

**AGENDA
SCARBOROUGH TOWN COUNCIL
WORKSHOP WEDNESDAY – MAY 3, 2023
WORKSHOP RE: THE FY2022 AUDIT UPDATE AND
THE SCHOOL BUDGET – 5:30 P.M.
HYBRID MEETING**

TO VIEW TOWN COUNCIL MEETING & OFFER PUBLIC COMMENT:

https://scarboroughmaine.zoom.us/webinar/register/WN_oPNrudBOTHy2GoeJDAqXhg

TO VIEW TOWN COUNCIL MEETING ONLY:

<https://www.youtube.com/channel/UCD5Y8CFy5HpXMftV3xX73aw>

- Item 1.** Call to Order.
- Item 2.** Those Present.
- Item 3.** Presentation and Discussion on FY2022 Audit.
- Item 4.** Presentation and Discussion on School Budget.
- Item 5.** Adjournment.

Town of Scarborough
June 2022
Financial Statement
Audit Results

May 3, 2023

Presented by
James D. Wilkinson, CPA
Partner

MARCUM
ACCOUNTANTS ▲ ADVISORS

Introduction

- Presentation will review the Town and School's 2022 financial statement audit and financial results
- Status of Final Report
- Status of Uniform Guidance Testing
- Feel free to ask questions at any time

Measurement Focus/Basis of Accounting

- What is being presented in the Town's "fund" financial statements
 - Modified accrual basis of accounting
 - Revenues recognized when available and measurable
 - Expenditures recognized when fund liability is incurred, if measurable (with some exceptions)

Measurement Focus/Basis of Accounting

- Fund financial statements utilize the “current financial resources” measurement focus
 - Recognizes cash or other assets that are expected to be converted to cash within or shortly after the accounting period
 - No reporting of long-term capital assets or long-term obligations

Measurement Focus/Basis of Accounting

- The “exceptions”
 - Claims/judgments – only recognized as liabilities for payments due within the period
 - Debt service – only recognized as liabilities for payments due within the period
 - Post-employment obligations – pensions and OPEB – payments due within period

Measurement Focus/Basis of Accounting

- The “exceptions”
 - Compensated absences – PTO/vacation/etc
 - Liability reported only for pending payouts of obligations to separated e/ees
 - Application of this criteria resulted in prior period adjustment and impact on current year preliminary results and fund balance classifications

Town General Fund

- Total Fund Balance increased by \$ 1,368,832 from current year operations
- Unassigned Fund Balance = \$9,931,761
 - Represents 10.04% of General Fund prior year budgeted expenditures

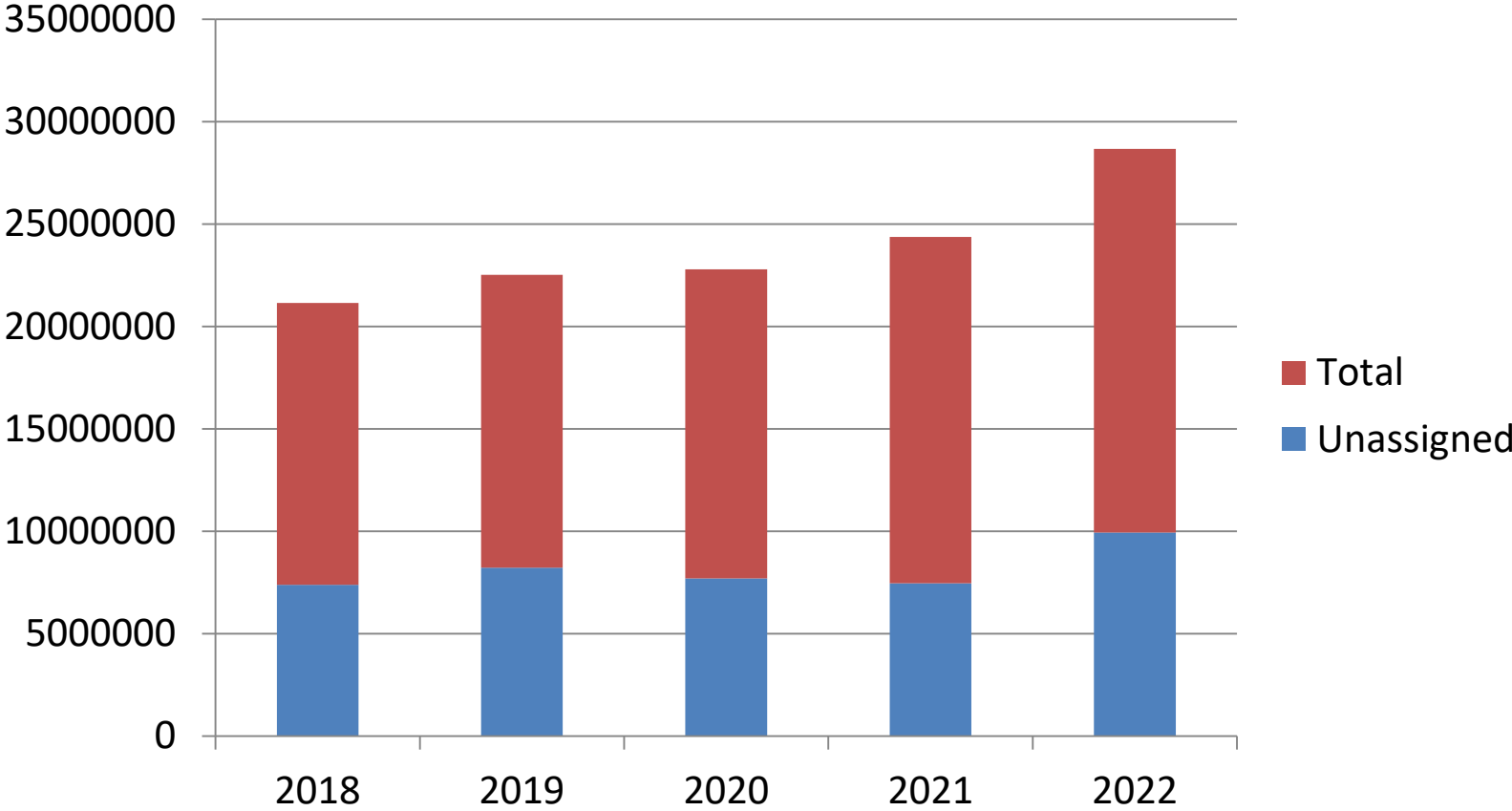
School General Fund

- Total Fund Balance increased by \$463,686
- Unassigned Fund Balance = \$0
- Total Fund Balance = \$3,673,009
 - 100% Earmarked for educational purposes

Governmental Funds – Fund Balance June 30, 2022

Fund Balances:	<u>General Fund</u>	<u>Haigis Parkway Assessments</u>	<u>Other</u>	<u>Total</u>
Non-spendable	15,379		291,308	306,687
Restricted	5,452,471		3,673,298	9,125,769
Committed and Assigned	3,342,712		5,797,049	9,139,761
Unassigned	9,931,761	(2,680,578)	(427,658)	6,823,525
Totals	18,742,323	(2,680,578)	9,333,997	25,395,742
Change from 2021	2,991,669	(190,387)	2,153,230	4,954,512

Fund Balance (Town and School combined): last 5 years



Governmental Funds – Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2022

Revenues and Expenditures	<u>General Fund</u>	<u>Haigis Parkway Assessments</u>	<u>Others</u>
Revenues:			
Taxes	78,871,472	-	917,851
Intergovernmental	15,799,234	-	5,463,603
Charges	1,228,531	-	-
Other	5,664,397	17,263	6,888,145
Totals	101,563,634	17,263	13,269,599
Expenditures:			
Current	95,061,044	-	9,717,451
Debt service	6,361,083	-	-
Capital outlay	1,611,570	-	2,680,239
Totals	103,033,697	181,410,362	12,397,690
Other:			
Proceeds from debt	1,785,327	-	2,590,925
Transfers	1,517,254	(207,650)	(1,309,604)
Totals	3,302,581	(207,650)	1,281,321
Net Results	1,832,518	(197,387)	2,153,230

Results of Operations-Town

- Total Revenues were above budget by \$248,289
- Property taxes came in \$151,120 above what was anticipated
- Permits and licenses came in \$168,631 above what was anticipated
- Intergovernmental revenue came in \$165,668 above what was anticipated.
- Actual results for other revenue groups for FY22
 - *Investment income – below budget \$122,372*
 - *Other – below budget \$114,758*

Results of Operations - Town (continued)

- Expenditures were \$3,393,724 below appropriated amounts in total.
 - Largest functional variances were-
 - Education - \$1.6M
 - Public safety - \$705k
 - Public works - \$374k
- Our analysis of other function/department-level budget variances (positive and negative) indicated that results were impacted by one-time items and isolated changes in operating plans.

Pension Plans

- Plans report Town's Net Pension Liability (Asset) of \$113,345 at June 30, 2022 (2021 valuation)
 - PLD = (\$520,576)
 - Teachers = \$633,921
 - Funding has consistently been at or above Annually Required Contribution (ARC).
 - Significant impact of positive investment returns in 2021 valuation results. Expect changes in performance to impact 2022 valuation.

Other Post-Employment Benefits

- \$10,269,483 OPEB Liability
 - Obligation is satisfied on pay-as-you-go basis each year, with no assets set aside in dedicated OPEB Trust (not required)
 - Actuarial computations are highly dependent on long-term assumptions regarding healthcare costs

Findings, Recommendations

- Communication with Those Charged with Governance
- Still assessing observations and recommendations – will be reported in conjunction with Uniform Guidance compliance audit of federal awards

Questions?



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Thank You.





April 28, 2023

To: Town Council

From: Norman Kildow, Finance Director

Subject: Draft Financial Statements

Although the attached financial statements are in draft form, the numbers presented are in final form. The remaining items needed for a completed Annual Comprehensive Financial Report (ACFR) are finalizing Statements 1 and 2 along with the related Footnotes disclosures. All those items are very near completion.

TOWN OF SCARBOROUGH, MAINE
Balance Sheet
Governmental Funds
June 30, 2022

	General	Haigis Parkway Assessments	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,405,759	-	2,256,818	6,662,577
Investments	20,396,163	-	8,863,829	29,259,992
Receivables:				
Accounts, net	575,295	-	450,491	1,025,786
Intergovernmental	422,726	-	1,241,695	1,664,421
Taxes receivable	292,452	-	-	292,452
Tax liens	536,866	-	-	536,866
Interfund loans receivable	3,864,203	-	1,757,229	5,621,432
Tax acquired property	7,231	-	-	7,231
Inventory	15,379	-	50,316	65,695
Notes receivable	-	128,884	-	128,884
Total assets	\$ 30,516,074	128,884	14,620,378	45,265,336
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	4,219,219	-	734,657	4,953,876
Accrued payroll and other related liabilities	6,716,511	-	-	6,716,511
Interfund loans payable	-	2,809,462	2,811,970	5,621,432
Unearned revenues	81,851	-	1,776,578	1,858,429
Total liabilities	11,017,581	2,809,462	5,323,205	19,150,248
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	756,170	-	-	756,170
Total deferred inflows of resources	756,170	-	-	756,170
Fund balances:				
Nonspendable Permanent Fund Principal	-	-	204,168	204,168
Nonspendable Inventory	15,379	-	50,316	65,695
Restricted for Town	2,809,462	-	2,823,759	5,633,221
Restricted for Education	2,643,009	-	849,539	3,492,548
Committed - General Fund	567,204	-	-	567,204
Committed - Education	-	-	601,719	601,719
Committed - Special Revenues	-	-	5,195,330	5,195,330
Assigned - General Fund	1,745,508	-	-	1,745,508
Assigned - Education	1,030,000	-	-	1,030,000
Unassigned Town	9,931,761	(2,680,578)	(427,658)	6,823,525
Total fund balances	18,742,323	(2,680,578)	9,297,173	25,358,918
Total liabilities, deferred inflows of resources				
and fund balances	\$ 30,516,074	128,884	14,620,378	

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General	Haigis Parkway Assessments	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 78,871,472	-	917,851	79,789,323
Licenses and permits	1,228,531	-	-	1,228,531
Intergovernmental	15,799,234	-	5,463,603	21,262,837
Interest earned	2,628	17,263	(160,575)	(140,684)
Donations	-	-	302,394	302,394
Sale of lots	-	-	9,780	9,780
Assessments and impact fees	-	-	4,361,178	4,361,178
Other	5,661,769	-	2,375,368	8,037,137
Total revenues	101,563,634	17,263	13,269,599	114,850,496
Expenditures:				
Current:				
General government	7,724,048	-	-	7,724,048
Public services	5,569,316	-	-	5,569,316
Public safety	13,169,023	-	-	13,169,023
Public works	7,079,988	-	-	7,079,988
Education	58,436,736	-	5,707,450	64,144,186
County tax	3,081,933	-	-	3,081,933
Debt service	6,361,083	-	-	6,361,083
Capital improvements	1,611,570	-	2,680,239	4,291,809
Other	-	-	4,046,825	4,046,825
Total expenditures	103,033,697	-	12,434,514	115,468,211
Deficiency of revenues over expenditures	(1,470,063)	17,263	835,085	(617,715)
Other financing sources (uses):				
Transfers in	2,368,095	162,350	1,178,970	3,709,415
Transfers out	(850,841)	(370,000)	(2,488,574)	(3,709,415)
Issuance of general obligation bonds	1,134,075	-	2,590,925	3,725,000
Premium received on general obligation bonds, net of issuance costs	651,252	-	-	651,252
Total other financing sources (uses)	3,302,581	(207,650)	1,281,321	4,376,252
Net change in fund balances	1,832,518	(190,387)	2,116,406	3,758,537
Fund balances (deficit), beginning of year (as restated)	16,909,805	(2,490,191)	7,180,767	21,600,381
Fund balances (deficit), end of year	\$ 18,742,323	(2,680,578)	9,297,173	25,358,918

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, 2022

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 78,720,352	78,720,352	78,871,472	151,120
Licenses and permits	1,059,900	1,059,900	1,228,531	168,631
Intergovernmental	11,442,460	11,442,460	11,608,128	165,668
Interest earned	125,000	125,000	2,628	(122,372)
Unclassified	6,941,527	6,941,527	6,826,769	(114,758)
Total revenues	98,289,239	98,289,239	98,537,528	248,289
Expenditures:				
Current:				
General government	7,800,178	7,800,178	7,712,475	87,703
Public services	5,799,275	5,799,275	5,569,316	229,959
Public safety	13,874,448	13,874,448	13,169,023	705,425
Public works	7,453,945	7,453,945	7,079,988	373,957
Education	55,866,156	55,866,156	54,245,630	1,620,526
County tax	3,081,933	3,081,933	3,081,933	-
Debt service	6,482,918	6,482,918	6,361,083	121,835
Capital improvements	1,865,889	1,865,889	1,611,570	254,319
Total expenditures	102,224,742	102,224,742	98,831,018	3,393,724
Excess (deficiency) of revenues over expenditures	(3,935,503)	(3,935,503)	(293,490)	3,642,013
Other financing sources (uses):				
Transfers in	1,203,095	1,203,095	1,203,095	-
Transfers out	(210,225)	(210,225)	(862,414)	(652,189)
Utilization of surplus	1,157,306	1,157,306	-	(1,157,306)
General obligation bonds	1,134,075	1,134,075	1,134,075	-
Premium received on issued bonds	651,252	651,252	651,252	-
Total other financing sources (uses)	3,935,503	3,935,503	2,126,008	(1,809,495)
Net change in fund balances - budgetary basis			1,832,518	1,832,518
Fund balance, beginning of year (as restated)			16,909,805	
Fund balance, end of year	\$		18,742,323	

See accompanying notes to financial statements.

TOWN OF SCARBOROUGH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

		Private-purpose Trust Funds (Scholarships)
ASSETS		
Cash and cash equivalents	\$	-
Investments		213,129
Total assets		213,129
LIABILITIES		
Due to student groups		800
Total liabilities		800
NET POSITION		
Held in trust	\$	212,329

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TOWN OF SCARBOROUGH, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022

	Private-purpose Trust Funds (Scholarships)
Additions:	
Donations	\$ 700
Interest and dividends	(4,094)
Total additions	(3,394)
Deductions:	
School scholarships	1,750
Total deductions	1,750
Change in net position	(5,144)
Net position, beginning of year	217,473
Net position, end of year	\$ 212,329

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 (Town) 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 \$259,687, or 99% of total revenues, to SEDCO for the year ended June 30, 2022.

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 \$1,071,119 of operating or approximately 54% of total revenues, to the Library for the year ended June 30, 2022.

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 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 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 items that qualify 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 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 2023 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 the Town’s Operating Budget for the prior fiscal year and to not fall below 8.33% (or 1/12) of the Town’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

PROPERTY TAX

Property taxes for the current year were committed on August 12, 2021, 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, 2021 and 50% on March 15, 2022. 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, 2022 and the Town's value was 99% of the 2022 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 \$492,729 for the year ended June 30, 2022.

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, 2022 levy:

Assessed value	\$ 4,843,682,776
Tax rate (per \$1,000)	15.02
Commitment	72,782,155
Supplemental taxes assessed	4,744
	72,786,899
Less - collections and abatements	72,358,011
Receivable at June 30	428,888
Consisting of:	
Taxes	\$ 35,205
Liens	393,683
Receivable at June 30	\$ 428,888
Collection rate	99.4%

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, 2022, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$3,864,203	-
Haigis Parkway	-	2,809,462
Nonmajor Governmental Funds:		
Nonmajor Special Revenue Funds:		
Eastern Trail Alliance (Close the Gap)	261,907	-
Recreational development	376,181	-
Payne Road Impact Fees	7,188	-
Other Impact Fees	-	617,292
Rescue equipment	188,909	-
Police Asset Forfeiture	-	15,000
Credit Enhancement Agreements	-	10,324
School Categorical Programs	-	1,103,601
Fire Department Equipment	600	-
Departmental grants and programs	912,664	-
Total Nonmajor Special Revenue Funds	1,747,449	1,746,217
Nonmajor Capital Project Funds:		
General School Improvements	-	1,038
General Town Improvements	-	1,064,651
Total Nonmajor Capital Project Funds	-	1,065,689
Nonmajor Permanent Funds		
Scarborough Memorial Cemetery	9,780	-
Dunstan Perpetual Care	-	64
Total Permanent Funds	9,780	64
Total Other Governmental Funds	1,757,229	2,811,970
Total all funds	\$5,621,432	\$5,621,432

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, 2022, 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	\$ 2,368,095	\$ 850,841
Haigis Parkway Assessments	162,350	370,000
Nonmajor Governmental Funds	1,178,970	2,488,574
Total	\$3,709,415	\$3,709,415

TOWN OF SCARBOROUGH, MAINE
Notes to Financial Statements, Continued

BONDS PAYABLE

Bonds payable at June 30, 2022 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%	3.00%	2023	\$ 3,520,000
2013 Capital improvements	25,685,000	20.22%	79.78%	-	5.00%	2024	1,480,000
2014 Capital improvements	6,505,000	53.30%	46.70%	-	3.00%-4.00%	2034	2,100,000
2015 Capital improvements	6,085,000	91.21%	8.79%	-	2.00%-4.00%	2035	3,075,000
2016 Capital improvements	7,540,000	94.34%	5.66%	-	2.00%-4.00%	2036	2,950,000
2017 Capital improvements	2,755,000	67.14%	32.86%	-	3.00%-5.00%	2037	1,380,000
2018 Capital improvements	18,190,000	95.17%	4.83%	-	3.00%-5.00%	2048	15,385,000
2019 Capital improvements	7,380,000	91.54%	8.46%	-	3.00%-5.00%	2049	6,560,000
2020 Capital improvements	7,040,000	58.36%	41.64%	-	2.00%-5.00%	2041	6,295,000
2020A Capital improvements	2,855,000	96.57%	3.43%	-	2.25%-4.00%	2031	2,470,000
2020B Capital improvements	39,460,000	3.71%	96.29%	-	2.33%-4.00%	2043	39,115,000
2021 Capital Improvements	3,725,000	67.32%	32.68%	-	2.00%-5.00%	2042	3,725,000
Total							\$ 88,055,000

The annual requirements to amortize all debt outstanding as of June 30, 2022 are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 8,365,000	\$ 3,236,209	\$ 11,601,209
2024	6,895,000	2,942,384	9,837,384
2025	6,260,000	2,671,734	8,931,734
2026	6,115,000	2,412,909	8,527,909
2027	5,620,000	2,178,500	7,798,500
2028-2032	25,005,000	7,647,909	32,652,909
2033-2037	15,695,000	3,277,779	18,972,779
2038-2042	9,725,000	1,432,186	11,157,186
2043-2047	3,635,000	393,677	4,028,677
2048-2049	740,000	15,950	755,950
Totals	\$ 88,055,000	\$26,209,237	\$ 114,264,237

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

Litigation

There is no litigation threatened or pending as of June 30, 2022.

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 until the landfill until it reaches its capacity. As of June 30, 2022, the Town has used less than 25% of the landfill's total capacity. The estimated total current cost of landfill closure, \$1,000,000 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, 2022. Additionally, annual monitoring and maintenance costs are estimated to be \$5,000 per year.

The total closure and postclosure care costs of \$1,000,000 have been accrued in the statement of activities for the year ended June 30, 2022. The State of Maine may provide partial funding for certain closure costs; however, future funding is uncertain. 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, 2022, 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 six programs are currently presented in Exhibits A-1 and A-1 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, 2021</u>	<u>June 30, 2022</u>
Unemployment Compensation	\$ 103,365	\$ 181,857
HRA Deductible Plan	109,599	90,950
HRA Credit Plan	29,740	28,783
Hurd Park and Ferry Beach	285,282	245,528
Hunnewell House	<u>20,414</u>	<u>20,086</u>
Total reclassification	<u>\$ 582,600</u>	<u>\$ 567,204</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, 2022:

	General Fund	Haigis Parkway Assessment	Nonmajor Governmental
Fund Balances:			
Nonspendable-Permanent Funds	\$ -	\$ -	\$ 204,168
Nonspendable-Inventory	15,379	-	50,316
	<u>15,379</u>	<u>-</u>	<u>254,484</u>
Restricted			
Permanent Fund Interest	-	-	98,264
Deficits in Other Funds (Haigis Parkway)	2,809,462	-	-
Credit Enhancement Agreements	-	-	93,651
Eastern Trail Alliance (Close the Gap)	-	-	449,397
Grants and Donations	-	-	1,976,034
Fire Department Equipment	-	-	33,746
Police Asset Forfeiture	-	-	172,307
Education	2,643,009	-	849,539
	<u>5,452,471</u>	<u>-</u>	<u>3,673,298</u>
Committed			
Unemp. Comp/Beach Reserve/Hunnewell	447,471	-	-
HRA Deductible/Credit Plans	119,733	-	-
Impact Fees/Reserves	-	-	5,395,792
Education	-	-	601,719
	<u>567,204</u>	<u>-</u>	<u>5,797,049</u>
Assigned			
Carryforward Balances/Encumbrances	1,745,508	-	-
Education	1,030,000	-	-
	<u>2,775,508</u>	<u>-</u>	<u>-</u>
Unassigned	9,931,761	(2,680,578)	(427,658)
Total Fund Balances	<u>\$18,742,323</u>	<u>\$(2,680,578)</u>	<u>\$ 9,297,173</u>

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, 2022
(with comparative totals for June 30, 2021)

	2021 carryforward	2022		Actual	Variance positive (negative)	2021 Actual
		Budget	Total Available			
Revenues:						
Taxes:						
Property taxes	\$ -	71,392,305	71,392,305	71,347,443	(44,862)	69,028,705
Change in deferred property tax revenue	-	-	-	81,276	81,276	80,124
Excise taxes	-	7,030,000	7,030,000	7,163,126	133,126	7,174,929
Cable franchise tax	-	219,000	219,000	222,411	3,411	229,665
Interest and costs on taxes	-	79,047	79,047	57,216	(21,831)	79,210
Total taxes	-	78,720,352	78,720,352	78,871,472	151,120	76,592,633
Licenses and permits:						
Plumbing fees	-	45,000	45,000	49,775	4,775	45,623
Fees and Permits	-	218,350	218,350	195,830	(22,520)	233,233
Building permits	-	625,000	625,000	794,294	169,294	738,067
Electrical permits	-	70,000	70,000	92,562	22,562	100,384
Zoning Board of Appeals	-	7,000	7,000	4,605	(2,395)	6,250
License plate fees	-	69,550	69,550	91,465	21,915	94,367
Subdivision fees	-	25,000	25,000	-	(25,000)	(150,959)
Total licenses and permits	-	1,059,900	1,059,900	1,228,531	168,631	1,066,965
Intergovernmental:						
Education state subsidies	-	4,903,083	4,903,083	5,477,071	573,988	4,032,961
FEMA/MEMA reimbursement	-	-	-	-	-	65,175
Federal HIDTA revenues	-	245,000	245,000	269,548	24,548	234,934
State Revenue Sharing	-	2,950,000	2,950,000	3,060,007	110,007	1,839,811
Homestead exemption	-	1,394,418	1,394,418	1,394,418	-	1,335,625
Business equipment tax exemption	-	786,133	786,133	786,591	458	604,540
LRAP (Local Road Assistance Program)	-	309,920	309,920	318,948	9,028	309,920
ecomaine payment in lieu of taxes	-	71,450	71,450	71,429	(21)	71,429
General assistance reimbursement	-	57,750	57,750	43,055	(14,695)	78,010
Adult education State subsidies	-	36,969	36,969	48,979	12,010	47,886
Other Federal and State revenues - School	-	60,000	60,000	-	(60,000)	18,405
Other Intergovernmental revenues - Town	-	627,737	627,737	138,082	(489,655)	609,259
Total intergovernmental	-	11,442,460	11,442,460	11,608,128	165,668	9,247,955
Interest earned	-	125,000	125,000	2,628	(122,372)	177,290
Unclassified:						
School Department miscellaneous	-	263,000	263,000	251,148	(11,852)	131,049
Adult education	-	47,189	47,189	43,294	(3,895)	26,543
Community services	-	2,261,725	2,261,725	1,824,394	(437,331)	1,373,554
Insurance reimbursements	-	55,000	55,000	162,969	107,969	184,208
Public Violations	-	94,700	94,700	99,782	5,082	122,618
Special duty police/fire	-	88,500	88,500	122,698	34,198	57,279
Inspection/review fees	-	192,200	192,200	204,410	12,210	351,501
Rescue donations	-	1,150,000	1,150,000	1,150,000	-	1,250,000
Rental/Lease income	-	149,189	149,189	140,568	(8,621)	118,317
Sale of Town-owned property	-	113,832	113,832	28,125	(85,707)	86,668
Salary reimbursement	-	1,446,722	1,446,722	1,652,998	206,276	1,211,617
Vehicle fuel reimbursement	-	327,220	327,220	359,393	32,173	297,960
Vehicle maintenance reimbursement	-	592,050	592,050	530,303	(61,747)	524,239
Miscellaneous	-	160,200	160,200	256,687	96,487	181,173
Total unclassified	-	6,941,527	6,941,527	6,826,769	(114,758)	5,916,726
Total revenues	-	98,289,239	98,289,239	98,537,528	248,289	93,001,569

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

	2022					
	2021 carryforward	Budget	Total available	Actual	Variance positive (negative)	2021 Actual
Expenditures:						
Current:						
General government:						
Town Council	\$ -	11,573	11,573	10,875	698	11,572
Administration	-	504,232	504,232	499,508	4,724	455,925
Town Clerk	-	267,281	267,281	271,491	(4,210)	270,195
General government	10,000	141,635	151,635	157,995	(6,360)	116,660
Legal	-	113,000	113,000	154,361	(41,361)	127,197
Human resources	1,250	304,633	305,883	295,123	10,760	304,869
Risk management	-	955,118	955,118	1,022,053	(66,935)	1,037,526
Personnel benefits	-	437,621	437,621	860,324	(422,703)	598,151
Public information	-	500	500	-	500	-
Municipal Building	121,011	416,778	537,789	485,240	52,549	408,201
Oak Hill Professional Bldg	9,500	33,846	43,346	31,284	12,062	24,145
Alger Building	-	25,400	25,400	8,727	16,673	4,294
Public Safety Building	5,883	197,439	203,322	195,160	8,162	97,498
Finance	9,750	438,326	448,076	403,062	45,014	394,831
Taxation/Treasury	-	473,152	473,152	460,691	12,461	407,128
Assessing	-	398,680	398,680	366,977	31,703	318,027
Management information systems	30,209	1,592,423	1,622,632	1,452,876	169,756	1,323,926
Planning	64,426	1,224,012	1,288,438	1,036,728	251,710	1,025,273
Outside agencies	-	12,500	12,500	-	12,500	12,500
Total general government	252,029	7,548,149	7,800,178	7,712,475	87,703	6,937,918
Public services:						
Library	6,218	1,071,119	1,077,337	1,071,119	6,218	1,132,963
Public health and welfare	-	105,813	105,813	97,571	8,242	140,995
Tax Rebates (Credit Enhancement Agree)	-	1,453,940	1,453,940	1,404,357	49,583	1,241,479
Economic Development Corporation	-	258,326	258,326	259,687	(1,361)	239,900
Community services	-	2,903,859	2,903,859	2,736,582	167,277	1,960,765
Total public services	6,218	5,793,057	5,799,275	5,569,316	229,959	4,716,102
Public safety:						
Fire Department	13,777	4,129,951	4,143,728	4,152,782	(9,054)	3,863,935
Emergency Management	-	42,925	42,925	-	42,925	108,287
Emergency Medical Services	-	2,033,620	2,033,620	2,109,243	(75,623)	1,770,268
Marine resources/coop	12,071	118,476	130,547	-	130,547	68,146
Police Department	70,101	7,453,527	7,523,628	6,906,998	616,630	6,776,118
Total public safety	95,949	13,778,499	13,874,448	13,169,023	705,425	12,586,754
Public works:						
Public Works Department	40,940	3,368,445	3,409,385	3,831,681	(422,296)	2,872,510
GIS/Engineering services	-	119,182	119,182	129,389	(10,207)	98,331
Vehicle maintenance	-	1,934,628	1,934,628	1,335,523	599,105	1,658,935
Water charges	-	261,500	261,500	86,485	175,015	244,410
Street lighting	-	36,500	36,500	57,457	(20,957)	28,311
Traffic signals	-	109,600	109,600	86,351	23,249	87,707
Cemetery care	-	18,100	18,100	44,232	(26,132)	20,148
Memorials	-	8,600	8,600	1,609	6,991	4,327
Shade trees	-	2,000	2,000	3,610	(1,610)	2,400
Solid waste program	-	1,554,450	1,554,450	1,503,651	50,799	1,462,625
Total public works	40,940	7,413,005	7,453,945	7,079,988	373,957	6,479,704
Education:						
Adult education	-	179,639	179,639	147,602	32,037	123,616
Regular instruction	-	34,409,226	34,409,226	33,309,785	1,099,441	31,299,704
Improvement of instruction	-	923,657	923,657	802,517	121,140	841,736
Special services	3,502	5,211,216	5,214,718	5,089,792	124,926	4,593,031
General & special administration	-	289,513	289,513	276,586	12,927	268,323
Board of education	-	44,418	44,418	32,472	11,946	39,967
Office of the superintendent	-	833,420	833,420	798,773	34,647	689,074
Business administration	-	2,362,777	2,362,777	2,276,730	86,047	2,254,468
Transportation	-	1,880,687	1,880,687	1,824,217	56,470	1,385,287
Operation and maintenance of plant	-	4,190,725	4,190,725	4,175,748	14,977	3,881,226
Debt service	-	5,537,376	5,537,376	5,511,408	25,968	5,144,472
Total education	3,502	55,862,654	55,866,156	54,245,630	1,620,526	50,520,904

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

	2022					
	2021 carryforward	Budget	Total available	Actual	Variance positive (negative)	2021 Actual
Expenditures, continued:						
Current, continued:						
County tax	\$ -	3,081,933	3,081,933	3,081,933	-	3,188,519
Debt service (excluding education):						
Principal	-	4,781,991	4,781,991	4,729,834	52,157	4,903,293
Interest and other costs	-	1,700,927	1,700,927	1,631,249	69,678	1,768,393
Total debt service	-	6,482,918	6,482,918	6,361,083	121,835	6,671,686
Capital improvements	325,889	1,540,000	1,865,889	1,611,570	254,319	1,336,203
Total expenditures	724,527	101,500,215	102,224,742	98,831,018	3,393,724	92,437,790
Excess (deficiency) of revenues over expenditures	(724,527)	(3,210,976)	(1,935,503)	(293,490)	3,642,013	563,779
Other financing sources (uses):						
Transfers in	-	1,203,095	1,203,095	1,203,095	-	982,977
Transfers out	-	(210,225)	(210,225)	(862,414)	(652,189)	(874,808)
General obligation bonds	-	1,134,075	1,134,075	1,134,075	-	-
Refunding bonds issued	-	-	-	-	-	42,315,000
Premium received on refunded bonds, net of issuance costs	-	-	-	-	-	5,659,676
Premium received on issued bonds, net of issuance costs	-	651,252	651,252	651,252	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	(47,974,676)
Overlay	-	-	-	-	-	(4,254)
Total other financing sources (uses)	-	2,778,197	2,778,197	2,126,008	(652,189)	103,915
Net change in fund balances - budgetary basis	(724,527)	(432,779)	(1,157,306)	1,832,518	2,989,824	667,694
Utilization of prior year surplus and carrying balances	724,527	432,779	1,157,306	-	(1,157,306)	-
Total Utilization of Fund Balance and Carry forwards	-	-	-	1,832,518	1,832,518	667,694
Fund balances, beginning of year (as restated)				16,909,805		15,082,960
Restatement						1,159,151
Fund balances, end of year				18,742,323		16,909,805

TOWN OF SCARBOROUGH, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,769,800	487,018	-	2,256,818
Investments	8,275,812	294,941	293,076	8,863,829
Intergovernmental receivable	1,241,695	-	-	1,241,695
Accounts receivable	450,491	-	-	450,491
Interfund loans	1,747,449	-	9,780	1,757,229
Inventory	50,316	-	-	50,316
Total assets	\$ 13,535,563	781,959	302,856	14,620,378
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	614,243	120,414	-	734,657
Interfund loans	1,746,217	1,065,689	64	2,811,970
Unearned revenues	1,776,578	-	-	1,776,578
Total liabilities	4,137,038	1,186,103	64	5,323,205
Fund balances (deficit):				
Nonspendable trust principal	-	-	204,168	204,168
Nonspendable inventory	50,316	-	-	50,316
Restricted for Town	2,725,135	-	98,624	2,823,759
Restricted for Education	849,539	-	-	849,539
Committed for Town	5,195,330	-	-	5,195,330
Committed for Education	601,719	-	-	601,719
Unassigned for Town	(23,514)	(404,144)	-	(427,658)
Total fund balances (deficit)	9,398,525	(404,144)	302,792	9,297,173
Total liabilities and fund balances	\$ 13,535,563	781,959	302,856	14,620,378

TOWN OF SCARBOROUGH, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 5,463,603	-	-	5,463,603
Contributions	302,394	-	-	302,394
Taxes	-	917,851	-	917,851
Assessments and impact fees	4,361,178	-	-	4,361,178
Sale of lots	-	-	9,780	9,780
Other revenue	2,330,867	44,501	-	2,375,368
Interest revenue	(155,232)	294	(5,637)	(160,575)
Total revenues	12,302,810	962,646	4,143	13,269,599
Expenditures:				
Current:				
Capital expenditures	1,033,634	1,646,605	-	2,680,239
Education	4,055,146	1,652,304	-	5,707,450
Other	4,046,761	-	64	4,046,825
Total expenditures	9,135,541	3,298,909	64	12,434,514
Excess (deficiency) of revenues over expenditures	3,167,269	(2,336,263)	4,079	835,085
Other financing sources (uses):				
Transfers in	219,035	959,935	-	1,178,970
Transfers out	(2,167,625)	(320,949)	-	(2,488,574)
Premium received on issued bonds, net of issuance costs	-	-	-	-
General Obligation Bonds	-	2,590,925	-	2,590,925
Total other financing sources (uses)	(1,948,590)	3,229,911	-	1,281,321
Net change in fund balances	1,218,679	893,648	4,079	2,116,406
Fund balances, beginning of year	8,179,846	(1,297,792)	298,713	7,180,767
Fund balances, end of year	\$ 9,398,525	(404,144)	302,792	9,297,173

TOWN OF SCARBOROUGH, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022

	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	\$ -	-	33,985	-	-	-	313,764
Investments	-	103,975	-	187,490	26,414	75,125	2,124,664
Intergovernmental receivable	-	-	16,437	-	-	-	-
Accounts receivable	-	-	1,301	-	-	-	-
Interfund loans receivable	376,181	-	-	261,907	-	-	7,188
Inventory	-	-	3,918	-	-	-	-
Total assets	\$ 376,181	103,975	55,641	449,397	26,414	75,125	2,445,616
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	8,620	-	-	-	3,122
Interfund loans payable	-	10,324	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	-	10,324	8,620	-	-	-	3,122
Fund balances:							
Nonspendable	-	-	3,918	-	-	-	-
Restricted	-	93,651	-	449,397	-	-	-
Committed	376,181	-	43,103	-	26,414	75,125	2,442,494
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	376,181	93,651	47,021	449,397	26,414	75,125	2,442,494
Total liabilities and fund balances	\$ 376,181	103,975	55,641	449,397	26,414	75,125	2,445,616

	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	-	-	-	-	5,676	1,103,715	312,660	1,769,800
Investments	2,577,401	187,307	61,727	33,146	2,898,563	-	-	8,275,812
Intergovernmental receivable	-	-	-	-	-	1,095,050	130,208	1,241,695
Accounts receivable	-	-	-	-	449,190	-	-	450,491
Interfund loans receivable	-	-	188,909	600	912,664	-	-	1,747,449
Inventory	-	-	-	-	-	-	46,398	50,316
Total Assets	2,577,401	187,307	250,636	33,746	4,266,093	2,198,765	489,266	13,535,563
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	-	199	-	492,014	68,677	41,611	614,243
Interfund loans payable	617,292	15,000	-	-	-	1,103,601	-	1,746,217
Unearned revenues	-	-	-	-	1,776,578	-	-	1,776,578
Total Liabilities	617,292	15,000	199	-	2,268,592	1,172,278	41,611	4,137,038
Fund balances:								
Nonspendable	-	-	-	-	-	-	46,398	50,316
Restricted	-	172,307	-	33,746	1,976,034	849,539	-	3,574,674
Committed	1,960,109	-	250,437	-	21,467	200,462	401,257	5,797,049
Unassigned	-	-	-	-	-	(23,514)	-	(23,514)
Total fund balances (deficit)	1,960,109	172,307	250,437	33,746	1,997,501	1,026,487	447,655	9,398,525
Total liabilities and fund balances	2,577,401	187,307	250,636	33,746	4,266,093	2,198,765	489,266	13,535,563

TOWN OF SCARBOROUGH, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

	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	-	(1,289)	-	(3,770)	(507)	(1,441)	(40,168)
Contributions	-	-	261,794	-	-	-	-
Other	-	-	-	-	-	-	-
Assessments and impact fees	116,250	1,369,090	-	-	-	-	15,200
Total revenues	116,250	1,367,801	261,794	(3,770)	(507)	(1,441)	(24,968)
Expenditures:							
Construction and acquisitions	22,509	-	-	17,761	-	-	-
Education	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-
Other	-	1,379,414	259,795	-	-	-	-
Total expenditures	22,509	1,379,414	259,795	17,761	-	-	-
Excess (deficiency) of revenues over expenditures	93,741	(11,613)	1,999	(21,531)	(507)	(1,441)	(24,968)
Other financing sources (uses):							
Transfers in	-	34,397	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	34,397	-	-	-	-	-
Net change in fund balances	93,741	22,784	1,999	(21,531)	(507)	(1,441)	(24,968)
Fund balances (deficit), beginning of year	282,440	70,867	45,022	470,928	26,921	76,566	2,467,462
Fund balances (deficit), end of year	\$ 376,181	93,651	47,021	449,397	26,414	75,125	2,442,494

	Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	Totals
Revenues:								
Intergovernmental	-	-	-	-	1,280,029	1,924,492	2,259,082	5,463,603
Interest earned	(48,921)	(3,594)	(1,181)	(636)	(53,725)	-	-	(155,232)
Contributions	-	-	-	6,565	-	34,035	-	302,394
Other	736,196	-	-	-	636,690	748,489	209,492	2,330,867
Assessments and impact fees	-	-	2,860,638	-	-	-	-	4,361,178
Total revenues	687,275	(3,594)	2,859,457	5,929	1,862,994	2,707,016	2,468,574	12,302,810
Expenditures:								
Construction and acquisitions	-	3,652	-	-	989,712	-	-	1,033,634
Education	-	-	-	-	-	2,024,763	2,030,383	4,055,146
Benefits paid	-	-	-	-	76,703	-	-	76,703
Other	-	-	1,190,201	-	495,161	645,487	-	3,970,058
Total expenditures	-	3,652	1,190,201	-	1,561,576	2,670,250	2,030,383	9,135,541
Excess (deficiency) of revenues over expenditures	687,275	(7,246)	1,669,256	5,929	301,418	36,766	438,191	3,167,269
Other financing sources (uses):								
Transfers in	-	-	-	-	132,491	52,147	-	219,035
Transfers out	(655,285)	(15,000)	(1,150,000)	-	(347,340)	-	-	(2,167,625)
Total other financing sources (uses)	(655,285)	(15,000)	(1,150,000)	-	(214,849)	52,147	-	(1,948,590)
Net change in fund balance	31,990	(22,246)	519,256	5,929	86,569	88,913	438,191	1,218,679
Fund balance (deficit), beginning of year	1,928,119	194,553	(268,819)	27,817	1,910,932	937,574	9,464	8,179,846
Fund balance (deficit), end of year	1,960,109	172,307	250,437	33,746	1,997,501	1,026,487	447,655	9,398,525

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, 2022

	Fund balances beginning of year	Revenues		Program expenditures	Transfers In/(Out)	Fund balances end of year
		Grants	Other			
Federal education grant programs:						
NCLB/Title IA	\$ -	137,772	-	137,772	-	-
NCLB/Title IIA	-	66,942	-	66,942	-	-
NCLB/Title IID	-	-	-	-	-	-
Title III	-	-	-	-	-	-
NCLB/Title IVA	-	137	-	137	-	-
ESSER I Funds	-	58,317	-	58,317	-	-
ESSER III Funds	(24,260)	380,424	-	379,678	-	(23,514)
CRF #1 Funds	(324)	324	-	-	-	-
Local Entitlement	(52,147)	752,407	-	752,407	52,147	-
ARP IDEA/Pre-K	-	85,446	-	85,446	-	-
Preschool handicapped	-	11,660	-	11,660	-	-
Total federal education grant programs	(76,731)	1,493,429	-	1,492,359	52,147	(23,514)
Other State grant programs:						
PEPG Grant	588	-	-	-	-	588
Scarborough Education Foundation	25,555	-	10,996	12,698	-	23,853
Finberg Trust	136,743	-	-	-	-	136,743
Other Donations	30,331	-	10,109	8,502	-	31,938
Proficiency Based Graduation	3,083	-	-	-	-	3,083
Technology Maintenance Fees	64,338	-	605	60,452	-	4,491
School Nutrition Special Programs	6,886	-	2,550	11,003	-	(1,567)
Student Activity Funds	746,537	-	748,489	645,487	-	849,539
CC Admin Certification	244	-	9,775	8,686	-	1,333
MLTI State Grant	-	-	83,150	83,150	-	-
Total other state grant programs	1,014,305	-	865,674.00	829,978.00	-	1,050,001
Total school categorical programs	\$ 937,574	1,493,429	865,674	2,322,337	52,147	1,026,487

TOWN OF SCARBOROUGH, MAINE
Nonmajor Capital Project Fund
Balance Sheet
June 30, 2022

	General School Improvements	General Town Improvements	Totals
ASSETS			
Cash and cash equivalents	\$ 269,268	217,750	487,018
Investments	96,651	198,290	294,941
Total assets	\$ 365,919	416,040	781,959
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	76,149	44,265	120,414
Interfund loans payable	1,038	1,064,651	1,065,689
Total liabilities	77,187	1,108,916	1,186,103
Fund balance (deficit):			
Unassigned	288,732	(692,876)	(404,144)
Total fund balance (deficit)	288,732	(692,876)	(404,144)
Total liabilities and fund balance	\$ 365,919	416,040	781,959

TOWN OF SCARBOROUGH, MAINE
Nonmajor Capital Project Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2022

	General School Improvements	General Town Improvements	Totals
Revenues:			
Taxes	\$ 655,351	262,500	917,851
Interest earned	197	97	294
Other	-	44,501	44,501
Total revenues	655,548	307,098	962,646
Expenditures:			
Capital Improvements	1,652,304	1,646,605	3,298,909
Total expenditures	1,652,304	1,646,605	3,298,909
Excess (deficiency) of revenues over expenditures	(96,756)	(1,339,507)	(2,336,263)
Other financing sources (uses):			
Transfers in	600,041	359,894	959,935
Transfers out	(1,079)	(319,870)	(320,949)
Proceeds of general obligation bonds	1,247,280	1,343,645	2,590,925
Total other financing sources (uses)	1,846,242	1,383,669	3,229,911
Net change in fund balance	849,486	44,162	893,648
Fund balance (deficit), beginning of year	(560,754)	(737,038)	(1,297,792)
Fund balance (deficit), end of year	\$ 288,732	(692,876)	(404,144)

TOWN OF SCARBOROUGH, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2022

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
ASSETS				
Investments	\$ 265,581	24,426	3,069	293,076
Interfund loans receivable	9,780	-	-	9,780
Total assets	\$ 275,361	24,426	3,069	302,856
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	-	64	-	64
Total liabilities	-	64	-	64
Fund balances:				
Nonspendable Principal	190,301	13,367	500	204,168
Restricted Expendable Income	85,060	10,995	2,569	98,624
Total fund balances	275,361	24,362	3,069	302,792
Total liabilities and fund balances	\$ 275,361	24,426	3,069	302,856

TOWN OF SCARBOROUGH, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
Revenues:				
Interest and dividends	\$ (5,107)	(470)	(60)	(5,637)
Sale of lots/perpetual care deposits	9,780	-	-	9,780
Total revenues	4,673	(470)	(60)	4,143
Expenditures:				
Earnings retained by General Fund	-	64	-	64
Total expenditures	-	64	-	64
Net change in fund balances	4,673	(534)	(60)	4,079
Fund balances, beginning of year	270,688	24,896	3,129	298,713
Fund balances, end of year	\$ 275,361	24,362	3,069	302,792

TOWN OF SCARBOROUGH, MAINE
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2022

	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														
Investments	\$ 1,061	91,647	92,504	191	12	1,159	7,990	331	2,407	11,037	1,302	363	3,125	213,129
Due from student groups	-	-	-	-	-	-	-	-	-	-	-	700	-	700
Total assets	\$ 1,061	91,647	92,504	191	12	1,159	7,990	331	2,407	11,037	1,302	1,063	3,125	213,829
LIABILITIES AND NET POSITION														
Liabilities:														
Due to student groups	-	-	-	-	-	-	1,500	-	-	-	-	-	-	1,500
Total liabilities	-	-	-	-	-	-	1,500	-	-	-	-	-	-	1,500
Net position:														
Nonspendable Principal	1,240	100,000	87,680	-	-	-	-	500	2,026	3,500	-	350	3,810	199,106
Restricted Interest	(179)	(8,353)	4,824	191	12	1,159	6,490	(169)	381	7,537	1,302	713	(685)	13,223
Total net position	1,061	91,647	92,504	191	12	1,159	6,490	331	2,407	11,037	1,302	1,063	3,125	212,329
Total liabilities and net position	\$ 1,061	91,647	92,504	191	12	1,159	7,990	331	2,407	11,037	1,302	1,063	3,125	213,829

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TOWN OF SCARBOROUGH, MAINE
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2022

	Shirley Grover Fund	Edith Warga Art Scholarship	Mary Campbell Pederson Fund	Packy McFarland Scholarship Fund	Roy Nelson Scholarship Fund	Daniel Trauchemontagne 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	\$ -	-	-	-	-	-	-	-	-	-	-	700	-	700
Interest and dividends	(21)	(1,759)	(1,777)	(3)	-	(22)	(153)	(6)	(47)	(214)	(25)	(7)	(60)	(4,094)
Total additions	(21)	(1,759)	(1,777)	(3)	-	(22)	(153)	(6)	(47)	(214)	(25)	693	(60)	(3,394)
Deductions:														
School scholarships	-	-	-	-	-	-	1,500	-	-	250	-	-	-	1,750
Total deductions	-	-	-	-	-	-	1,500	-	-	250	-	-	-	1,750
Changes in net position	(21)	(1,759)	(1,777)	(3)	-	(22)	(1,653)	(6)	(47)	(464)	(25)	693	(60)	(5,144)
Net position, beginning 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
Net position, end of year	\$ 1,061	91,647	92,504	191	12	1,159	6,490	331	2,407	11,037	1,302	1,063	3,125	212,329

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Scarborough Public Schools FY24 Budget Proposal



Town Council/School Board Budget Workshop

May 3, 2023

5:30 PM



School Budget Overview

Top priorities for K-12 budget development:

- ❑ Investments for compliance, mandates & safety that respond to current student needs and allow us to develop programming for incoming students
- ❑ Increasing access & inclusion efforts to address changing demographics and reduce learning gaps with specialized instruction
- ❑ Increasing literacy support, responding to student data with added general education and special services instruction
- ❑ Implementing targeted, developmentally appropriate social emotional learning curricula for grades K-8 to benefit both staff and students
- ❑ Collaborating with town leadership, the Board of Education, and Town Council to meet our facilities needs through the K-8 strategic project and new primary school



School Budget Overview

The FY24 school operating budget **reduces** FY23 funding:

- ❑ \$136,000 for personnel turnover & reallocation
- ❑ \$43,000 for contracted transportation
- ❑ \$35,000 for online and internet services
- ❑ \$22,000 for electricity and heating oil due to favorable contract pricing
- ❑ \$15,000 for projected unemployment costs per current job market



School Budget Overview

The FY24 school operating budget **proposes added** funding to:

- **Retain FY23 federal grant funded positions to maintain recommended class sizes, delivery of core curriculum and essential support services**
 - 3.0 Teacher positions (reduced from 4.0 positions in FY23)
 - 1.0 Guidance Counselor for K-2 schools
 - 0.5 Speech Pathologist for K-2 specialized instruction
 - Summer academies for targeted supplemental instruction



School Budget Overview

The FY24 school operating budget **proposes added** funding to:

- **Meet the needs of incoming Special Education students**
 - 4.0 additional Special Services Ed Tech 3 positions
 - ASL staff & services
- **Increase access & inclusion for our English Language Learners**
 - 1.0 ESL Teacher position
 - 2.0 ESL Ed Tech 3 positions
- **Increase literacy support & address learning gaps**
 - 1.0 Resource Room Teacher position at Middle School
 - 1.4 Literacy Support Ed Tech 3 positions at Wentworth
 - 0.5 K-2 Speech Pathologist (from part-time to full-time position)



Shared Services Town/School

Proposals for Expanded Shared Services

- ❑ Funding for Community Services Field Maintenance Workers (\$143,030 wages & benefits est. as of March 29)
- ❑ Contribution to dedicated vehicle for MS School Resource Officer (PD) (\$10,000 school share)

The budget proposal for School Board First Reading did not include these items because they must first be approved in the Town budget. The impact is shown in the Budget Book, and has been included in Town budget calculations.

Adjustments to the School Budget will be made for second reading.



FY24 Proposed School Budget Summary

Passed at School Board First Reading on March 16, 2023

Leadership Council's FY24 Budget Proposal	FY23 Approved Budget	FY24 Proposed Budget	\$ Change	% Change
General Fund Operating Budget	58,801,486	62,466,220	3,664,634	6.23%
Adult Education Budget	184,370	183,391	-979	-0.53%
School Nutrition Budget	2,041,000	2,327,692	286,692	14.05%
Total Education Budget	61,026,856	64,977,303	3,950,347	6.47%
Non-Tax Revenues	8,996,898	9,159,423	162,526	1.81%
Tax Request	52,029,958	55,817,879	3,787,821	7.28%



School Capital Budget

- Capital Equipment proposed budget is \$793,883
- Capital Projects proposed budget is \$139,662,700
 - Includes building project at \$137,500,000
- **Total Capital Improvements budget of \$140,456,583**
 - \$1,003,100 would be funded through local taxes



Adjustments since School Board First Reading

As we receive new information, we adjust budget estimates between first and second readings. Significant adjustments to date include:

- New State GPA (subsidy) revenue numbers released 3/28 - Scarborough allocation increased by \$1,554,635
 - New subsidy amount was included in Town Manager's presentation 3/29
- Further adjustment to GPA 4/28 - reduction of \$482,791 removing pre-K allocation
- Anthem premium rates received - increase of 3.7% vs. estimated 8% saves \$280,000
- Debt service projections decreased by \$157,000
- Facilities insurance and contracted services projections increased by \$136,000
- Energy & Fuel cost projections decreased by \$101,000

All adjustments are presented to the Board for review prior to Second Reading



FY24 Proposed School Budget Summary

Updated/Adjusted as of May 1, 2023 - adjustments will continue prior to Second Reading

Leadership Council's FY24 Budget Proposal	FY23 Approved Budget	FY24 Proposed Budget	\$ Change	% Change
General Fund Operating Budget	58,801,486	62,100,263	3,298,777	5.61%
Adult Education Budget	184,370	183,200	-1,170	-0.63%
School Nutrition Budget	2,041,000	2,313,735	272,735	13.36%
Total Education Budget	61,026,856	64,597,198	3,570,342	5.85%
Non-Tax Revenues	8,996,898	10,231,267	1,234,769	13.72%
Tax Request	52,029,958	54,365,931	2,335,973	4.49%



Questions and Discussion

