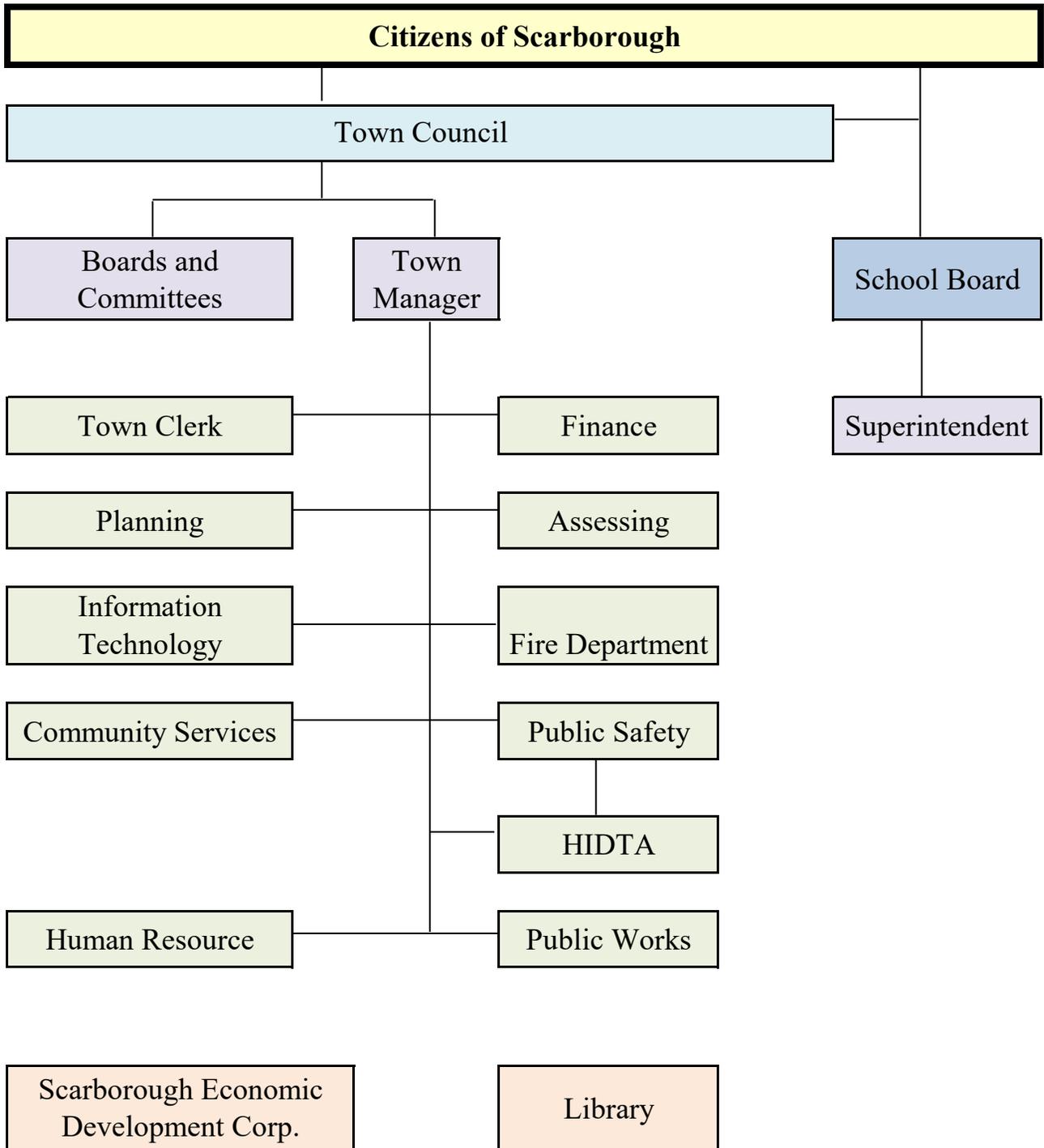
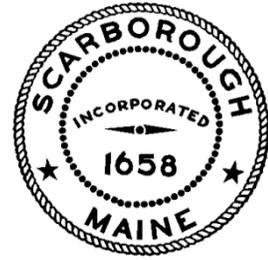
June 30, 2020

Christopher P. Morill

Executive Director/CEO

Town of Scarborough, Maine

Organizational Chart



Principal Executive Officers 2020-2021

The following table sets forth the principal executive officers of the Town of Scarborough.

| <u>OFFICE</u> | <u>NAME</u> | <u>MANNER OF SELECTION/TERM</u> | <u>TERM EXPIRES</u> |
|--|------------------------------|---------------------------------|---------------------|
| Town Council Members: | Jean-Marie Caterina | Elected - 3 Year Term | 11/2023 |
| | John R, Cloutier | Elected - 3 Year Term | 11/2023 |
| | Betsy Gleysteen | Elected - 3 Year Term | 11/2022 |
| | Donald Hamill, Vice Chair | Elected - 3 Year Term | 11/2021 |
| | Peter Hayes, Council Chair | Elected - 3 Year Term | 11/2023 |
| | Kenneth Johnson | Elected - 3 Year Term | 11/2022 |
| | Paul Johnson | Elected - 3 Year Term | 11/2021 |
| Municipal Employees: | | | |
| Town Manager | Thomas J. Hall | Appointed - 3 Year Term | 12/31/2023 |
| Assistant Town Manager | Liam Gallagher | Appointed/Indefinite | N/A |
| Town Clerk/Registrar of Voters | Yolande P. Justice | Appointed/Indefinite | N/A |
| Chief of Police | Robert Moulton | Appointed/Indefinite | N/A |
| Fire Chief | B. Michael Thurlow | Appointed/Indefinite | N/A |
| Finance Director | Ruth D. Porter | Appointed/Indefinite | N/A |
| Treasurer | Gina Clukey | Appointed/Indefinite | N/A |
| Tax Collector | Lisa Saulle | Appointed/Indefinite | N/A |
| Assessor | Nicholas Cloutier | Appointed/Indefinite | N/A |
| Community Services Director | Todd Souza | Appointed/Indefinite | N/A |
| Human Resource/GA Director | Liam Gallagher | Appointed/Indefinite | N/A |
| Director of Public Works | Michael Shaw | Appointed/Indefinite | N/A |
| Town Planner | Jay Chace | Appointed/Indefinite | N/A |
| Assistant Town Planner | Jamel Torres | Appointed/Indefinite | N/A |
| Town Engineer | Angela Blanchette | Appointed/Indefinite | N/A |
| Zoning Administrator | Brian Longstaff | Appointed/Indefinite | N/A |
| Community Development Director | Karen Martin | Appointed/Indefinite | N/A |
| School Board Members: | | | |
| | Shannon Lindstrom | Elected - 3 Year Term | 11/2023 |
| | Alicia Giftos | Elected - 1 Year Term | 11/2022 |
| | Nicholas Gill | Elected - 3 Year Term | 11/2021 |
| | Leann Kazilionis, Vice Chair | Elected - 3 Year Term | 11/2023 |
| | Sarah Leighton | Elected - 3 Year Term | 11/2021 |
| | April Sither, Chair | Elected - 3 Year Term | 11/2021 |
| | Kristen Turner | Elected - 3 Year Term | 11/2022 |
| Superintendent of Schools | Sanford Prince, IV | Appointed/Interim | 06/2021 |
| Assistant Superintendent of Schools/Adult Education Director | Diane Nadeau | Appointed/Indefinite | N/A |
| Business Office Manager | Kate Bolton | Appointed/Indefinite | N/A |
| School Lunch Director | Peter Esposito | Appointed/Indefinite | N/A |
| Federal Project Administrators: | Monique Culbertson | | |
| | Kate Bolton | | |

Town of Scarborough Maine

Annual Comprehensive

Financial Report



Financial Section

**For Fiscal Year Ending:
June 30, 2021**

Voter Approved - Fire Truck

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Town Council
Town of Scarborough, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Scarborough, Maine (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Scarborough Public Library, a component unit of the Town of Scarborough, Maine, which is presented as a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Scarborough Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Scarborough, Maine, as of and for the year ended June 30, 2021 and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Town Council
Town of Scarborough, Maine

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 – 35, the Schedule of Changes in Net OPEB Liability and Related Ratios – MMEHT Group Health Insurance Plan on page 82, the Schedule of Changes in Net OPEB Liability and Related Ratios – MEABT Group Health Insurance Plan on page 83, the Schedule of Proportionate Share of the Net Pension Liability on page 84, and the Schedule of Contributions on page 85, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scarborough, Maine's financial statements. The introductory section on pages 1 – 13, supplementary statements and schedules on pages 88 – 120, and statistical tables on pages 125 – 148, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements and schedules, and the blank pages which are interdispersed, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

To the Town Council
Town of Scarborough, Maine

Prior Period Information

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Town of Scarborough, Maine's basic financial statements for the year ended June 30, 2020, which are not presented with the accompanying statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Scarborough, Maine. The financial statements of the Scarborough Public Library, a component unit of the Town, were audited by other auditors. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scarborough, Maine's basic financial statements as a whole. The combining statements for the General Fund Balance Sheet, Exhibit A-1, and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance, Exhibit A-2, related to the June 30, 2020 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the June 30, 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the June 30, 2020 combining statements for the General Fund Balance Sheet, Exhibit A-1, and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance, Exhibit A-2, are fairly stated in all material respects, in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of Town of Scarborough, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Scarborough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Scarborough, Maine's internal control over financial reporting and compliance.

Wiggin LLP

South Portland, Maine
March 31, 2022

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Town of Scarborough Maine

Annual Comprehensive

Financial Report



Management Discussion & Analysis

Scarborough Marsh

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TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis
June 30, 2021

As management of the Town of Scarborough, we are presenting our narrative overview and analysis of the Town's financial activities during the fiscal year ended June 30, 2021. Please consider this information in conjunction with the transmittal letter at the front of this report and the Town's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the Town of Scarborough exceeded liabilities and deferred inflows of resources at the close of this most recent fiscal year by \$78,774,959 (net position).

- The Town's total net position increased \$14,719,706 from \$64,055,253 (as restated) to \$78,774,959. This represents a 23% increase over last year's net position.
- As of June 30, 2021, the Town's governmental funds reported combined fund balances of \$20,441,230 an increase of \$688,126 compared with the prior year, as restated, of \$19,753,104. Approximately 29.88% of this amount or \$6,107,110 is available for spending at the Town's discretion (*assigned and unassigned fund balance*).
- Total nonspendable fund balance increased by \$472 from \$271,028 to \$271,500. Restricted fund balance increased by \$1,496,382 from \$5,213,046, as restated, to \$6,709,428. Total committed fund balance increased by \$883,722 from \$6,469,470 to \$7,353,192. Assigned fund balance increased by \$590,887 from \$3,315,666 to \$3,906,553. Finally, the unassigned fund balance for the governmental funds decreased by \$2,283,337 from \$4,483,894 to \$2,200,557.
- With respect to fund balances in the governmental funds, of the \$13,460,302 reported as committed (authorized by town council), assigned (authorized by town manager) and unassigned fund balance, \$4,008,645 are special revenue funds authorized for specific purposes, and the remaining amount of \$9,451,657 is available for the discrete purposes for which these funds are collected.

The Town of Scarborough consolidated its Fund Balance Policy into the Financial and Fiscal Policy, adopted September 5, 2018. The new policy retained the goals initially set in 2016. The policy establishes an unassigned fund balance goal of 10.00% of the prior years' operating budget. The Operating Budget for fiscal 2020 totaled \$93,106,755. As of June 30, 2021, unassigned fund balance for the general fund was \$6,294,296 or 6.76% of the prior years' operating budget compared to 8.81% as of June 30, 2020.

The amended fund balance policy goes on to state that the level of fund balance is not to fall below 8.33% of the operating budget. Once the Town achieves an unassigned fund balance equal to 10.0% of Scarborough's Operating Budget, and any excess above 12% will be allocated toward any combination of the following:

- a) Retained in nonspendable and restricted accounts that offset unfunded liabilities, and/or
- b) Retained in assigned accounts that may be used in future budget cycles as a property tax rate stabilizations; available for use during a catastrophic event, and/or
- c) Funding future capital expenditures and/or projects, and/or the
- d) Retirement of debt, and/or
- e) Taxpayer refund.

General obligation bonds decreased by a net of \$9,470,000 from the prior year. General obligation bonds retired were \$51,785,000. The Town advance refunded \$43,355,000 and the proceeds from the refunding bonds totaled \$42,315,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

The purpose of this discussion and analysis is to serve as an introduction to the Town of Scarborough's basic financial statements. The Town of Scarborough's basic financial statements comprise three components; 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. Government-wide financial statements are designed to provide readers with a broad overview of Town finances and is presented in a manner similar to a private-sector business.

The statement of net position presents information on all Town of Scarborough's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Scarborough is improving or deteriorating.

The statement of activities presents information showing how Scarborough's net position changed during the most recent fiscal year. The reported net position changes show as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave and uncollected taxes).

Both of the government-wide financial statements (Statements 1 and 2) distinguish functions of the Town of Scarborough that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Scarborough include general government, public service (recreation, parks, library, and economic development), public safety, public works (highways, streets, solid waste disposal) and education.

The government-wide financial statements include not only the Town of Scarborough (known as the *primary government*), but also the legally separate Public Library for which the Town of Scarborough is financially accountable. Financial information is reported separately from the financial information presented for the Town of Scarborough itself. The government-wide financial statements can be found on pages 39-40 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Scarborough, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The Town of Scarborough divides funds into two categories, governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet (Statement 3) and the governmental fund statement of revenues, expenditures, and changes in fund balances (Statement 4) provide a reconciliation (Statement 5) to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Scarborough maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Haigis Parkway which are considered major funds. Data from the remaining 19 funds (Special Revenue, Capital Projects, and Permanent) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in Exhibit C-1 through Exhibit E-2. The basic governmental funds financial statements can be

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

found on pages 41-42 of this report.

Capital Projects Funds. The Capital Projects Fund was established to account for resources obtained and expended for the acquisition and improvement of major capital facilities, land improvements and purchases. The Town of Scarborough's individual capital projects funds were established for the following purposes:

- The General Town Improvements Account was established to account for grants, awards, and money appropriated by the Town Council or approved by voter referendum for major municipal capital projects.
- The General School Improvements Account was established to account for grants, awards and money appropriated by the Town Council or approved by voter referendum for major school capital projects.

The General Town Improvement and General School Improvement accounts are not major funds and are provided in the form of combining statements elsewhere in this report. The non-major capital projects fund financial statements are found on pages 107-108 of this report.

Permanent Funds. Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town of Scarborough's programs, that is, for the benefit of the government or its citizenry. The Town of Scarborough established Permanent funds for the following purposes:

- Scarborough Memorial Cemetery Perpetual Care
- Dunstan Cemetery Perpetual Care
- Mary A. Tucker Perpetual Care

The Permanent Fund are not considered a major fund and the fund data for this fund is provided in the form of combining statements elsewhere in this report.

The permanent fund financial statements can be found on pages 111-112 of this report.

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Scarborough's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town of Scarborough reports on both the private purpose trust fund. Private purpose trust funds are used to report all of the Scarborough School Department's scholarship programs. Student Activity Funds previously reported in an Agency fund have now been consolidated in the Special Revenue funds and are used to account for funds raised by and on behalf of the various student groups organized within the Scarborough School Department.

The basic fiduciary fund financial statements can be found on pages 115-116 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-81.

Other Information. The combining statements referred to earlier in conjunction with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 88-116 of this report.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of the Town's financial position. In the case of the Town of Scarborough, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$78,774,959 as of June 30, 2021 compared to \$64,055,253, as restated, for June 30, 2020.

By far, the largest portion of the Town of Scarborough's Net Position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets. The Town of Scarborough uses these capital assets to provide services to Scarborough citizens; consequently, these assets are not available for future spending. Although the Town of Scarborough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary of the Town of Scarborough's Net Position for the current year and the prior two years.

Town of Scarborough's Net Position
Governmental Activities

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--------------------------------------|----------------------|----------------------|----------------------|
| Assets: | | | |
| Current and other assets | \$ 32,122,197 | \$ 29,805,376 | \$ 43,051,001 |
| Long term assets | 432,621 | 642,184 | 965,964 |
| Capital Assets | <u>172,620,231</u> | <u>167,167,885</u> | <u>152,975,829</u> |
| Total Assets | <u>205,175,049</u> | <u>197,615,445</u> | <u>196,992,794</u> |
| | | | |
| Total deferred outflows of resources | <u>11,191,725</u> | <u>5,875,116</u> | <u>5,352,833</u> |
| Total Deferred outflows | <u>11,191,725</u> | <u>5,875,116</u> | <u>5,352,833</u> |
| | | | |
| Liabilities: | | | |
| Long term liabilities outstanding | 124,871,150 | 126,654,755 | 125,767,679 |
| Other liabilities | <u>11,641,827</u> | <u>11,085,615</u> | <u>13,202,854</u> |
| Total Liabilities | <u>136,512,977</u> | <u>137,740,370</u> | <u>138,970,533</u> |
| | | | |
| Total deferred inflows of resources | <u>1,078,838</u> | <u>2,449,575</u> | <u>1,804,115</u> |
| Total Deferred inflows | <u>1,078,838</u> | <u>2,449,575</u> | <u>1,804,115</u> |
| | | | |
| Net position: | | | |
| Net investment in capital assets | 77,301,217 | 64,957,968 | 57,341,865 |
| Restricted | 4,256,367 | 3,162,600 | 1,540,755 |
| Unrestricted | <u>(2,782,625)</u> | <u>(4,065,315)</u> | <u>2,688,359</u> |
| Total Net Position | <u>\$ 78,774,959</u> | <u>\$ 64,055,253</u> | <u>\$ 61,570,979</u> |

\$4,256,367 or 5.4% of the Town of Scarborough's net position represents resources that are subject to external restrictions on how they may be used.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

GOVERNMENTAL ACTIVITIES. The increase pertaining to the Town of Scarborough's net position of \$14,719,706 is due to the governmental activities of the Town. The Town of Scarborough's tax revenues increased by \$2,157,757. Actual vehicle excise tax collections increased by \$816,814 from the prior year. This increase in excise taxes is due to the growth in Scarborough as well as citizens purchasing new vehicles. The property tax increase is due in part to the increase in the overall assessed valuation of the Town of \$30,769,561, up from \$4,696,461,415 to \$4,727,230,976 again due to the continued aforementioned growth in the town. The increase in the town's property value allows the Town of Scarborough to maintain services without excessive increases in the tax rate. Intergovernmental revenues increased by \$6,815,256 from the prior year and overall, the spent less in fiscal 2021 than in fiscal 2020.

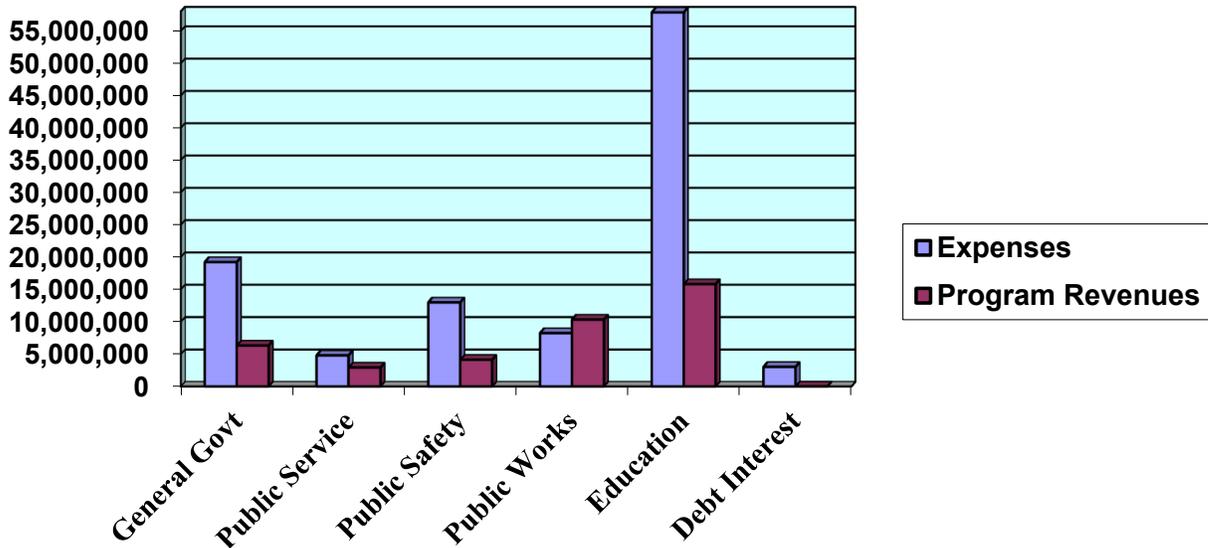
Key components of this net position increase are shown below.

Town of Scarborough's Changes in Net Position

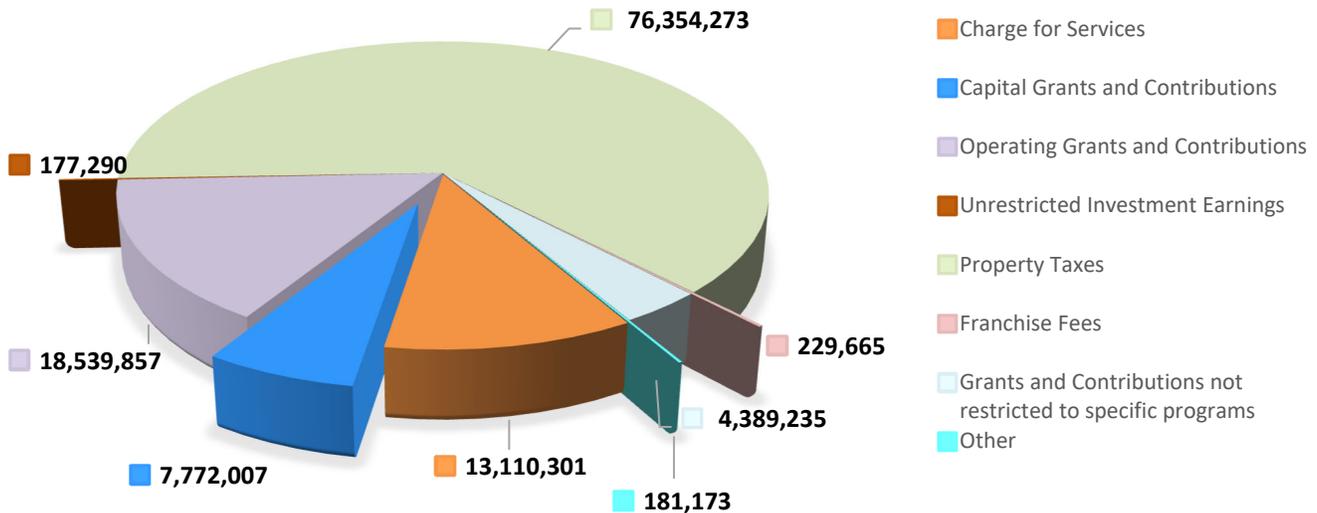
| | 2021 | 2020 |
|--|----------------------|----------------------|
| Revenues: | | |
| Program Revenues: | | |
| Charge for services | \$ 13,110,301 | \$ 12,458,642 |
| Operating grants and contributions | 18,539,857 | 11,535,370 |
| Capital grants and contributions | 7,772,007 | 62,802 |
| General Revenues: | | |
| Property and excise taxes, levied for general purposes | 76,354,273 | 74,196,516 |
| Franchise Tax | 229,665 | 218,180 |
| Grants and contributions not restricted to specific programs | 4,389,235 | 3,441,918 |
| Unrestricted investment earnings | 177,290 | 230,534 |
| Other | 181,173 | 213,883 |
| Total revenues | 120,753,801 | 102,357,845 |
| Expenses: | | |
| General government | 19,203,342 | 16,045,768 |
| Public Services | 4,787,771 | 4,810,221 |
| Public Safety | 12,965,441 | 13,043,518 |
| Public Works | 8,228,353 | 7,996,409 |
| Education | 57,837,139 | 55,037,803 |
| Interest on Debt Service | 3,012,049 | 3,694,489 |
| Total expenses | 106,034,095 | 100,628,208 |
| Increase in net position | 14,719,706 | 1,729,637 |
| Net position beginning, (as restated - primary government) | 64,055,253 | 61,570,979 |
| Net position ending | \$ 78,774,959 | \$ 63,300,616 |

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Expenses and Program Revenues - Governmental Activities



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



FINANCIAL ANALYSIS OF THE TOWN'S FUNDING

As noted earlier, the Town of Scarborough uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The general government functions are contained in the General, Special Revenue, Capital Project and Permanent Funds. The focus of the Town of Scarborough's *governmental funds* is to provide information on near term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Town of Scarborough’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of the Town’s net resources available for discretionary use by the Town Council of the Town of Scarborough.

At June 30, 2021, the Town of Scarborough’s governmental funds reported combined fund balances of \$20,441,230. This is an increase of \$688,126 in comparison with the prior year, as restated. Approximately 10.77% of total fund balance or \$2,200,557 constitutes *unassigned fund* balance that is available for spending at the government’s discretion for all governmental funds. The remainder of the fund balance is either *nonspendable, restricted, committed or assigned*. This indicates that it is 1) not in spendable form (\$271,500), 2) restricted for particular purposes (\$6,709,428), 3) committed for particular purposes (\$7,353,192) or 4) assigned for a particular purpose (\$3,906,553).

The revenues generated for the Haigis Parkway from 15-year special sewer assessment payments and tax increment financing revenues will be used to pay the long-term debt service payments on the Haigis Parkway infrastructure construction. The deficit fund balance is anticipated to grow until the special assessments are paid over time and development in the Haigis TIF district increases.

Governmental Fund Balance Comparison

| | 2021 | 2020 |
|-------------------------------------|----------------------|----------------------|
| General Fund | \$ 15,750,654 | \$ 15,082,960 |
| Haigis Parkway | (2,490,191) | (2,288,250) |
| Public Safety Building Construction | - | (1,805,908) |
| Other Governmental Funds | 7,180,767 | 8,009,665 |
| Total | \$ 20,441,230 | \$ 18,998,467 |

As noted earlier, governmental funds reported combined fund balances of \$20,441,230, an increase of \$688,126 compared with the restated prior year fund balances of \$19,753,104. Of the \$13,460,302 reported as unrestricted fund balance (total of committed, assigned and unassigned), \$4,008,645 are for special revenue fund projects authorized for specific purposes. Capital Projects has an unrestricted deficit of \$1,297,792 that will be funded with the proposed bond issue in FY22.

The remaining \$6,980,928 of fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for the following:

| | | |
|----|-----------|--|
| \$ | 2,922,812 | Deficit Fund Balances in Special Revenue Funds |
| | 878,035 | Town Grants |
| | 298,713 | Perpetual Care of Municipal Cemeteries |
| | 2,804,256 | Education Funding |
| | 77,112 | Food Service and Fuel Inventory |
| \$ | 6,980,928 | Total Governmental Fund Nonspendable and Restricted Fund Balance |

Capital Projects Fund Highlights

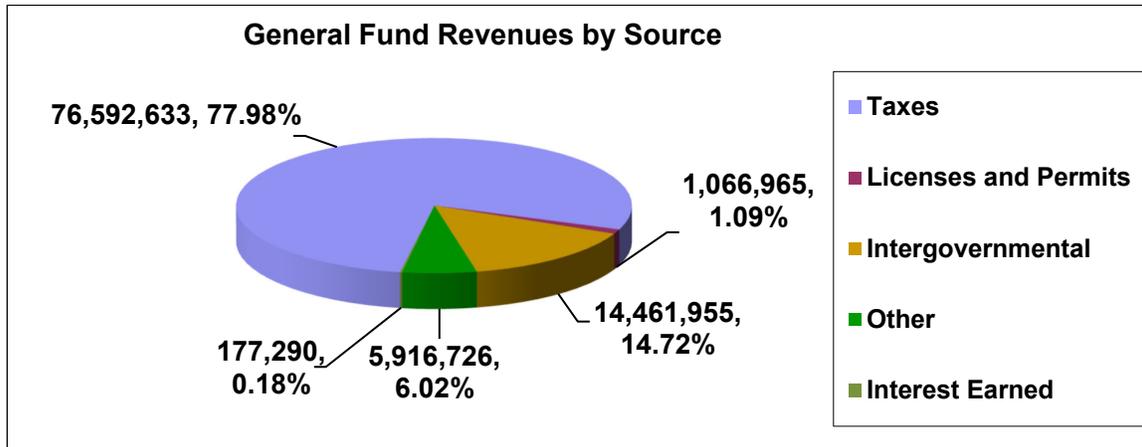
During this fiscal year, the Town of Scarborough’s deficit fund balances for Capital Projects increased \$402,249 from a deficit of \$895,543 in 2020 to a deficit \$1,297,792 in 2021. Expenditures decreased \$16,289,411 from \$19,084,496 in 2020 to \$2,795,085 in 2021. This increase in the deficit fund balance is due to expending funds on projects and waiting for the bond proceeds. The decrease in expenditures is due to the completion of the public safety construction project.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

General Fund Highlights

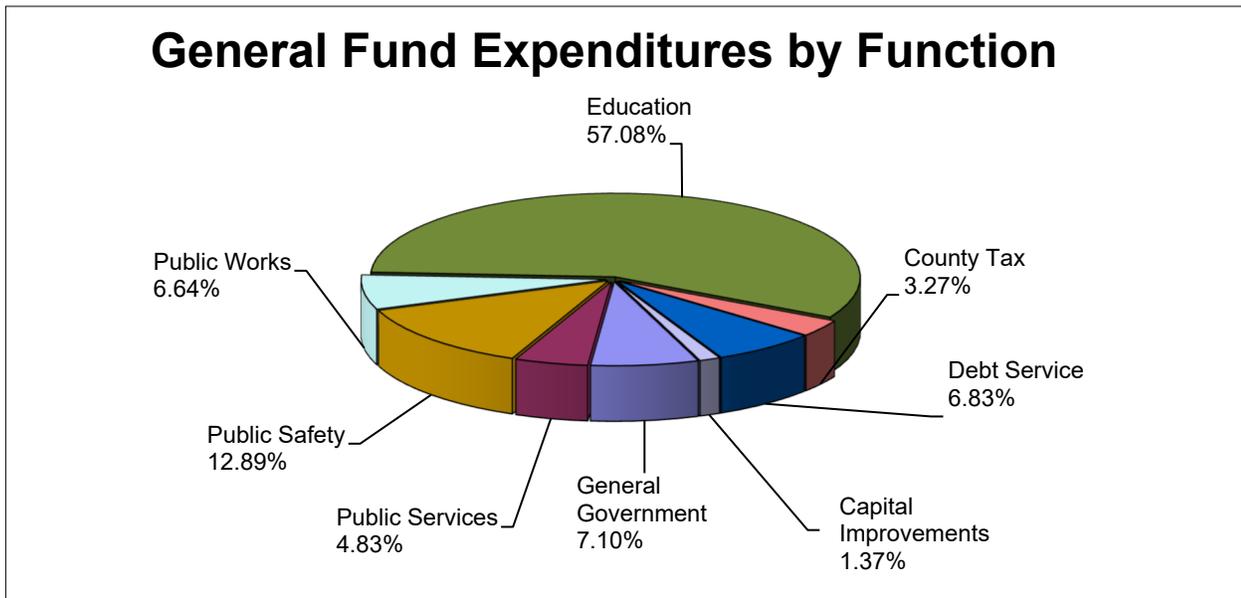
The General Fund is the chief operating fund of the Town of Scarborough. As of June 30, 2021, total fund balance was \$15,750,654 reflecting an increase of \$667,694 compared to the prior year of \$15,082,960. Unassigned fund balance in the General Fund was \$6,294,296 compared to total fund balance of \$15,750,654. As a measure of the General Fund's liquidity, we believe it is useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balances represent 6.45% of total general fund expenditures compared to 8.07% last year, while total fund balance represents 16.13% of that same amount.

Current fiscal year revenues by source for the General Fund are as follows:



Property Tax revenues increased \$1,351,312 from 2020 to 2021 compared to the 2019 to 2020 increase of \$2,274,488. A comparison of the actual revenues to estimated revenues can be found on page 44 of the financial statements. Actual overall revenues exceeded estimates by \$837,581 and is mostly due to the increase in actual excise revenues collected.

Current fiscal year expenditures by function for the General Fund are as follows:



TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Actual revenues were above estimates by \$837,581, mostly due to our excise taxes coming in higher than anticipated. Actual expenditures came in below budget by \$4,217,839 due to not providing services to the citizens due to the State of Maine emergency declaration of the pandemic.

Total general fund expenditures increased \$2,364,115 or 2.62% compared to 2.69% for the prior year. The factors for this increase are:

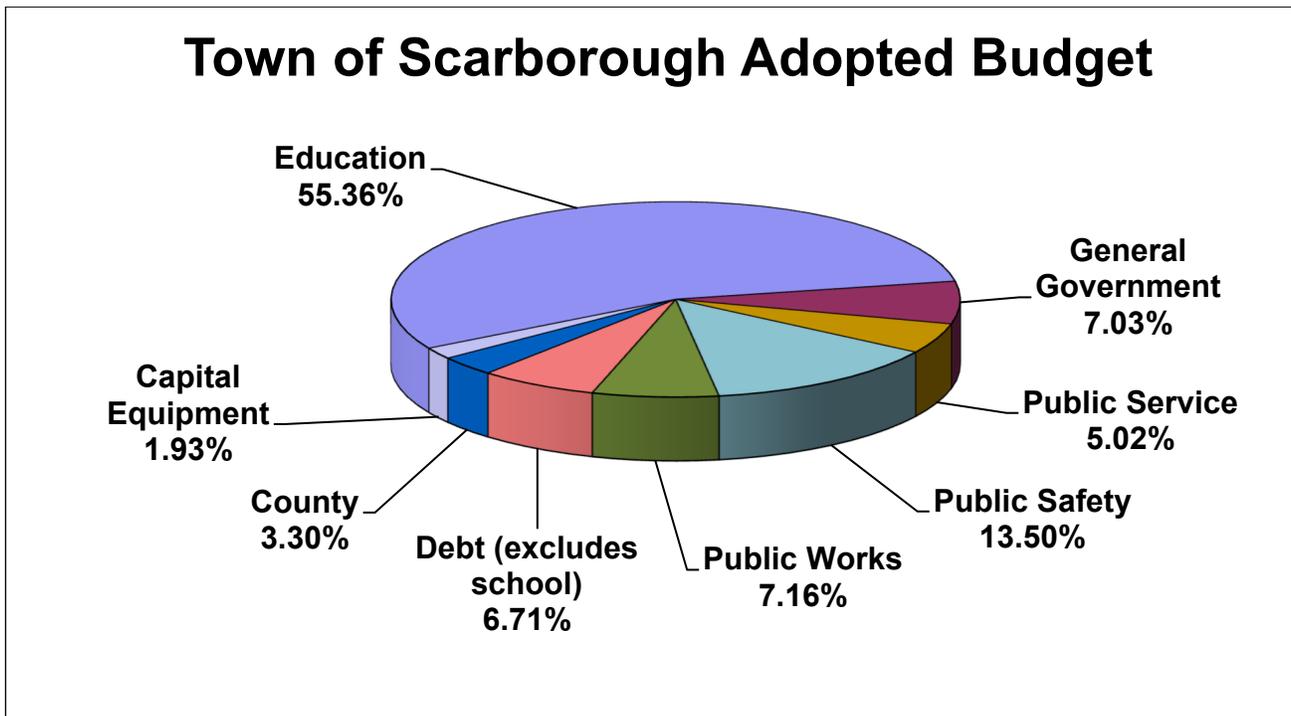
- General Government increased 2.25% due to personnel adjustments and increasing municipal insurance costs,
- Public Safety increased 4.01% due to staffing and the changes in contractual obligations,
- Public Works increased 2.49% resulting from staffing and higher solid waste costs,
- Debt increased 7.11% for increased interest debt payments, and
- County Tax increased 7.84% to help offset the costs of Cumberland County.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget for the Town’s General Fund represents the original budget and any previously appropriated funds set aside for honoring legally incurred obligations (prior year encumbrances and commitments) plus any supplementary appropriations that may occur during the fiscal year. In fiscal year 2021, a total of \$2,876,553 was set aside for the Town for prior year encumbrances, sick accruals and commitments. \$1,030,000 for the School Department was set aside for carryforward to the 2022 budget.

The adopted operating budget for fiscal year 2021 amounted to \$96,655,629 compared to \$94,701,497 for fiscal year 2020 or a 2.06% increase over the prior year.

Below is the allocation of the Town of Scarborough’s budget by department:



Per the Town of Scarborough’s Fund Balance policy, as amended; unassigned fund balance in excess of 12% may be used toward property tax stabilization or for capital needs. The Town has not yet reached 12% and has not budgeted any use of fund balance.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental fund, as of June 30, 2021, amounts to \$172,620,230 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, improvements, machinery, equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was 3.26%.

The following is a breakdown of the Town of Scarborough's capital assets (net of depreciation):

Town of Scarborough's Capital Assets
(net of depreciation)

Governmental Activities

| | <u>2021</u> | <u>2020</u> |
|--------------------------|-----------------------|-----------------------|
| Land | \$ 7,264,093 | \$ 7,082,922 |
| Buildings | 96,372,514 | 98,748,110 |
| Vehicles | 7,084,759 | 6,469,518 |
| Equipment & Furniture | 3,143,055 | 2,613,351 |
| Infrastructure | 56,768,315 | 48,888,229 |
| Construction in Progress | 1,987,494 | 3,365,756 |
| Total | \$ 172,620,230 | \$ 167,167,886 |

The Town's infrastructure assets are recorded at historical or estimated historical costs in the government-wide financial statements as required by GASB Statement No. 34. Major capital asset events during the fiscal year ending June 30, 2021 completing the construction of the new public safety building, various road improvements and rehabilitation, and purchases for vehicles and equipment.

Additional information on the Town of Scarborough's capital assets can be found in the Notes to the Basic Financial Statements on page 57 of this report.

Long-term Debt. As of June 30, 2021, the Town had long-term bonds outstanding of \$92,660,000 compared to \$102,130,000 in the prior year resulting in a 9.27% decrease. This debt is backed by the full faith and credit of the Town of Scarborough.

During fiscal year ending June 30, 2021, the Town of Scarborough issued \$42,315,000 in bonds. This bond partially advance refunded 2010, 2011, 2012 and 2013 bonds totaling \$43,355,000. Additionally, during the year, \$8,430,000 in principal debt was paid. Further information can be found in the Notes to the Basic Financial Statements on page 59 of this report.

Interest payments for school and town debt in this fiscal year totaled \$3,257,322 a decrease of \$527,051 from 2020.

Additional information relating to the Town's long-term debt can be found in the Notes to Financial Statements on pages 59-61 of this report.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

| Outstanding Debt General Obligation Bonds | | | |
|--|-----------------------------|------------------------------|------------------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Municipal | \$ 39,722,644 | \$ 43,293,084 | \$ 42,376,225 |
| Education | 49,597,356 | 54,076,916 | 54,318,775 |
| Sewer | 3,340,000 | 4,760,000 | 6,025,000 |
| Total Debt | <u>\$ 92,660,000</u> | <u>\$ 102,130,000</u> | <u>\$ 102,720,000</u> |

Moody's Investors Service reviewed and assigned a rating of "Aa3" to the Town of Scarborough, Maine, (the Town) 2020 General Obligation (GO) Bonds. Moody's has affirmed the Aa3 rating on all of the town's outstanding GO debt per its rating report dated June 25, 2020. Moody's "*Aa3 rating reflects the town's moderately sized tax base with above average wealth levels, improving financial position with satisfactory reserves, and manageable debt and pension liabilities*".

Standard and Poor's Rating Services (S&P) has affirmed the Town of Scarborough bond rating of "AA+" on the Town's existing GO debt. Additionally, S&P has assigned its "AA+" rating to the Town's series 2020 GO bonds per its rating report dated June 25, 2020. Their rating reflects the Town's "historically balanced operations, which have led to the continued maintenance of its strong reserve position. Although the full impact of the COVID-19 pandemic remains to be seen, we believe the town's reserve position, conservative budgeting practices, low retirement costs, and strong management conditions should provide it with cushion to absorb any unanticipated declines in revenues or unexpected stagnation in its economy as a result of recessionary pressures or events related to COVID-19. Therefore, the stable outlook reflects our view that the town's economy should remain stable, including its retirement costs and liabilities, and our expectation that management will continue to make the budgetary adjustments necessary to maintain balanced operations, with no current plans to draw down on its fund balance".

Additional information on both of these bond ratings can be found on the Town of Scarborough's website at: <https://www.scarboroughmaine.org/departments/finance/accounting/bond-ratings-documents>.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town of Scarborough continually monitors trends and emerging policies from the State of Maine with a prudent eye to any potential impact to Scarborough's local economy. In addition, both management and elected officials are involved and serve on committees that pro-actively follow state legislative policies and work closely with the local representatives in our State's Capitol.

In adopting the budget for the ensuing fiscal year, the Town of Scarborough's officials considered many factors in making judgments and estimates about the finances of the upcoming year. The budget goals for fiscal year 2022 were to have:

GOALS:

- Restoration of pandemic related FY21 budget reductions.
- Be responsive to increased demand from growth.
- Innovative investment in town needs to a reasonable and sustainable level.
- Approve a Town wide budget that keeps the tax rate increase to less than or around 3%.

As the pandemic continues to ebb and flow, the town has looked to restore services reduced in the current fiscal year as citizen's maintained social distancing. With the vaccines and soon to be booster shots and a high level of vaccinations, the town has begun to look to the future.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

This budget reflects an increase of \$867,113 increase in General Purpose Aid to Education (GPA) compared to \$669,855 increase for the 2021 Budget. This is a 21.5% increase from FY2021. The Town of Scarborough is considered a minimal receiver community by the State and therefore only the minimum GPA is received by the Town.

In cooperation with the Scarborough School Department, the Town of Scarborough has worked to develop a five-year capital budget plan to manage and plan for the long-term capital needs of our community

The Town of Scarborough Budget Document for fiscal year 2022 can be found on the Town of Scarborough’s website at: <https://budget.scarboroughmaine.org/town-budget/fy2022-budget/fy2022-resources/1.-fy22-adopted-budget.pdf/>

Below is a comparison of the 2020, 2021 and 2022 budgets (excluding carry forwards).

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-------------------------------|-----------------------|-----------------------|--------------------|
| Administration | \$ 3,421,056 | \$ 3,186,206 | \$ 2,744,891 |
| Finance Department | 1,310,158 | 1,142,799 | 1,145,092 |
| Information Systems | 1,592,423 | 1,392,685 | 1,458,086 |
| Planning Department | 1,224,512 | 1,024,192 | 1,089,432 |
| Community Services | 2,903,859 | 2,127,738 | 2,608,210 |
| Library | 1,071,119 | 1,132,963 | 1,164,166 |
| General Assistance | 105,813 | 86,076 | 33,633 |
| Economic Development | 258,326 | 244,046 | 246,644 |
| Fire/Rescue/EMA Department | 6,206,496 | 5,770,261 | 5,580,120 |
| Public Safety Department | 7,572,003 | 7,085,513 | 7,096,371 |
| Public Works Department | 7,378,497 | 6,882,168 | 6,896,283 |
| Debt Service | 6,287,816 | 6,482,918 | 6,145,997 |
| Capital Equipment | 2,303,242 | 1,540,000 | 2,311,867 |
| Total Municipal Operating | 41,635,320 | 38,097,565 | 38,520,792 |
| Education | 55,862,654 | 53,505,801 | 51,629,304 |
| County Tax | 3,081,933 | 3,188,519 | 2,956,659 |
| Total Operating Budget | 100,579,907 | 94,791,885 | 93,106,755 |
| School Food Services | 1,806,963 | 1,777,105 | 1,746,555 |
| Capital Improvement-Municipal | 4,760,500 | 867,000 | 2,146,000 |
| Capital Improvement-School | 3,638,901 | 1,813,212 | 2,441,070 |
| TIFs and Overlay | 2,143,417 | 1,864,341 | 1,371,129 |
| Total Budget | \$ 112,929,688 | \$ 101,113,543 | 100,811,509 |

The assessed valuations for the past five years are as follows:

| | |
|------|--|
| 2022 | \$4,845,682,776, an increase of \$118,451,180 over 2021, |
| 2021 | \$4,727,230,976, an increase of \$ 30,769,561 over 2020, |
| 2020 | \$4,696,461,415, an increase of \$684,168,803 over 2019, |
| 2019 | \$4,012,292,612, an increase of \$226,804,270 over 2018, |
| 2018 | \$3,785,488,342, an increase of \$ 9,125,842 over 2017. |

The valuation increases in FY2019 and FY2020 are the result of a commercial and industrial revaluation in 2019 and a residential revaluation process in 2020. Maine municipalities have taxing authority for property taxes alone. Only, the State of Maine can assess sales and income taxes.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

The Town of Scarborough recognizes the importance of maintaining an appropriate level of fund balance. Below is a listing of the approved use of school fund balance since 2015:

| | |
|------|--------------|
| 2021 | \$ 702,527 |
| 2020 | \$ 352,643 |
| 2019 | \$ 500,764 |
| 2018 | \$ 2,102,464 |
| 2017 | \$ 426,253 |
| 2016 | \$ 425,000 |
| 2015 | \$ 800,000 |

Additionally, as a result of the pandemic, in the last quarter of 2020, the town furloughed its non-essential part-time employees, shutdown various public service programs and reduced non-essential full-time staff to 20 or 30 hours per week. The savings resulting from these actions for calendar 2020 were anticipated to exceed \$400,000. For the 2021 fiscal year, the Town utilized \$400,000 of unassigned fund balance.

While both the town and school estimated a use of fund balance in fiscal 2021, neither the town nor the school utilized these funds.

REQUEST FOR INFORMATION

For all those with an interest in the Town of Scarborough, Maine, this financial report is designed to provide a general overview of the Town of Scarborough's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Town of Scarborough, Maine P.O. Box 360, Scarborough, Maine 04070-0360, phone 207-730-4081 or e-mail rporter@scarboroughmaine.org.

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Town of Scarborough Maine

Annual Comprehensive

Financial Report



Basic Financial Statements

Community Services—HUB

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TOWN OF SCARBOROUGH, MAINE
Statement of Net Position
June 30, 2021

| | Governmental Activities | Component Unit Public Library |
|--|------------------------------------|--|
| ASSETS | | |
| Cash and cash equivalents | 12,197,472 | 441,980 |
| Investments | 17,040,711 | 791,677 |
| Receivables: | | |
| Accounts, net | 534,453 | 1,502 |
| Intergovernmental | 1,328,795 | 157,921 |
| Taxes receivable | 274,242 | - |
| Tax liens | 662,181 | - |
| Tax acquired property | 7,231 | - |
| Prepays | | 37,039 |
| Inventory | 77,112 | 1,273 |
| Notes receivable | 432,621 | - |
| Capital assets, not being depreciated | 9,251,587 | - |
| Capital assets, net | 163,368,644 | 533,249 |
| Total Assets | 205,175,049 | 1,964,641 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charge on refunding | 6,003,872 | - |
| Deferred OPEB items | 1,948,845 | - |
| Deferred pension items | 3,239,008 | - |
| Total deferred outflows of resources | 11,191,725 | - |
| LIABILITIES | | |
| Accounts payable and other current liabilities | 4,367,577 | 33,210 |
| Accrued payroll and other related liabilities | 6,625,528 | 63,066 |
| Unearned revenues | 68,835 | 100 |
| Accrued interest | 579,887 | - |
| Noncurrent liabilities: | | |
| Due within one year | 8,415,730 | - |
| Due in more than one year | 116,455,420 | - |
| Total Liabilities | 136,512,977 | 96,376 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred OPEB items | 881,896 | - |
| Deferred pension items | 196,942 | - |
| Total deferred inflows of resources | 1,078,838 | - |
| NET POSITION | | |
| Net investment in capital assets | 77,301,217 | 533,249 |
| Restricted for: | | |
| Nonexpendable trust principal | 194,388 | 170,275 |
| Expendable trust - income portion | 104,325 | - |
| Town grants and projects | 878,035 | - |
| Education | 3,079,619 | - |
| Unrestricted (Deficit) | (2,782,625) | 1,164,741 |
| Total Net Position | 78,774,959 | 1,868,265 |

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Activities
For the year ended June 30, 2021

| Functions/programs | Expenses | Program revenues | | | Net (expense) revenue and changes in net position | |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|---|------------------|
| | | Charges for services | Operating grants and contributions | Capital grants and contributions | Primary government | Component unit |
| | | | | | Governmental activities | Public Library |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 19,203,342 | 3,397,720 | 2,821,341 | 86,668 | (12,897,613) | - |
| Public services | 4,787,771 | 2,837,944 | 78,010 | - | (1,871,817) | - |
| Public safety | 12,965,441 | 3,873,513 | 234,934 | - | (8,856,994) | - |
| Public works | 8,228,353 | 2,243,752 | 375,095 | 7,685,339 | 2,075,833 | - |
| Education | 57,837,139 | 757,372 | 15,030,477 | - | (42,049,290) | - |
| Interest on debt service | 3,012,049 | - | - | - | (3,012,049) | - |
| Total governmental activities | 106,034,095 | 13,110,301 | 18,539,857 | 7,772,007 | (66,611,930) | - |
| Total primary government | \$ 106,034,095 | 13,110,301 | 18,539,857 | 7,772,007 | (66,611,930) | - |
| Component unit: | | | | | | |
| Scarborough Public Library | \$ 1,139,446 | - | 1,420,226 | - | - | 280,780 |
| General revenues: | | | | | | |
| Property taxes, levied for general purposes | | | | \$ 69,028,705 | | - |
| Excise taxes | | | | 7,174,929 | | - |
| Payments in lieu of taxes | | | | 71,429 | | - |
| Interest and costs on taxes | | | | 79,210 | | - |
| Franchise Tax | | | | 229,665 | | - |
| Grants and contributions not restricted to specific programs: | | | | | | |
| Homestead exemption and business equipment exemption | | | | 1,940,165 | | - |
| Other State aid | | | | 609,259 | | - |
| State Revenue Sharing | | | | 1,839,811 | | - |
| Unrestricted investment earnings | | | | 177,290 | | - |
| Other | | | | 181,173 | | - |
| Total general revenues | | | | 81,331,636 | | - |
| Change in net position | | | | | 14,719,706 | 280,780 |
| Net position - beginning, (as restated - primary government) | | | | | 64,055,253 | 1,587,485 |
| Net position - ending | | | | | \$ 78,774,959 | 1,868,265 |

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE

Balance Sheet
Governmental Funds
June 30, 2021

| | General | Haigis Parkway Assessments | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 9,112,852 | | 3,084,620 | 12,197,472 |
| Investments | 11,222,583 | | 5,818,128 | 17,040,711 |
| Receivables: | | | | |
| Accounts, net | 255,257 | | 279,196 | 534,453 |
| Intergovernmental | 431,856 | | 896,939 | 1,328,795 |
| Taxes receivable | 274,242 | | - | 274,242 |
| Tax liens | 662,181 | | - | 662,181 |
| Interfund loans receivable | 5,528,184 | | 399,397 | 5,927,581 |
| Tax acquired property | 7,231 | | - | 7,231 |
| Inventory | 28,774 | | 48,338 | 77,112 |
| Notes receivable | - | 432,621 | - | 432,621 |
| Total assets | \$ 27,523,160 | 432,621 | 10,526,618 | 38,482,399 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and other current liabilities | 4,026,495 | | 341,082 | 4,367,577 |
| Accrued payroll and other related liabilities | 6,625,528 | | - | 6,625,528 |
| Accrued compensated absences | 214,202 | | - | 214,202 |
| Interfund loans payable | - | 2,922,812 | 3,004,769 | 5,927,581 |
| Unearned revenues | 68,835 | - | - | 68,835 |
| Total liabilities | 10,935,060 | 2,922,812 | 3,345,851 | 17,203,723 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue-property taxes | 837,446 | - | - | 837,446 |
| Total deferred inflows of resources | 837,446 | - | - | 837,446 |
| Fund balances: | | | | |
| Nonspendable Permanent Fund Principal | | | 194,388 | 194,388 |
| Nonspendable Inventory | 28,774 | | 48,338 | 77,112 |
| Restricted for Town | 2,922,812 | | 982,360 | 3,905,172 |
| Restricted for Education | 2,049,619 | | 754,637 | 2,804,256 |
| Committed - General Fund | 548,600 | | - | 548,600 |
| Committed - Education | - | | 182,937 | 182,937 |
| Committed - Special Revenues | - | | 6,621,655 | 6,621,655 |
| Assigned - General Fund | 2,876,553 | | - | 2,876,553 |
| Assigned - Education | 1,030,000 | | - | 1,030,000 |
| Unassigned Town | 6,294,296 | (2,490,191) | (1,603,548) | 2,200,557 |
| Total fund balances | 15,750,654 | (2,490,191) | 7,180,767 | 20,441,230 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 27,523,160 | 432,621 | 10,526,618 | |
| Amounts reported for governmental activities in the statement of net position are different because: | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | 172,620,231 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | | | 837,446 |
| Deferred charge on refunding is not a financial resource and, therefore, is not reported in the funds | | | | 6,003,872 |
| Long-term liabilities, including related deferred inflows and outflows, are not due and payable in the current period and therefore, are not reported in the funds. | | | | |
| Bonds payable, including issuance premiums | | | | (104,932,554) |
| Accrued interest | | | | (579,887) |
| Landfill liability | | | | (407,435) |
| Other postemployment benefits liability with related deferred inflows and outflows of resources | | | | (8,191,073) |
| Net pension liability with related deferred inflows and outflows of resources | | | | (3,882,699) |
| Accrued compensated absences | | | | (3,134,172) |
| Net position of governmental activities | | | | \$ 78,774,959 |

TOWN OF SCARBOROUGH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021

| | General | Haigis Parkway Assessments | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Taxes | \$ 76,592,633 | - | 419,015 | 77,011,648 |
| Licenses and permits | 1,066,965 | - | - | 1,066,965 |
| Intergovernmental | 14,461,955 | - | 7,138,238 | 21,600,193 |
| Interest earned | 177,290 | - | (6,530) | 170,760 |
| Donations | - | - | 303,495 | 303,495 |
| Sale of lots | - | - | 14,400 | 14,400 |
| Assessments and impact fees | - | - | 3,387,875 | 3,387,875 |
| Other | 5,916,726 | 12,637 | 4,108,887 | 10,038,250 |
| Total revenues | 98,215,569 | 12,637 | 15,365,380 | 113,593,586 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 6,937,918 | - | - | 6,937,918 |
| Public services | 4,716,102 | - | - | 4,716,102 |
| Public safety | 12,586,754 | - | - | 12,586,754 |
| Public works | 6,479,704 | - | - | 6,479,704 |
| Education | 55,734,904 | - | 8,141,602 | 63,876,506 |
| County tax | 3,188,519 | - | - | 3,188,519 |
| Debt service | 6,671,686 | - | - | 6,671,686 |
| Capital improvements | 1,336,203 | - | 2,685,995 | 4,022,198 |
| Other | 4,254 | - | 4,421,819 | 4,426,073 |
| Total expenditures | 97,656,044 | - | 15,249,416 | 112,905,460 |
| Deficiency of revenues over expenditures | 559,525 | 12,637 | 115,964 | 688,126 |
| Other financing sources (uses): | | | | |
| Transfers in | 982,977 | 155,422 | 3,739,159 | 4,877,558 |
| Transfers out | (874,808) | (370,000) | (3,632,750) | (4,877,558) |
| Refunding bonds issued | 42,315,000 | - | - | 42,315,000 |
| Premium received on refunded bonds, net of issuance costs | 5,659,676 | - | - | 5,659,676 |
| Payment to refunding bond escrow agent | (47,974,676) | - | - | (47,974,676) |
| Total other financing sources (uses) | 108,169 | (214,578) | 106,409 | - |
| Net change in fund balances | 667,694 | (201,941) | 222,373 | 688,126 |
| Fund balances (deficit), beginning of year, as restated | 15,082,960 | (2,288,250) | 6,958,394 | 19,753,104 |
| Fund balances (deficit), end of year | \$ 15,750,654 | (2,490,191) | 7,180,767 | 20,441,230 |

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2021

Amounts reported for governmental activities in the statement of activities
(Statement 2) are different because:

| | | |
|--|----|---------|
| Net change in fund balances - total governmental funds (Statement 4) | \$ | 688,126 |
|--|----|---------|

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of these assets
is allocated over their estimated useful lives and reported as
depreciation expense.

| | | |
|--------------------------------|--------------|-----------|
| Capital outlays | \$12,952,625 | 5,452,346 |
| Depreciation expense | (5,463,068) | |
| Net book value of dispositions | (2,037,211) | |

| | |
|--|----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (80,124) |
|--|----------|

Some expenses reported in the statement of activities do not
require the use of current financial resources and, therefore, are
not reported as expenditures in governmental funds:

| | |
|---|-----------|
| Accrued interest | 65,722 |
| Landfill | (19,401) |
| Compensated absences | (237,738) |
| OPEB liability with deferred outflows and inflows of resources | 293,553 |
| Net pension liability with deferred outflows and inflows of resources | (181,164) |

The issuance of long term debt (e.g., bonds, leases) provides current financial
resources to governmental funds, while the repayments of the principal of long-term
debt consumes the current financial resources of governmental funds. Neither
transaction, however, has any effect on net position. Also, governmental funds
report the effect of issuance costs, premiums, discounts, and similar items when
debt is first issued, whereas these amounts are deferred and amortized in the statement
of activities. This amount is the net effect of these differences in the treatment of
long-term debt and related items.

| | | |
|-----------------------------------|-----------------|-----------|
| General obligation bond proceeds | \$ (42,315,000) | |
| General obligation bond payments | 51,785,000 | |
| Deferred charge on refunding | 4,619,676 | |
| Premiums received on issued bonds | (5,659,676) | |
| Amortization of bond premiums | 694,839 | |
| Amortization of deferred charge | (386,453) | 8,738,386 |

| | | |
|--|-----------|-------------------|
| Change in net position of governmental activities (see Statement 2) | \$ | 14,719,706 |
|--|-----------|-------------------|

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the year ended June 30, 2021

| | Budgeted amounts | | Actual | Variance with final budget positive (negative) |
|--|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 75,719,837 | 75,719,837 | 76,592,633 | 872,796 |
| Licenses and permits | 927,695 | 927,695 | 1,066,965 | 139,270 |
| Intergovernmental | 8,798,823 | 8,798,823 | 9,247,955 | 449,132 |
| Interest earned | 100,000 | 100,000 | 177,290 | 77,290 |
| Unclassified | 6,617,633 | 6,617,633 | 5,916,726 | (700,907) |
| Total revenues | 92,163,988 | 92,163,988 | 93,001,569 | 837,581 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 6,797,483 | 6,797,483 | 6,937,918 | (140,435) |
| Public services | 4,850,753 | 4,850,753 | 4,716,102 | 134,651 |
| Public safety | 13,047,590 | 13,047,590 | 12,586,754 | 460,836 |
| Public works | 6,916,676 | 6,916,676 | 6,479,704 | 436,972 |
| Education | 53,505,801 | 53,505,801 | 50,520,904 | 2,984,897 |
| County tax | 3,188,519 | 3,188,519 | 3,188,519 | - |
| Debt service | 6,482,918 | 6,482,918 | 6,671,686 | (188,768) |
| Capital improvements | 1,865,889 | 1,865,889 | 1,336,203 | 529,686 |
| Total expenditures | 96,655,629 | 96,655,629 | 92,437,790 | 4,217,839 |
| Excess (deficiency) of revenues over expenditures | (4,491,641) | (4,491,641) | 563,779 | 5,055,420 |
| Other financing sources (uses): | | | | |
| Transfers in | 1,230,920 | 1,230,920 | 982,977 | (247,943) |
| Transfers out | (174,808) | (174,808) | (874,808) | (700,000) |
| Utilization of surplus | 2,048,561 | 2,048,561 | - | (2,048,561) |
| General obligation bonds | 1,530,000 | 1,530,000 | - | (1,530,000) |
| Refunding bonds issued | - | - | 42,315,000 | 42,315,000 |
| Premium received on refunded bonds, net of issuance cos | - | - | 5,659,676 | 5,659,676 |
| Premium received on issued bonds | - | - | - | - |
| Payment to refunding bond escrow agent | - | - | (47,974,676) | (47,974,676) |
| Use of Bond Premium | 303,791 | 303,791 | - | (303,791) |
| Overlay | (446,823) | (446,823) | (4,254) | 442,569 |
| Total other financing sources (uses) | 4,491,641 | 4,491,641 | 103,915 | (4,387,726) |
| Net change in fund balances - budgetary basis | | | 667,694 | 667,694 |
| Fund balance, beginning of year | | | 15,082,960 | |
| Fund balance, end of year | \$ | | 15,750,654 | |

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

| | | Private-purpose Trust Funds (Scholarships) |
|---------------------------|----|---|
| <hr/> | | |
| ASSETS | | |
| Cash and cash equivalents | \$ | - |
| Investments | | 217,973 |
| <hr/> | | |
| Total assets | | 217,973 |
| <hr/> | | |
| LIABILITIES | | |
| Accounts payable | | 500 |
| Due to student groups | | - |
| <hr/> | | |
| Total liabilities | | 500 |
| <hr/> | | |
| NET POSITION | | |
| Held in trust | \$ | 217,473 |
| <hr/> | | |

TOWN OF SCARBOROUGH, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2021

| | Private-purpose Trust Funds (Scholarships) |
|----------------------------------|---|
| Additions: | |
| Donations | \$ - |
| Interest and dividends | (548) |
| Total additions | (548) |
| Deductions: | |
| School scholarships | 4,500 |
| Total deductions | 4,500 |
| Change in net position | (5,048) |
| Net position, beginning of year | 222,521 |
| Net position, end of year | \$ 217,473 |

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Scarborough conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of such policies:

A. Reporting Entity

The Town of Scarborough was incorporated in 1658 and operates under a Council-Manager form of government adopted by charter in 1969. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. The criteria used are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Additional criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based on application of these criteria, the following is a brief review of each component unit addressed in defining the government's reporting entity.

Scarborough Economic Development Corporation (SEDCO) encourages and assists with the development of business in the Town of Scarborough. SEDCO is a blended component unit of the Town because the SEDCO board appoints the majority of their board and the Town council affirms their appointment and SEDCO's total debt outstanding is expected to be paid entirely with resources of the Town. The Town provided \$239,900, or 95.4% of total revenues, to SEDCO for the year ended June 30, 2021.

Scarborough Public Library (the Library) promotes and maintains library facilities in and for the Town of Scarborough. While the Town does not appoint the Library's board, the Town provides the Library with a majority of its funding and the Library provides services directly to the citizens of the Town. The Town owns the land on which the Library operates and may provide for capital improvements and other support services to the Library. The Town believes that the financial statements would be incomplete without the inclusion of the Library as a discretely presented component unit. The Town provided \$1,132,962 of operating or approximately 89% of total revenues, to the Library for the year ended June 30, 2021.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Both SEDCO and the Library had positive responses to the reporting entity inclusion criteria set forth by accounting principles, generally accepted in the United States of America. Financial statements for both entities may be obtained by contacting the following offices.

Scarborough Economic Development Corporation
360 US Route, One Willowdale Place, Suite 203
PO Box 550
Scarborough, ME 04070-0550

Scarborough Public Library
48 Gorham Road
Scarborough, ME 04074

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town. The effect of interfund reimbursements has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town of Scarborough reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Haigis Parkway Assessments Fund accounts for assessment revenues to be used to offset debt payments for the Haigis Parkway project.

Additionally, the Town reports the following Fiduciary Fund types:

Private-Purpose Trust Funds are used to account for contributions made on behalf of the School Department for student scholarships. Assets held by the Town under a trust agreement for individuals, private organizations, or other governments are therefore not available to support the Town's own programs. Private-purpose Trust funds use the economic resources measurement focus.

The Town does not utilize internal service funds. As a general rule, the effect of other interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Assets, Liabilities, and Equity

Cash and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Town of Scarborough uses various methods, including market, income and cost approaches. Based on these approaches, the Town often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Town is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Town performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Accounts Receivable and Notes Receivable – Management has reviewed accounts receivable and notes receivable for collectability and has determined that an allowance for uncollectible accounts is not necessary with the exception of rescue billing receivables.

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e. the noncurrent portion of interfund loans).

Inventory - Inventory consists of the School Lunch Program food and supplies to be used for resale and is recorded at the lower of cost or net realizable value on a first-in, first-out basis. Additionally, the town records its fuel on hand as of the end of the fiscal year as inventory. The cost of inventory is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. When applicable, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment and infrastructure of the primary government are depreciated using the straight-line method over the asset's estimated useful lives as follows: buildings 20-60 years, vehicles 5-25 years, equipment and furniture 10-15 years and infrastructure 30 -75 years. Capital assets not being depreciated consist of land which has an indefinite useful life and construction in progress which will be depreciated once the project has been completed and placed in service.

Compensated Absences - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and are accrued ratably over the year. In the fund financial statements, these amounts for accumulated vacation and vested sick leave are only recorded as a liability if they have matured, for example, as a result of paid time off or employee resignations and retirements as applicable. All accumulated leave is accrued when incurred in the government-wide financial statements.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of Net Position. Long-term debt is recognized as a liability of a governmental fund when due. In the fund financial statements, for other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The general fund typically pays all governmental activities long-term debt service requirements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred outflows/inflows of resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has three items that qualify for reporting in this category. The three items are the deferred outflows related to the pension liability as is more fully disclosed in the pension footnote, deferred other post-employment benefits (OPEB) and the other item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of item that qualifies for reporting in this category in the statement of net position. They are the deferred inflows related to the pension liability as is more fully disclosed in the pension footnote and other post-employment benefits (OPEB). Also, the government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet and it is from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Balances – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

1. **Nonspendable Fund Balance:** (a) Assets that will never convert to cash; (b) assets that will not convert to cash soon enough to affect the current period and (c) resources that must be maintained intact pursuant to legal or contractual requirements. Included in this category are the principal balances that pertain to the permanent funds for the Dunstan and Scarborough Memorial Cemeteries and for the cemetery plot for Mary Tucker.
2. **Restricted Fund Balance:** The portion of fund balance that reflects resources that are subject to externally enforceable legal requirements typically imposed by parties altogether outside the town. Included in this category are the fund balances for the school department restricted by State Statute and Tax Increment Finance District fund balances.
3. **Committed Fund Balance:** The portion of fund balance that represents resources whose use is constrained by limitations imposed by the Town Council, by passing an ordinance prior to the end of the fiscal year, as the highest governing body of the Town of Scarborough and can only be removed by the Town Council in the same manner. For example, Impact Fees were approved by the Town Council and can only be removed by the Town Council.
4. **Assigned Fund Balance:** The portion of fund balance that reflects the Town's intended use of resources established either at the highest governing body or an official designated for this purpose. The Town Council has, by resolution, authorized the Town Manager to assign fund balance. Any funds set aside as Assigned Fund Balance must be reported to the Town Council. The Town Manager has authorized carry forward balances to be used to offset 2022 expenditures. This also includes encumbrances.
5. **Unassigned Fund Balance:** The portion of fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, when fund balance is negative, the negative amount is reported as unassigned.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Minimum Fund Balance Policy – The Town’s fund balance policy sets a goal for unassigned fund balance equal to 10.0% of Scarborough’s Operating Budget for the prior fiscal year and to not fall below 8.33% (or 1/12) of Scarborough’s Operating Budget.

Once the Town achieves an unassigned fund balance equal to 10.0% of Scarborough’s Operating Budget, any excess above 12% must be assigned by any combination to one of the following:

- a. Retained in nonspendable and restricted accounts that offset unfunded liabilities, and/or
- b. Retained in assigned accounts that may be used in future budget cycles as a property tax stabilization; available for use during a catastrophic event, and/or
- c. Funding future capital expenditures and/or projects, and/or
- d. The retirement of debt, and/or
- e. A taxpayer refund.

In the event that the balance drops below the established minimum level, the Town Council will develop a plan to replenish the fund balance to the established minimum level within two years.

Net Position Flow Assumption – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted–net position to have been depleted before unrestricted–net position is applied.

Fund Balance Flow Assumptions – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Interfund Transactions – Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Use of Estimates – Preparation of the Town’s financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recently Adopted Accounting Pronouncements – GASB Statement No. 84, Fiduciary Activities establishes standards of accounting and financial reporting for fiduciary activities. It was determined that the School Department’s Student Activity funds did not meet the criteria to be reported as a fiduciary activity. Therefore, the School Department reclassified Student Activity funds totaling \$754,637 previously reported in an Agency fund and increased the beginning assets and fund balance in the School Department’s donation/student activity fund and the beginning assets and net position in governmental activities by the above amount as a result of implementing GASB Statement No. 84.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The general fund has a legally adopted annual budget. The general fund budget is adopted on a basis consistent with generally accepted accounting principles (GAAP), except for capital leases, on-behalf payments and the current portion of compensated absences. The level of control (level at which expenditures may not exceed budget) is the Department. At year end, department administrators may request to carry forward certain unexpended amounts with the Town Manager’s approval, otherwise unexpended budgetary accounts lapse at the close of the fiscal year. Once adopted, the budget can only be amended by the Town Council. The revised budget presented for the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund (Statement 6) includes various adjustments as follows:

| | Revenues and other <u>sources</u> | Expenditures and other <u>uses</u> |
|--|---|--|
| 2020-2021 budget as adopted | \$96,656,226 | \$96,656,226 |
| Budgetary adjustments: | | |
| Subsequent authorization | - | - |
| Prior year encumbrances and carry forwards | 621,034 | 621,034 |
| Total adjusted budget | \$97,277,260 | \$97,277,260 |

B. Deficit Fund Balance

At June 30, 2021, the following special revenue and capital projects funds had deficit fund balances:

The Haigis Parkway Assessments Fund had a deficit of \$2,490,191. This deficit is expected to grow initially and then be adequately funded in future years with TIF revenues and assessment payments.

The Rescue reserve had a deficit of \$268,819. This deficit is short term and is anticipated to be eliminated in fiscal year 2022.

The School and Town Improvements show deficits of \$560,754 and \$737,038, respectively, which are expected to be funded through the bonding process. Bonds are normally issued in the spring of fiscal year 2021 , however the bonds were not issued until the fall of 2021.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town does not have a formal policy with respect to custodial credit risk. As of June 30, 2021, the Town reported deposits of \$12,197,472 with a bank balance of \$12,356,351. Of the Town's bank balances of \$12,356,351, \$4,010 was exposed to custodial credit risk and all other accounts were covered by the F.D.I.C. or were secured by additional collateral pledged on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

| | |
|--------------------------------|---------------------|
| Reported in governmental funds | \$12,197,472 |
| Total deposits | \$12,197,472 |

At June 30, 2021, the Scarborough Public Library's cash balances was \$441,980, all of which was covered by F.D.I.C. insurance.

B. Investments

At June 30, 2021, the Town had the following investments and maturities:

| | Fair value | Less than 1 year | 1-5 years | More than 5 years |
|---|---------------------|---------------------|-----------|----------------------|
| Money markets and repurchase agreements | \$17,258,184 | \$17,258,184 | - | - |
| Total investments | \$17,258,184 | \$17,258,184 | - | - |

Investments have been reported as follows:

| | |
|--------------------------------|---------------------|
| Reported in governmental funds | \$17,040,711 |
| Reported in fiduciary funds | 217,473 |
| Total investments | \$17,258,184 |

For fair value measurement purposes all investments are categorized as Level 1, there are no investments categorized as Level 2 or Level 3.

Interest Rate Risk: The Town does not have a policy related to interest rate risk.

Credit Risk: Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The Town does not have a formal policy related to credit risk.

Custodial Credit Risk-Town Investments: Custodial credit risk is the risk that in the event of a failure of the counterparty the Town will not be able to recover the value of its investments. The Town does not have an investment policy for custodial credit risk. None of the Town's investments are subject to custodial credit risk.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

PROPERTY TAX

Property taxes for the current year were committed on August 21, 2020, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. These taxes were due in two installments, 50% on October 15, 2020 and 50% on March 15, 2021. Interest at the rate of 5% per annum was charged on amounts remaining unpaid after October 15th and March 15th. Assessed values are periodically established by the Town's Assessor at 100% of the assumed market value as of June 30, 2021 and the Town's value was 98% of the 2021 State valuation of \$4,807,600,000.

The Town is permitted by the laws of the State of Maine to levy up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$446,823 for the year ended June 30, 2021.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivable collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflow of resources.

The following summarizes the June 30, 2021 levy:

| | |
|--|--------------------------|
| Assessed value | \$ 4,727,230,976 |
| Tax rate (per \$1,000) | 14.86 |
| <u>Commitment</u> | <u>70,246,652</u> |
| | |
| <u>Supplemental taxes assessed</u> | <u>46,617</u> |
| | 70,293,269 |
| | |
| <u>Less - collections and abatements</u> | <u>69,755,470</u> |
| <u>Receivable at June 30</u> | <u>537,799</u> |
| | |
| Consisting of: | |
| Taxes | \$ 44,242 |
| Liens | 493,557 |
| <u>Receivable at June 30</u> | <u>\$ 537,799</u> |
| | |
| Collection rate | 99.2% |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2021 was as follows:

| | <u>Balance</u> <u>June 30, 2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2021</u> |
|--|--|-------------------|------------------|--|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 7,082,922 | \$ 181,171 | \$ - | \$ 7,264,093 |
| <u>Construction in progress</u> | <u>3,365,756</u> | <u>1,290,812</u> | <u>2,669,074</u> | <u>1,987,494</u> |
| Total capital assets, not being depreciated | 10,448,678 | 1,471,983 | 2,669,074 | 9,251,587 |
| Capital assets, being depreciated: | | | | |
| Buildings | 125,494,966 | 1,545,574 | 2,328,080 | 124,712,460 |
| Vehicles | 16,559,180 | 2,298,934 | 1,127,441 | 17,730,672 |
| Equipment and furniture | 8,386,047 | 1,125,550 | 370,690 | 9,140,907 |
| <u>Infrastructure</u> | <u>65,536,264</u> | <u>9,179,658</u> | <u>7,447</u> | <u>74,708,475</u> |
| Total capital assets being depreciated | 215,976,457 | 14,149,716 | 3,833,658 | 226,292,514 |
| Less accumulated depreciation for: | | | | |
| Buildings | 26,746,856 | 2,491,672 | 898,582 | 28,339,946 |
| Vehicles | 10,089,662 | 1,105,840 | 549,589 | 10,645,913 |
| Equipment and furniture | 5,772,696 | 572,211 | 347,055 | 5,997,852 |
| <u>Infrastructure</u> | <u>16,648,035</u> | <u>1,293,346</u> | <u>1,221</u> | <u>17,940,160</u> |
| Total accumulated depreciation | 59,257,249 | 5,463,068 | 1,796,447 | 62,923,870 |
| Total capital assets being depreciated, net | 156,719,208 | 8,686,648 | 2,037,212 | 163,368,644 |
| <u>Governmental activities capital assets, net \$167,167,885 \$10,158,631 \$4,706,285 \$172,620,231</u> | | | | |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|---------------------|
| Governmental activities: | |
| General government | \$ 1,019,954 |
| Public services | 67,415 |
| Public safety | 510,550 |
| Public works, including depreciation of general infrastructure assets | 1,714,919 |
| Education | 2,150,230 |
| Total depreciation expense – governmental activities | \$ 5,643,068 |

Capital assets for the Scarborough Public Library discretely presented component unit are as follows:

| | <u>Library</u> |
|--------------------------------------|--------------------|
| Buildings | \$1,695,401 |
| Furniture and fixtures | 746,821 |
| <u>Books</u> | <u>937,529</u> |
| Total | 3,379,751 |
| <u>Less accumulated depreciation</u> | <u>(2,846,502)</u> |
| Property and equipment, net | \$ 533,249 |
| Depreciation expense | \$ 81,061 |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

INTERFUND BALANCES

Interfund balances result from the sharing of pooled cash and investments. Individual interfund loans receivables and loans payables at June 30, 2021, were as follows:

| | <u>Interfund receivables</u> | <u>Interfund payables</u> |
|---|----------------------------------|-------------------------------|
| General Fund | \$5,528,184 | - |
| Haigis Parkway | - | 2,922,812 |
| Nonmajor Governmental Funds: | | |
| Nonmajor Special Revenue Funds: | | |
| Eastern Trail Alliance (Close the Gap) | - | 22,997 |
| School Lunch Program | - | 271,870 |
| Recreational development | 282,440 | - |
| Payne Road Impact Fees | - | 31,935 |
| Other Impact Fees | 42,620 | - |
| Rescue equipment | - | 306,918 |
| School Categorical Programs | - | 312,662 |
| Fire Department Equipment | - | 6,675 |
| Departmental grants and programs | - | 329,670 |
| Total Nonmajor Special Revenue Funds | 325,060 | 1,282,727 |
| Nonmajor Capital Project Funds: | | |
| General School Improvements | - | 650,325 |
| General Town Improvements | - | 1,071,545 |
| Close the GAP Eastern Trail | 22,997 | - |
| No. Scarborough Traffic Signal Improve-Payne Rd D#5 | 35,056 | - |
| Public Safety Improvements | 1,884 | - |
| Total Nonmajor Capital Project Funds | 59,937 | 1,721,870 |
| Nonmajor Permanent Funds | | |
| Scarborough Memorial Cemetery | 14,400 | - |
| Dunstan Perpetual Care | - | 172 |
| Total Permanent Funds | 14,400 | 172 |
| Total Other Governmental Funds | 399,397 | 3,004,769 |
| Total all funds | \$5,927,581 | \$5,927,581 |

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. At June 30, 2021, the balances represent how much was due to or from the General Fund.

INTERFUND TRANSFERS

| | <u>Transfers in</u> | <u>Transfers out</u> |
|-----------------------------|---------------------|----------------------|
| General Fund | \$ 982,977 | \$ 874,808 |
| Haigis Parkway Assessments | 155,422 | 370,000 |
| Nonmajor Governmental Funds | 3,739,159 | 3,632,750 |
| Total | \$4,877,558 | \$4,877,558 |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

INTERFUND TRANSFERS, CONTINUED

Interfund transfers are used to move unrestricted resources to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The most significant transfers include annual transfers from the education general fund to the school lunch program to fund the annual deficit from operations, transfers from other impact fees fund and rescue fund to cover capital outlay, transfer from Haigis Parkway fund to cover a portion of debt service, and transfer from departmental grants and programs fund to cover related expenditures incurred in the general fund.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021, was as follows:

| | <u>Beginning balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending balance</u> | <u>Due within one year</u> |
|----------------------------------|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$102,130,000 | \$42,315,000 | \$51,785,000 | \$92,660,000 | \$8,330,000 |
| Premium | 7,307,717 | 5,659,676 | 694,839 | 12,272,554 | |
| Compensated absences | 2,987,951 | 451,940 | 91,517 | 3,348,374 | 81,230 |
| Other postemployment | | | | | |
| Benefits liability | 8,373,255 | 884,767 | | 9,258,022 | |
| Net pension liability | 5,467,798 | 1,456,967 | | 6,924,765 | |
| Landfill post-closure care costs | 388,034 | 27,365 | 7,964 | 407,435 | 4,500 |
| Governmental activity | | | | | |
| Long-term liabilities | \$126,654,755 | \$50,795,715 | \$52,579,320 | \$124,871,150 | \$8,415,730 |

As of June 30, 2021, the Town had authorized, but unissued debt totaling \$7,175,722. The General Fund typically pays all governmental activities long-term debt service requirements including accrued compensated absences.

Advance Refunding

On August 4, 2020, the Town issued \$2,855,000 in 2020 General Obligation Refunding Bonds – Series A and \$39,460,000 in 2020 General Obligation Refunding Bonds – Series B (Federally Taxable) (when collectively, the “Refunding Bonds”). The Town used a portion of the proceeds of the Refunding Bonds, plus bond premium: (a) to refund the Refunded 2010 and 2011 Bonds on a current basis, redeemed on November 1, 2020, their respective call date, (b) to advance refund, on a federally taxable basis, (i) the Refunded 2012 Bonds to be redeemed on its November 1, 2022 call date; (i) the Refunded 2013 Bonds to be redeemed on its November 1, 2023 call date, and (c) to pay costs of issuance. There is no call premium on the Refunded Bonds.

Proceeds from the Refunding Bonds in the amount of \$42,315,000, representing the Refunding Bonds principal and \$6,040,252, representing bid premium, less \$380,576, representing bond proceeds to finance costs of issuance, underwriter’s discount and contingency, for a consolidated \$47,974,676 were deposited in an irrevocable trust with an escrow agent and are invested in U.S. governmental securities to provide all future associated debt service payments, and call premium for the Refunded Bonds. As a result, the \$43,355,000 of prior general obligation bonds representing the callable portions of the 2010, 2011, 2012 and 2013 were defeased and the liability for these bonds were removed from the statement of net position for fiscal year ended June 30, 2021. The reacquisition price exceed the net carrying amount of the old debt by \$4,619,667. This amount is being amortized over the remaining life of the refunded debt. The refunding provided a Present Value Savings of \$3,136,490, or 7.234437% and an absolute savings of \$3,412,527.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

BONDS PAYABLE

Bonds payable at June 30, 2021 is comprised of the following:

| General Obligation Notes and Bonds | Amount originally issued | Percentage applicable to | | | Interest rate | Final maturity date | Balance end of year |
|---------------------------------------|--------------------------------|--------------------------|--------|--------|------------------|---------------------------|---------------------------|
| | | Town | School | Sewer | | | |
| 2012 Capital improvements | 46,545,000 | 4.16% | 49.48% | 46.36% | 5.00% | 2023 | 7,205,000 |
| 2013 Capital improvements | 25,685,000 | 20.22% | 79.78% | - | 4.00% | 2024 | 2,245,000 |
| 2014 Capital improvements | 6,505,000 | 53.30% | 46.70% | - | 2.00% | 2034 | 2,410,000 |
| 2015 Capital improvements | 6,085,000 | 91.21% | 8.79% | - | 2.00% | 2035 | 3,410,000 |
| 2016 Capital improvements | 7,540,000 | 94.34% | 5.66% | - | 2.00% | 2036 | 3,415,000 |
| 2017 Capital improvements | 2,755,000 | 67.14% | 32.86% | - | 4.00% | 2037 | 1,675,000 |
| 2018 Capital improvements | 18,190,000 | 95.17% | 4.83% | - | 5.00% | 2048 | 16,320,000 |
| 2019 Capital improvements | 7,380,000 | 91.54% | 8.46% | - | 5.00% | 2049 | 6,970,000 |
| 2020 Capital improvements | 7,040,000 | 58.36% | 41.64% | - | 5.00% | 2041 | 7,040,000 |
| 2021 Capital improvements | 2,855,000 | 96.57% | 3.43% | - | 3.00% | 2031 | 2,855,000 |
| 2021 Capital improvements | 39,460,000 | 3.71% | 96.29% | - | 3.00% | 2043 | 39,115,000 |
| Total | | | | | | | \$92,660,000 |

The annual requirements to amortize all debt outstanding as of June 30, 2021 are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|---------------------|----------------------|
| 2022 | 8,330,000 | 3,381,216 | 11,711,216 |
| 2023 | 8,015,000 | 3,085,659 | 11,100,659 |
| 2024 | 6,545,000 | 2,810,134 | 9,355,134 |
| 2025 | 5,910,000 | 2,556,984 | 8,466,984 |
| 2026 | 5,765,000 | 2,315,659 | 8,080,659 |
| 2027-2031 | 24,500,000 | 8,431,931 | 32,931,931 |
| 2032-2036 | 17,510,000 | 3,865,215 | 21,375,215 |
| 2037-2041 | 9,965,000 | 1,728,293 | 11,693,293 |
| 2042-2046 | 4,760,000 | 529,113 | 5,289,113 |
| 2047-2049 | 1,360,000 | 51,200 | 1,411,200 |
| Totals | \$ 92,660,000 | \$28,755,404 | \$121,415,404 |

STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES

The State of Maine currently reimburses the Town for a portion of financing costs of school buildings. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

STATUTORY DEBT LIMIT

The Town is subject to a statutory limitation of its general long-term debt equal to 15% of the State’s valuation of the Town. Based on a valuation of \$4,807,600,000, the Town’s debt limit is \$721,140,000. The Town’s outstanding long-term debt of \$92,660,000 at June 30, 2021 was within the Statutory limit.

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. At June 30, 2021, the Town's State valuation of \$4,807,600,000 was 9.05% of the County's State valuation of \$53,139,300,000. The Town's share is 9.05% or \$3,019,057 of Cumberland County's \$33,370,194 long-term debt outstanding as of June 30, 2021.

The Town is also served by the Portland Water District. At June 30, 2021, the Town’s share of self-supporting bonded water debt is 13.41% or \$7,343,144 of total debt of \$54,758,718.

Contingencies

ecomaine, formerly Regional Waste Systems, a Maine Corporation with 21 participating municipalities (“Member Municipalities”), including the Town of Scarborough, operates a licensed balefill and ashfill site for which projected landfill closure and postclosure care costs approximate \$15,619,055 at June 30, 2021, the most recent data available. The Town’s proportionate share of these estimated landfill closure and postclosure care costs is 9.23%, or \$1,442,003.

Total Debt and Contingencies

| Governmental <u>Unit</u> | As of June 30, 2021 | | | |
|--|------------------------|-----------------------------|----------------------------|-----------------------|
| | <u>Direct debt</u> | <u>Overlapping debt</u> | <u>Contingent debt</u> | <u>Total debt</u> |
| Town of Scarborough | \$92,660,000 | - | - | \$92,660,000 |
| Cumberland County | - | \$ 3,019,057 | - | 3,019,057 |
| Portland Water District - water debt | - | 7,343,144 | - | 7,343,144 |
| <u>ecomaine landfill closure/postclosure costs</u> | - | - | \$1,442,003 | 1,442,003 |
| Totals | \$ 92,660,000 | \$10,362,201 | \$1,442,003 | \$104,464,204 |

Arbitrage

Pursuant to the Tax Reform Act of 1986, municipalities issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit such rebate to the federal government, subject to certain exceptions. The Town has had several issues for which a rebate calculation is or has been required. As of June 30, 2021, substantially all such calculations have been performed and the Town is in compliance with all known arbitrage requirements.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

Litigation

There is no litigation threatened or pending as of June 30, 2021.

LANDFILL CLOSURE AND POSTCLOSURE COSTS

Under existing State law, Maine communities had until December 31, 1995 to close existing landfills under a state approved plan and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town is operating a demolition debris landfill under a waiver granted by the State. The landfill is permitted to operate in its existing capacity until 2027. As of June 30, 2021, approximately 20% of the landfill's total capacity has been used. The estimated total current cost of landfill closure, \$407,435 is based on the amount that would be paid if equipment, facilities, and services required to close and maintain the Town's landfill were acquired as of June 30, 2021. Additionally, annual monitoring and maintenance costs are estimated to be \$4,500 per year.

The total closure and postclosure care costs of \$407,435 have been accrued in the statement of activities for the year ended June 30, 2021. Presently, the State of Maine is providing partial funding for certain closure costs; however, future funding is based on availability of funds. The actual cost of closure and postclosure care may be higher due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

FUND BALANCE CHANGES

For the period ending June 30, 2021, the General Fund includes four programs that previously were reported in the financial statements as Special Revenue Funds. This change, which was initially made June 30, 2011, is the result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Activity of these four programs plus two new programs are currently presented in Exhibits A-1, A-2 and A-2 Cont. Additionally, the fund balances reclassified from Special Revenue Funds to the General Fund are all presented as Committed Fund balance in the General Fund as follows:

| | <u>June 30, 2020</u> | <u>June 30, 2021</u> |
|---------------------------|----------------------|----------------------|
| Unemployment Compensation | \$ 127,541 | \$ 103,565 |
| HRA Deductible Plan | 80,925 | 109,599 |
| HRA Credit Plan | 19,648 | 29,740 |
| Hurd Park and Ferry Beach | 203,863 | 285,282 |
| Hunnewell House | <u>22,935</u> | <u>20,414</u> |
| Total reclassification | <u>\$ 454,912</u> | <u>\$ 582,600</u> |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

FUND BALANCE CHANGES, CONTINUED

The following is a schedule of fund balance classifications for the governmental funds as June 30, 2021:

| | General Fund | Haigis Parkway Assessment | Nonmajor Governmental |
|--|---------------------|---------------------------------|--------------------------|
| Fund Balances: | | | |
| Nonspendable-Permanent Funds | \$ - | \$ - | \$ 194,388 |
| Nonspendable-Inventory | 28,774 | - | 48,338 |
| | <u>28,774</u> | <u>-</u> | <u>242,726</u> |
| Restricted | | | |
| Permanent Fund Interest | - | - | 104,325 |
| Deficits in Other Funds (Haigis Parkway) | 2,922,812 | - | - |
| Credit Enhancement Agreements | - | - | 70,867 |
| Eastern Trail Alliance (Close the Gap) | - | - | 470,928 |
| Grants and Donations | - | - | 113,870 |
| Fire Department Equipment | - | - | 27,817 |
| Police Asset Forfeiture | - | - | 194,553 |
| Education | 2,049,619 | - | 754,637 |
| | <u>4,972,431</u> | <u>-</u> | <u>1,736,997</u> |
| Committed | | | |
| Unemp. Comp/Beach Reserve/Hunnewell | 409,261 | - | - |
| HRA Deductible/Credit Plans | 139,339 | - | - |
| Impact Fees/Reserves | - | - | 6,621,655 |
| Education | - | - | 182,937 |
| | <u>548,600</u> | <u>-</u> | <u>6,804,592</u> |
| Assigned | | | |
| Carryforward Balances/Encumbrances | 2,876,553 | - | - |
| Education | 1,030,000 | - | - |
| | <u>3,906,553</u> | <u>-</u> | <u>-</u> |
| Unassigned | 6,294,296 | (2,490,191) | (1,603,548) |
| Total Fund Balances | <u>\$15,750,654</u> | <u>\$(2,490,191)</u> | <u>\$ 7,180,767</u> |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

ASSIGNED FUND BALANCES

At June 30, 2021, portions of the General Fund balance were assigned to future periods as follows:

| | <u>2021</u> |
|---|----------------------------|
| General Fund: | |
| State Revenue Sharing | \$ 602,112 |
| Cable Franchise Fees | 18,000 |
| Summer Recreation | 9,500 |
| General Government – Community Survey | 10,000 |
| Human Resources – New Equipment | 1,250 |
| Accounting – New Equipment | 2,750 |
| Accounting – Credit Card Services | 7,000 |
| MIS – Computer Hardware | 8,000 |
| MIS – Software Hardware | 4,000 |
| Planning Initiatives (former Comprehensive Plan) | 57,926 |
| CS – Municipal Building – Voting Booths | 3,920 |
| CS – Public Safety Building – Scrubber | 5,883 |
| Police – New Vehicles | 50,613 |
| Marine Resource Office – Inventory Management | 12,071 |
| MIS – Core Switch Upgrade | 8,210 |
| MIS – Disaster Recovery/Business Continuity | 10,000 |
| Planning – New Vehicles | 6,500 |
| Library – Security Cameras & Equipment | 6,218 |
| Municipal Building – School Air Handling Projects | 77,511 |
| Municipal Building – Generator Plug-In | 10,000 |
| Fire Department – Major Vehicle Repairs | 13,777 |
| Police Department – Equipment Issue Room Supplies | 1,979 |
| Police Department – Traffic Monitoring Cameras | 17,509 |
| Public Works – HVAC Improvements/Replacement | 40,941 |
| Encumbered purchase orders | 389,710 |
| Fund Balance Appropriated for the 2022 Adult Ed Budget | 30,000 |
| Fund Balance Appropriated for the 2021 Education Budget | 1,000,000 |
| Reserve for Accrued Sick Pay | 1,501,173 |
| Total General Fund Assigned Fund Balance | <u>\$ 3,906,553</u> |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN

Plan Descriptions

The Town contributes to the Maine Public Employees Retirement System (MPERS), as part of the State Employee and Teacher Plan (the Teacher Plan) and also the Participating Local District Consolidated Plan (the PLD plan) or (the Plans) which are cost sharing multiple employer defined benefit pension plans. The Plans were established as the administrator of a public employee retirement system under the Laws of the State of Maine. Within the Town of Scarborough, the School Department's teaching certified employees plus other qualified educators, are eligible to participate in the Teacher Plan. The Teacher Plan covers 237 participating employers. The Town's Police, Fire/Rescue and certain other Town employees and the Town's school custodians, school lunch personnel, and other non-teacher personnel including, some educational technicians (Ed Techs), central office employees, and secretarial employees have the option to participate in the PLD Plan. The PLD Plan covers 301 participating employers across the state. The plans are included in the annual audit report of the Maine Public Employees Retirement System and can be found online at www.mainepepers.org.

Employee membership data related to the Plans, as of June 30, 2020 was as follows:

| | Teachers | PLD |
|---|----------------|---------------|
| Current participants: Vested and non-vested | 40,395 | 11,838 |
| Terminated participants: Vested | 8,157 | 2,402 |
| Terminated participants: Inactive due refunds | 37,653 | 8,766 |
| Retirees and beneficiaries receiving benefits | <u>37,151</u> | <u>9,860</u> |
| | <u>123,356</u> | <u>32,866</u> |

Benefit terms are established by Maine statute. In the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the Plan and periodically makes recommendations. The Plans' retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for Teacher Plan members is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD Plan members, normal retirement age is 60 or age 65 depending on the date the member joined the system. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The Plans also provides disability and death benefits which are established by statute for State employee members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Plan's Board of Trustees and is currently 1.92%.

For the year ended June 30, 2021, the Town's total payroll for all employees was \$48,232,785. Total covered payroll was \$26,669,756 for the Teacher Plan and \$7,353,891 for the PLD Plan. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan. Total pension expense in the aggregate for both plans was \$2,582,186 for the year ended June 30, 2021.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

Contributions

The contribution requirements of the Teacher Plan members are defined by law or the Plan's Board. Teacher Plan members of the Town of Scarborough's school department are required to contribute 7.65% of covered compensation to the Teacher Plan. The Town of Scarborough's school department employee's contributions are deducted from the employee's wages or salary and remitted by the Town of Scarborough's school department to the Teacher Plan on a monthly basis. The State is statutorily required to contribute 14.33% of annual Teacher wages, excluding wages covered by grants, which pays for the unfunded liability for the teachers. Employer contribution rates are determined through actuarial valuations. The School Department's required contribution rate for the year ended June 30, 2021, was 4.16% percent of annual teacher payroll, plus 14.33% for grant funded wages, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year (normal cost contributions). The Scarborough School Department's contributions to the Teacher Plan for the year ended June 30, 2021 were \$1,292,742.

The contribution requirements of the PLD Plan members are defined by law or the Plan's Board. Employees of the Town of Scarborough and school department are required to contribute 7.35-8.1%, police employees and fire/rescue employees contribute between 8.3%-9.5% of covered compensation to the PLD Plan. The contributions are deducted from the employee's wages or salary and remitted by the Town of Scarborough to the Plan on a monthly basis. Employer contribution rates are determined through actuarial valuations. The Town of Scarborough's school and town employer's contribution, other than Police and Fire/Rescue, required rate for the year ended June 30, 2021, was 10.1% of annual payroll. The Police and Fire/Rescue required contribution rate for the year ended June 30, 2021 was 12.9% or 16%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town of Scarborough's contributions to the Plan for the year ended June 30, 2021 were \$1,108,280.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Teacher Plan

At June 30, 2021, the Town of Scarborough School Department reported a liability for its proportionate share of the net pension liability that reflected a reduction of State pension support provided to the Town of Scarborough School Department. The amount recognized by the Town of Scarborough School Department as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town of Scarborough School Department was as follows:

| | |
|--|----------------------|
| Town of Scarborough School Department's proportionate share of the net pension liability | \$ 545,368 |
| State's proportionate share of the net pension liability associated with the Town of Scarborough School Department | <u>32,390,164</u> |
| Total | <u>\$ 32,935,532</u> |

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town of Scarborough School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the School Department's proportion was 0.033 percent, which was a decrease of 0.003 percent from its proportion measured as of June 30, 2019.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

For the year ended June 30, 2021, the School Department recognized pension expense of \$1,154,064 and revenue of \$4,300,000 for support provided by the State. In addition, the School Department reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual results | \$ 17,444 | \$11,555 |
| Changes of assumptions | 22,609 | |
| Net difference between projected and actual earnings on Plan investments | | |
| Changes in proportion and differences between contributions and proportionate share of contributions | 1 | 28,090 |
| Contributions subsequent to the measurement date | 1,292,742 | |
| Total | \$ 1,332,796 | \$ 39,645 |

The \$1,292,742 of deferred outflows of resources resulting from the School Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense (reduction in expense) as follows:

| Years ending June 30, | |
|-----------------------|-------------|
| 2022 | \$ (26,213) |
| 2023 | (13,313) |
| 2024 | 20,073 |
| 2025 | 19,862 |
| Total | \$ 409 |

PLD Plan

At June 30, 2021, the Town and the Town School Department reported a liability of \$6,379,397 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town and the Town School Department's proportion of the net pension liability was based on a projection of the Town and the Town School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Town and the Town School Department's proportion was 1.61%, which was a decrease of 0.01% from its proportion measured as of June 30, 2019.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

For the year ended June 30, 2021, the Town and the Town School Department recognized pension expense of \$1,428,122. At June 30, 2021, the Town and the Town School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual results | \$ 382,817 | \$70,141 |
| Changes of assumptions | | |
| Net difference between projected and actual earnings on Plan investments | 415,115 | |
| Changes in proportion and differences between contributions and proportionate share of contributions | | 87,156 |
| Contributions subsequent to the measurement date | 1,108,280 | |
| Total | \$ 1,906,212 | \$ 157,297 |

The \$1,108,280 of deferred outflows of resources resulting from the Town and Town School Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense (reduction in expense) as follows:

| Years ending June 30, | |
|-----------------------|--------------|
| 2022 | \$ (256,463) |
| 2023 | 191,125 |
| 2024 | 352,597 |
| 2025 | 353,376 |
| Total | \$ 640,635 |

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | Teachers Plan 2.75% and PLD Plan 2.75%, per annum |
| Salary increases | Teachers Plan 2.75%-14.5% and PLD Plan 2.75%-9.0%, per year |
| Investment rate of return | Teachers Plan 6.75% and PLD Plan 6.75%, per annum, compounded annually |

Mortality rates for active members and non-disabled retirees were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males or females. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation % | Long-term Expected Real Rate of Return |
|--------------------|---------------------------|---|
| Public Equities | 30.0% | 6.0 % |
| U.S. Government | 7.5% | 2.3 % |
| Private Equity | 15.0% | 7.6% |
| Real estate | 10.0% | 5.2 % |
| Infrastructure | 10.0% | 5.3 % |
| Natural Resources | 5.0% | 5.0% |
| Traditional Credit | 7.5% | 3.0% |
| Alternative Credit | 5.0% | 4.2% |
| Diversifiers | 10.0% | 5.9 % |
| Total | 100.00% | |

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for the Teacher Plan and the PLD Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Teacher Plan

The following presents the Town of Scarborough School Department's proportionate share of the net pension liability calculated using the discount rate of 6.75% percent, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

| | Discount rate | Town School Department's proportionate share of net pension liability |
|-----------------------|--------------------------|--|
| 1% decrease | 5.75% | \$ 945,828 |
| Current discount rate | 6.75% | \$ 545,368 |
| 1% increase | 7.75% | \$ 211,593 |

PLD Plan

The following presents the Town and the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.75% percent, as well as what the Town and the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

| | Discount rate | Town and School Department's proportionate share of net pension liability |
|-----------------------|--------------------------|--|
| 1% decrease | 5.75% | \$ 13,406,917 |
| Current discount rate | 6.75% | \$ 6,379,397 |
| 1% increase | 7.75% | \$ 626,856 |

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Maine Public Employees Retirement System financial report.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN, CONTINUED

On-Behalf Payments

The State of Maine makes a contribution to the Maine Public Employees Retirement System Teachers Fund for the teachers of the Town of Scarborough's School Department. The actual payment, which is made by the State, is determined by an actuary for the entire teachers' fund. The Maine Public Employees Retirement System estimates the payment made on-behalf of the Town of Scarborough's School Department to approximate 14.33% of the qualified teachers' salaries, plus an additional 3.56% for health insurance. For the year ended June 30, 2020, the total amount of on-behalf payments was approximately \$4,745,000 and was recognized in the fund financial statements plus an additional on-behalf payment amount of \$93,000 was recognized related to the MPERS Group Life Insurance Plan. The amount of on-behalf payments recognized in the government wide financial statements for pension expense was approximately \$4,300,000.

DEFINED CONTRIBUTION PENSION PLAN

Defined Contribution Pension Plan - The Town, under a plan adopted and approved by the Town Council, contributes to the International City Manager's Association Retirement Corporation (ICMA-RC) Money Purchase Plan, a defined contribution pension plan administered by the ICMA-RC.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. All full time municipal employees of the Town have the option of participating in either the ICMA Money Purchase Plan or the Maine Public Employees Retirement System. Contributions made by the employer, into the ICMA Money Purchase Plan, vest upon completion of three years of service. An employee who leaves the employment of the Town is entitled to all contributions and earned income in his/her account at that time. Each employee must contribute a minimum of 6% of his/her gross earnings to the pension plan, while the Town is required to contribute an amount equal to 6% of the employee's gross earnings. The Town Manager has a separate plan that requires the Town to contribute 17% of the Manager's gross earnings and the Manager is not required to contribute.

During the year, the Town's required and actual contributions amounted to \$301,825 which was 6% of the participating employees and 17% of the Town Manager's current year covered payroll. The covered payroll amounted to \$4,764,287 while the Town's total payroll was \$14,990,923. Employee's required contributions amounted to \$277,148, which was 6% of the Town's current year covered payroll.

No pension provision changes occurred during the year that affected the required contributions to be made by the Town or its employees. The ICMA Money Purchase Plan held no securities of the Town or other related parties during the year or as of the close of the fiscal year.

The Town of Scarborough also offers all its full time employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457 and authorized by the Town Council. The plan permits participating employees to defer a portion of their salary until future years. During the year, the participating employee's contributions amounted to \$513,712 and the Town contributions amounted to \$309,335. The Town contributes a match up to 4%. The covered payroll amounted to \$8,192,961.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

DEFINED CONTRIBUTION PENSION PLAN, CONTINUED

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not reported in the Town's financial statements.

POST-EMPLOYMENT HEALTH CARE

The Town has two OPEB plans which employees participate in for which separate disclosures are provided below. Total expense in the aggregate for both plans was \$(70,913) for the year ended June 30, 2021.

Plan description. The Town sponsors a post-retirement benefit (OPEB) plan that provides health insurance (Health Plan) to retiring employees. The Health Plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Insurance Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements.

MMEHT does not issue a separate financial report for its OPEB as the Town does not fund an OPEB plan and operates on a pay-as-you-go basis. Employers fund their own benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. The Health Plan provides healthcare benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service at retirement are eligible to participate in the Health Plan. Retirees who are not eligible for Medicare retain coverage in the same group health insurance plan as active employees. Retirees must pay for Medicare Part B coverage to be eligible to participate in the State-sponsored employer funded Companion Plan.

Plan membership. At January 1, 2021, the following were covered by the benefit terms: Inactive employees or beneficiaries currently receiving benefit payments – 23, Active employees 174, total employees 197.

The Town's total OPEB liability of \$3,193,848 was measured as of January 1, 2021 and was determined by an actuarial valuation as of January 1, 2020, rolled forward to January 1, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. General inflation of 2.00% was used along with an aggregate payroll increase of 2.75%. Merit payroll increases, mortality, termination, disability and retirement assumptions relied on the System's June 30, 2012 through June 30, 2015's experience study. The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2021 were non-Medicare of 8.25% and Medicare 7.62%, decreasing to 3.28% and 3.28%, respectively, over a grading period of 20 years. Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table respectively, for males and females, using the RP-2014 Total Dataset Employee Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the years 2020. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2016.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

The discount rate was updated to reflect the December 31, 2020 Bond Buyer 20-Bond GO Index. The ultimate trend assumption was reduced to reflect the reduction in the Bond Buyer 20-Bond GO Index. The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study, conducted by the Maine State Retirement Consolidated Plan for Participating Local Districts, for the period July 1, 2012 through June 30, 2015.

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Balance at June 30, 2020 | \$ 2,951,799 |
| Changes for the year: | |
| Service cost | 99,093 |
| Interest | 82,090 |
| Changes in benefit terms | |
| Differences between expected and actual experience | |
| Changes in assumptions or other inputs | 171,460 |
| Benefit payments | (110,594) |
| Net changes | 242,049 |
| Balance at June 30, 2021 | \$ 3,193,848 |

Changes of assumptions or other inputs reflect an increase of \$171,460. Changes in assumptions or other inputs reflect a change in the discount rate from 2.74% in 2020 to 2.12% in 2021.

Sensitivity of the total OPEB liability to changes in the discount rate.

The following table shows how the total OPEB liabilities would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the Health Plan is 2.12%.

| | 1% Decrease (1.12%) | Discount Rate (2.12%) | 1% Increase (3.12%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 3,665,425 | \$ 3,193,848 | \$ 2,806,613 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2021 were non-Medicare of 8.25% and Medicare 7.62%, decreasing to 3.28% and 3.28%, respectively, over a grading period of 20 years. The following presents the Town School Department's proportionate share of the collective net OPEB liability, as well as what the Town School Department's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|----------------------|--------------|-----------------------------------|--------------|
| Total OPEB liability | \$ 2,750,941 | \$ 3,193,848 | \$ 3,753,991 |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

For the year ended June 30, 2021, the Town recognized expense of \$144,923. At June, 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|-------------------------------------|
| Differences between expected and actual experience | \$ 532,455 | |
| Changes in assumptions | | \$ 741,195 |
| Contributions subsequent to the measurement date | 54,672 | |
| Total | \$ 587,127 | \$ 741,195 |

The \$54,672 of deferred outflows of resources resulting from the Town’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the Plan year ending June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30, | |
|---------------------|--------------|
| 2022 | (36,260) |
| 2023 | (36,260) |
| 2024 | (36,260) |
| 2025 | (36,260) |
| 2026 | (36,261) |
| Thereafter | (27,439) |
| Total | \$ (208,740) |

Retiree Group Health Insurance Plan

General Information

Plan description and benefits provided. The Town School Department is a participant in the MEA Benefits Trust (MEABT). MEABT is a single-employer defined benefit plan and was established by the Maine Education Association on April 10, 1993, as an employee welfare benefit plan. The MEABT is administered by Trustees, in accordance with its terms for the exclusive benefit of Plan participants and beneficiaries. The principal asset of the MEABT is a group insurance contract, currently held with Anthem Blue Cross and Blue Shield of Maine, which provides medical, hospital, surgical, prescription coverage and related health benefits to individuals of the Town School Department, including active educators, retired and disabled educators and related personnel and their dependents. The Town School Department’s participation in the MEABT plan is considered its own post-retirement benefit plan, based on its own census data or participants in the trust. The MEABT does not issue a separate financial report for its OPEB. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

Employee membership data related to the Plan, as of the June 30, 2020 measurement date was, as follows:

| | |
|-----------------------|------------|
| Active members | 413 |
| Retirees under age 65 | 13 |
| Retirees over age 65 | 158 |
| | <u>584</u> |

Eligibility. The employee must have participated in the MEA Benefits Trust health plan for 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits.

A retiree who terminates coverage may elect to re-enroll in coverage at a later date if the participant participated in the health plan for 12 months prior to terminating coverage, if the re-enrollment occurs within 5 years from the date of termination of coverage, and if the retire does not surpass attaining age 62 at the time of re-enrollment. The participant has to have maintained continuous health insurance coverage during this break in coverage. To be eligible for re-enrollment, a retiree may not take more than one break in coverage.

Contributions. The Town School Department's contribution comes in the form of an implied subsidy. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium amounts. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums charged are based on the average active and pre-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage resulting in a subsidy through the premiums paid by the Town School Department for active members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the Town School Department reported a liability of \$6,064,174 for its net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

For the year ended June 30, 2021, the Town School Department recognized expense of \$(215,836). At June 30, 2021, the Town School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|-------------------------------------|
| Differences between expected and actual experience | \$141,328 | |
| Changes of assumptions | 1,108,507 | \$ 140,701 |
| Net difference between projected and actual earnings on OPEB plan investments | | |
| Contributions subsequent to the measurement date | 111,883 | |
| Total | \$1,361,718 | \$ 140,701 |

Of the total amount reported as deferred outflows of resources related to OPEB, \$111,883 resulting from Town School Department contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Town School Department expense, as follows:

| | |
|---------------------|-------------|
| Year ended June 30, | |
| 2022 | \$ 180,707 |
| 2023 | 180,707 |
| 2024 | 180,707 |
| 2025 | 180,707 |
| 2026 | 215,880 |
| Thereafter | 170,426 |
| Total | \$1,109,134 |

Actuarial assumptions and methods: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions:

| | |
|------------------------------|---|
| Measurement date: | June 30, 2020 |
| Discount Rate: | 2.21% per annum for the year ended June 30, 2020 reporting. |
| Healthcare cost trend rates: | Non-Medicare – Initial trend of 6.21% applied in 2020 and 6.83% applied in 2022, grading over 18 years to 3.25% per annum. Medicare – Initial trend rate of 0.00% applied in 2021 and 6.30% applied in 2022, grading over 18 years to 3.25% per annum. |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

Rate of mortality:

Healthy Annuitants: Based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80
- 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

Healthy Employees: Based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: Based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits Weighted Disabled Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Since the plan is pay as you go and is not funded, the discount rate used to measure the total OPEB liability for the healthcare plan is based on the Bond Buyer 20 year – Bond General Obligation Index as of June 30, 2020. The discount rate based on the index was 2.21% per annum as of June 30, 2020.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

Changes in the Net OPEB Liability

Changes in the Town School Department's net OPEB liability were as follows:

| | Total OPEB Liability [a] |
|---|---|
| Balance as of June 30, 2019 | \$ 5,421,456 |
| Changes for the year: | |
| Service cost | 62,895 |
| Interest | 189,285 |
| Changes in benefit terms | (648,723) |
| Differences between expected and actual experience | 164,883 |
| Changes in assumptions | 1,028,112 |
| Contributions – employer | |
| Benefit payments | (153,734) |
| Net changes | 642,718 |
| Balance as of June 30, 2020 (Measurement Date) | |
| Reporting as of June 30, 2021 | \$ 6,064,174 |

Sensitivity of the Town School Department proportionate share of the collective net OPEB liability to changes in the discount rate. The following presents the Town School Department's proportionate share of the collective net OPEB liability, as well as what the Town School Department proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.21 percent or 1-percentage-point higher 3.21 percent than the current discount rate:

| | 1% Decrease 1.21% | Discount Rate 2.21% | 1% Increase 3.21% |
|---|----------------------|------------------------|----------------------|
| Town School Department's proportionate share of the collective net OPEB liability | \$ 7,270,580 | \$ 6,064,174 | \$ 5,110,055 |

Sensitivity of the Town School Department's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates. The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2020 were non-Medicare of 6.21% applied in 2020 and 6.83% applied in 2022, and Medicare 0.00% applied in 2021 and 6.30% applied in 2022, decreasing to 3.25% and 3.25%, respectively, over a grading period of 18 years. The following presents the Town School Department's proportionate share of the collective net OPEB liability, as well as what the Town School Department's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Assumed Healthcare Cost Trend Rate | 1% Increase |
|---|---------------------|--|---------------------|
| Town School Department's proportionate share of the collective net OPEB liability | \$ 5,032,616 | \$ 6,064,174 | \$ 7,399,436 |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

POST EMPLOYMENT HEALTH CARE, CONTINUED

OPEB plan fiduciary net position and was zero as of the measurement date, consequently there is no impact on the percentage of plan fiduciary position as a percentage of total OPEB liability for the above sensitivity analysis for the discount rate and healthcare cost trend rate.

On-Behalf OPEB Payments

The State of Maine contributes on behalf of the Town School Department's retired teachers participating in the plan an amount equal to 45% of the blended single premium for the retiree's healthcare coverage. Using the census data for the measurement period ended June 30, 2019 the estimated on-behalf OPEB subsidy for year ended June 30, 2021 was approximately \$469,000. The amount has been recorded as a revenue and expenditure in the general fund in the statement of revenues, expenditures and changes in fund balances - governmental funds.

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS

The Town entered into property tax abatement agreements (credit enhancement agreements) with local businesses under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. Under the agreements, the Town may grant reimbursement limited to incremental taxes from the new actual increased assessed value projected at 100 percent of the increase. The agreements may be granted to businesses located within the Town that is providing economic development.

For the fiscal year ended June 30, 2021, the Town abated property taxes totaling \$1,242,710 under the CEA programs and \$174,808 under the TIF programs, including the following tax abatement agreements that each exceed 10 percent of the total amount abated:

A 100 percent property tax abatement up to an annual limit of \$825,000 to the Gateway Shoppes formerly owned by New England Expedition that is a significant employer in the Town. The abatement is to assist the employer to retain employees and to expand the business, and develop a 288-unit rental housing project. The abatement amounted to \$825,000. This CEA is part of the Haigis Parkway TIF District.

The remaining business abatement, Foundation Center (a TIF specific to this property was created for the CEA), totaled \$58,003.

The Town has an agreement for the Haigis Parkway district with total tax captured of \$155,422 which none is currently abated, and the funds are utilized for Town's parkway as an investment site.

The Town entered into a 30-year Downtown Omnibus tax increment financing district with total tax captured of \$19,386. The TIF District includes the new development at the former Scarborough Downs property and the majority of commercial property in Oak Hill. The District's development program assigns 3% of revenues to the Town for economic development purposes.

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS, CONTINUED

In addition, a CEA was approved within the TIF District for Crossroads Holdings, LLC, the developer of the Scarborough Downs property. Reimbursement to Crossroads Holdings, LLC totaled \$232,670. The CEA reimburses the developer for a portion of infrastructure costs over a 30-year period. The CEA provides a reimbursement of 40% of the new revenues generated on property within the Crossroads Zoning District for a period of 20 years. The CEA provides a 10% reimbursement to Crossroads Holdings, LLC for an additional 10 years. Development thresholds were included in the CEA which could drop the percentage reimbursement in future years, should the project not proceed as anticipated. Property within the Crossroads Zoning District accounts for about 50% of the Downtown TIF District acreage.

Housing TIF's include the Bessey School I Senior Housing TIF for \$86,369 and Avesta Southgate Affordable Housing TIF for \$40,667. The Bessey School I TIF district program reimburses 100% of the incremental value for a period of 30 years and provided for 54 units of affordable senior housing, on land leased from the Town for \$1 per year for a 99-year term. The Avesta Southgate TIF district program reimburses 50% of the incremental value and assigns the remaining 50% to the Town's affordable housing initiative fund for a period of 17 years and provided for a 38-unit family rental affordable housing project.

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, for which the Town either carries commercial insurance, participates in a public entity pool, or is effectively self-insured. Currently, the municipal departments participate in several public entity and self-insured pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claims liabilities, which should be recorded at June 30, 2021. There have been no significant reductions in commercial insurance coverage from the prior year and no settlements have exceeded commercial insurance coverage in any of the past three years.

NET POSITION

Net Position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and adding back any unspent proceeds. Net Positions are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's Net investment in capital assets, was calculated as follows at June 30, 2021:

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Capital assets | \$ 235,544,102 |
| Accumulated depreciation | (62,923,871) |
| Bonds payable | (89,320,000) |
| Premium liabilities net of amortization | (12,272,554) |
| Deferred charge on refunding | 6,003,872 |
| <u>Unspent bond proceeds</u> | <u>269,668</u> |
| | |
| <u>Net investment in capital assets</u> | <u>\$77,301,217</u> |

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

NET POSITION, CONTINUED

The Town's Bonds payable is \$92,660,000 as stated in the footnote on page 60. For the purpose of determining net investment in capital assets, bonds payable totaling \$3,340,000 have been excluded from this calculation because the Town transferred ownership of the capital assets to other entities.

Restatement of Beginning Fund balance and Net Position

Beginning net position was adjusted as a result of implementation of GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Beginning net position was increased by \$754,637, as a result of the implementation of this new accounting standard.

Fund balance at July 1, 2020 was restated, as follows:

| | Governmental Funds |
|--------------------------------------|----------------------------|
| Fund balance, as previously reported | \$18,998,467 |
| GASB No. 84 | 754,637 |
| Fund balance, as restated | <u><u>\$19,753,104</u></u> |

Net position at July 1, 2020 was restated, as follows:

| | Governmental Activities |
|--------------------------------------|----------------------------|
| Net position, as previously reported | \$63,300,616 |
| GASB No. 84 | 754,637 |
| Net position, as restated | <u><u>\$64,055,253</u></u> |

COMMITMENTS

Construction in progress of \$1,987,494 as of June 30, 2021 consists of building improvements, street light purchase/improvements, traffic signals improvement, road improvements, and Eastern Trail improvements. These projects are expected to be completed during the fiscal years ending June 30, 2021 to June 30, 2022. The additional estimated costs to complete these projects are approximately \$558,694.

SUBSEQUENT EVENT

Following the fiscal year ended June 30, 2021, on September 1, 2021, the Town issued \$3,725,000 in 2021 General Obligation to reimburse the Town for various capital improvement expenditures.

TOWN OF SCARBOROUGH, MAINE
Schedule Changes in Net OPEB Liability and
Related Ratios – MMEHT Group Health Insurance Plan
Required Supplementary Information
June 30, 2021
(Unaudited)

Other Post-Employment Benefits

| | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
|--|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability | | | | |
| Service Cost | \$ 99,093 | \$ 94,071 | \$ 107,114 | \$ 95,617 |
| Interest | 82,090 | 130,878 | 116,667 | 121,874 |
| Changes in benefit terms | | (89,811) | | |
| Difference between expected and actual experience | | 412,934 | - | 105,980 |
| Changes in assumptions or other inputs | 171,460 | (640,639) | (305,884) | (70,197) |
| Benefit payments | (110,594) | (106,333) | (102,243) | (92,711) |
| Net change in total OPEB liability | 242,949 | (198,900) | (184,346) | 160,563 |
| Total OPEB liability - beginning | 2,951,799 | 3,150,699 | 3,335,048 | 3,174,482 |
| Total OPEB liability - ending | \$ 3,193,848 | \$ 2,951,799 | \$ 3,150,699 | \$ 3,335,045 |
| | | | | |
| Covered payroll | 10,669,667 | 10,019,117 | 10,019,117 | 10,019,117 |
| | | | | |
| Total OPEB liability as a percentage of covered payroll | 29.9% | 27.7% | 31.4% | 33.3% |

Notes to schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

| | |
|---------------|-------|
| June 30, 2021 | 2.12% |
| June 30, 2020 | 2.74% |
| June 30, 2019 | 4.10% |

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10-year trend is complete, the Town presents information for those years for which information is available

TOWN OF SCARBOROUGH, MAINE
Schedule Changes in Net OPEB Liability and
Related Ratios – MEABT Group Health Insurance Plan
Required Supplementary Information
June 30, 2021
(Unaudited)

| | June 30, 2021 | June 30, 2020 | June 30, 2019 |
|---|----------------------------|----------------------------|----------------------------|
| Total OPEB liability | | | |
| Service Cost | \$ 62,895 | \$ 52,477 | \$ 56,620 |
| Interest | 189,285 | 192,731 | 183,504 |
| Changes in benefit terms | (648,723) | | |
| Differences between expected and actual experience | 164,993 | | |
| Changes in assumptions or other inputs | 1,028,112 | 318,176 | (246,226) |
| Benefit payments | <u>(153,734)</u> | <u>(137,867)</u> | <u>(133,102)</u> |
| Net change in total OPEB liability | 642,718 | 425,517 | (139,204) |
| Total OPEB liability - beginning | <u>5,421,450</u> | <u>4,995,939</u> | <u>5,135,143</u> |
| Total OPEB liability - ending | <u>\$ 6,064,174</u> | <u>\$ 5,421,456</u> | <u>\$ 4,995,939</u> |
| | | | |
| Covered employee payroll | 19,578,067 | 22,094,507 | 21,503,170 |
| | | | |
| Net OPEB liability as a percentage of covered employee payroll | 31.0% | 24.5% | 23.2% |

Notes to schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

| | |
|---------------|-------|
| June 30, 2021 | 2.21% |
| June 30, 2020 | 3.50% |
| June 30, 2019 | 3.87% |

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10-year trend is complete, the Town presents information for those years for which information is available.

TOWN OF SCARBOROUGH, MAINE
Schedule of Proportionate Share of the Net Pension Liability
Required Supplementary Information
June 30, 2021
(Unaudited)

Maine Public Employees Retirement System

Teacher Plan

| Fiscal Year | Actuarial Valuation Date | Town Proportion of the Net Pension Liability | Town's Proportionate Share of the Net Pension Liability | State's Proportionate Share of the Net Pension Liability | Total Net Pension Liability | Covered Payroll | Town Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-------------|--------------------------|--|---|--|-----------------------------|-----------------|--|--|
| 2021 | 06-30-2020 | 0.033% | \$545,368 | \$32,390,164 | \$32,935,532 | \$26,581,636 | 2.05% | 81.03% |
| 2020 | 06-30-2019 | 0.036% | \$524,183 | \$28,538,618 | \$29,062,801 | \$25,337,964 | 1.80% | 82.73% |
| 2019 | 06-30-2018 | 0.037% | \$495,178 | \$26,319,136 | \$26,814,314 | \$24,415,427 | 2.03% | 82.90% |
| 2018 | 06-30-2017 | 0.038% | \$552,792 | \$27,719,908 | \$28,272,700 | \$23,568,099 | 2.35% | 80.78% |
| 2017 | 06-30-2016 | 0.035% | \$624,320 | \$33,161,075 | \$33,785,395 | \$22,450,059 | 2.78% | 76.21% |
| 2016 | 06-30-2015 | 0.042% | \$565,672 | \$24,964,846 | \$25,530,518 | \$21,706,258 | 2.61% | 81.18% |
| 2015 | 06-30-2014 | 0.035% | \$378,299 | \$19,539,727 | \$19,918,026 | \$21,156,477 | 1.78% | 84.04% |

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

PLD Plan

| Fiscal Year | Actuarial Valuation Date | Proportion of the Net Pension Liability | Proportionate Share of the Net Pension Liability | Covered Payroll | Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position As a Percentage Of the Total Pension Liability |
|-------------|--------------------------|---|--|-----------------|---|--|
| 2021 | 06-30-2020 | 1.61% | \$6,379,397 | \$8,941,589 | 71.35% | 88.35% |
| 2020 | 06-30-2019 | 1.62% | \$4,943,615 | \$8,527,341 | 57.97% | 90.62% |
| 2019 | 06-30-2018 | 1.66% | \$4,538,914 | \$7,843,357 | 57.87% | 91.14% |
| 2018 | 06-30-2017 | 1.59% | \$6,516,621 | \$7,305,860 | 89.20% | 86.43% |
| 2017 | 06-30-2016 | 1.48% | \$7,865,767 | \$6,444,728 | 122.05% | 81.61% |
| 2016 | 06-30-2015 | 1.53% | \$4,875,343 | \$6,287,712 | 77.54% | 88.27% |
| 2015 | 06-30-2014 | 1.50% | \$2,310,255 | \$6,125,426 | 37.72% | 94.10% |

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

TOWN OF SCARBOROUGH, MAINE
Schedule of Contributions
Required Supplementary Information
June 30, 2021
(Unaudited)

Teachers Plan

| Fiscal Year | Actuarial Valuation Date | Contractually Required Contribution | Contributions Relative to Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--------------------|---------------------------------|--|--|---|------------------------|---|
| 2021 | 06-30-2020 | \$1,292,742 | \$1,292,742 | \$ 0 | \$26,669,756 | 4.85% |
| 2020 | 06-30-2019 | \$1,166,575 | \$1,166,575 | \$ 0 | \$26,581,636 | 4.39% |
| 2019 | 06-30-2018 | \$1,055,590 | \$1,055,590 | \$ 0 | \$25,337,964 | 4.16% |
| 2018 | 06-30-2017 | \$1,018,971 | \$1,018,971 | \$ 0 | \$24,415,427 | 4.17% |
| 2017 | 06-30-2016 | \$838,381 | \$838,381 | \$ 0 | \$23,568,099 | 3.56% |
| 2016 | 06-30-2015 | \$649,178 | \$649,178 | \$ 0 | \$22,450,059 | 2.89% |
| 2015 | 06-30-2014 | \$626,859 | \$626,859 | \$ 0 | \$21,706,258 | 2.88% |

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

PLD Plan

| Fiscal Year | Actuarial Valuation Date | Contractually Required Contribution | Contributions Relative to Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--------------------|---------------------------------|--|--|---|------------------------|---|
| 2021 | 06-30-2020 | \$1,108,280 | \$1,108,280 | \$ 0 | \$7,353,891 | 15.07% |
| 2020 | 06-30-2019 | \$1,037,156 | \$1,037,156 | \$ 0 | \$8,941,589 | 11.60% |
| 2019 | 06-30-2018 | \$990,347 | \$990,347 | \$ 0 | \$8,527,341 | 11.61% |
| 2018 | 06-30-2017 | \$920,669 | \$920,669 | \$ 0 | \$7,843,357 | 11.74% |
| 2017 | 06-30-2016 | \$815,586 | \$815,586 | \$ 0 | \$7,305,860 | 11.16% |
| 2016 | 06-30-2015 | \$694,798 | \$694,798 | \$ 0 | \$6,444,728 | 10.78% |
| 2015 | 06-30-2014 | \$624,901 | \$624,901 | \$ 0 | \$6,287,712 | 9.94% |

*Additional years will be displayed to meet the ten-year disclosure requirement when the information becomes available.

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GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. Most governmental services are provided by the General Fund including general government, public services, public safety, public works, education, intergovernmental, debt service, and capital improvements (that are not financed through other funds).

TOWN OF SCARBOROUGH, MAINE
General Fund
Comparative Balance Sheets
June 30, 2021 and 2020

| | 2021 | 2020 |
|--|----------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 9,112,852 | 13,512,531 |
| Investments | 11,222,583 | 4,801,230 |
| Receivables: | | |
| Taxes receivable | 274,242 | 257,139 |
| Tax liens | 662,181 | 891,262 |
| Accounts receivable , net | 255,257 | 772,091 |
| Intergovernmental | 431,856 | 262,259 |
| Inventory | 28,774 | 31,401 |
| Interfund loans receivable | 5,528,184 | 4,315,524 |
| Tax acquired property | 7,231 | 7,231 |
| Total assets | \$ 27,523,160 | 24,850,668 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable and other current liabilities | 4,026,495 | 2,900,504 |
| Accrued payroll and other related liabilities | 6,625,528 | 5,789,750 |
| Accrued compensated absence (current) | 214,202 | 91,517 |
| Unearned revenues | 68,835 | 68,367 |
| Total liabilities | 10,935,060 | 8,850,138 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue-property taxes | 837,446 | 917,570 |
| Total deferred inflows of resources | \$ 837,446 | 917,570 |
| Fund balance: | | |
| Nonspendable inventory | 28,774 | 31,401 |
| Restricted - Town | 2,922,812 | 2,930,434 |
| Restricted - Education | 2,049,619 | 648,587 |
| Committed - Town | 548,600 | 454,912 |
| Assigned - Town | 2,876,553 | 2,615,666 |
| Assigned - School | 1,030,000 | 700,000 |
| Unassigned - Town | 6,294,296 | 7,701,960 |
| Total fund balance | 15,750,654 | 15,082,960 |
| Total liabilities, deferred inflows of resources and fund balance | \$ 27,523,160 | 24,850,668 |

TOWN OF SCARBOROUGH, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the year ended June 30, 2021
(with comparative totals for June 30, 2020)

| | 2020 carryforward | 2021 | | 2020 Actual | Variance positive (negative) | 2020 Actual |
|---|----------------------|-------------------|--------------------|-------------------|------------------------------------|-------------------|
| | | Budget | Total Available | | | |
| Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | \$ - | 69,364,637 | 69,364,637 | 69,028,705 | (335,932) | 67,670,540 |
| Change in deferred property tax revenue | - | - | - | 80,124 | 80,124 | 3,576 |
| Excise taxes | - | 6,030,000 | 6,030,000 | 7,174,929 | 1,144,929 | 6,352,261 |
| Cable franchise tax | - | 219,000 | 219,000 | 229,665 | 10,665 | 218,180 |
| Interest and costs on taxes | - | 106,200 | 106,200 | 79,210 | (26,990) | 95,112 |
| Total taxes | - | 75,719,837 | 75,719,837 | 76,592,633 | 872,796 | 74,339,669 |
| Licenses and permits: | | | | | | |
| Plumbing fees | - | 45,000 | 45,000 | 45,623 | 623 | 49,055 |
| Fees and Permits | - | 216,780 | 216,780 | 233,233 | 16,453 | 131,749 |
| Building permits | - | 500,000 | 500,000 | 738,067 | 238,067 | 507,947 |
| Electrical permits | - | 70,000 | 70,000 | 100,384 | 30,384 | 84,584 |
| Zoning Board of Appeals | - | 7,000 | 7,000 | 6,250 | (750) | 6,250 |
| License plate fees | - | 63,915 | 63,915 | 94,367 | 30,452 | 71,652 |
| Subdivision fees | - | 25,000 | 25,000 | (150,959) | (175,959) | 14,725 |
| Total licenses and permits | - | 927,695 | 927,695 | 1,066,965 | 139,270 | 865,962 |
| Intergovernmental: | | | | | | |
| Education state subsidies | - | 4,035,887 | 4,035,887 | 4,032,961 | (2,926) | 3,273,967 |
| FEMA/MEMA reimbursement | - | - | - | 65,175 | 65,175 | 20,000 |
| Federal HIDTA revenues | - | 242,500 | 242,500 | 234,934 | (7,566) | 240,568 |
| State Revenue Sharing | - | 1,397,937 | 1,397,937 | 1,839,811 | 441,874 | 1,382,247 |
| Homestead exemption | - | 1,335,625 | 1,335,625 | 1,335,625 | - | 909,034 |
| Business equipment tax exemption | - | 604,131 | 604,131 | 604,540 | 409 | 552,523 |
| LRAP (Local Road Assistance Program) | - | 331,444 | 331,444 | 309,920 | (21,524) | 331,444 |
| ecomaine payment in lieu of taxes | - | 71,450 | 71,450 | 71,429 | (21) | 71,450 |
| General assistance reimbursement | - | 48,125 | 48,125 | 78,010 | 29,885 | 55,386 |
| Adult education State subsidies | - | 39,143 | 39,143 | 47,886 | 8,743 | 53,043 |
| Other Federal and State revenues - School | - | 80,000 | 80,000 | 18,405 | (61,595) | 193,204 |
| Other Intergovernmental revenues - Town | - | 612,581 | 612,581 | 609,259 | (3,322) | 598,114 |
| Total intergovernmental | - | 8,798,823 | 8,798,823 | 9,247,955 | 449,132 | 7,680,980 |
| Interest earned | - | 100,000 | 100,000 | 177,290 | 77,290 | 171,724 |
| Unclassified: | | | | | | |
| School Department miscellaneous | - | 300,000 | 300,000 | 131,049 | (168,951) | 188,619 |
| Adult education | - | 61,518 | 61,518 | 26,543 | (34,975) | 20,762 |
| Community services | - | 1,987,000 | 1,987,000 | 1,373,554 | (613,446) | 1,448,243 |
| Insurance reimbursements | - | 55,000 | 55,000 | 184,208 | 129,208 | 149,625 |
| Public Violations | - | 87,700 | 87,700 | 122,618 | 34,918 | 108,237 |
| Special duty police/fire | - | 88,500 | 88,500 | 57,279 | (31,221) | 72,861 |
| Inspection/review fees | - | 177,500 | 177,500 | 351,501 | 174,001 | 161,451 |
| Rescue donations | - | 1,250,000 | 1,250,000 | 1,250,000 | - | 1,250,000 |
| Rental/Lease income | - | 150,919 | 150,919 | 118,317 | (32,602) | 121,547 |
| Sale of Town-owned property | - | 85,000 | 85,000 | 86,668 | 1,668 | 62,802 |
| Salary reimbursement | - | 1,282,896 | 1,282,896 | 1,211,617 | (71,279) | 1,219,396 |
| Vehicle fuel reimbursement | - | 347,250 | 347,250 | 297,960 | (49,290) | 316,725 |
| Vehicle maintenance reimbursement | - | 589,550 | 589,550 | 524,239 | (65,311) | 483,371 |
| Miscellaneous | - | 154,800 | 154,800 | 181,173 | 26,373 | 213,883 |
| Total unclassified | - | 6,617,633 | 6,617,633 | 5,916,726 | (700,907) | 5,817,522 |
| Total revenues | - | 92,163,988 | 92,163,988 | 93,001,569 | 837,581 | 88,875,857 |

TOWN OF SCARBOROUGH, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis), Continued

| | 2020 carryforward | 2021 | | Actual | Variance positive (negative) | 2020 Actual |
|--|----------------------|------------|--------------------|------------|------------------------------------|----------------|
| | | Budget | Total available | | | |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government: | | | | | | |
| Town Council | \$ - | 11,573 | 11,573 | 11,572 | 1 | 11,367 |
| Administration | 897 | 487,660 | 488,557 | 455,925 | 32,632 | 470,255 |
| Town Clerk | - | 219,986 | 219,986 | 270,195 | (50,209) | 208,068 |
| General government | - | 131,535 | 131,535 | 116,660 | 14,875 | 134,321 |
| Legal | - | 113,000 | 113,000 | 127,197 | (14,197) | 336,282 |
| Human resources | - | 299,463 | 299,463 | 304,869 | (5,406) | 297,655 |
| Risk management | - | 887,857 | 887,857 | 1,037,526 | (149,669) | 884,416 |
| Personnel benefits | - | 413,077 | 413,077 | 598,151 | (185,074) | 556,665 |
| Public information | - | 500 | 500 | - | 500 | 1,295 |
| Municipal Building | - | 420,304 | 420,304 | 408,201 | 12,103 | 426,726 |
| Oak Hill Professional Bldg | - | 33,880 | 33,880 | 24,145 | 9,735 | 25,650 |
| Alger Building | - | - | - | 4,294 | (4,294) | - |
| Public Safety Building | - | 154,871 | 154,871 | 97,498 | 57,373 | - |
| Finance | 6,544 | 399,795 | 406,339 | 394,831 | 11,508 | 382,586 |
| Taxation/Treasury | 820 | 420,527 | 421,347 | 407,128 | 14,219 | 390,807 |
| Assessing | 99 | 322,477 | 322,576 | 318,027 | 4,549 | 301,890 |
| Management information systems | 1,776 | 1,392,685 | 1,394,461 | 1,323,926 | 70,535 | 1,349,941 |
| Planning | 41,465 | 1,024,192 | 1,065,657 | 1,025,273 | 40,384 | 994,908 |
| Outside agencies | - | 12,500 | 12,500 | 12,500 | - | 12,500 |
| Total general government | 51,601 | 6,745,882 | 6,797,483 | 6,937,918 | (140,435) | 6,785,332 |
| Public services: | | | | | | |
| Library | - | 1,132,963 | 1,132,963 | 1,132,963 | - | 1,164,166 |
| Public health and welfare | - | 86,076 | 86,076 | 140,995 | (54,919) | 96,975 |
| Tax Rebates (Credit Enhancement Agree) | - | 1,242,710 | 1,242,710 | 1,241,479 | 1,231 | 944,505 |
| Economic Development Corporation | - | 244,046 | 244,046 | 239,900 | 4,146 | 242,143 |
| Community services | 17,220 | 2,127,738 | 2,144,958 | 1,960,765 | 184,193 | 2,211,763 |
| Total public services | 17,220 | 4,833,533 | 4,850,753 | 4,716,102 | 134,651 | 4,659,552 |
| Public safety: | | | | | | |
| Fire Department | 4,926 | 3,858,550 | 3,863,476 | 3,863,935 | (459) | 3,443,937 |
| Emergency Management | - | 39,441 | 39,441 | 108,287 | (68,846) | 48,591 |
| Emergency Medical Services | 2,213 | 1,872,270 | 1,874,483 | 1,770,268 | 104,215 | 1,883,820 |
| Marine resources/coop | 12,071 | 111,697 | 123,768 | 68,146 | 55,622 | 106,179 |
| Police Department | 172,606 | 6,973,816 | 7,146,422 | 6,776,118 | 370,304 | 6,618,932 |
| Total public safety | 191,816 | 12,855,774 | 13,047,590 | 12,586,754 | 460,836 | 12,101,459 |
| Public works: | | | | | | |
| Public Works Department | 10,044 | 3,092,592 | 3,102,636 | 2,872,510 | 230,126 | 2,774,041 |
| GIS/Engineering services | - | 106,500 | 106,500 | 98,331 | 8,169 | 108,305 |
| Vehicle maintenance | 24,464 | 1,861,204 | 1,885,668 | 1,658,935 | 226,733 | 1,582,096 |
| Water charges | - | 252,400 | 252,400 | 244,410 | 7,990 | 242,982 |
| Street lighting | - | 36,000 | 36,000 | 28,311 | 7,689 | 59,807 |
| Traffic signals | - | 102,400 | 102,400 | 87,707 | 14,693 | 125,500 |
| Cemetery care | - | 18,100 | 18,100 | 20,148 | (2,048) | 17,513 |
| Memorials | - | 8,042 | 8,042 | 4,327 | 3,715 | 4,929 |
| Shade trees | - | 2,000 | 2,000 | 2,400 | (400) | 550 |
| Solid waste program | - | 1,402,930 | 1,402,930 | 1,462,625 | (59,695) | 1,406,325 |
| Total public works | 34,508 | 6,882,168 | 6,916,676 | 6,479,704 | 436,972 | 6,322,048 |
| Education: | | | | | | |
| Adult education | - | 194,558 | 194,558 | 123,616 | 70,942 | 175,077 |
| Regular instruction | - | 32,902,337 | 32,902,337 | 31,299,704 | 1,602,633 | 30,482,358 |
| Improvement of instruction | - | 992,791 | 992,791 | 841,736 | 151,055 | 943,084 |
| Special services | - | 4,749,646 | 4,749,646 | 4,593,031 | 156,615 | 4,474,065 |
| General & special administration | - | 279,295 | 279,295 | 268,323 | 10,972 | 275,542 |
| Board of education | - | 37,851 | 37,851 | 39,967 | (2,116) | 34,478 |
| Office of the superintendent | - | 730,840 | 730,840 | 689,074 | 41,766 | 803,378 |
| Business administration | - | 2,315,405 | 2,315,405 | 2,254,468 | 60,937 | 2,105,256 |
| Transportation | - | 1,828,951 | 1,828,951 | 1,385,287 | 443,664 | 1,576,153 |
| Operation and maintenance of plant | - | 4,164,389 | 4,164,389 | 3,881,226 | 283,163 | 3,681,319 |
| Debt service | - | 5,309,738 | 5,309,738 | 5,144,472 | 165,266 | 5,253,605 |
| Total education | - | 53,505,801 | 53,505,801 | 50,520,904 | 2,984,897 | 49,804,315 |

TOWN OF SCARBOROUGH, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis), Continued

| | 2021 | | | | | |
|---|------------------------------|---------------|----------------------------|-------------------|---|------------------------|
| | 2020 carryforward | Budget | Total available | Actual | Variance positive (negative) | 2020 Actual |
| Expenditures, continued: | | | | | | |
| Current, continued: | | | | | | |
| County tax | \$ - | 3,188,519 | 3,188,519 | 3,188,519 | - | 2,956,659 |
| Debt service (excluding education): | | | | | | |
| Principal | - | 4,781,991 | 4,781,991 | 4,903,293 | (121,302) | 4,456,756 |
| Interest and other costs | - | 1,700,927 | 1,700,927 | 1,768,393 | (67,466) | 1,772,049 |
| Total debt service | - | 6,482,918 | 6,482,918 | 6,671,686 | (188,768) | 6,228,805 |
| Capital improvements | 325,889 | 1,540,000 | 1,865,889 | 1,336,203 | 529,686 | 1,215,505 |
| Total expenditures | 621,034 | 96,034,595 | 96,655,629 | 92,437,790 | 4,217,839 | 90,073,675 |
| Excess (deficiency) of revenues over expenditures | (621,034) | (3,870,607) | (4,491,641) | 563,779 | 5,055,420 | (1,197,818) |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | 1,230,920 | 1,230,920 | 982,977 | (247,943) | 700,044 |
| Transfers out | - | (174,808) | (174,808) | (874,808) | (700,000) | (291,102) |
| General obligation bonds | - | 1,530,000 | 1,530,000 | - | (1,530,000) | 1,148,765 |
| Refunding bonds issued | - | - | - | 42,315,000 | 42,315,000 | - |
| Premium received on refunded bonds, net of issuance costs | - | - | - | 5,659,676 | 5,659,676 | - |
| Premium received on issued bonds, net of issuance costs | - | - | - | - | - | 602,694 |
| Payment to refunding bond escrow agent | - | - | - | (47,974,676) | (47,974,676) | - |
| Use of Bond Premium | - | 303,791 | 303,791 | - | (303,791) | - |
| Overlay | - | (446,823) | (446,823) | (4,254) | 442,569 | (185,852) |
| Total other financing sources (uses) | - | 2,443,080 | 2,443,080 | 103,915 | (2,339,165) | 1,974,549 |
| Net change in fund balances - budgetary basis | (621,034) | (1,427,527) | (2,048,561) | 667,694 | 2,716,255 | 776,731 |
| Utilization of prior year surplus and carrying balances | 621,034 | 1,427,527 | 2,048,561 | - | (2,048,561) | - |
| Total Utilization of Fund Balance and Carry forwards | - | - | - | 667,694 | 667,694 | 776,731 |
| Fund balances, beginning of year | | | | 15,082,960 | | 14,306,229 |
| Fund balances, end of year | | | | 15,750,654 | | 15,082,960 |

TOWN OF SCARBOROUGH, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

| | Special Revenue Funds | Capital Project Funds | Permanent Funds | Total Other Governmental Funds |
|--|--------------------------------------|--------------------------------------|----------------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 3,084,620 | - | - | 3,084,620 |
| Investments | 5,093,881 | 439,762 | 284,485 | 5,818,128 |
| Intergovernmental receivable | 896,939 | - | - | 896,939 |
| Accounts receivable | 279,196 | - | - | 279,196 |
| Interfund loans | 325,060 | 59,937 | 14,400 | 399,397 |
| Inventory | 48,338 | - | - | 48,338 |
| Notes receivable | - | - | - | - |
| Total assets | \$ 9,728,034 | 499,699 | 298,885 | 10,526,618 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | 265,461 | 75,621 | - | 341,082 |
| Interfund loans | 1,282,727 | 1,721,870 | 172 | 3,004,769 |
| Performance bond deposits | - | - | - | - |
| Total liabilities | 1,548,188 | 1,797,491 | 172 | 3,345,851 |
| Fund balances (deficit): | | | | |
| Nonspendable trust principal | - | - | 194,388 | 194,388 |
| Nonspendable inventory | 48,338 | - | - | 48,338 |
| Restricted for Town | 878,035 | - | 104,325 | 982,360 |
| Restricted for Education | 754,637 | - | - | 754,637 |
| Committed for Town | 6,621,655 | - | - | 6,621,655 |
| Committed for Education | 182,937 | - | - | 182,937 |
| Unassigned for Town | (305,756) | (1,297,792) | - | (1,603,548) |
| Total fund balances (deficit) | 8,179,846 | (1,297,792) | 298,713 | 7,180,767 |
| Total liabilities and fund balances | \$ 9,728,034 | 499,699 | 298,885 | 10,526,618 |

TOWN OF SCARBOROUGH, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2021

| | Special Revenue Funds | Capital Projects Funds | Permanent Funds | Total Other Governmental Funds |
|---|-----------------------------|------------------------------|--------------------|--------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 7,138,238 | - | - | 7,138,238 |
| Contributions | 303,495 | - | - | 303,495 |
| Taxes | - | 419,015 | - | 419,015 |
| Assessments and impact fees | 3,387,875 | - | - | 3,387,875 |
| Sale of lots | - | - | 14,400 | 14,400 |
| Other revenue | 4,032,190 | 76,697 | - | 4,108,887 |
| Interest revenue | (6,620) | 653 | (563) | (6,530) |
| Total revenues | 14,855,178 | 496,365 | 13,837 | 15,365,380 |
| Expenditures: | | | | |
| Current: | | | | |
| Capital expenditures | 1,114,582 | 1,571,413 | - | 2,685,995 |
| Education | 6,917,930 | 1,223,672 | - | 8,141,602 |
| Other | 4,421,646 | - | 173 | 4,421,819 |
| Total expenditures | 12,454,158 | 2,795,085 | 173 | 15,249,416 |
| Excess (deficiency) of revenues over expenditures | 2,401,020 | (2,298,720) | 13,664 | 115,964 |
| Other financing sources (uses): | | | | |
| Transfers in | 1,372,208 | 2,366,951 | - | 3,739,159 |
| Transfers out | (3,162,270) | (470,480) | - | (3,632,750) |
| Premium received on issued bonds, net of issuance costs | - | - | - | - |
| General Obligation Bonds | - | - | - | - |
| Total other financing sources (uses) | (1,790,062) | 1,896,471 | - | 106,409 |
| Net change in fund balances | 610,958 | (402,249) | 13,664 | 222,373 |
| Fund balances, beginning of year | 7,568,888 | (895,543) | 285,049 | 6,958,394 |
| Fund balances, end of year | \$ 8,179,846 | (1,297,792) | 298,713 | 7,180,767 |

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OTHER GOVERNMENTAL FUNDS

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds account for specific resources, the expenditure of which are restricted by law or administrative action for particular purposes.

Special revenue funds are established for the following purposes:

Recreational Development

To account for contributions from the developers of sub-divisions for the development of recreation facilities.

Credit Enhancement Agreements

This is credit enhancement agreements set up between the Town and certain taxpayers. A Credit Enhancement Agreement or contract between the municipality and company is a mechanism to assist the development project by using all or a percentage of the tax revenues generated by the new investment to pay certain authorized project costs with payments made directly to the company.

Scarborough Economic Development Corporation (SEDCO)

Scarborough Economic Development Corporation assists both current and prospective businesses. SEDCO supports the economic and business development to improve the quality of life in Scarborough by expanding the town's tax and employment base. The SEDCO board appoints the members of its own board however, the Town provides most of their funding.

Eastern Trail Alliance Close The Gap

Close the Gap - The Town of Scarborough, the Eastern Trail Alliance and other partners are working to complete the final 1.6 mile gap in the Eastern Trail that currently exists between Scarborough and South Portland. Federal, state and local monies are all planned to help fund this project, but additional private contributions will be needed to make this a reality.

Prouts Landing Conservation

To account for monies spent in the upkeep of a 62 acre parcel of land given to the Town by the Linwood Companies/Prouts Landing. This land is to remain in its natural state and is not for recreational purposes.

Payne Road Improvements

To account for all fees collected in connection with the improvement of Payne Road.

Payne Road Impact Fees

To account for fees collected in connection with the Town's road impact ordinance for road and intersection improvements planned for the road system along Payne Road, Route 114, Spring Street and Mussey Road. This ordinance was adopted October 17, 1990.

Other Impact Fees:

The purpose of this fund is to account for all "Impact Fees" that are collected pursuant to the *Development Impact Fee Ordinance* adopted by the Town Council. The Ordinance requires the Town Treasurer to maintain all of these fees in a separate impact fee account and that the account is segregated from the Town's general revenues.

NONMAJOR SPECIAL REVENUE FUNDS, CONTINUED

Other Impact Fees - Continued:

The Ordinance requires the Town treasurer to deposit impact fees collected pursuant to this Ordinance in special revenue non-lapsing accounts dedicated for funding the improvements for which the fee is collected. Impact fees collected by the Town under this ordinance may only be used for financing facility improvements which the Town Council has determined are necessary by new development. Included in this impact fees are:

School Development Impact Fee to help fund the improvements to the school facilities in Scarborough.

Dunstan Corner Impact Fee is a growth management fee created by ordinance, to mitigate traffic impacts in this location from new development. The collected fee will be applied to the design and construction of identified future highway improvements in the defined area as adopted August 15, 2006.

Oak Hill Traffic Mitigation Impact Fee is a growth management fee by policy to mitigate traffic impacts in this location from new development in Town. The fee will be applied to the design and construction of future highway improvements in the defined area.

Haigis Parkway Mitigation Fee is a growth management fee by policy to mitigate traffic impacts in this location from new development. The fee will be applied to the design and construction of future highway improvements in the defined area.

Police Asset Forfeiture

To account for funds awarded to the Scarborough Police Department for drug related convictions. These funds are to be used for law enforcement purposes only. (Pursuant to Title 15 M.R.S.A. Section 5824(3)).

Rescue Equipment

To account for fees collected in connection with the Town's Rescue billing program. These funds are used for the purpose of acquiring and maintaining rescue equipment.

Fire Department

This fund accounts for various grant awards and donations. These funds are to be used for the purchase of fire equipment.

Departmental Grants and Programs

To account for various federal and state grants and non-budget programs administered by the Town and its Department Administrators.

School Categorical Programs

This fund accounts for various federal, states, and other programs administered by the School Department. Included here are the school's Agency Funds. These are custodial in nature and do not present results of operations or have a measurement focus. The Town's agency funds are student activity funds.

School Lunch Program

This fund accounts for revenues and expenditures for the School Lunch program.

TOWN OF SCARBOROUGH, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021

| | | Recrea- tional Develop- ment | Credit Enhancement Agreements | Scarborough Economic Development Corporation | Eastern Trail Alliance Close the Gap | Prouts Landing Conserva- tion | Payne Road Improvements | Payne Road Impact Fees |
|--|-----------|---|--|---|---|--|--|---|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ | - | - | 42,391 | - | - | - | 2,336,553 |
| Investments | | - | 139,894 | - | 493,925 | 26,921 | 76,566 | 165,966 |
| Intergovernmental receivable | | - | - | 12,661 | - | - | - | - |
| Due from State of Maine | | - | - | - | - | - | - | - |
| Accounts receivable | | - | - | 1,339 | - | - | - | - |
| Interfund loans receivable | | 282,440 | - | - | - | - | - | - |
| Inventory | | - | - | 1,937 | - | - | - | - |
| Notes receivable | | - | - | - | - | - | - | - |
| Total assets | \$ | 282,440 | 139,894 | 58,328 | 493,925 | 26,921 | 76,566 | 2,502,519 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | | - | 69,027 | 13,306 | - | - | - | 3,122 |
| Interfund loans payable | | - | - | - | 22,997 | - | - | 31,935 |
| Performance bond deposits | | - | - | - | - | - | - | - |
| Total liabilities | | - | 69,027 | 13,306 | 22,997 | - | - | 35,057 |
| Fund balances: | | | | | | | | |
| Nonspendable | | - | - | 1,937 | - | - | - | - |
| Restricted | | - | 70,867 | - | 470,928 | - | - | - |
| Committed | | 282,440 | - | 43,085 | - | 26,921 | 76,566 | 2,467,462 |
| Unassigned | | - | - | - | - | - | - | - |
| Total fund balances (deficit) | | 282,440 | 70,867 | 45,022 | 470,928 | 26,921 | 76,566 | 2,467,462 |
| Total liabilities and fund balances | \$ | 282,440 | 139,894 | 58,328 | 493,925 | 26,921 | 76,566 | 2,502,519 |

| | Other Impact Fees | Police Asset Forfeiture | Rescue Equipment | Fire Department | Departmental Grants & Programs | School Categorical Programs | School Lunch Program | Totals |
|--|-------------------------|-------------------------------|---------------------|--------------------|--------------------------------------|-----------------------------------|----------------------------|------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | 705,676 | - | - | 3,084,620 |
| Investments | 1,885,499 | 194,553 | 38,478 | 34,492 | 1,291,049 | 746,538 | - | 5,093,881 |
| Intergovernmental receivable | - | - | - | - | - | 630,233 | 254,045 | 896,939 |
| Accounts receivable | - | - | - | - | 273,857 | - | 4,000 | 279,196 |
| Interfund loans receivable | 42,620 | - | - | - | - | - | - | 325,060 |
| Inventory | - | - | - | - | - | - | 46,401 | 48,338 |
| Notes receivable | - | - | - | - | - | - | - | - |
| Total Assets | 1,928,119 | 194,553 | 38,478 | 34,492 | 2,270,582 | 1,376,771 | 304,446 | 9,728,034 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | - | - | 379 | - | 29,980 | 126,535 | 23,112 | 265,461 |
| Interfund loans payable | - | - | 306,918 | 6,675 | 329,670 | 312,662 | 271,870 | 1,282,727 |
| Performance bond deposits | - | - | - | - | - | - | - | - |
| Total Liabilities | - | - | 307,297 | 6,675 | 359,650 | 439,197 | 294,982 | 1,548,188 |
| Fund balances: | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 46,401 | 48,338 |
| Restricted | - | 194,553 | - | 27,817 | 113,870 | 754,637 | - | 1,632,672 |
| Committed | 1,928,119 | - | - | - | 1,797,062 | 182,937 | - | 6,804,592 |
| Unassigned | - | - | (268,819) | - | - | - | (36,937) | (305,756) |
| Total fund balances (deficit) | 1,928,119 | 194,553 | (268,819) | 27,817 | 1,910,932 | 937,574 | 9,464 | 8,179,846 |
| Total liabilities and fund balances | 1,928,119 | 194,553 | 38,478 | 34,492 | 2,270,582 | 1,376,771 | 304,446 | 9,728,034 |

TOWN OF SCARBOROUGH, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2021

| | Recrea- tional Develop- ment | Credit Enhancement Agreements | Scarborough Economic Development Corporation | Eastern Trail Alliance Close the Gap | Prouts Landing Conserva- tion | Payne Road Improvements | Payne Road Impact Fees |
|--|---------------------------------------|-------------------------------------|---|---|--|-------------------------------|---------------------------------|
| Revenues: | | | | | | | |
| Intergovernmental | \$ - | - | - | - | - | - | - |
| Interest earned | - | 56 | - | (1,840) | (62) | (175) | (1,545) |
| Contributions | - | - | 251,338 | - | - | - | - |
| Sale of Lots/Land/Equip | - | - | - | - | - | - | - |
| Other | - | - | - | 121,475 | - | - | 385,771 |
| Assessments and impact fees | 106,630 | 1,200,359 | - | - | - | - | - |
| Total revenues | 106,630 | 1,200,415 | 251,338 | 119,635 | (62) | (175) | 384,226 |
| Expenditures: | | | | | | | |
| Construction and acquisitions | - | - | - | - | - | - | - |
| Education | - | - | - | - | - | - | - |
| Benefits paid | - | - | - | - | - | - | - |
| Other | - | 1,199,906 | 250,646 | 22,997 | - | - | - |
| Total expenditures | - | 1,199,906 | 250,646 | 22,997 | - | - | - |
| Excess (deficiency) of revenues over expenditures | 106,630 | 509 | 692 | 96,638 | (62) | (175) | 384,226 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | 19,386 | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | (35,056) |
| Total other financing sources (uses) | - | 19,386 | - | - | - | - | (35,056) |
| Net change in fund balances | 106,630 | 19,895 | 692 | 96,638 | (62) | (175) | 349,170 |
| Fund balances (deficit), beginning of year | 175,810 | 50,972 | 44,330 | 374,290 | 26,983 | 76,741 | 2,118,292 |
| Fund balances (deficit), end of year | \$ 282,440 | 70,867 | 45,022 | 470,928 | 26,921 | 76,566 | 2,467,462 |

| | Other Impact Fees | Police Asset Forfeiture | Rescue Equipment | Fire Department | Departmental Grants & Programs | School Categorical Programs | School Lunch Program | Totals |
|--|-------------------------|-------------------------------|---------------------|--------------------|--------------------------------------|-----------------------------------|----------------------------|--------------------|
| Revenues: | | | | | | | | |
| Intergovernmental | - | 4,941 | - | - | 1,016,099 | 5,219,461 | 897,737 | 7,138,238 |
| Interest earned | (3,284) | (538) | (281) | (23) | 1,072 | - | - | (6,620) |
| Contributions | - | - | - | 7,130 | - | 45,027 | - | 303,495 |
| Sale of Lots/Land/Equip | - | - | - | - | - | - | - | - |
| Other | 1,120,994 | - | - | - | 1,804,170 | 381,458 | 218,322 | 4,032,190.00 |
| Assessments and impact fees | - | - | 2,080,886 | - | - | - | - | 3,387,875 |
| Total revenues | 1,117,710 | 4,403 | 2,080,605 | 7,107 | 2,821,341 | 5,645,946 | 1,116,059 | 14,855,178 |
| Expenditures: | | | | | | | | |
| Construction and acquisitions | - | - | - | - | 1,114,582 | - | - | 1,114,582 |
| Education | - | - | - | - | - | 5,496,417 | 1,421,513 | 6,917,930 |
| Benefits paid | - | - | - | - | 14,153 | - | - | 14,153 |
| Other | - | 9,526 | 2,470,935 | - | 63,926 | 389,557 | - | 4,407,493 |
| Total expenditures | - | 9,526 | 2,470,935 | - | 1,192,661 | 5,885,974 | 1,421,513 | 12,454,158 |
| Excess (deficiency) of revenues over expenditures | 1,117,710 | (5,123) | (390,330) | 7,107 | 1,628,680 | (240,028) | (305,454) | 2,401,020 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | 48,890 | - | - | - | 1,010,606 | - | 293,326 | 1,372,208 |
| Bond Proceeds | - | - | - | - | - | - | - | - |
| Transfers out | (880,679) | (20,000) | - | (3,235) | (2,223,300) | - | - | (3,162,270) |
| Total other financing sources (uses) | (831,789) | (20,000) | - | (3,235) | (1,212,694) | - | 293,326 | (1,790,062) |
| Net change in fund balances | 285,921 | (25,123) | (390,330) | 3,872 | 415,986 | (240,028) | (12,128) | 610,958 |
| Fund balances (deficit), beginning of year | 1,642,198 | 219,676 | 121,511 | 23,945 | 1,494,946 | 1,177,602 | 21,592 | 7,568,888 |
| Fund balances (deficit), end of year | 1,928,119 | 194,553 | (268,819) | 27,817 | 1,910,932 | 937,574 | 9,464 | 8,179,846 |

TOWN OF SCARBOROUGH, MAINE
School Categorical Funds - Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2021

| | Fund balances beginning of year | Revenues | | Program expenditures | Fund balances end of year |
|---|--|------------------|-------------------|-------------------------|------------------------------------|
| | | Grants | Other | | |
| Federal education grant programs: | | | | | |
| NCLB/Title IA | \$ - | 111,930 | - | 111,930 | - |
| NCLB/Title IIA | - | 61,407 | - | 61,407 | - |
| NCLB/Title IVA | - | 20,146 | - | 20,146 | - |
| ESSER I Funds | - | 47,829 | - | 47,829 | - |
| ESSER 3 Funds | - | - | - | 24,260 | (24,260) |
| CRF #1 Funds | - | 2,120,346 | - | 2,120,670 | (324) |
| CRF Adult Ed Grant | - | 8,575 | - | 8,575 | - |
| CRF Day Program | - | 59,160 | - | 59,160 | - |
| CRF #2 Funds | - | 2,216,441 | - | 2,216,441 | - |
| Local Entitlement | - | 555,559 | - | 607,706 | (52,147) |
| Preschool handicapped | - | 9,567 | - | 9,567 | - |
| Total federal education grant programs | - | 5,210,960 | - | 5,287,691 | (76,731) |
| Other State grant programs: | | | | | |
| PEPG Grant | 588 | - | - | - | 588 |
| Scarborough Education Foundation | 28,758 | - | 7,105 | 10,308 | 25,555 |
| Finberg Trust | 136,743 | - | - | - | 136,743 |
| Other Donations | 30,292 | - | 11,714 | 11,675 | 30,331 |
| Proficiency Based Graduation | 3,083 | - | - | - | 3,083 |
| Technology Maintenance Fees | 215,418 | - | - | 151,080 | 64,338 |
| School Nutrition Special Programs | 7,758 | - | 26,209 | 27,081 | 6,886 |
| Student Activity Funds | 754,637 | - | 381,458 | 389,558 | 746,537 |
| CC Admin Certification | 325 | - | 8,500 | 8,581 | 244 |
| Total other state grant programs | 1,177,602 | - | 434,986.00 | 598,283 | 1,014,305 |
| Total school categorical programs | \$ 1,177,602 | 5,210,960 | 434,986 | 5,885,974 | 937,574 |

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NONMAJOR CAPITAL PROJECT FUNDS

Capital projects funds are established to account for resources obtained and expended for the acquisition of major capital facilities and projects.

The Town's individual capital project funds were established for the following purposes:

General School Improvements

To account for money appropriated by the Town Council for capital improvements to school facilities and grounds.

General Town Improvements

To account for money appropriated by the Town Council for capital improvements to town buildings and infrastructure.

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TOWN OF SCARBOROUGH, MAINE
Nonmajor Capital Project Fund
Balance Sheet
June 30, 2021

| | General School Improvements | General Town Improvements | Totals |
|---|-----------------------------------|---------------------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | - | - | - |
| Investments | \$ 89,571 | 350,191 | 439,762 |
| Accounts Receivable | - | - | - |
| Interfund loans receivable | - | 59,937 | 59,937 |
| Total assets | \$ 89,571 | 410,128 | 499,699 |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts Payable | - | 75,621 | 75,621 |
| Interfund loans payable | 650,325 | 1,071,545 | 1,721,870 |
| Total liabilities | 650,325 | 1,147,166 | 1,797,491 |
| Fund balance (deficit): | | | |
| Restricted | - | - | - |
| Unassigned | (560,754) | (737,038) | (1,297,792) |
| Total fund balance (deficit) | (560,754) | (737,038) | (1,297,792) |
| Total liabilities and fund balance | \$ 89,571 | 410,128 | 499,699 |

TOWN OF SCARBOROUGH, MAINE
Nonmajor Capital Project Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2021

| | General School Improvements | General Town Improvements | Totals |
|---|-----------------------------------|---------------------------------|--------------------|
| Revenues: | | | |
| Intergovernmental | \$ - | - | - |
| Taxes | 419,015 | - | 419,015 |
| Interest earned | 320 | 333 | 653 |
| Other | - | 76,697 | 76,697 |
| Total revenues | 419,335 | 77,030 | 496,365 |
| Expenditures: | | | |
| Capital Improvements | 1,223,672 | 1,571,413 | 2,795,085 |
| Total expenditures | 1,223,672 | 1,571,413 | 2,795,085 |
| Excess (deficiency) of revenues over expenditures | (804,337) | (1,494,383) | (2,298,720) |
| Other financing sources (uses): | | | |
| Transfers in | - | 2,366,951 | 2,366,951 |
| Transfers out | (50,583) | (419,897) | (470,480) |
| Premium received on issued bonds, net of issuance costs | - | - | - |
| Proceeds of general obligation bonds | - | - | - |
| Total other financing sources (uses) | (50,583) | 1,947,054 | 1,896,471 |
| Net change in fund balances | (854,920) | 452,671 | (402,249) |
| Fund balances (deficit), beginning of year | 294,166 | (1,189,709) | (895,543) |
| Fund balances, end of year | \$ (560,754) | (737,038) | (1,297,792) |

NONMAJOR PERMANENT FUNDS

Permanent funds are established to account for assets held by the Town in a fiduciary capacity as trustee. These funds are legally restricted to the extent that only the earnings, not principal, may be used for purposes that support the reporting government's programs.

Permanent funds are established by the Town for the following purposes:

Scarborough Memorial Cemetery

This fund accounts for funds received for the perpetual care of various lots in the Scarborough Memorial Cemetery. The money from the sale of lots is dedicated principal and only the interest earnings may be used for cemetery improvements.

Dunstan Perpetual Care

This fund was established in 1893 at an annual Town Meeting. It was approved that unexpended income be allotted as necessary by the town council for the upkeep of the cemetery.

Mary A. Tucker Fund

Mary A. Tucker donated \$500 through a provision in her will to be used under the direction of the Town Council for the perpetual care of the lots of James W., Emma E., Clara, Sadie, and Mary A. Tucker. All lots are located in the Dunstan Cemetery.

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TOWN OF SCARBOROUGH, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2021

| | Scarborough Memorial Cemetery | Dunstan Perpetual Care | Mary A. Tucker Fund | Totals |
|--|--|---------------------------------------|------------------------------------|----------------|
| ASSETS | | | | |
| Investments | \$ 256,288 | 25,068 | 3,129 | 284,485 |
| Interfund loans receivable | 14,400 | - | - | 14,400 |
| Total assets | \$ 270,688 | 25,068 | 3,129 | 298,885 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Interfund loans payable | - | 172 | - | 172 |
| Total liabilities | - | 172 | - | 172 |
| Fund balances: | | | | |
| Nonspendable Principal | 180,521 | 13,367 | 500 | 194,388 |
| Restricted Expendable Income | 90,167 | 11,529 | 2,629 | 104,325 |
| Total fund balances | 270,688 | 24,896 | 3,129 | 298,713 |
| Total liabilities and fund balances | \$ 270,688 | 25,068 | 3,129 | 298,885 |

TOWN OF SCARBOROUGH, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2021

| | Scarborough Memorial Cemetery | Dunstan Perpetual Care | Mary A. Tucker Fund | Totals |
|--------------------------------------|-------------------------------------|------------------------------|---------------------------|----------------|
| Revenues: | | | | |
| Interest and dividends | \$ (491) | (65) | (7) | (563) |
| Sale of lots/perpetual care deposits | 14,400 | - | - | 14,400 |
| Total revenues | 13,909 | (65) | (7) | 13,837 |
| Expenditures: | | | | |
| Earnings retained by General Fund | - | 173 | - | 173 |
| Other | - | - | - | - |
| Total expenditures | - | 173 | - | 173 |
| Net change in fund balances | 13,909 | (238) | (7) | 13,664 |
| Fund balances, beginning of year | 256,779 | 25,134 | 3,136 | 285,049 |
| Fund balances, end of year | \$ 270,688 | 24,896 | 3,129 | 298,713 |

PRIVATE-PURPOSE TRUST FUNDS

Shirley Grover Fund

This scholarship fund was established to provide a scholarship to students graduating from Scarborough High School, who have demonstrated good school/community citizenship, and received honor roll grades for at least two years.

Mary Campbell Peterson Fund

This scholarship fund was established as the result of funds bequeathed to the School Department. Each year interest earned by the fund will be used to award scholarships to deserving students. The criteria are that the student should be an average student who may have overcome some adversity.

Edith Warga Art Scholarship

This scholarship began in 1990 as a 10-year program by Edith Warga. Each year a student who was pursuing a career in Art was awarded a \$1,000 scholarship. Following her demise, her husband, James Warga, agreed to continue the original program, and then in September 1998, donated \$100,000 to the School Department in order to continue the program. The amount awarded annually will not exceed the interest earned by the fund. A committee will award the scholarship to one or more students that meet the criteria, which continues the original intent.

Packy McFarland Scholarship Fund

This athletic scholarship was established to provide a yearly \$200 scholarship to a senior boy and girl planning to continue their education, as selected by the School's coaches.

Roy Nelson Scholarship Fund

A scholarship fund established to provide a \$300 scholarship to a senior who plans to attend a post-secondary technical or vocational school. The fund was established in memory of Roy Nelsen, who was the transportation supervisor and School Department employee for over 30 years.

Daniel Tranchemontagne Scholarship Fund

A scholarship fund established to provide scholarships to a graduating high school wrestler continuing his or her education. The scholarship will be paid out each year as funds are available and can come from both principal and interest.

Virginia Jackson Scholarship Fund

A scholarship fund established to provide scholarships to a Scarborough High School senior continuing his or her education. This fund was established in memory of Virginia Jackson and established by her family.

PRIVATE-PURPOSE TRUST FUNDS, CONTINUED

Evelyn J. Chaddon Memorial Scholarship Fund

A scholarship fund established to provide a yearly \$100 scholarship to a senior planning to continue his or her education in teaching.

S. Dwight Howard Memorial Scholarship Fund

A scholarship fund established to provide a yearly \$150 scholarship to a senior planning to continue his or her education, major consideration being given to those considering math, art, or the field of audio-visual aids.

Bertha Libby-Lary Scholarship Fund

A scholarship fund established to provide a yearly \$250 scholarship to a senior planning to continue his or her education.

Academic Decathlon Scholarship Fund

A scholarship fund established to provide scholarships to students planning to continue their education.

Class of 1976 Scholarship Fund

A scholarship fund established to provide scholarships from the Class of 1976 for a deserving student with the intention of fund raising between 2017 and 2026 to celebrate their 50 year class reunion.

Kathy Pearson Scholarship Fund

A scholarship fund established to provide a scholarship in memoriam of Kathy Pearson to any student planning to continue his or her education.

TOWN OF SCARBOROUGH, MAINE
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2021

| | Shirley Grover Fund | Edith Warga Art Scholarship | Mary Campbell Peterson Fund | Packy McFarland Scholarship Fund | Roy Nelson Scholarship Fund | Daniel Tranchemontagne Scholarship Fund | Virginia Jackson Scholarship Fund | Evelyn J. Chaddon Mem. Scholarship Fund | S. Dwight Howard Mem. Scholarship Fund | Bertha Libby-Lary Scholarship Fund | Academic Decathlon Scholarship Fund | Class of 1976 Scholarship Fund | Kathy Pearson Scholarship Fund | Totals |
|---|---------------------------|--------------------------------------|--------------------------------------|---|--------------------------------------|--|--|--|---|---|--|---|---|----------------|
| ASSETS | | | | | | | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments | \$ 1,082 | 93,406 | 94,781 | 194 | 12 | 1,181 | 8,143 | 337 | 2,454 | 11,501 | 1,327 | 370 | 3,185 | 217,973 |
| Interfund loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | \$ 1,082 | 93,406 | 94,781 | 194 | 12 | 1,181 | 8,143 | 337 | 2,454 | 11,501 | 1,327 | 370 | 3,185 | 217,973 |
| LIABILITIES AND NET POSITION | | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | | |
| Interfund loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accounts payable | - | - | 500 | - | - | - | - | - | - | - | - | - | - | 500 |
| Total liabilities | - | - | 500 | - | - | - | - | - | - | - | - | - | - | 500 |
| Net position: | | | | | | | | | | | | | | |
| Nonspendable Principal | 1,240 | 100,000 | 87,680 | - | - | - | - | 500 | 2,026 | 3,500 | - | 350 | 3,810 | 199,106 |
| Restricted Interest | (158) | (6,594) | 6,601 | 194 | 12 | 1,181 | 8,143 | (163) | 428 | 8,001 | 1,327 | 20 | (625) | 18,367 |
| Total net position | 1,082 | 93,406 | 94,281 | 194 | 12 | 1,181 | 8,143 | 337 | 2,454 | 11,501 | 1,327 | 370 | 3,185 | 217,473 |
| Total liabilities and net position | \$ 1,082 | 93,406 | 94,781 | 194 | 12 | 1,181 | 8,143 | 337 | 2,454 | 11,501 | 1,327 | 370 | 3,185 | 217,973 |

TOWN OF SCARBOROUGH, MAINE
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2021

| | Shirley Grover Fund | Edith Warga Art Scholarship | Mary Campbell Pederson Fund | Packy McFarland Scholarship Fund | Roy Nelson Scholarship Fund | Daniel Tranchemontagne Scholarship Fund | Virginia Jackson Scholarship Fund | Evelyn J. Chaddon Mem. Scholarship Fund | S. Dwight Howard Mem. Scholarship Fund | Bertha Libby-Lary Scholarship Fund | Academic Decathlon Scholarship Fund | Class of 1976 Scholarship Fund | Kathy Pearson Scholarship Fund | Totals |
|----------------------------------|---------------------------|--------------------------------------|--------------------------------------|---|--------------------------------------|--|--|--|---|---|--|---|---|-----------------|
| Additions | | | | | | | | | | | | | | |
| Donations | \$ - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and dividends | (2) | (251) | (219) | (1) | - | (3) | (27) | (1) | (6) | (27) | (3) | (1) | (7) | (548) |
| Total additions | (2) | (251) | (219) | (1) | - | (3) | (27) | (1) | (6) | (27) | (3) | (1) | (7) | (548) |
| Deductions: | | | | | | | | | | | | | | |
| School scholarships | - | 2,500 | 500 | - | - | - | 1,500 | - | - | - | - | - | - | 4,500.00 |
| Total deductions | - | 2,500 | 500 | - | - | - | 1,500 | - | - | - | - | - | - | 4,500.00 |
| Changes in net position | (2) | (2,751) | (719) | (1) | - | (3) | (1,527) | (1) | (6) | (27) | (3) | (1) | (7) | (5,048) |
| Net position, beginning of year | 1,084 | 96,157 | 95,000 | 195 | 12 | 1,184 | 9,670 | 338 | 2,460 | 11,528 | 1,330 | 371 | 3,192 | 222,521 |
| Net position, end of year | \$ 1,082 | 93,406 | 94,281 | 194 | 12 | 1,181 | 8,143 | 337 | 2,454 | 11,501 | 1,327 | 370 | 3,185 | 217,473 |

Town of Scarborough Maine

Annual Comprehensive

Financial Report



General Long Term Debt

Summerfest

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TOWN OF SCARBOROUGH, MAINE
Statement of Changes in Long-term Debt
For the year ended June 30, 2021

| | Interest rate | Final maturity date | Annual principal payments | Balance beginning of year | Current Year | | Balance end of year |
|---------------------------------|---------------|---------------------|---------------------------|---------------------------|--------------|------------|---------------------|
| | | | | | Issued | Retired | |
| <u>General Obligation Bonds</u> | | | | | | | |
| 2010 Capital Improvements | 3.75% | 2021 | \$ 345,000 to 2021 | 2,245,000 | - | 2,245,000 | - |
| 2011 Capital Improvements | 2.75% | 2031 | 355,000 to 2021 | 1,480,000 | - | 1,480,000 | - |
| 2012 Capital Improvements | 5.00% | 2023 | 3,475,000 in 2021 | | | | |
| | 3.00% | | 3,685,000 in 2022 | | | | |
| | 5.00% | | 3,520,000 in 2023 | 33,190,000 | - | 25,985,000 | 7,205,000 |
| 2013 Capital Improvements | Varies | 2024 | 765,000 to 2023 | | | | |
| | Varies | | 715,000 in 2024 | 20,830,000 | | 18,585,000 | 2,245,000 |
| 2014 Capital Improvements | 2.00% | 2034 | 325,000 to 2021 | | | | |
| | 2.00% | | 310,000 in 2022 | | | | |
| | 3.00% | | 300,000 to 2024 | | | | |
| | 3.00% | | 250,000 to 2029 | | | | |
| | 4.00% | | 50,000 to 2034 | 2,735,000 | - | 325,000 | 2,410,000 |
| 2015 Capital Improvements | Varies | 2035 | 335,000 to 2023 | | | | |
| | 4.00% | | 320,000 to 2025 | | | | |
| | Varies | | 265,000 to 2029 | | | | |
| | 3.00% | | 245,000 in 2030 | | | | |
| | 3.00% | | 165,000 in 2031 | | | | |
| | 3.00% | | 160,000 to 2034 | | | | |
| | 3.00% | | 150,000 in 2035 | 3,745,000 | - | 335,000 | 3,410,000 |
| 2016 Capital Improvements | 2.00% | 2036 | 780,000 in 2021 | | | | |
| | 2.00% | | 465,000 in 2022 | | | | |
| | 2.00% | | 435,000 in 2023 | | | | |
| | 2.50% | | 430,000 in 2024 | | | | |
| | 3.00% | | 395,000 to 2026 | | | | |
| | 3.00% | | 340,000 in 2027 | | | | |
| | 4.00% | | 335,000 in 2028 | | | | |
| | 4.00% | | 165,000 in 2029 | | | | |
| | 3.00% | | 65,000 to 2036 | 4,195,000 | - | 780,000 | 3,415,000 |
| 2017 Capital Improvements | 4.00% | 2037 | 360,000 to 2021 | | | | |
| | 5.00% | | 295,000 in 2022 | | | | |
| | 5.00% | | 190,000 in 2023 | | | | |
| | 5.00% | | 185,000 to 2027 | | | | |
| | 3.00% | | 55,000 to 2032 | | | | |
| | 3.00% | | 35,000 to 2037 | 2,035,000 | - | 360,000 | 1,675,000 |
| 2018 Capital Improvements | 5.00% | 2048 | 935,000 to 2022 | | | | |
| | 5.00% | | 930,000 to 2024 | | | | |
| | 5.00% | | 695,000 to 2027 | | | | |
| | 5.00% | | 690,000 to 2029 | | | | |
| | 4.00% | | 635,000 to 2031 | | | | |
| | Varies | | 580,000 to 2034 | | | | |
| | 4.00% | | 510,000 to 2039 | | | | |
| | Varies | | 500,000 to 2048 | 17,255,000 | - | 935,000 | 16,320,000 |

TOWN OF SCARBOROUGH, MAINE
Statement of Changes in Long-term Debt, Continued

| | Interest rate | Final maturity date | Annual principal payments | Balance beginning of year | Current Year | | Balance end of year |
|---------------------------------|-------------------|---------------------|---------------------------|---------------------------|-------------------|-------------------|---------------------|
| | | | | | Issued | Retired | |
| <u>General Obligation Bonds</u> | | | | | | | |
| 2019 Capital Improvements | 5.00% | 2049 | 410,000 to 2025 | 7,380,000 | - | 410,000 | 6,970,000 |
| | Varies | | 295,000 to 2035 | | | | |
| | 3.00% | | 260,000 to 2040 | | | | |
| | 3.00% | | 120,000 to 2049 | | | | |
| 2020 Capital Improvements | 5.00% | | 745,000 to 2026 | 7,040,000 | - | - | 7,040,000 |
| | Varies | | 370,000 to 2031 | | | | |
| | 5.00% | | 215,000 to 2036 | | | | |
| | 2.25% | | 80,000 to 2039 | | | | |
| 2020 Advance Refunding A | 2.25% | 2031 | 75,000 to 2040 | - | - | - | 7,040,000 |
| | 4.00% | | 0 in 2021 | | | | |
| | 4.00% | | 385,000 to 2025 | | | | |
| | 2.50% | | 380,000 in 2026 | | | | |
| 2020 Advance Refunding B | 2.25% | 2043 | 195,000 in 2027 | - | 2,855,000 | - | 2,855,000 |
| | 2.25% | | 185,000 to 2031 | | | | |
| | 3.00% | | 345,000 in 2021 | | | | |
| | 3.00% | | 0 to 2023 | | | | |
| | 4.00% | | 2,125,000 in 2024 | | | | |
| | 4.00% | | 2,525,000 in 2025 | | | | |
| | 4.00% | | 2,555,000 in 2027 | | | | |
| | 4.00% | | 2,675,000 in 2027 | | | | |
| | 4.00% | | 2,680,000 in 2028 | | | | |
| | 4.00% | | 2,640,000 in 2029 | | | | |
| | 4.00% | | 2,700,000 in 2030 | | | | |
| | 5.00% | | 2,770,000 in 2031 | | | | |
| | 5.00% | | 2,855,000 in 2032 | | | | |
| | 5.00% | | 2,885,000 in 2033 | | | | |
| | 5.00% | | 2,225,000 in 2034 | | | | |
| | 2.33% | | 1,740,000 in 2035 | | | | |
| | 2.38% | | 1,230,000 in 2036 | | | | |
| | 2.87% | | 1,200,000 in 2037 | | | | |
| | 2.87% | | 1,185,000 in 2038 | | | | |
| | 2.87% | | 1,170,000 in 2039 | | | | |
| 2.87% | 1,155,000 in 2040 | | | | | | |
| 2.87% | 1,140,000 in 2041 | | | | | | |
| 2.87% | 1,125,000 in 2042 | | | | | | |
| 2.87% | 535,000 in 2043 | - | 39,460,000 | 345,000 | 39,115,000 | | |
| Total bonds | | | | 102,130,000 | 42,315,000 | 51,785,000 | 92,660,000 |
| Total long-term debt | | \$ | | 102,130,000 | 42,315,000 | 51,785,000 | 92,660,000 |

Town of Scarborough Maine

Annual Comprehensive Financial Report



Statistical Section

Municipal Campus

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STATISTICAL SECTION

This part of the Town of Scarborough's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

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| Financial Trends <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i> | 1-5 |
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Note: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Table 1

TOWN OF SCARBOROUGH, MAINE
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 54,339,258 | \$ 49,823,697 | \$ 53,887,278 | \$ 57,103,811 | \$ 59,088,465 | \$ 61,708,817 | \$ 61,977,397 | \$ 57,341,865 | \$ 64,957,968 | \$ 77,301,217 |
| Restricted | 1,111,295 | 3,555,142 | 4,049,315 | 3,373,177 | 5,568,308 | 3,883,241 | 2,577,864 | 1,540,755 | 2,407,963 | 4,256,367 |
| Unrestricted | 2,127,242 | 6,347,111 | 3,907,583 | (688,245) | (2,259,046) | (3,775,014) | (6,355,930) | 2,688,359 | (4,065,315) | (2,782,625) |
| Total governmental activities net position | \$ 57,577,795 | \$ 59,725,950 | \$ 61,844,176 | \$ 59,788,743 | \$ 62,397,727 | \$ 61,817,044 | \$ 58,199,331 | \$ 61,570,979 | \$ 63,300,616 | \$ 78,774,959 |

Notes:

- 1) Total Net Position as restated for the fiscal years ended June 30, 2014. The Restatement resulted from implementation of GASB Statement No. 68.
- 2) Total Net Position as restated for the fiscal year ended June 30, 2017. The Restatement resulted from implementation of GASB Statement No. 75.
- 3) Total Net Position as restated for the fiscal year ended June 30, 2018. The Restatement resulted from implementation of GASB Statement No. 75 for an additional OPEB plan identified.

Table 2

TOWN OF SCARBOROUGH, MAINE
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Revenues: | | | | | | | | | | |
| Program revenues: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 1,386,497 | \$ 1,525,062 | \$ 1,868,477 | \$ 3,170,678 | \$ 3,257,876 | \$ 2,821,305 | \$ 2,370,489 | \$ 3,088,056 | \$ 3,365,087 | \$ 3,397,720 |
| Public services | 1,791,859 | 2,363,475 | 2,481,387 | 2,531,113 | 2,510,082 | 2,883,349 | 3,004,909 | 3,021,376 | 2,562,570 | 2,837,944 |
| Public safety | 2,069,487 | 2,449,062 | 2,156,498 | 2,731,150 | 2,780,266 | 3,094,403 | 3,075,250 | 3,424,185 | 3,606,215 | 3,873,513 |
| Public works | 1,843,317 | 1,405,040 | 1,590,382 | 1,692,802 | 1,635,542 | 1,740,432 | 2,040,177 | 1,963,528 | 1,707,293 | 2,243,752 |
| Education | 1,248,055 | 1,191,085 | 1,282,369 | 1,299,774 | 1,356,477 | 1,268,370 | 1,523,725 | 1,649,528 | 1,217,477 | 757,372 |
| Interest on debt services | - | - | - | - | - | - | - | - | - | - |
| Operating grants and activities | 11,093,321 | 9,912,515 | 9,983,992 | 8,586,603 | 8,150,991 | 9,486,212 | 7,247,352 | 7,633,881 | 11,535,370 | 18,539,857 |
| Capital grants and contributions | 174,652 | 97,351 | 159,089 | 54,304 | 149,582 | 161,912 | 54,317 | 96,626 | 62,802 | 7,772,007 |
| General revenues: | | | | | | | | | | |
| Property and excise taxes, levies for general purposes | 50,571,377 | 54,442,643 | 58,838,156 | 60,877,879 | 63,529,063 | 65,631,946 | 68,335,117 | 72,171,334 | 74,414,696 | 76,583,938 |
| Grants and contributions not restricted to specific programs | 2,473,014 | 2,656,313 | 1,352,303 | 1,908,036 | 1,796,997 | 2,206,632 | 2,880,488 | 3,552,551 | 3,655,801 | 4,570,408 |
| Unrestricted investment earnings | 66,255 | 42,573 | 108,862 | 390,260 | 84,783 | 175,917 | 152,437 | 525,771 | 230,534 | 177,290 |
| Total revenues | 72,717,834 | 76,085,119 | 79,821,515 | 83,242,599 | 85,251,659 | 89,470,478 | 90,684,261 | 97,126,836 | 102,357,845 | 120,753,801 |
| Expenses: | | | | | | | | | | |
| General government | 11,537,424 | 11,413,745 | 11,346,043 | 14,077,217 | 12,728,572 | 14,435,000 | 13,113,500 | 16,687,230 | 16,045,768 | 19,203,342 |
| Public services | 3,868,072 | 3,851,672 | 4,188,079 | 4,658,690 | 4,733,734 | 4,923,303 | 4,996,328 | 4,752,163 | 4,810,221 | 4,787,771 |
| Public safety | 8,691,510 | 8,555,020 | 9,362,899 | 9,716,227 | 10,922,234 | 11,496,900 | 12,599,095 | 11,081,295 | 13,043,518 | 12,965,441 |
| Public works | 7,805,045 | 7,874,408 | 7,617,844 | 7,713,975 | 8,048,143 | 8,245,900 | 8,116,981 | 8,257,195 | 7,996,409 | 8,228,353 |
| Education | 34,346,445 | 39,167,124 | 41,772,944 | 41,617,985 | 42,774,764 | 46,499,772 | 46,873,688 | 49,389,226 | 55,037,803 | 57,837,139 |
| Interest on debt service | 2,862,650 | 3,074,995 | 3,415,482 | 3,418,748 | 3,435,228 | 3,230,297 | 3,502,402 | 3,588,079 | 3,694,489 | 3,012,049 |
| Total expenses | 69,111,146 | 73,936,964 | 77,703,291 | 81,202,842 | 82,642,675 | 88,831,172 | 89,201,994 | 93,755,188 | 100,628,208 | 106,034,095 |
| Net (expense)/revenue: | 3,606,688 | 2,148,155 | 2,118,224 | 2,039,757 | 2,608,984 | 639,306 | 1,482,267 | 3,371,648 | 1,729,637 | 14,719,706 |
| Change in Net Position | \$ 3,606,688 | \$ 2,148,155 | \$ 2,118,224 | \$ 2,039,757 | \$ 2,608,984 | \$ 639,306 | \$ 1,482,267 | \$ 3,371,648 | \$ 1,729,637 | \$ 14,719,706 |

Table 3

TOWN OF SCARBOROUGH, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund | | | | | | | | | | |
| Nonspendable Inventory | \$ 34 | \$ 34 | \$ 48 | \$ 43 | \$ 31 | \$ 13 | \$ 28 | \$ 28 | \$ 31 | \$ 29 |
| Restricted for Town | 2,993 | 3,861 | 2,838 | 2,898 | 2,743 | 2,958 | 3,148 | 2,951 | 2,930 | 2,923 |
| Restricted for Education | 440 | 977 | 509 | 540 | 2,224 | 242 | 332 | 200 | 649 | 2,050 |
| Committed - General Fund | 688 | 374 | 452 | 519 | 503 | 400 | 393 | 441 | 455 | 549 |
| Assigned - General Fund | 1,606 | 1,825 | 1,584 | 2,305 | 2,140 | 1,676 | 1,976 | 2,122 | 2,616 | 2,876 |
| Assigned - Education | 200 | 200 | 800 | 425 | 426 | 2,102 | 501 | 352 | 700 | 1,030 |
| Unassigned - General Fund | 2,093 | 1,787 | 3,377 | 4,973 | 6,108 | 6,894 | 7,387 | 8,212 | 7,702 | 6,294 |
| Unreserved | | | | | | | | | | |
| Total general fund | \$ 8,054 | \$ 9,058 | \$ 9,608 | \$ 11,703 | \$ 14,175 | \$ 14,285 | \$ 13,765 | \$ 14,306 | \$ 15,083 | \$ 15,751 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable Permanent Fund Principal | 129 | 132 | 135 | 147 | 155 | 164 | 168 | 173 | 180 | 194 |
| Nonspendable Inventory Special Revenues | 27 | 27 | 14 | 26 | 36 | 36 | 40 | 43 | 60 | 48 |
| Restricted Special Revenues | 473 | 463 | 651 | 624 | 637 | 645 | 873 | 717 | 774 | 1,633 |
| Restricted Capital Projects | 20,027 | 22,904 | 9,495 | 5,409 | 2,317 | 651 | 15,203 | 10,486 | - | - |
| Restricted Permanent Fund Interest | 84 | 84 | 85 | 86 | 90 | 90 | 91 | 98 | 105 | 104 |
| Committed - Special Revenues | 4,309 | 4,362 | 4,446 | 4,439 | 4,752 | 5,246 | 6,265 | 6,751 | 5,974 | 6,805 |
| Unassigned - Special Revenues | (262) | (683) | (1,083) | (1,365) | (1,550) | (1,746) | (1,943) | (1,972) | (2,282) | (2,796) |
| Unassigned - Capital Projects | (378) | (308) | (206) | (567) | 1,527 | - | - | (247) | (896) | (1,298) |
| Total all other governmental funds | \$ 24,409 | \$ 26,981 | \$ 13,537 | \$ 8,799 | \$ 7,964 | \$ 5,086 | \$ 20,697 | \$ 16,049 | \$ 3,915 | \$ 4,690 |
| Total Governmental Funds Fund Balances: | 32,463 | \$ 36,039 | \$ 23,145 | \$ 20,502 | \$ 22,139 | \$ 19,371 | \$ 34,462 | \$ 30,355 | \$ 18,998 | \$ 20,441 |

Table 4

TOWN OF SCARBOROUGH, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------------|---------------|-----------------|----------------|---------------|----------------|---------------|----------------|-----------------|----------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 50,428 | \$ 54,393 | \$ 58,826 | \$ 61,154 | \$ 63,719 | \$ 65,949 | \$ 68,340 | \$ 72,140 | \$ 74,600 | \$ 77,012 |
| Licenses and permits | 494 | 554 | 662 | 756 | 817 | 782 | 939 | 864 | 866 | 1,067 |
| Intergovernmental | 13,136 | 12,024 | 10,976 | 12,879 | 11,672 | 10,954 | 10,600 | 12,480 | 14,785 | 21,600 |
| Interest earned | 153 | 178 | 230 | 449 | 199 | 426 | 192 | 739 | 434 | 171 |
| Other | 8,420 | 8,883 | 8,966 | 10,376 | 10,418 | 11,193 | 11,852 | 12,613 | 11,299 | 13,744 |
| Total revenues | 72,631 | 76,032 | 79,660 | 85,614 | 86,825 | 89,304 | 91,923 | 98,836 | 101,984 | 113,594 |
| Expenditures | | | | | | | | | | |
| General government | 4,403 | 4,957 | 5,201 | 4,829 | 4,951 | 5,932 | 7,070 | 8,005 | 6,785 | 6,133 |
| Public services | 3,841 | 3,931 | 4,146 | 4,612 | 4,690 | 4,922 | 4,945 | 4,724 | 4,660 | 4,663 |
| Public safety | 8,242 | 8,578 | 8,879 | 9,344 | 10,297 | 11,116 | 11,836 | 11,478 | 13,873 | 6,852 |
| Public works | 4,598 | 7,398 | 6,503 | 6,506 | 7,233 | 7,128 | 6,750 | 9,377 | 6,322 | 5,367 |
| Education (Excludes School Debt) | 33,220 | 37,295 | 40,149 | 45,614 | 43,681 | 45,541 | 46,291 | 49,401 | 52,346 | 57,508 |
| Education Debt (Prin & Int) | 3,758 | 3,653 | 4,150 | 4,606 | 5,119 | 5,761 | 5,614 | 5,691 | 5,254 | 5,145 |
| County tax | 1,976 | 2,075 | 2,194 | 2,355 | 2,493 | 2,569 | 2,710 | 2,827 | 2,957 | 3,188 |
| Debt service (Principal-Town Only (1)) | 5,417 | 4,942 | 3,353 | 3,506 | 3,760 | 3,800 | 3,866 | 3,868 | 4,525 | 4,903 |
| Debt service (Interest-Town Only) | 1,151 | 1,109 | 1,118 | 1,100 | 1,164 | 1,058 | 1,008 | 1,731 | 1,704 | 1,768 |
| Capital Outlay | 6,347 | 16,988 | 21,840 | 9,942 | 3,626 | 4,415 | 3,636 | 10,887 | 19,363 | 12,953 |
| Other | 4,948 | 1,817 | 1,775 | 1,928 | 2,054 | 2,639 | 2,637 | 3,099 | 3,635 | 4,426 |
| Total expenditures | 77,901 | 92,743 | 99,308 | 94,342 | 89,068 | 94,881 | 96,363 | 111,088 | 121,424 | 112,906 |
| Excess (deficiency) of revenues over (under) expenditures | (5,270) | (16,711) | (19,648) | (8,728) | (2,243) | (5,577) | (4,440) | (12,252) | (19,440) | 688 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 2,061 | 1,845 | 1,371 | 1,071 | 1,410 | 3,208 | 1,264 | 1,368 | 1,978 | 4,877 |
| Transfers out | (2,061) | (1,845) | (1,371) | (1,071) | (1,410) | (3,208) | (1,264) | (1,368) | (1,978) | (4,877) |
| Capital Lease proceeds | | 365 | 249 | - | - | - | - | - | - | - |
| Refunding bond issued | 24,605 | 7,065 | - | - | 3,785 | - | - | - | - | 42,315 |
| Payment to refunding bond escrow agent | (27,125) | (7,347) | - | - | (3,972) | - | - | - | - | (47,975) |
| Premium received on refunded bonds | 2,642 | 322 | - | - | 187 | - | - | - | - | 5,660 |
| Premium received on issued debt | 1,913 | 1,263 | - | - | 85 | - | 1,341 | 765 | 1,043 | - |
| General obligation bonds and capital leases | 21,940 | 18,620 | 6,505 | 6,085 | 3,755 | 2,755 | 18,190 | 7,380 | 7,040 | - |
| Total other financing sources (uses) | 23,975 | 20,288 | 6,754 | 6,085 | 3,840 | 2,755 | 19,531 | 8,145 | 8,083 | - |
| Net change in fund balances | \$ 18,705 | 3,577 | (12,894) | (2,643) | 1,597 | (2,822) | 15,091 | (4,107) | (11,357) | 688 |
| Debt Service as a percentage of non-capital expenditures | 9.18% | 7.99% | 5.77% | 5.46% | 5.76% | 5.37% | 5.26% | 5.59% | 6.10% | 6.67% |

Notes:

(1) The calculation of debt Service as a percentage of non-capital expenditures excludes school debt.

Table 5

TOWN OF SCARBOROUGH, MAINE
General Fund Governmental Expenditures by Function - Budgetary Basis
Last Ten Fiscal Years

| Years ended | General government | Public service | Public safety | Public works | Education | County tax | Debt service | Capital expenditures | Total |
|--------------------|---------------------------|-----------------------|----------------------|---------------------|------------------|-------------------|---------------------|-----------------------------|--------------|
| 2012 | 4,401,899 | 3,841,168 | 8,241,916 | 6,598,823 | 34,018,975 | 1,975,585 | 5,416,558 | 924,372 | 65,419,296 |
| 2013 | 4,591,897 | 3,931,386 | 8,577,811 | 6,681,399 | 36,110,973 | 2,075,183 | 4,942,403 | 1,257,490 | 68,168,542 |
| 2014 | 5,059,198 | 4,146,541 | 8,879,022 | 6,502,618 | 39,078,563 | 2,193,813 | 4,470,950 | 1,146,088 | 71,476,793 |
| 2015 | 4,829,444 | 4,612,240 | 9,514,108 | 6,506,439 | 41,496,318 | 2,355,415 | 4,605,500 | 1,192,358 | 75,111,822 |
| 2016 | 4,904,706 | 4,690,296 | 10,125,943 | 6,677,609 | 41,218,487 | 2,493,342 | 4,923,898 | 1,037,678 | 76,071,959 |
| 2017 | 5,337,246 | 4,852,147 | 10,845,773 | 6,529,061 | 45,161,286 | 2,568,852 | 4,857,655 | 1,148,329 | 81,300,349 |
| 2018 | 5,994,561 | 4,576,134 | 11,220,717 | 6,749,774 | 46,315,653 | 2,709,666 | 4,873,855 | 766,814 | 83,207,174 |
| 2019 | 6,434,247 | 4,724,209 | 11,578,527 | 7,006,492 | 48,088,925 | 2,827,079 | 5,599,113 | 1,459,518 | 87,718,110 |
| 2020 | 6,785,332 | 4,659,552 | 12,101,459 | 6,322,048 | 49,804,315 | 2,956,659 | 6,228,805 | 1,215,505 | 90,073,675 |
| 2021 | 6,937,918 | 4,716,102 | 12,586,754 | 6,479,704 | 50,520,904 | 3,188,519 | 6,671,686 | 1,336,203 | 92,437,790 |

Note: The Table above includes only those expenditures recorded in the General Fund.

Table 6

TOWN OF SCARBOROUGH, MAINE
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Fiscal Year | Property tax | Interest and Costs on taxes | Vehicle Excise tax | Boat Excise tax | Franchise tax fees | Total |
|--------------------|---------------------|------------------------------------|---------------------------|------------------------|---------------------------|--------------|
| 2012 | 46,132,181 | 87,811 | 3,965,932 | 29,331 | 198,132 | 50,413,387 |
| 2013 | 49,774,317 | 93,691 | 4,222,208 | 32,945 | 194,771 | 54,317,932 |
| 2014 | 53,664,817 | 98,390 | 4,620,362 | 30,849 | 191,220 | 58,605,638 |
| 2015 | 55,621,936 | 105,060 | 5,026,029 | 27,530 | 191,317 | 60,971,872 |
| 2016 | 57,470,744 | 113,124 | 5,596,389 | 30,144 | 190,592 | 63,400,993 |
| 2017 | 59,523,351 | 101,590 | 5,873,919 | 28,925 | 200,984 | 65,728,769 |
| 2018 | 61,957,189 | 106,100 | 5,903,828 | 31,034 | 208,117 | 68,206,268 |
| 2019 | 65,332,400 | 112,016 | 6,333,746 | 31,970 | 219,247 | 72,029,379 |
| 2020 | 67,674,116 | 95,112 | 6,323,543 | 28,718 | 218,180 | 74,339,669 |
| 2021 | 69,108,829 | 79,210 | 7,140,356 | 34,573 | 229,665 | 76,592,633 |

Table 7

TOWN OF SCARBOROUGH, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real property | Personal property | Totals | | Direct Tax Rate | Ratio of total assessed value to total estimated actual value |
|------------------------|------------------------------|------------------------------|------------------------------|---------------------------------------|--------------------------------|--|
| | Assessed property | Assessed property | Assessed property | Estimated actual value | | |
| 2012 | 3,455,067,200 | 116,129,100 | 3,571,196,300 | 3,571,196,300 | 13.03 | 100% |
| 2013 | 3,511,580,900 | 120,094,400 | 3,631,675,300 | 3,631,675,300 | 13.80 | 100% |
| 2014 | 3,544,777,800 | 115,527,900 | 3,660,305,700 | 3,660,305,700 | 14.77 | 100% |
| 2015 | 3,587,500,600 | 112,987,600 | 3,700,488,200 | 3,700,488,200 | 15.10 | 100% |
| 2016 | 3,637,366,300 | 108,181,800 | 3,745,548,100 | 3,745,548,100 | 15.49 | 100% |
| 2017 | 3,667,678,200 | 108,684,300 | 3,776,362,500 | 3,776,362,500 | 15.92 | 100% |
| 2018 | 3,678,001,742 | 107,486,600 | 3,785,488,342 | 3,785,488,342 | 16.49 | 100% |
| 2019 | 3,908,909,212 | 103,383,400 | 4,012,292,612 | 4,012,292,612 | 16.49 | 100% |
| 2020 | 4,577,104,776 | 119,356,600 | 4,696,461,376 | 4,696,461,376 | 14.70 | 100% |
| 2021 | 4,615,052,676 | 112,178,300 | 4,727,230,976 | 4,727,230,976 | 14.86 | 100% |

Source: Town of Scarborough Assessor's Office.

Table 8

**TOWN OF SCARBOROUGH, MAINE
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

| Fiscal Year | Town | School | County Tax | Tax Increment Financing District | Overlay | State Revenue Sharing (1) | Total Property Tax Rates by Year |
|--------------------|-------------|---------------|-------------------|---|----------------|----------------------------------|---|
| 2012 | 4.432 | 8.166 | 0.553 | 0.211 | 0.059 | (0.391) | 13.03 |
| 2013 | 4.452 | 8.849 | 0.571 | 0.220 | 0.100 | (0.392) | 13.80 |
| 2014 | 4.663 | 9.479 | 0.599 | 0.240 | 0.095 | (0.306) | 14.77 |
| 2015 | 4.649 | 9.774 | 0.637 | 0.245 | 0.089 | (0.292) | 15.10 |
| 2016 | 4.597 | 10.144 | 0.666 | 0.254 | 0.132 | (0.303) | 15.49 |
| 2017 | 4.743 | 10.563 | 0.680 | 0.240 | 0.046 | (0.353) | 15.92 |
| 2018 | 4.698 | 11.239 | 0.716 | 0.224 | 0.037 | (0.423) | 16.49 |
| 2019 | 4.599 | 11.225 | 0.705 | 0.254 | 0.168 | (0.461) | 16.49 |
| 2020 | 4.091 | 10.147 | 0.630 | 0.228 | 0.064 | (0.460) | 14.70 |
| 2021 | 4.024 | 10.346 | 0.675 | 0.300 | 0.095 | (0.578) | 14.86 |

1 State Revenue Sharing for the State of Maine is to be used solely to reduce each municipalities property taxes.

Table 9

TOWN OF SCARBOROUGH, MAINE
Principal Property Taxpayers
Current Year and Ten Years Ago
(amounts expressed in thousands)

| 2012 | | | | 2021 | | | |
|----------------------------------|-------------------------|-------------|--------------------------------------|----------------------------------|-------------------------|-------------|--------------------------------------|
| <u>Taxpayer</u> | Taxable Assessed | | Percentage of Total Taxable Assessed | <u>Taxpayer</u> | Taxable Assessed | | Percentage of Total Taxable Assessed |
| | <u>Value</u> | <u>Rank</u> | <u>Value</u> | | <u>Value</u> | <u>Rank</u> | <u>Value</u> |
| Maine Life Care Retirement | \$ 63,051,800 | 1 | 1.77% | Maine Life Care Retirement | \$ 86,229,600 | 1 | 1.82% |
| Wal-Mart/Sam's Club | 40,228,700 | 2 | 1.13% | The Residences at Gateway Common | 38,901,100 | 2 | 0.82% |
| New England Expedition | 35,132,100 | 3 | 0.99% | Central Maine Power | 38,232,400 | 3 | 0.80% |
| MMC Realty Maine Health | 28,611,300 | 4 | 0.80% | Gavin Ruotolo | 37,258,600 | 4 | 0.79% |
| Hannaford Brothers | 24,587,200 | 5 | 0.69% | Wal-Mart/Sam's Club | 36,865,900 | 5 | 0.78% |
| Scarborough Gallery | 22,757,000 | 6 | 0.64% | RRE Foxcroft/Coach Lantern | 29,196,400 | 6 | 0.62% |
| Gavin Ruotolo | 18,751,700 | 7 | 0.53% | Hannaford Brothers | 29,175,600 | 7 | 0.62% |
| Central Maine Power | 14,606,400 | 8 | 0.41% | New England Expedition | 22,341,300 | 8 | 0.47% |
| Shaw's Supermarkets | 13,897,200 | 9 | 0.39% | Scarborough Gallery | 21,284,600 | 9 | 0.45% |
| RRE Foxcroft/Coach Lantern | 13,253,400 | 10 | 0.37% | Waterstone Scarborough | 17,904,400 | 10 | 0.38% |
| Total Principal Taxpayers | 274,876,800 | | 7.71% | | 357,389,900 | | 7.56% |
| Total Assessed Value: | \$ 3,564,150,000 | | | | \$ 4,727,230,976 | | |

Source: Town of Scarborough, Maine Assessor

Table 10

TOWN OF SCARBOROUGH, MAINE
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Total Tax Levy for Fiscal Year | Collections Within Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--|---|--|-------------------------------|--|--------------------------------------|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2012 | 46,684,211 | 46,102,831 | 98.8% | 573,074 | 46,675,905 | 99.98% |
| 2013 | 50,125,493 | 49,483,773 | 98.7% | 631,367 | 50,115,140 | 99.98% |
| 2014 | 54,062,720 | 53,305,613 | 98.6% | 745,241 | 54,050,854 | 99.98% |
| 2015 | 55,877,372 | 55,321,988 | 99.0% | 544,490 | 55,866,478 | 99.98% |
| 2016 | 58,018,545 | 57,331,779 | 98.8% | 673,417 | 58,005,195 | 99.98% |
| 2017 | 60,119,691 | 59,602,002 | 99.1% | 502,279 | 60,104,281 | 99.97% |
| 2018 | 62,422,707 | 61,848,681 | 99.1% | 545,706 | 62,394,388 | 99.95% |
| 2019 | 66,162,710 | 65,462,458 | 98.9% | 660,888 | 66,123,347 | 99.94% |
| 2020 | 69,037,982 | 68,228,330 | 98.8% | 618,354 | 68,846,685 | 99.72% |
| 2021 | 70,246,652 | 69,709,289 | 99.2% | - | 69,709,289 | 99.24% |

Source: Town of Scarborough Tax Collector's Office

Table 11

TOWN OF SCARBOROUGH, MAINE
Assessed Valuations and Tax Levies
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Real Estate Valuation</u> | <u>Personal Property Valuation</u> | <u>Total Assessed Valuation</u> | <u>Tax Rate</u> | <u>Tax Levy</u> |
|--------------------|------------------------------|------------------------------------|---------------------------------|-----------------|-----------------|
| 2012 | 3,455,067,200 | 116,129,100 | 3,571,196,300 | 13.03 | 46,684,211 |
| 2013 | 3,511,580,900 | 120,094,400 | 3,631,675,300 | 13.80 | 50,125,493 |
| 2014 | 3,544,777,800 | 115,527,900 | 3,660,305,700 | 14.77 | 54,062,720 |
| 2015 | 3,587,500,600 | 112,987,600 | 3,700,488,200 | 15.10 | 55,877,372 |
| 2016 | 3,637,366,300 | 108,181,800 | 3,745,548,100 | 15.49 | 58,018,545 |
| 2017 | 3,667,678,200 | 108,684,300 | 3,776,362,500 | 15.92 | 60,119,691 |
| 2018 | 3,678,001,742 | 107,486,600 | 3,785,488,342 | 16.49 | 62,422,707 |
| 2019 | 3,908,909,212 | 103,383,400 | 4,012,292,612 | 16.49 | 66,162,710 |
| 2020 | 4,577,104,776 | 119,356,600 | 4,696,461,376 | 14.70 | 69,037,982 |
| 2021 | 4,615,052,676 | 112,178,300 | 4,727,230,976 | 14.86 | 70,246,652 |

Source: Town of Scarborough Assessor's Office

Table 12

STATUTORY DEBT LIMIT BY STATE AND LOCAL
State of Maine Legal Debt Margin Calculation
June 30, 2021

| | | | | State Assessed Value: | <u>\$4,807,600,000</u> |
|--------------------------------------|--------------------------------|-----------------------------------|---|--|-------------------------------|
| | | | | Legal Debt Margin Limit of 15% of State Valuation | \$721,140,000 |
| Purpose | State Legal Percent | State Legal Debt Limit | Principal Debt Outstanding | Margin | Actual Percent |
| Municipal - Other | 7.5% | \$360,570,000 | \$39,722,644 | \$320,847,356 | 0.83% |
| Storm or Sanitary Sewer | 7.5% | \$360,570,000 | \$3,340,000 | \$357,230,000 | 0.07% |
| School | 10.0% | \$480,760,000 | \$49,597,356 | \$431,162,644 | 1.03% |
| Munc Airport, Water,Special District | 3.0% | \$144,228,000 | \$0 | \$144,228,000 | 0.00% |
| | | Total | <u>\$92,660,000</u> | | |
| | | | | Total Bonded Debt Applicable to Debt Limit | <u>\$92,660,000</u> |
| | | | | Legal Debt Margin | <u>\$628,480,000</u> |

Note: Statutory debt limit is in accordance with 30 MRSA, Section 5061, as amended.

Table 12A

Town of Scarborough Legal Debt Margin Calculation
June 30, 2021

| | | | | Scarborough Legal Debt Margin Limit of 8.50% of State Valuation | \$408,646,000 |
|--------------------------------------|--|---|---|--|-----------------------------|
| Purpose | Scarborough Legal Percent | Scarborough Legal Debt Limit | Principal Debt Outstanding | Margin | Actual Percent |
| Municipal - Other | 4.0% | \$192,304,000 | \$39,722,644 | \$152,581,356 | 0.83% |
| Storm or Sanitary Sewer | 4.0% | \$192,304,000 | \$3,340,000 | \$188,964,000 | 0.07% |
| School | 5.0% | \$240,380,000 | \$49,597,356 | \$190,782,644 | 1.03% |
| Munc Airport, Water,Special District | 1.5% | \$72,114,000 | - | \$72,114,000 | 0.00% |
| | | Total | <u>\$92,660,000</u> | | |
| | | | | Total Bonded Debt Applicable to Debt Limit | <u>\$92,660,000</u> |
| | | | | Legal Debt Margin | <u>\$315,986,000</u> |

Note: Statutory debt limit is in accordance with Scarborough's Financial and Fiscal Policy Section I. Debt Management, as amended.

Table 13

TOWN OF SCARBOROUGH, MAINE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Other Bond Adjustments | Capital Leases | Total Outstanding Debt | Population* | Percentage of personal income | Debt Per Capita |
|--------------------|---------------------------------|-------------------------------|-----------------------|-------------------------------|--------------------|--------------------------------------|------------------------|
| 2012 | 82,250,000 | 2,428,572 | 687,335 | 85,365,907 | 18,786 | 10.51% | 4,544 |
| 2013 | 96,180,000 | 5,715,066 | 622,334 | 102,517,400 | 18,941 | 12.53% | 5,412 |
| 2014 | 97,895,000 | 5,474,486 | 597,722 | 103,967,208 | 19,343 | 12.47% | 5,375 |
| 2015 | 98,500,000 | 5,233,907 | 395,578 | 104,129,485 | 19,602 | 12.52% | 5,312 |
| 2016 | 95,920,000 | 5,315,488 | 199,715 | 101,435,203 | 19,819 | 12.20% | 5,118 |
| 2017 | 91,630,000 | 5,049,838 | - | 96,679,838 | 19,911 | 10.62% | 4,856 |
| 2018 | 102,650,000 | 6,125,334 | 97,939 | 108,873,273 | 20,379 | 11.04% | 5,342 |
| 2019 | 102,720,000 | 6,602,073 | 49,567 | 109,371,640 | 20,991 | 9.90% | 5,210 |
| 2020 | 102,130,000 | 7,307,717 | - | 109,437,717 | 21,428 | 9.64% | 5,107 |
| 2021 | 92,660,000 | 12,272,554 | - | 104,932,554 | 22,135 | 8.47% | 4,741 |

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

See the Demographic and Economic Statistics on Table 18 for personal income and population data.

* Source: U.S. Department of Commerce Bureau of the Census

Table 14

TOWN OF SCARBOROUGH, MAINE
Ratios of General Bonded Outstanding Debt
Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Other Bond Adjustments | Total | Assessed Value | Percentage of Estimated Actual Taxable Value of Property | Population* | Percentage of personal income | Debt Per Capita |
|--------------------|---------------------------------|-------------------------------|--------------|-----------------------|---|--------------------|--------------------------------------|------------------------|
| 2012 | 82,250,000 | 2,428,572 | 84,678,572 | 3,571,196,300 | 2.30% | 18,786 | 10.51% | 4,378 |
| 2013 | 96,180,000 | 5,715,066 | 101,895,066 | 3,631,675,300 | 2.65% | 18,941 | 12.53% | 5,078 |
| 2014 | 97,895,000 | 5,474,486 | 103,369,486 | 3,660,305,700 | 2.67% | 19,343 | 12.47% | 5,061 |
| 2015 | 98,500,000 | 5,233,907 | 103,733,907 | 3,700,488,200 | 2.66% | 19,602 | 12.52% | 5,025 |
| 2016 | 95,920,000 | 5,315,488 | 101,235,488 | 3,745,548,100 | 2.56% | 19,819 | 12.20% | 4,840 |
| 2017 | 91,630,000 | 5,049,838 | 96,679,838 | 3,776,362,500 | 2.43% | 19,911 | 10.62% | 4,602 |
| 2018 | 102,650,000 | 6,125,334 | 108,775,334 | 3,785,488,342 | 2.71% | 20,379 | 11.04% | 5,037 |
| 2019 | 102,720,000 | 6,602,073 | 109,322,073 | 4,012,292,612 | 2.56% | 20,991 | 9.90% | 4,894 |
| 2020 | 102,130,000 | 7,307,717 | 109,437,717 | 4,696,461,376 | 2.17% | 21,428 | 9.64% | 4,766 |
| 2021 | 92,660,000 | 12,272,554 | 104,932,554 | 4,727,230,976 | 1.96% | 22,135 | 8.47% | 4,186 |

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

See the Demographic and Economic Statistics on Table 18 for personal income and population data.

* Source: U.S. Department of Commerce Bureau of the Census

Table 15

TOWN OF SCARBOROUGH, MAINE
Ratio of Annual Debt Service Expenditures
for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years

| Fiscal year | Principal | Interest | Total debt service | Total general fund expenditures | Ratio of debt service to general fund expenditures |
|--------------------|------------------|-----------------|---------------------------|--|---|
| 2012 | 5,972,000 | 2,432,682 | 8,404,682 | 65,419,296 | 12.85% |
| 2013 | 5,135,000 | 2,815,370 | 7,950,370 | 68,168,542 | 11.66% |
| 2014 | 4,790,000 | 3,588,569 | 8,378,569 | 71,476,793 | 11.72% |
| 2015 | 5,480,000 | 3,505,753 | 8,985,753 | 75,111,822 | 11.96% |
| 2016 | 6,320,000 | 2,139,692 | 8,459,692 | 76,071,959 | 11.12% |
| 2017 | 7,045,000 | 3,348,228 | 10,393,228 | 81,300,349 | 12.78% |
| 2018 | 7,170,000 | 3,227,906 | 10,397,906 | 83,207,174 | 12.50% |
| 2019 | 7,310,000 | 3,910,975 | 11,220,975 | 87,718,110 | 12.79% |
| 2020 | 7,630,000 | 3,784,372 | 11,414,372 | 90,073,675 | 12.67% |
| 2021 | 8,430,000 | 3,257,322 | 11,687,322 | 92,437,790 | 12.64% |

Note: details regarding the town's outstanding debt can be found in the notes to the financial statements.

TOWN OF SCARBOROUGH, MAINE
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Debt limit | \$ 533,513 | \$ 522,375 | \$ 536,918 | \$ 451,595 | \$ 568,793 | \$ 584,903 | \$ 610,215 | \$ 647,040 | \$ 716,753 | \$721,140 |
| Total net debt applicable to limit | 84,679 | 101,895 | 103,369 | 103,734 | 95,920 | 91,630 | 102,650 | 102,720 | 102,130 | \$92,660 |
| Legal debt margin | 448,834 | 420,480 | 433,549 | 347,861 | 472,873 | 493,273 | 507,565 | 544,320 | 614,623 | \$628,480 |
| Total net debt applicable to the limit as a percentage of debt limit | 15.87% | 19.51% | 19.25% | 22.97% | 16.86% | 15.67% | 16.82% | 15.88% | 14.25% | 12.85% |

Note: Under state finance law, the Town of Scarborough's outstanding general obligation debt should not exceed 15 percent of total assessed property value.

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 17

TOWN OF SCARBOROUGH, MAINE
Direct, Overlapping and Contingent Debt
Last Ten Fiscal Years
(amounts expressed in thousands)

| <u>Fiscal Year</u> | <u>2012 *</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Town of Scarborough: | | | | | | | | | | |
| General Obligation Bonds | 82,250 | 96,180 | 97,895 | 98,500 | 95,920 | 91,630 | 102,650 | 102,720 | 102,130 | 92,660 |
| Premium | 4,371 | 5,715 | 5,474 | 5,234 | 5,315 | 5,050 | 6,125 | 6,602 | 7,308 | 12,273 |
| Capital Leases | 687 | 623 | 598 | 396 | 200 | - | 98 | 50 | - | - |
| Total Direct Debt | 87,308 | 102,518 | 103,967 | 104,130 | 101,435 | 96,680 | 108,873 | 109,372 | 109,438 | 104,933 |
| Cumberland County | 3,352 | 3,254 | 3,458 | 3,457 | 3,321 | 3,464 | 3,286 | 3,486 | 3,357 | 3,357 |
| Portland Water District | 3,933 | 3,483 | 5,994 | 6,454 | 6,654 | 6,396 | 6,926 | 7,300 | 7,829 | 7,343 |
| Total Overlapping Debt | 7,285 | 6,737 | 9,452 | 9,911 | 9,975 | 9,860 | 10,212 | 10,786 | 11,186 | 10,700 |
| ecomaine Waste Systems: | | | | | | | | | | |
| Resource recovery system | - | - | - | - | - | - | - | - | - | - |
| Material recovery facility | - | - | - | - | - | - | - | - | - | - |
| Landfill closure/postclosure | 1,371 | 1,405 | 1,436 | 1,467 | 1,504 | 1,318 | 1,324 | 1,381 | 1,408 | 1,442 |
| Total Contingent Debt | 1,371 | 1,405 | 1,436 | 1,467 | 1,504 | 1,318 | 1,324 | 1,381 | 1,408 | 1,442 |
| Total Direct, Overlapping/Contingent | 95,964 | 110,660 | 114,855 | 115,508 | 112,914 | 107,858 | 120,409 | 121,539 | 122,032 | 117,075 |

Source: Town of Scarborough Finance Department, Cumberland County, Portland Water District and ecomaine.

Note: Overlapping debt is calculated from the total outstanding debt of the government, multiplied by the Town's percentage share.

Calculations for the Overlapping and Contingent Debt are provided by the Cumberland County Treasurer's Office, the Portland Water District and ecomaine.

Please see additional information in the Notes to the Financial Statements

* Premium Included on Table as of 2012

Table 18

TOWN OF SCARBOROUGH, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population (a) | Personal Income (b) | Per Capita Personal Income (c) | Median Age (c) | School Enrollment (d) | Unemployment Rate (e) |
|--------------------|-----------------------|----------------------------|---------------------------------------|-----------------------|------------------------------|------------------------------|
| 2012 | 19,120 | 782,428,640 | 40,922 | 45 | 3,205 | 5.20% |
| 2013 | 19,299 | 767,752,818 | 39,782 | 45 | 3,157 | 4.70% |
| 2014 | 19,494 | 785,003,886 | 40,269 | 45 | 3,106 | 3.70% |
| 2015 | 19,602 | 786,804,678 | 40,139 | 45 | 2,989 | 3.10% |
| 2016 | 19,819 | 786,477,377 | 39,683 | 45 | 2,971 | 2.90% |
| 2017 | 19,911 | 862,703,808 | 43,328 | 46 | 2,920 | 2.80% |
| 2018 | 20,379 | 929,954,907 | 45,633 | 47 | 2,948 | 2.70% |
| 2019 | 20,991 | 1,037,417,202 | 49,422 | 48 | 2,999 | 2.40% |
| 2020 | 21,428 | 1,059,014,616 | 49,422 | 48 | 2,873 | 6.20% |
| 2021 | 22,135 | 1,093,955,970 | 49,422 | 48 | 2,884 | 3.70% |

(a) Population - U.S. Department of Commerce, Bureau of Census.

Source: U.S. Census Bureau, *Annual Estimates of Resident Population, 2010 to 2019, Vintage 2019 Minor Civil Divisions
 2020 Population projected based on average of 1 year and 9-year percentage increases.

2021 Population is based on the recently released 2020 Census, which is higher than 2020 estimates

(b) Personal income equals per capita income times the population.

(c) American Community Survey 5-Year Estimates- latest available is 5-Year 2015-2019 survey. This remains the current source of per capita.

Table 19

TOWN OF SCARBOROUGH, MAINE
Principal Employers
Current Year and Ten Years Ago

| 2012 | | | 2021 | | | Percentage of total Town Employment |
|------------------------|-------------------------|--------------------|---------------------------------|---------------------------|--------------------|--|
| <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Employer</u> | <u>Employees *</u> | <u>Rank</u> | |
| Town of Scarborough | 1,309 | 1 | Town of Scarborough | 1,327 | 1 | 8.8% |
| Hannaford Brothers | 1,108 | 2 | Hannaford | 1,100 | 2 | 7.3% |
| Maine Medical Center | 525 | 3 | Abbott (formerly Alere) | 1,061 | 3 | 7.1% |
| US Postal Service | 444 | 4 | US Postal Service | 585 | 4 | 3.9% |
| NorDX | 293 | 5 | Maine Health | 550 | 5 | 3.7% |
| Cabela's | 275 | 6 | Wal-Mart | 325 | 6 | 2.2% |
| Wal-Mart | 250 | 7 | Piper Shores | 200 | 7 | 1.3% |
| Shaw's | 215 | 8 | Cabela's | 159 | 8 | 1.1% |
| Sam's Wholesale Club | 200 | 9 | Sam's Club | 150 | 9 | 1.0% |
| Piper Shores | 192 | 10 | Maine Veterinary Medical Center | 150 | 10 | 1.0% |

* Source: Scarborough Economic Development Corporation (SEDCO)

Latest Estimate of Employment: 15037 (Source: ME Dept of Labor, Second Quarter, 2021 Covered Employment - all industries)

Note: Qtr 2, 2020 = 12,689

Table 20

TOWN OF SCARBOROUGH, MAINE
Unemployment Data
Last Ten Fiscal Years

| Fiscal Year ending June 30, | Portland Metropolitan Statistical Area (PMSA)* | State of Maine | Town of Scarborough | US |
|--|---|---------------------------|--------------------------------|-----------|
| 2012 | 6.1% | 7.3% | 5.2% | 8.2% |
| 2013 | 5.4% | 6.4% | 4.7% | 7.5% |
| 2014 | 4.4% | 5.3% | 3.7% | 6.1% |
| 2015 | 3.5% | 4.2% | 3.1% | 5.5% |
| 2016 | 3.1% | 3.7% | 3.0% | 5.1% |
| 2017 | 2.8% | 3.3% | 2.6% | 4.5% |
| 2018 | 2.7% | 3.2% | 2.7% | 4.2% |
| 2019 | 2.3% | 2.8% | 2.4% | 3.8% |
| 2020 | 6.9% | 6.5% | 6.2% | 11.2% |
| 2021 | 4.6% | 6.1% | 4.2% | 6.1% |

Data Source: The Maine Department of Labor, Labor Force Statistics by Geography, Not Seasonally adjusted
 Scarborough is within the Portland-South Portland-Biddeford Labor Market Area (LMA).

Data is for June of each year.

Table 21

TOWN OF SCARBOROUGH, MAINE
Operating Indicators by Function
Last Ten Fiscal Years

| Function: | Fiscal Year | | | | | | | | | |
|---------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Govt: | | | | | | | | | | |
| Town Clerk | | | | | | | | | | |
| Certified Copies | 5,068 | 4,624 | 5,596 | 5,577 | 5,962 | 5,762 | 5,077 | 5,446 | 5,049 | 4,444 |
| Licenses | 585 | 572 | 861 | 839 | 735 | 821 | 844 | 997 | 162 | 1,117 |
| Permits | 905 | 889 | 930 | 1,065 | 1,047 | 1,134 | 750 | 404 | 279 | 306 |
| Beach Passes | 2,701 | 2,934 | 2,763 | 2,665 | 2,496 | 4,775 | 5,603 | 5,970 | 5,279 | 7,458 |
| Community Services | | | | | | | | | | |
| Passports Applications | - | 459 | 641 | 643 | 665 | 695 | 675 | 648 | 497 | 321 |
| Finance Revenue Office | | | | | | | | | | |
| Licenses & Permits | 782 | 791 | 670 | 662 | 697 | 702 | 700 | 717 | 498 | 500 |
| Tax Bill Issued | 9,516 | 9,594 | 9,623 | 9,623 | 9,796 | 9,897 | 9,993 | 10,325 | 10,301 | 10,589 |
| Excise Registrations | 25,637 | 30,477 | 29,566 | 27,728 | 29,604 | 29,892 | 30,065 | 30,004 | 25,470 | 25,651 |
| Planning: | | | | | | | | | | |
| Permits | 553 | 621 | 609 | 651 | 774 | 785 | 809 | 785 | 647 | 885 |
| Certificates of Occupancy | 173 | 174 | 217 | 198 | 262 | 267 | 252 | 190 | 256 | 257 |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Physical arrests | 1,026 | 898 | 826 | 895 | 697 | 521 | 864 | 768 | 582 | 732 |
| Traffic violations | 1,069 | 1,126 | 1,007 | 977 | 1,333 | 1,433 | 1,847 | 1,541 | 561 | 772 |
| Fire: | | | | | | | | | | |
| Number of calls answered | 1,733 | 1,610 | 1,744 | 1,832 | 1,720 | 2,381 | 1,340 | 1,318 | 1,355 | 1,327 |
| Number of Inspections | 3,583 | 3,455 | 3,378 | 3,192 | 2,529 | 3,078 | 3,319 | 3,044 | 2,860 | 2,886 |
| Rescue: | | | | | | | | | | |
| Number of calls answered | 2,141 | 2,116 | 1,950 | 2,359 | 3,029 | 2,900 | 2,917 | 2,950 | 2,876 | 2,990 |
| Public Works: | | | | | | | | | | |
| Street resurfacing (miles) | 6.45 | 3.62 | 5.31 | 5.90 | 4.18 | 5.15 | 4.62 | 4.60 | 7.58 | 7.06 |
| Pot holes repaired (qty used in tons) | 24 | 13 | 29 | 12 | 4 | 48 | 42 | 39 | 74 | 93 |
| No. times plows dispatched | 30 | 60 | 35 | 28 | 19 | 21 | 24 | 28 | 26 | 17 |

Source: Town of Scarborough various departments

Notes:

FY2020 Street resurfacing miles include Gorham Road

FY2012 Scarborough Public Library Processed Passport Applications

Table 22

TOWN OF SCARBOROUGH, MAINE
Capital Asset Statistics by Function
Last Ten Fiscal Years

| Function: | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
| General Govt: | | | | | | | | | | |
| Planning Vehicles | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 3 | 3 | 3 |
| Technology Vehicles | 3 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| Public Service: | | | | | | | | | | |
| Community Services | | | | | | | | | | |
| Vehicles | 5 | 6 | 7 | 7 | 8 | 8 | 6 | 7 | 8 | 8 |
| Parks | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Vehicles - Patrol Units | 12 | 12 | 12 | 12 | 12 | 12 | 14 | 14 | 14 | 16 |
| Vehicles - Patrol Motorcycles | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire: | | | | | | | | | | |
| Vehicles - Response Trucks | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 13 | 14 |
| Marine | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 |
| Facilities | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | | |
| Rescue: | | | | | | | | | | |
| Vehicles - Response Trucks | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public Works: | | | | | | | | | | |
| Streets (miles) | 175.56 | 174.20 | 174.92 | 175.44 | 175.44 | 176.80 | 176.80 | 177.20 | 179.08 | 181.12 |
| Streets Lights | | | | | | | | | 1,100.00 | 1,100.00 |
| Traffic Signals | 35 | 37 | 37 | 43 | 43 | 43 | 43 | 43 | 43 | 43 |
| Generators | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 11 | 12 | 9 |
| Education: | | | | | | | | | | |
| Vehicles - Buses | 28 | 26 | 28 | 29 | 26 | 26 | 29 | 30 | 29 | 30 |
| Facilities | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |

Source: Town of Scarborough various departments

TOWN OF SCARBOROUGH, MAINE
Town Government Employees by Function
Last Ten Fiscal Years

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | | | | | | |
| Full time | 35 | 34 | 32 | 35 | 36 | 37 | 39 | 42 | 39 | 37 |
| Part Time | 57 | 61 | 52 | 64 | 14 | 23 | 12 | 14 | 34 | 28 |
| Public Services: | | | | | | | | | | |
| Full time | 15 | 15 | 15 | 15 | 15 | 17 | 16 | 13 | 14 | 15 |
| Part Time | 148 | 160 | 139 | 125 | 123 | 156 | 150 | 102 | 53 | 39 |
| Public Safety: | | | | | | | | | | |
| Police | | | | | | | | | | |
| Full time | 53 | 55 | 53 | 53 | 55 | 67 | 61 | 60 | 61 | 61 |
| Part Time | 28 | 30 | 33 | 28 | 36 | 39 | 36 | 28 | 28 | 32 |
| Fire | | | | | | | | | | |
| Full time | 5 | 5 | 8 | 8 | 8 | 9 | 9 | 9 | 6 | 5 |
| Part Time | 153 | 151 | 150 | 160 | 169 | 146 | 154 | 149 | 113 | 121 |
| Rescue | | | | | | | | | | |
| Full time | 20 | 20 | 21 | 23 | 24 | 24 | 24 | 24 | 29 | 32 |
| Part Time | 11 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Works: | | | | | | | | | | |
| Full time | 31 | 31 | 31 | 32 | 32 | 36 | 34 | 32 | 29 | 32 |
| Part Time | 1 | 3 | 1 | 1 | 2 | 5 | 8 | 7 | 6 | 5 |
| Education: | | | | | | | | | | |
| Full time | 159 | 160 | 160 | 166 | 170 | 190 | 183 | 180 | 178 | 182 |
| Part Time | 398 | 415 | 375 | 378 | 344 | 369 | 360 | 300 | 234 | 225 |
| Total: | 557 | 575 | 535 | 544 | 514 | 559 | 543 | 480 | 412 | 407 |

Source: Town of Scarborough

Comments:

As of 2014, Fire/Rescue Part Time are all cross trained.

As of 2016, General Govt part-time count does not include Voter Reg Clerks

TOWN OF SCARBOROUGH, MAINE
Department Listings by Division, Department and Function

| Division | Department | Function | Division | Department | Function | | |
|--------------------------------|---------------------------|----------------------------------|----------------------------------|-------------------|--------------------------|-----------------------|-------------------------|
| General Government: | Legislative: | Town Council | Public Works: | Public Works: | Road/Highway Maintenance | | |
| | Administration: | Executive | | | | Vehicle Maintenance | |
| | | Assistant Town Manager | | | | Stock Room | |
| | | Purchasing | | | | Traffic Signals | |
| | | Town Clerk | | | | Engineering/GIS | |
| | | Elections | | | | Solid Waste | |
| | | Human Resources | | | | Water Charges | |
| | | Legal | | | | Street Lighting | |
| | | Municipal Insurance | | | | Cemetery Care | |
| | | Public Information | | | | Memorials | |
| | | Finance: | | Accounting | | | Shade Trees |
| | | | | Tax/Treasury | | Municipal Facilities: | Municipal Building |
| | | | | Assessing | | | Oak Hill Prof. Building |
| | | Planning: | | Planning | | | Alger Building |
| | Engineering | | | | Public Safety Building | | |
| | Code Enforcement | | | | | | |
| | Information Technology: | Zoning & Planning Boards | | Education: | Primary | | |
| | | | | | Elementary | | |
| | Public Service: | Community Serv: | Administration | | Secondary | | |
| | | | Recreation | | Instruction Improvement | | |
| Intergeneration | | | Food Services | | | | |
| Grounds Maintenance | | | Special Services | | | | |
| Beach Care | | General & Special Administration | | | | | |
| Public Assistance: | Welfare/Health Assistance | Board of Education | | | | | |
| Economic Develop. Corporation: | Library: | | Office of the Superintendent | | | | |
| | | | Business Administration | | | | |
| Public Safety: | Fire: | Fire Suppression | Transportation | | | | |
| | | Fire Prevention | Operation & Maintenance of Plant | | | | |
| | | Rescue | Debt Service | | | | |
| | | Emergency Preparedness | | | | | |
| | | Police: | Patrol | | | | |
| | Dispatch | | | | | | |
| | Marine Resources | | | | | | |
| | Animal Control | | | | | | |
| | Social Services Navigator | | | | | | |

Source: Town of Scarborough