



TOWN OF
SCARBOROUGH, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2024

PREPARED BY THE FINANCE DEPARTMENT



TOWN OF SCARBOROUGH, MAINE

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"Eastern Trail Scarborough Marsh" by Gail Raymond

INTRODUCTION



TOWN OF
SCARBOROUGH, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED: JUNE 30, 2024



November 26, 2024

Distinguished Members of the Town Council and Citizens of the Town of Scarborough
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, 2024.

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.

Independent Auditor's Report

The Town Charter requires an annual financial audit by independent certified public accountants appointed by the Town Council. The basic financial statements and related notes have been audited by Marcum LLP, an independent firm of Certified Public Accountants. Marcum LLP concluded that there was a reasonable basis to render an unmodified opinion on the basic financial statements of the Town, concluding that the basic financial statements are fairly presented in conformity with U.S. GAAP. This audit is designed to meet the requirements of Government Auditing Standards and the Uniform Guidance.

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 (SEDCO) 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.

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

Budgetary Process and Controls

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. The General Fund has a legally adopted annual budget. The legal level of budgetary control (level at which expenditures may not exceed budget) is established at the Department level. 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.



ECONOMIC CONDITION AND FUTURE OUTLOOK

Nationally, inflation is down; the Federal Reserve cut interest rates; gasoline prices are down, and mortgage rates are down from their recent high. The job market is cooling, which has the potential to ease labor force shortages. The Federal Reserve Bank of Atlanta estimates US Real Gross Domestic Product (GDP) will increase by 2.4% for calendar 2024, using the GDPNow model. These are all positive characteristics of the national economy as we head into the fall of 2024. While there are still those who talk of a national recession (always six months away), the national GDP-Based Recession Indicator Index was 2.4% for the second quarter of 2024. Values of 67% or more indicate that the economy is in recession. In Maine, the state experienced a 2.4% population increase between 2020 and 2023. Maine outpaced New England (.3% annual increase) and the nation (1.0%). Maine remains attractive to new residents with our annual rate of total net migration at 8.2%, which ranks Maine as 9th in the US.

The average earnings per job are lower than the US as a whole; however, Maine's average earnings increased 4.2% in 2022 compared to the US with 1.7% increase. Maine's unemployment rate is a full percentage point below the national rate of 4% for May 2024. Total nonfarm payroll job estimates are up 9,300 jobs from May 2023 to May 2024. Over half of these new jobs are from the healthcare and social assistance categories.

Housing remains a challenge throughout the state with median sales prices continuing to rise. In May of 2024, the annual rate of change in the median sales price for the state was just over 8%. Between the first quarter of 2023 and the first quarter of 2024, the Federal Housing Finance Agency (FHFA) House Price Index showed Maine up 9.1% (10th in nation), compared to the US with 6.6%. The housing inventory is up 36% between May 2023 and May 2024, but the active listings are down 60% from May 2019.

Scarborough continues to be a substantial contributor to the State's economic base. Population is growing, buildings are going vertical, and retail sales are up. Scarborough is now the sixth most populous community in the State at 23,656 for July 2023. Interestingly, the Town is also ranked sixth in the state based on the annual average number of total wage and salary jobs in the State (16,981 jobs in 2023). Annual taxable retail sales in Scarborough reached \$803 Million for 2023, also ranked 6th in the state.

Between 2020 and 2023, Scarborough added 1,117 new wage and salary jobs, resulting in a 7.1% increase for this period. Within Cumberland County, only Westbrook and Portland added more jobs. Scarborough (7.1%) increased roughly the same percentage as the Cumberland County (7.65%) as a whole over the three-year period. Scarborough makes up just over 9% of Cumberland County jobs. Scarborough is third behind Portland and South Portland in terms of a percentage of Cumberland County jobs.

Scarborough's employment numbers are bolstered by the development at The Downs, which includes a new facility with over 100,000 square feet. Abbott manufacturing employment has leveled out post-COVID, with a reduction in the number of test kits needed nationwide.

Unemployment in Scarborough was 2.2% in 2023 and hovers around 2.2% in 2024. Cumberland County has 2.4% unemployment rate for 2023 while the state had a 2.6% rate. Scarborough's labor force is above the 2019 levels and reached just under 11,800 in 2023. In a year-over-year change from 2022 to 2023, Scarborough's labor force increased 1.9% compared to the state at 0.9% and the US at 1.7%.

In terms of residential building permits, Scarborough has produced its fair share of housing over the last few years. Since January 2020, 969 residential permits have been issued. Multifamily permits comprise



66% of the permits issued. These new housing units are contributing to the regional shortage of units, identified by the State of Maine. The increase in units provides opportunities for employees to live close to work and increases the available labor for Scarborough businesses. Even though we are building new units in Scarborough, the median price of units continues to go up. The average sales price of a unit in Scarborough was \$704,800 while the median price was \$651,000. In 2023, there were 283 units sold. In an estimate of housing units on the ground, produced by SEDCO, new units in Scarborough between July of 2020 and July 2024, comprise 14% of all new units built in Cumberland County. Population in Scarborough comprises 7.6% of population in 2023.

For new development, Scarborough continues to have a robust period of building. The Town now has 10.7 million square feet of nonresidential structures as of April 1, 2024. Activity at The Downs accounts for much of the new building with the completion of Costco and IDEXX. Costco opened in November of 2023; IDEXX opened in the second half of 2023. The Downs currently has a mixed-use building under construction, with the Allagash Brewing tasting room and a new surgery center for InterMed with all approvals in hand. The Downs will be focusing on the Downtown area of the development over the next several years, including new multifamily, restaurants, retail and office. Other notable development includes the Evergreen Credit Union's new building in Dunstan Corner area, the approval of Atlantic Federal Credit Union on Payne Road and the near completion of the Acura Dealership at the corner of Payne Road and Haigis Parkway.

A notable redevelopment example took place on Route One with the opening of Café Luna. The structure is all new in the footprint of a former antique store. The number of employers in Scarborough continues to increase. According to the Department of Labor, the Town is home to 1,374 wage and salary businesses. Since 2020, there are a total of 174 net new businesses in Town. And while we have many large employers, we are also home to a vital number of small businesses. Overall, the average number of employees for a Scarborough business was 12 in 2023.

A note about diversity is also in order when looking at the health of Scarborough. If you look at the top ten employers or the top ten taxpayers, you will see diversity. Our major employers include the public sector, retail, healthcare, manufacturing and senior care. These major employers make-up just over 3% of the Town's total wage and salary jobs, indicating a great deal of diversity. In terms of total employment, healthcare is our largest sector with nearly 22% of total employment.

Lastly, Scarborough continues to increase the total taxable value within the town. With the revaluation and the gains from new development, Scarborough was in a position to lower the property tax rate to \$10.93 for fiscal year (FY) 2025 from \$15.97 in FY 2024. This rate drops the FY 2024 rate by over 31%, thus making Scarborough very competitive when compared to other communities. Scarborough continues to benefit from favorable logistics, solid town management and strong investments, placing the Town in an enviable position as we head into FY 2025.

For the Future

One of the Town Council's 2023 goals was to conserve 30% of the Town's land by 2030, referred to as "30x30". Some key components of the 30x30 goal are determining how much of Scarborough is already conserved and where there are opportunities for conservation. The Town has begun the process of creating an Open Space Plan. An Open Space Plan will serve as a guide in identifying high priority properties to protect or acquire, as well as provide land stewardship guidance for existing open space lands, and will identify opportunities to expand connectivity between open spaces, neighborhoods, and trails. It will also

outline programs, ordinances, and partners that could be instrumental in securing the future of the properties. An Open Space Plan will also allow the Town to create an Open Space Impact Fee that developers would have to pay and those fees can be used for the purchase of land for public parks and open space. A source of funding the Town has available to them is the Land Acquisition Reserve Fund. This funding source was created in 2000 and is funded by voter approved bond measures. The Land Acquisition Reserve Fund was last supported by voter approval in 2019 for \$2.5 million. As of June 30, 2024, the 2019 authorization had been exhausted. In November 2024, Scarborough citizens voted to approve another \$6 million authorization to replenish the Land Acquisition Reserve Fund.

The Town's Vulnerability Assessment, which was included as part of Scarborough's Fiscal Year 2024 budget (approved in June 2023), is a crucial step in developing a comprehensive understanding of Town vulnerabilities and adaptation strategies to improve resiliency in the face of predicted environmental stressors, such as flood hazards and sea-level rise. Scarborough, like other coastal communities, is feeling the impacts of sea level rise, storm surge, and increased precipitation. Recent storms were devastating to residents, properties, and infrastructure, and point to the need to address the Town's most at-risk areas and infrastructure. Town-wide public meetings began in August 2024.

A Transportation Network Study will be conducted in calendar year 2024. The last Town-wide Transportation Study was completed in 2006. Over the past two decades, infrastructure, development patterns, and priorities have changed. The updated study will look at broad categories within Scarborough's transportation system. The goal is for this study to provide direction and focus for the Town's future capital spending related to traffic and transportation needs. Additional phases of study will focus on specific projects.

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.

FINANCIAL INFORMATION

Bond Rating

In their report dated September 15, 2023, Moody's Investors Service assigned and affirmed the Town an Aa3 rating on the Town's general obligation bonds. Standard and Poor's assigned and affirmed an AA+ rating with a stable outlook on September 19, 2023.

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 2024 value by \$154,406,300 from 2023. For the 2024 tax year, the valuation was \$5,142,583,176 (net of State Property Stabilization Program of \$113,739,762) compared to the 2023 valuation of \$4,988,176,876.



The Town has experienced consistent growth in total valuation, adding nearly one billion dollars of additional valuation over the last five years.

Scarborough Tax-Base Breakdown FY20 - FY24

	Taxable Assessed Value					Total	Total
	Residential	Commercial	Industrial	Personal Prop	Total Taxable	Residential	Non-Residential
FY20 (4/1/2019)	3,624,026,500	774,495,976	178,582,300	119,356,600	4,696,461,376	3,624,026,500	1,072,434,876
% of Total	77.2%	16.5%	3.8%	2.5%		77.2%	22.8%
FY21 (4/1/2020)	3,621,912,300	814,980,776	178,159,600	112,178,300	4,727,230,976	3,621,912,300	1,105,318,676
% of Total	76.6%	17.2%	3.8%	2.4%		76.6%	23.4%
FY22 (4/1/2021)	3,699,245,300	841,175,876	195,189,400	110,072,200	4,845,682,776	3,699,245,300	1,146,437,476
% of Total	76.3%	17.4%	4.0%	2.3%		76.3%	23.7%
FY23 (4/1/2022)	3,776,715,000	883,636,376	217,166,800	110,658,700	4,988,176,876	3,776,715,000	1,211,461,876
% of Total	75.7%	17.7%	4.4%	2.2%		75.7%	24.3%
FY24 (4/1/2023)	3,847,211,900	937,189,576	247,722,500	110,459,200	5,142,583,176	3,847,211,900	1,295,371,276
% of Total	74.8%	18.2%	4.8%	2.1%		74.8%	25.2%

The Town has consistently high property tax collections, with a collection rate of 98.9% in FY24.

OTHER INFORMATION

Awards

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, 2023. This is the nineteenth 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.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance Revenue and Accounting staff. 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 Marcum LLP for their efforts and guidance during this engagement.

Norman E. Kildow, CPA, MBA, CPFO
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Scarborough
Maine**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

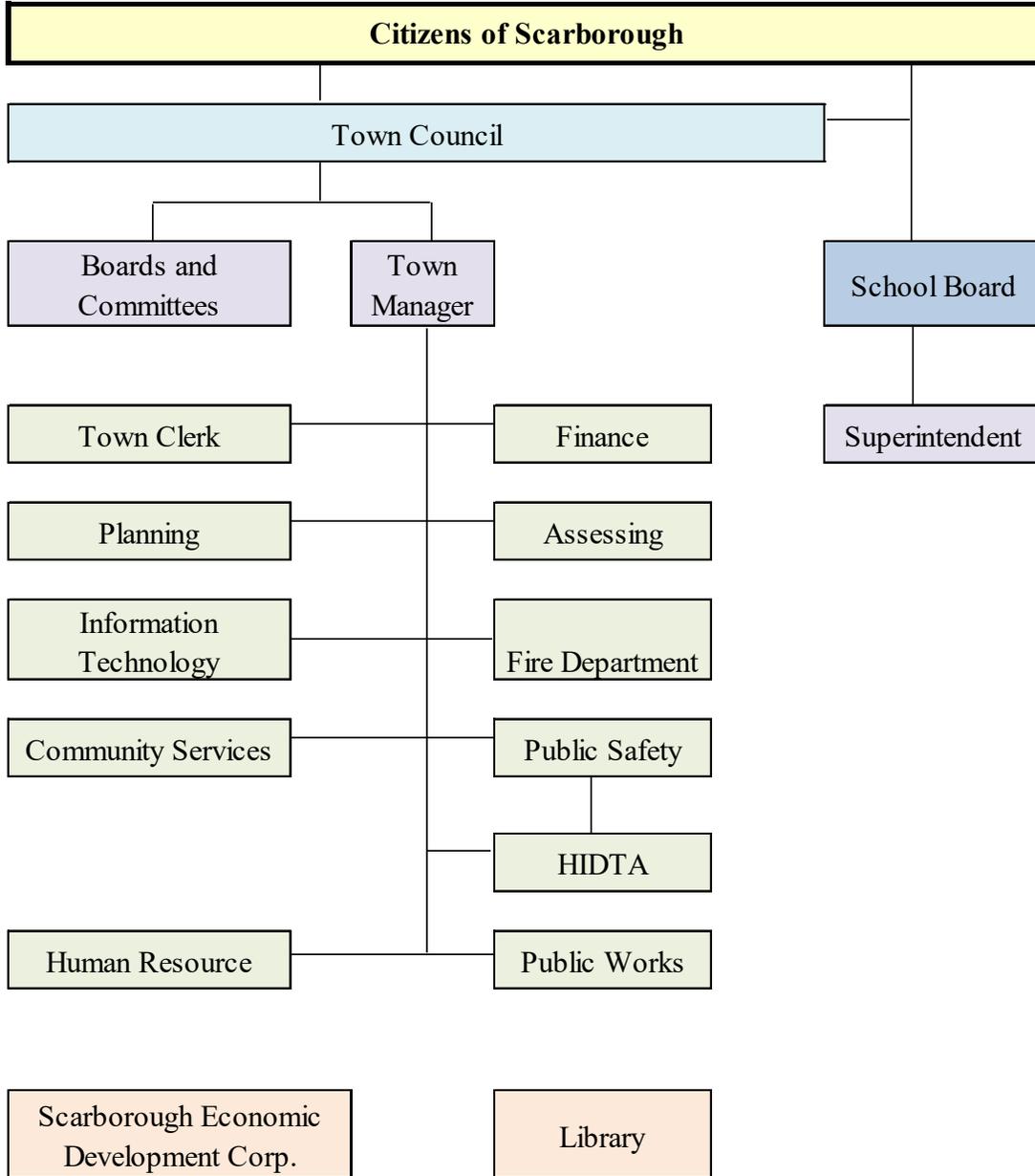
June 30, 2023

Christopher P. Morill

Executive Director/CEO

Town of Scarborough, Maine

Organizational Chart



Principal Executive Officers 2023-2024

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:	Donald Hamill	Elected – 3 Year Term	11/2024	
	Karen Shupe	Elected - 3 Year Term	11/2025	
	Nick McGee - Chair	Elected - 3 Year Term	11/2024	
	April Sither – Vice Chair	Elected - 3 Year Term	11/2025	
	Jonathan Anderson	Elected - 3 Year Term	11/2026	
	Donald Cushing	Elected - 3 Year Term	11/2026	
	Jean-Marie Caterina	Elected - 3 Year Term	11/2026	
Municipal Employees:				
Town Manager	Thomas J. Hall	Appointed - 3 Year Term	12/31/2026	
Assistant Town Manager	Liam Gallagher	Appointed/Indefinite	N/A	
Town Clerk/Registrar of Voters	Yolande P. Justice	Appointed/Indefinite	N/A	
Chief of Police	Mark Holmquist	Appointed/Indefinite	N/A	
Fire Chief	Rich Kindelan	Appointed/Indefinite	N/A	
Finance Director	Norman E. Kildow	Appointed/Indefinite	N/A	
Treasurer	Jennifer Lord	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	Douglas Howard	Appointed/Indefinite	N/A	
Town Planner	Autumn Speer	Appointed/Indefinite	N/A	
Assistant Town Planner	Eric Sanderson	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:	Jillian Trapini-Huff	Elected - 3 Year Term	06/2025	
	John Kelleher, III	Elected - 3 Year Term	06/2025	
	Jenna Leong	Elected - 3 Year Term	06/2025	
	Frayla Tarpinian – Vice Chair	Elected - 3 Year Term	06/2026	
	Carolyn Gammon	Elected - 3 Year Term	06/2026	
	Shannon Lindstrom - Chair	Elected - 3 Year Term	06/2028	
	Alissa Peterson	Elected - 3 Year Term	06/2028	
Superintendent of Schools	Geoff Bruno	Appointed – 3 Year Term	06/30/2024	
	Diane Nadeau	Appointed – 3 Year Term	06/30/2027	
	Asst. Superintendent of Schools	Raymond Grogan	Appointed/Indefinite	N/A
	Director of Business and Finance	Kate Bolton	Appointed/Indefinite	N/A
	Director of Curriculum and Assessment	Katie Vetro	Appointed/Indefinite	N/A
	Director of Special Services	Christopher Rohde	Appointed/Indefinite	N/A
	Federal Project Administrators:	Katie Vetro	Appointed/Indefinite	N/A
		Kate Bolton	Appointed/Indefinite	N/A
	Director of Buildings, Grounds and Maintenance	Todd Jepson	Appointed/Indefinite	N/A
	Director of School Nutrition	Peter Esposito	Appointed/Indefinite	N/A
Director of Adult Education	Marianne Doyle	Appointed/Indefinite	N/A	

"Twilight" by Mary Hawko

FINANCIAL SECTION



**TOWN OF
SCARBOROUGH, MAINE**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

To the Honorable Town Council
Town of Scarborough, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Scarborough, Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the Scarborough Public Library, the discretely presented component unit, were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component unit, are based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Scarborough Public Library were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the Town of Scarborough, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Scarborough, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Town of Scarborough, Maine's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Scarborough, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14-27, budgetary comparison information on page 78, the Schedule of Changes in Net OPEB Liability and Related Ratios – MMEHT Group Health Insurance Plan on page 79, the Schedule of Changes in Net OPEB Liability and Related Ratios – MEABT Group Health Insurance Plan on page 80, the Schedule of Proportionate Share of the Net Pension Liability on page 81 and the Schedule of Contributions on page 82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our 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. The combining and individual nonmajor fund financial statements and supplemental budgetary data on pages 84-106 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and the comparative information of the prior year general fund balance sheet on page 84 but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024 on our consideration of the 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, Maine'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.

Marcum LLP

Providence, RI
November 26, 2024

"Median Strip" by Sophie Bride

MANAGEMENT DISCUSSION & ANALYSIS



TOWN OF
SCARBOROUGH, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis
June 30, 2024

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, 2024. 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 \$106,669,223 (net position).
- The Town's total net position increased \$9,842,754 from \$96,826,469 to \$106,669,223. This represents a 10.2% increase over last year's net position.
- As of June 30, 2024, the Town's governmental funds reported combined fund balances of \$30,978,256 an increase of \$9,348,259 compared with the prior year of \$21,629,997. Approximately 55.6% of this amount or \$17,229,177 is available for spending at the Town's discretion (*assigned and unassigned fund balance*).
- Total nonspendable fund balance increased by \$60,575 from \$285,456 to \$346,031. Restricted fund balance decreased by \$1,069,039 from \$7,591,290 to \$6,522,251. Total committed fund balance decreased by \$616,623 from \$7,497,420 to \$6,880,797. Assigned fund balance increased by \$886,026 from \$3,133,655 to \$4,019,681. Finally, the unassigned fund balance for the governmental funds increased by \$10,087,320 from \$3,122,176 to \$13,209,496.
- With respect to fund balances in the governmental funds, of the \$24,109,974 reported as committed (authorized by town council), assigned (authorized by town manager) and unassigned fund balance, \$6,286,715 are special revenue funds authorized for specific purposes, and the remaining amount of \$17,823,259 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 2023 totaled \$106,721,420. As of June 30, 2024, unassigned fund balance for the general fund was \$15,902,211 or 14.9% of the prior years' operating budget compared to 10.49% as of June 30, 2023.

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 increased by a net of \$2,139,000 from the prior year. General obligation bonds retired were \$6,895,000. The Town issued bonds totaling \$9,034,000.

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

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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 28-29 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 23 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, General Town Improvements, and the Haigis Parkway Assessments which are considered major funds. Data from the remaining 20 funds (Special Revenue, General School Improvements and Permanent) are combined into a single, aggregated presentation.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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 found on pages 30-33 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 major funds. The non-major capital projects fund financial statements are found on pages 94-95 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 is 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 96-97 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 one private purpose trust fund (scholarships). The private purpose trust fund is 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 34-35 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 36-77.

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 84-106 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 \$106,669,223 as of June 30,2024 compared to \$96,826,469 for June 30, 2023

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.

	Net Position		
	Governmental Activities		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets:			
Current and other assets	\$ 46,741,834	\$ 35,063,237	\$ 39,568,157
Long term assets	484,858	687,648	540,436
Capital and Lease Assets, Net	<u>182,900,012</u>	<u>179,346,581</u>	<u>169,487,827</u>
Total Assets	<u>230,126,704</u>	<u>215,097,466</u>	<u>209,596,420</u>
Total deferred outflows of resources	<u>11,588,359</u>	<u>12,200,678</u>	<u>13,413,594</u>
Total Deferred outflows	<u>11,588,359</u>	<u>12,200,678</u>	<u>13,413,594</u>
Liabilities:			
Long term liabilities outstanding	116,906,326	113,060,157	116,621,137
Other liabilities	<u>15,190,888</u>	<u>13,107,097</u>	<u>14,101,976</u>
Total Liabilities	<u>132,097,214</u>	<u>126,167,254</u>	<u>130,723,113</u>
Total deferred inflows of resources	<u>2,948,626</u>	<u>4,304,421</u>	<u>9,230,367</u>
Total Deferred inflows	<u>2,948,626</u>	<u>4,304,421</u>	<u>9,230,367</u>
Net position:			
Net investment in capital assets	92,958,668	92,279,914	75,907,216
Restricted	5,671,455	5,578,654	6,701,889
Unrestricted	<u>8,039,100</u>	<u>(1,032,099)</u>	<u>447,429</u>
Total Net Position	<u>\$ 106,669,223</u>	<u>\$ 96,826,469</u>	<u>\$ 83,056,534</u>

\$5,671,455 or 5.3% 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 \$9,842,754 is due to the governmental activities of the Town. The Town of Scarborough’s tax revenues increased by \$5,038,843. The property tax increase is due in part to the increase in the overall assessed valuation of the Town of \$154,406,300 up from \$4,988,176,876 to \$5,142,583,176 (net of State Property Stabilization Program of \$113,739,762), 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.

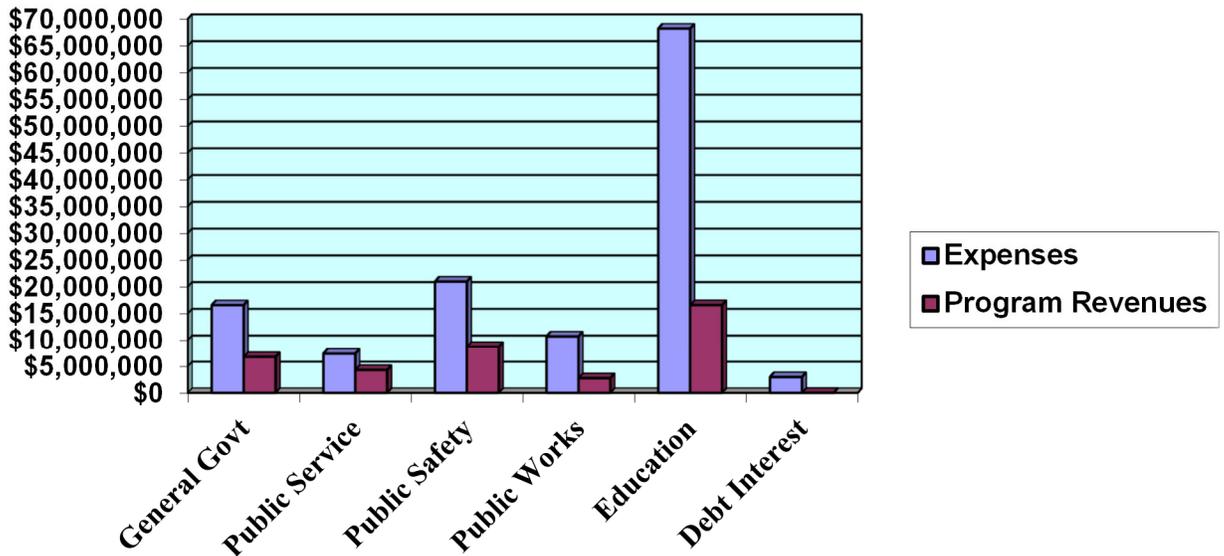
Key components of this net position increase are shown below.

Changes in Net Position

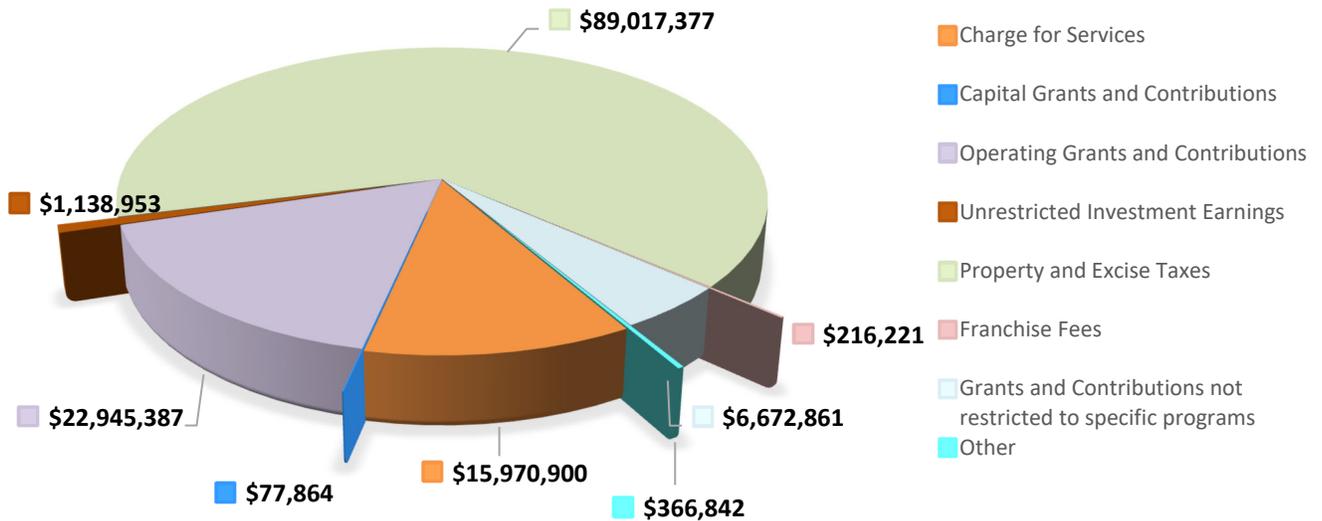
	2024	2023
Revenues:		
Program Revenues:		
Charge for services	\$ 15,970,900	\$ 14,434,732
Operating grants and contributions	22,945,387	23,099,726
Capital grants and contributions	77,864	211,590
General Revenues:		
Property and excise taxes, levied for general purposes	89,017,377	83,978,534
Franchise Tax	216,221	224,990
Grants and contributions not restricted to specific programs	6,672,861	6,325,965
Unrestricted investment earnings	1,138,953	410,359
Other	366,842	330,874
Total revenues	136,406,405	129,016,770
Expenses:		
General government	16,522,733	13,424,532
Public Services	7,326,003	6,461,889
Public Safety	20,931,320	19,651,186
Public Works	10,668,658	9,558,623
Education	68,169,152	63,327,400
Interest on Debt Service	2,945,785	2,823,205
Total expenses	126,563,651	115,246,835
Increase in net position	9,842,754	13,769,935
Net position beginning	96,826,469	83,056,534
Net position ending	\$ 106,669,223	\$ 96,826,469

TOWN OF SCARBOROUGH, MAINE
 Management Discussion and Analysis, Continued

Expenses and Program Revenues - Governmental Activities



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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 requirement

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'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.

At June 30, 2024, the Town of Scarborough's governmental funds reported combined fund balances of \$30,978,256. This is an increase of \$9,348,259 in comparison with the prior year. Approximately 42.64% of total fund balance or \$13,209,496 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 (\$346,031), 2) restricted for particular purposes (\$6,522,251), 3) committed for particular purposes (\$6,880,797) or 4) assigned for a particular purpose (\$4,019,681).

The revenues generated for the Haigis Parkway from 15-year special sewer assessment payments and tax increment financing revenues were used to reimburse the Town's general fund for the prior long-term debt service payments on the Haigis Parkway infrastructure construction. The deficit fund balance is anticipated to decrease over time because the debt associated with improvements in the TIF district was paid off.

Governmental Fund Balance Comparison

	2024	2023
General Fund	\$ 24,256,375	\$ 19,271,964
Haigis Parkway	(1,519,712)	(2,685,388)
General Town Improvements	(1,238,174)	(3,569,444)
Other Governmental Funds	9,479,767	8,612,865
Total	\$ 30,978,256	\$ 21,629,997

As noted earlier, governmental funds reported combined fund balances of \$30,978,256, an increase of \$9,348,259 compared with the prior year fund balances of \$21,629,997. Of the \$24,109,974 reported as unrestricted fund balance (total of committed, assigned and unassigned), \$6,286,715 are for special revenue fund projects authorized for specific purposes. General Town Improvements has an unrestricted deficit of \$1,238,174 that will be funded with the bond issue in FY25. See Note 2 for discussion of deficit fund balances.

The remaining \$6,868,282 of fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for the following:

\$ 1,583,633	Deficit Fund Balances in Special Revenue Funds
1,664,796	Town Grants
344,630	Perpetual Care of Municipal Cemeteries
3,133,360	Education Funding
141,863	Food Service and Fuel Inventory
\$ 6,868,282	Total Governmental Fund Nonspendable and Restricted Fund Balance

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

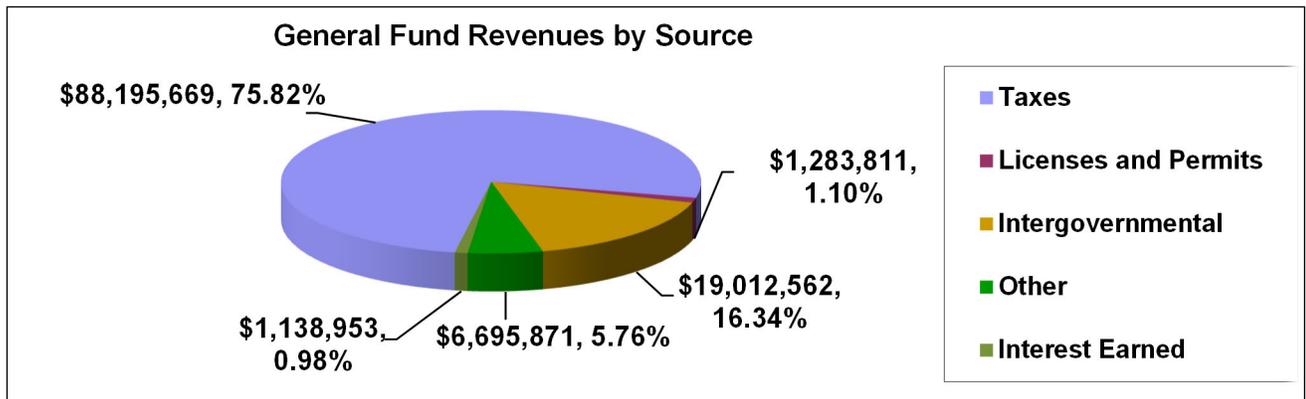
During this fiscal year, the Town of Scarborough’s deficit fund balances for General Town Improvements Capital Projects decreased \$2,331,270 from a deficit of \$3,569,444 in 2023 to a deficit \$1,238,174 in 2024. Expenditures increased \$683,239 from \$5,293,586 in 2023 to \$5,976,825 in 2024. The increase in expenditures is due to the various improvement projects including for various road paving projects and \$450,094 for police computer aided dispatch and report management software. During this fiscal year, the Town of Scarborough’s fund balances for General School Improvements Capital Projects increased \$1,237,342 from a deficit of \$1,172,171 in 2023 to \$65,171 in 2024.

Expenditures increased \$167,018 from \$2,886,000 in 2023 to \$3,053,018 in 2024. The increase in expenditures is due to the school improvement projects including the roof replacements throughout the district buildings. The deficit fund balance for General Town Improvements Capital Projects Fund will be funded by proceeds from the issuance of bonds in FY 2025.

General Fund Highlights

The General Fund is the chief operating fund of the Town of Scarborough. As of June 30, 2024, total fund balance was \$24,256,375 reflecting an increase of \$4,984,411 compared to the prior year of \$19,271,964. Unassigned fund balance in the General Fund was \$15,902,211 compared to total fund balance of \$24,256,375. 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 14.01% of current year’s total general fund expenditures compared to 9.67% last year, while total fund balance represents 21.37% of that same amount.

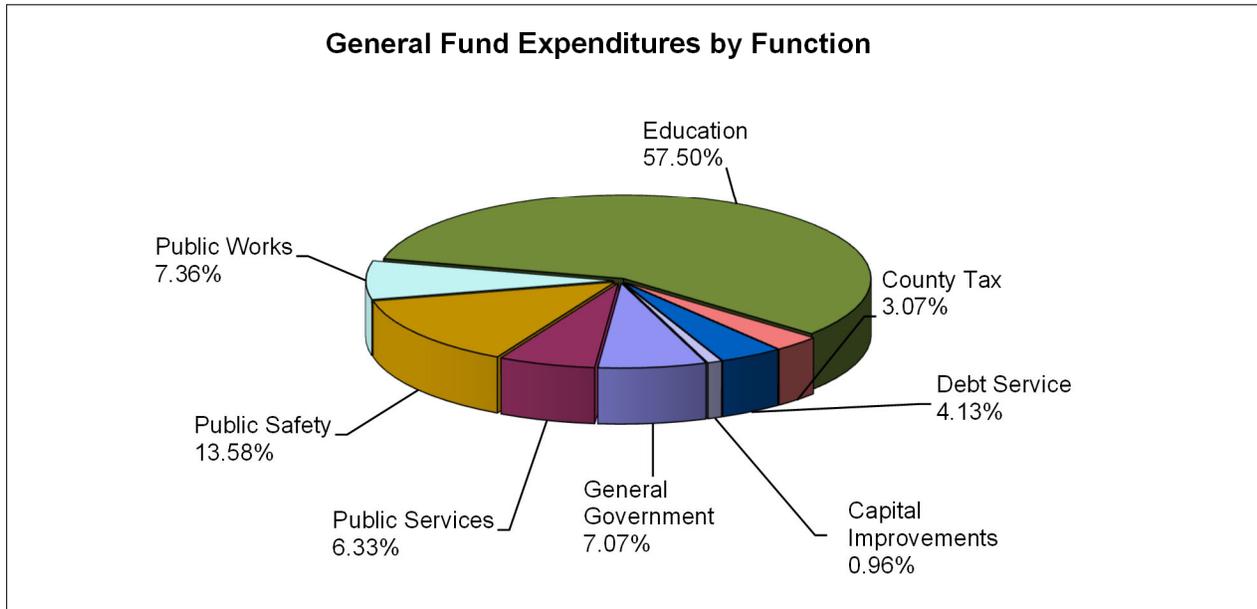
Current fiscal year revenues by source for the General Fund are as follows:



Property Tax revenues increased \$5,063,404 from 2023 to 2024 compared to the 2022 to 2023 increase of \$4,260,793. A comparison of the actual revenues to estimated revenues can be found on page 78 of the financial statements. Actual overall revenues exceeded estimates by \$2,117,915 and is mostly due to the increase in actual excise taxes collected, intergovernmental revenues realized and interest earnings.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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



Actual revenues were above the estimate by \$2,117,915, primarily due to taxes \$550,932, intergovernmental revenues \$627,890 and interest earnings \$938,953 higher than estimated. Actual expenditures, although higher than 2023, were below budget by \$4,463,833 primarily due to turnover in personnel and vacancies of positions, as well as capital improvements not completed and carried forward to 2025.

Total general fund expenditures increased \$4,386,672 or 4.02% compared to 5.58% for the prior year. The factors for this increase are:

- Public Services increased 12.73% due to the continued expansion of community services and an increase in public health and welfare costs.
- Public Safety increased 6.90% due to increased staffing and the contractual increases related to salaries.
- Public Works increased 10.1% resulting from increased personnel and insurance costs coupled with increased tipping fees for solid waste disposal.
- Education increased 6.37% due to contractual wage increases negotiated with the 6 individual collective bargaining units of the school district, as well as a 3.7% increase in health insurance costs.
- County tax increased 11.6% due to an increase in county tax levy apportionment.
- Debt service decreased 26.7% due to the final retirement payment of the 2012 Capital Improvement Bonds in FY 2023.
- Capital Improvements decreased 40.5% for the purchase of a new loader and new backhoe costing \$316,568 and \$155,533, respectively in FY 2023.

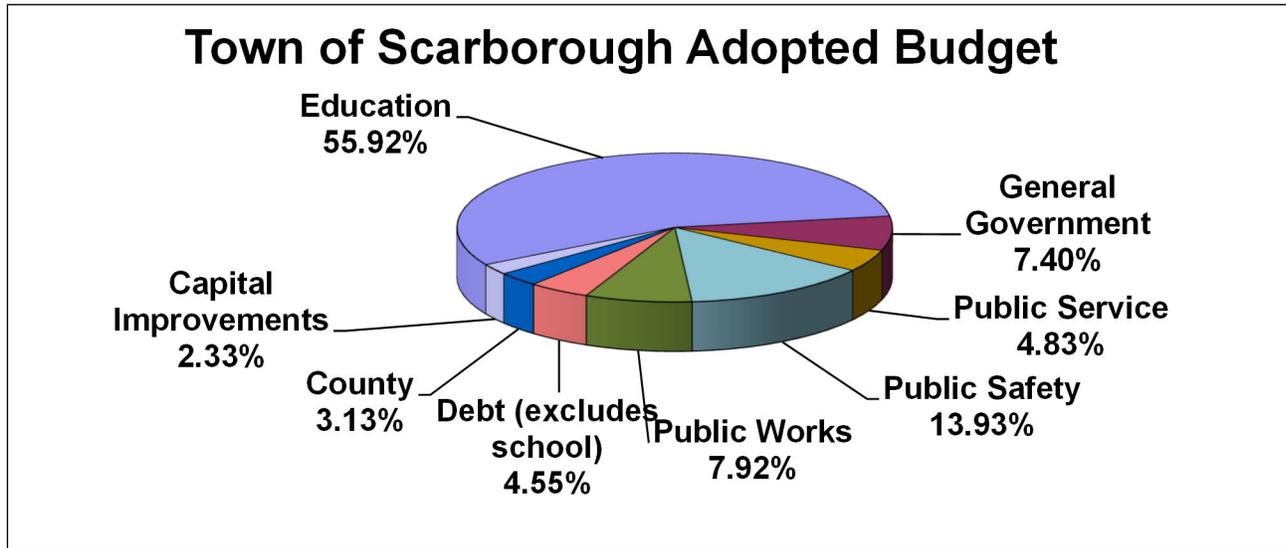
GENERAL FUND BUDGETARY HIGHLIGHTS

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 2024, a total of \$2,484,681 was set aside for the Town for prior year encumbrances and commitments. \$1,535,000 for the School Department was set aside for carryforward to the 2025 budget.

The adopted operating budget for fiscal year 2024 amounted to \$111,302,721 compared to \$106,721,420 for fiscal year 2023 or a 4.3% increase over the prior year.

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

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



Per the Town's Fund Balance policy, as amended; unassigned fund balance in excess of 12% may be used toward property tax stabilization or for capital needs.

In November 2024, the Town amended the Fund Balance policy. The Town aspires to reach an Unassigned Fund Balance of 16.67% (two months or 1/6) of the prior year's Operating Budget. Until the Town reaches this goal, the minimum Fund Balance Policy shall be set to maintain the level of Unassigned Fund Balance equal to 10.00% of the Town's Operating Budget for the prior fiscal year. As the Town increases its Unassigned Fund Balance, consideration should be given to raise the minimum level of Unassigned Fund Balance until the aspirational goal is met.

Once the Town achieves an unassigned fund balance greater than 12.0% but less than 16.67% of Scarborough's Operating Budget, any excess above 12% may be assigned by any combination to one of the following:

- Retained in non-spendable and restricted accounts that offset unfunded liabilities, and/or
- Retained in assigned accounts that may be used in future budget cycles as a property tax rate stabilization; available for use during a catastrophic event, and/or
- Funding future capital expenditures and/or projects, and/or
- Retirement of debt, and/or
- Taxpayer refund.

Once the Town achieves an Unassigned Fund Balance greater than 16.67% of the Town's Operating Budget, any excess above 16.67% must be assigned by any combination to one above.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets (including right-of-use assets), for its governmental fund, as of June 30, 2024, amounts to \$182,900,012 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, vehicles, improvements, machinery, equipment, infrastructure, right-of-use leased assets and right-of-use subscription assets. The total increase in the Town's investment in capital assets for the current fiscal year was 1.98%.

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

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Capital Assets
(net of depreciation and amortization)

	<u>2024</u>	<u>2023</u>
Land	\$ 9,011,693	\$ 8,201,594
Buildings	92,165,378	93,402,676
Vehicles	7,289,479	7,527,857
Equipment and Furniture	3,744,819	3,605,346
Infrastructure	61,894,965	59,002,548
Construction in Progress	7,644,919	6,292,551
Right-of-Use Leased Assets	213,315	382,893
Right-of-Use Subscription Assets	935,444	931,116
Total	\$ 182,900,012	\$ 179,346,581

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, 2024 various road improvements and rehabilitation, building renovations including flooring and roof replacements 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 48 of this report.

Long-term Debt. As of June 30, 2024, the Town had long-term bonds outstanding of \$81,829,000 compared to \$79,690,000 in the prior year resulting in a 2.7% increase. This debt is backed by the full faith and credit of the Town of Scarborough.

During fiscal year ending June 30, 2024, the Town of Scarborough issued \$9,034,000 of bonds. Additionally, during the year, \$6,895,000 in principal debt was paid. Further information can be found in the Notes to the Basic Financial Statements on page 51-52 of this report.

Interest payments for school and town debt in this fiscal year totaled \$3,194,928 a decrease of \$41,281 from 2023.

Additional information relating to the Town’s long-term debt can be found in the Notes to Financial Statements on pages 50-52 of this report.

Outstanding Debt
General Obligation Bonds

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Municipal	\$ 39,307,465	\$ 35,864,558	\$ 38,744,063
Education	42,521,535	43,825,442	47,679,065
Sewer	-	-	1,631,872
Total Debt	\$ 81,829,000	\$ 79,690,000	\$ 88,055,000

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Moody's Investors Service reviewed and assigned a rating of "Aa3" to the Town of Scarborough, Maine, (the Town) 2023 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 September 15, 2023. Moody's "Aa3 rating reflects the town's *"moderately sized, growing tax base with above average wealth levels, adequate financial reserves, manageable debt burden and low 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 2021 GO bonds per its rating report dated September 19, 2023. Their rating reflects the Town's "growing tax base, consistent budgetary performance, strong management with good financial management, and moderate debt profile. Environmental, social, and governance risks are in-line with our view of the sector standard for coastal communities."

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 2025 were:

- Sustainability, conservation, and climate change.
- Strategic capital and facilities planning.
- Housing choice and homelessness.
- Traffic and transportation.
- Public engagement and communications.
- Providing competitive wages and benefits to attract and retain personnel in a tight labor market
- Controlling expenses while being mindful of the Town-wide revaluation process

This budget reflects an increase in personnel costs for existing staff of \$1.4 million for the Town and \$2.7 million for the School. The School also budgeted \$1.3 million for new staff investments as a result of expanded student needs combined with new state mandates. General Purpose Aid increased \$2 million over last year's budget. Reductions in Homestead Reimbursement and Municipal Revenue Sharing of \$0.4 million each also put pressure on the 2025 budget.

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 2025 can be found on the Town of Scarborough's website at: <https://www.scarboroughmaine.org/budget/fy2025>

TOWN OF SCARBOROUGH, MAINE
Management Discussion and Analysis, Continued

Below is a comparison of the 2025, 2024 and 2023 budgets (excluding carry forwards)

	2025	2024	2023
Administration	\$ 4,953,404	\$ 3,769,164	\$ 3,549,723
Finance Department	1,478,132	1,503,966	1,340,642
Information Systems	2,373,829	1,918,277	1,770,270
Planning Department	1,010,913	965,408	1,268,469
Community Services	3,874,514	3,615,790	3,154,946
Library	1,340,938	1,287,748	1,108,633
General Assistance	341,342	260,637	116,010
Economic Development	308,218	284,512	267,914
Fire/Rescue/EMA Department	7,563,022	7,236,335	6,610,275
Public Safety Department	8,467,630	8,271,341	7,948,193
Public Works Department	8,581,246	8,220,004	7,724,242
Engineering	653,037	593,640	-
Debt Service	5,058,942	5,061,028	6,733,651
Capital Equipment	214,000	2,598,500	2,097,543
Total Municipal Operating	46,219,167	45,586,350	43,690,511
Education	66,042,207	62,235,290	59,911,498
County Tax	3,630,186	3,481,081	3,119,411
Total Operating Budget	115,891,560	111,302,721	106,721,420
School Food Services	2,404,192	2,313,735	2,041,000
Capital Improvement-Municipal	11,473,942	4,305,800	6,167,329
Capital Improvement-School *	6,158,475	140,456,583	2,313,283
TIFs and Overlay	7,280,000	5,335,533	3,878,883
Total Budget	\$ 143,208,169	\$ 263,714,372	\$ 121,121,915

- 2024 Budget includes \$137,500,000 for K-3 School Building Project which was rejected by public referendum held on November 8, 2023.

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

2025	\$7,821,453,300, an increase of \$2,678,870,124 over 2024
2024	\$5,142,583,176 (net of State Property Stabilization Program of \$113,739,762), an increase of \$154,406,300 over 2023
2023	\$4,988,176,876, an increase of \$142,494,100 over 2022,
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,

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 2016:

2024	\$ 1,535,000
2023	\$ 1,530,000
2022	\$ 1,030,000
2021	\$ 702,527
2020	\$ 352,643
2019	\$ 500,764
2018	\$ 2,102,464
2017	\$ 426,253
2016	\$ 425,000

While the school estimated a use of fund balance in fiscal years 2022,2023 and 2024, nothing was utilized.

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 nkildow@scarboroughmaine.org.

"Love Boat" by Colleen Mars

BASIC FINANCIAL STATEMENTS



TOWN OF
SCARBOROUGH, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

TOWN OF SCARBOROUGH, MAINE

STATEMENT 1

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities	Component Unit Public Library
Assets		
Cash and cash equivalents	\$ 18,487,901	\$ 975,425
Investments	23,685,862	797,385
Receivables:		
Accounts, net	1,596,870	3,989
Intergovernmental	1,424,503	--
Taxes receivable	417,578	--
Tax liens	982,202	--
Prepays	5,055	31,245
Inventory	141,863	431
Lease receivable	420,937	--
Notes receivable	63,921	--
Lease asset, net	213,315	--
Subscription asset, net	935,444	--
Capital assets, not being depreciated	16,656,612	--
Capital assets, net	165,094,641	236,174
Total Assets	230,126,704	2,044,649
Deferred Outflows of Resources		
Deferred charge on refunding	4,850,562	--
Deferred OPEB items	2,790,117	--
Deferred pension items	3,947,680	--
Total Deferred Outflows of Resources	11,588,359	--
Liabilities		
Accounts payable and other current liabilities	7,198,659	15,732
Accrued payroll and other related liabilities	6,942,283	57,085
Unearned revenues	516,197	--
Accrued interest	533,749	--
Noncurrent liabilities:		
Due within one year	8,927,652	--
Due in more than one year	107,978,674	--
Total Liabilities	132,097,214	72,817
Deferred Inflows of Resources		
Deferred OPEB items	1,326,009	--
Deferred pension items	1,200,820	--
Deferred lease items	421,797	--
	2,948,626	--
Net Position		
Net investment in capital assets	92,958,668	236,174
Restricted for:		
Nonexpendable trust principal	204,168	350,436
Expendable trust - income portion	140,461	--
Town grants and projects	1,664,797	--
Education	3,662,029	--
Unrestricted	8,039,100	1,385,222
Total Net Position	\$ 106,669,223	\$ 1,971,832

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE

STATEMENT 2

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 Governmental Activities	Component Unit Public Library
		\$	\$	\$	\$	\$
Primary Government:						
Governmental activities:						
General government	\$ 16,522,733	\$ 4,292,629	\$ 2,351,611	\$ 77,864	\$ (9,800,629)	\$ --
Public services	7,326,003	4,025,346	260,570	--	(3,040,087)	--
Public safety	20,931,320	3,479,537	5,225,896	--	(12,225,887)	--
Public works	10,668,658	2,372,878	366,304	--	(7,929,476)	--
Education	68,169,152	1,800,510	14,741,006	--	(51,627,636)	--
Interest on debt service	2,945,785	--	--	--	(2,945,785)	--
Total Governmental Activities	<u>\$ 126,563,651</u>	<u>\$ 15,970,900</u>	<u>\$ 22,945,387</u>	<u>\$ 77,864</u>	<u>\$ (87,569,500)</u>	<u>\$ --</u>
Total Primary Government	<u>\$ 126,563,651</u>	<u>\$ 15,970,900</u>	<u>\$ 22,945,387</u>	<u>\$ 77,864</u>	<u>\$ (87,569,500)</u>	<u>\$ --</u>
Component Unit:						
Scarborough Public Library	<u>\$ 1,460,744</u>	<u>\$ --</u>	<u>\$ 1,454,058</u>			<u>\$ (6,686)</u>
General Revenues:						
Property taxes, levied for general purposes					80,809,357	--
Excise taxes					8,010,282	--
Payments in lieu of taxes					71,429	--
Interest and costs on taxes					126,309	--
Franchise tax					216,221	--
Grants and contributions not restricted to specific programs:						
Homestead exemption and business equipment exemption					2,421,939	--
Other State aid					542,518	--
State revenue sharing					3,708,404	--
Unrestricted investment earnings					1,138,953	50,440
Other					366,842	--
Total General Revenues					<u>97,412,254</u>	<u>50,440</u>
Change in Net Position					9,842,754	43,754
Net Position - Beginning (as restated)					<u>96,826,469</u>	<u>1,928,078</u>
Net Position - Ending					<u>\$ 106,669,223</u>	<u>\$ 1,971,832</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE

STATEMENT 3

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2024

		General	Haigis Parkway Assessments	General Town Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$	15,066,956	\$ --	\$ 771,035	\$ 2,649,910	\$ 18,487,901
Investments		15,336,090	--	132,244	8,217,528	23,685,862
Receivables:						
Accounts, net		813,909	--	--	782,961	1,596,870
Intergovernmental		527,165	--	--	897,338	1,424,503
Taxes receivable		417,578	--	--	--	417,578
Tax liens		982,202	--	--	--	982,202
Interfund loans receivable		4,677,802	--	--	234,145	4,911,947
Inventory		29,739	--	--	112,124	141,863
Lease receivable		420,937	--	--	--	420,937
Notes receivable		--	63,921	--	--	63,921
Total Assets		<u>\$ 38,272,378</u>	<u>\$ 63,921</u>	<u>\$ 903,279</u>	<u>\$ 12,899,061</u>	<u>\$ 52,138,639</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and other current liabilities	\$	5,405,800	\$ --	\$ 817,261	\$ 975,598	\$ 7,198,659
Accrued payroll and other related liabilities		6,942,283	--	--	--	6,942,283
Interfund loans payable		--	1,583,633	1,324,192	2,004,122	4,911,947
Unearned revenues		76,623	--	--	439,574	516,197
Total Liabilities		<u>12,424,706</u>	<u>1,583,633</u>	<u>2,141,453</u>	<u>3,419,294</u>	<u>19,569,086</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes		1,169,500	--	--	--	1,169,500
Unavailable revenue - leases		421,797	--	--	--	421,797
Total Deferred Inflows of Resources		<u>1,591,297</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,591,297</u>
Fund Balances:						
Nonspendable Permanent Fund Principal		--	--	--	204,168	204,168
Nonspendable Inventory		29,739	--	--	112,124	141,863
Restricted for Town		1,583,633	--	--	1,805,258	3,388,891
Restricted for Education		2,127,029	--	--	1,006,331	3,133,360
Committed - General Fund		594,082	--	--	--	594,082
Committed - Education		--	--	--	713,828	713,828
Committed - Special Revenues		--	--	--	5,572,887	5,572,887
Assigned - General Fund		2,484,681	--	--	--	2,484,681
Assigned - Education		1,535,000	--	--	--	1,535,000
Unassigned Town		15,902,211	(1,519,712)	(1,238,174)	65,171	13,209,496
Total Fund Balances		<u>24,256,375</u>	<u>(1,519,712)</u>	<u>(1,238,174)</u>	<u>9,479,767</u>	<u>30,978,256</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances		<u>\$ 38,272,378</u>	<u>\$ 63,921</u>	<u>\$ 903,279</u>	<u>\$ 12,899,061</u>	

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE

STATEMENT 3

BALANCE SHEET GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2024

	<u>Governmental Funds</u>
Governmental Fund Balance	30,978,256
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.	182,900,012
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,169,500
Deferred charge on refunding is not a financial resource and, therefore, is not reported in the funds	4,850,562
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	(93,241,568)
Accrued interest	(533,749)
Landfill liability	(1,621,901)
Other postemployment benefits liability with related deferred inflows and outflows of resources	(9,649,029)
Net pension liability with related deferred inflows and outflows of resources	(3,212,499)
Right of use asset liability	(225,827)
Right of use subscription liability	(814,675)
Accrued compensated absences	<u>(3,929,859)</u>
Net Position of Governmental Activities	<u>\$ 106,669,223</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE

STATEMENT 4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Haigis Parkway Assessments	General Town Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 88,195,669	\$ --	\$ 726,000	\$ 1,003,100	\$ 89,924,769
Licenses and permits	1,283,811	--	--	--	1,283,811
Intergovernmental	19,012,562	--	--	9,990,533	29,003,095
Interest earned	1,138,953	138	9,137	411,495	1,559,723
Donations	--	--	--	586,833	586,833
Sale of lots	--	--	--	111,940	111,940
Assessments and impact fees	--	--	--	4,308,559	4,308,559
Other	6,695,871	--	61,100	2,630,204	9,387,175
Total Revenues	<u>116,326,866</u>	<u>138</u>	<u>796,237</u>	<u>19,042,664</u>	<u>136,165,905</u>
Expenditures:					
Current:					
General government	8,027,460	--	--	--	8,027,460
Public services	7,185,489	--	--	--	7,185,489
Public safety	15,417,291	--	--	--	15,417,291
Public works	8,356,511	--	--	--	8,356,511
Education	65,274,671	--	--	3,640,335	68,915,006
County tax	3,481,081	--	--	--	3,481,081
Debt service	4,685,656	--	--	--	4,685,656
Capital improvements	1,085,289	--	5,976,825	4,445,661	11,507,775
Other	--	--	--	8,942,535	8,942,535
Total Expenditures	<u>113,513,448</u>	<u>--</u>	<u>5,976,825</u>	<u>17,028,531</u>	<u>136,518,804</u>
(Deficiency)/Excess of Revenues Over Expenditures	<u>2,813,418</u>	<u>138</u>	<u>(5,180,588)</u>	<u>2,014,133</u>	<u>(352,899)</u>
Other Financing Sources (Uses):					
Transfers in	2,438,650	1,165,538	2,986,501	709,362	7,300,051
Transfers out	(2,865,000)	--	--	(4,435,051)	(7,300,051)
Issuance of general obligation bonds	1,930,185	--	4,525,357	2,578,458	9,034,000
Premium received on general obligation bonds, net of issuance costs	667,158	--	--	--	667,158
Total Other Financing Sources (Uses)	<u>2,170,993</u>	<u>1,165,538</u>	<u>7,511,858</u>	<u>(1,147,231)</u>	<u>9,701,158</u>
Net Change in Fund Balances	4,984,411	1,165,676	2,331,270	866,902	9,348,259
Fund Balance (Deficit) - Beginning of Year	<u>19,271,964</u>	<u>(2,685,388)</u>	<u>(3,569,444)</u>	<u>8,612,865</u>	<u>21,629,997</u>
Fund Balance (Deficit) - End of Year	<u>\$ 24,256,375</u>	<u>\$ (1,519,712)</u>	<u>\$ (1,238,174)</u>	<u>\$ 9,479,767</u>	<u>\$ 30,978,256</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE

STATEMENT 5

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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)	\$	9,348,259
---	----	-----------

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	\$9,909,751	
Depreciation/amortization expense	(6,729,481)	
Net book value of dispositions	373,161	
		3,553,431

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

240,500

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		(27,590)
Compensated absences, net		84,418
OPEB liability with deferred outflows and inflows of resources		(543,908)
Net pension liability with deferred outflows and inflows of resources		(616,802)

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	\$ (9,034,000)	
General obligation bond payments	6,895,000	
Premiums received on issued bonds	(667,158)	
Amortization of bond premiums	739,717	
Amortization of deferred charge	(384,366)	
Amortization of right of use lease liability	170,863	
Amortization of right of use subscription liability	84,390	
		(2,195,554)

Change in Net Position of Governmental Activities (See Statement 2)	\$	9,842,754
--	----	-----------

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE

STATEMENT 6

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2024

	Private-Purpose Trust Funds (Scholarships)
Assets	
Investments	\$ <u>255,649</u>
Total Assets	<u>255,649</u>
Liabilities	
Due to student groups	<u>800</u>
Total Liabilities	<u>800</u>
Net Position	
Held in trust	<u>\$ <u>254,849</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

STATEMENT 7

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Private-purpose Trust Funds (Scholarships)
Additions:	
Donations	\$ 54,000
Interest, dividends and change in fair value (net)	9,849
Total Additions	<u>63,849</u>
Deductions:	
School scholarships	<u>22,750</u>
Total Deductions	<u>22,750</u>
Change in Net Position	<u>41,099</u>
Net Position - Beginning of Year	<u>213,750</u>
Net Position - End of Year	<u><u>\$ 254,849</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Scarborough (“Town”) 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:

REPORTING ENTITY

The 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. 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 \$287,431, or 97% of total revenues, to SEDCO for the year ended June 30, 2024.

Scarborough Public Library (the Library) promotes and maintains library facilities in and for the Town. 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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

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 \$1,302,748 of operating or approximately 90% of total revenues and other support to the Library for the year ended June 30, 2024.

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

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.

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

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

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.

The General Town Improvements Fund accounts for Town authorized capital projects.

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

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.

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. Right-of-use assets and subscriptions are amortized over the length of the lease or subscription term. 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.

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during fiscal year 2024.

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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Long-term Obligations (Continued)

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 assets that applies to future periods 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.

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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has three 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, other post-employment benefits (OPEB) and leases as a lessor. Also, the government has two types, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, these items, unavailable revenue and leases as a lessor, is reported in the governmental funds balance sheet and it is from property taxes and leases as a lessor. 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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Fund Balances (Continued)

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 2025 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.

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 the Town'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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

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.

Recently Adopted Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Correction- an amendment of GASB Statement No. 62*, establishes standards to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This pronouncement had no impact on the financial statements of the Town.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 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 (RSI-1) includes various adjustments as follows:

	<u>Revenues and Other Sources</u>	<u>Expenditures and Other Uses</u>
2023-2024 budget as adopted	\$ 115,517,721	\$ 115,517,721
Budgetary Adjustments:		
Prior year encumbrances and carry forwards	<u>846,824</u>	<u>846,824</u>
Total Adjusted Budget	<u><u>\$ 116,364,545</u></u>	<u><u>\$ 116,364,545</u></u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (CONTINUED)

At June 30, 2024, the following special revenue and capital projects funds had deficit fund balances:

The Haigis Parkway Assessments Fund reports a deficit fund balance of \$1,519,712. This deficit is expected to be adequately funded in future years with TIF revenues and assessment payments.

The Town Improvements Fund reports a deficit fund balance of \$1,238,174 which is expected to be funded through the bonding process.

NOTE 3 – DEPOSITS AND INVESTMENTS

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, 2024, the Town reported deposits of \$18,487,901 with a bank balance of \$18,265,087. Of the Town’s bank balances of \$18,265,087, all 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.

INVESTMENTS

At June 30, 2024, 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	\$ 23,941,511	\$ 15,193,533	\$ 8,747,978	\$ --
Total Investments	<u>\$ 23,941,511</u>	<u>\$ 15,193,533</u>	<u>\$ 8,747,978</u>	<u>\$ --</u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Investments have been reported as follows:

Reported in governmental funds	\$ 23,685,862
Reported in fiduciary funds	<u>255,649</u>
Total Investments	<u>\$ 23,941,511</u>

For fair value measurement purposes all investments are categorized as Level 1, there are no investments categorized as Level 2 or Level 3. The Town holds \$12,264,353 of money market deposit accounts at June 30, 2024 of which all accounts were covered by F.D.I.C or were secured by additional collateral pledged on behalf of the Town by the respective banking institutions.

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.

NOTE 4 – PROPERTY TAX

Property taxes for the current year were committed on August 16, 2023, 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, 2023 and 50% on March 14, 2024. Interest at the rate of 8% per annum was charged on amounts remaining unpaid after October 16th and March 15th. Assessed values are periodically established by the Town's Assessor at 100% of the assumed market value as of June 30, 2024 and the Town's value was 94% of the 2023 State valuation of \$5,592,350,000.

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 \$256,425 for the year ended June 30, 2024.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 – PROPERTY TAX (CONTINUED)

Tax liens are placed on real property within eight to 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 FY2024 levy at June 30, 2024:

Assessed value	\$ 5,256,322,938
Tax rate (per \$1,000)	<u>15.97</u>
Commitment	83,943,477
Supplemental taxes assessed	<u>58,027</u>
	84,001,504
Less - collections and abatements	<u>83,102,505</u>
Receivable at June 30, 2024	<u>\$ 898,999</u>
Consisting of:	
Taxes	\$ 74,040
Liens	<u>824,959</u>
Receivable at June 30, 2024	<u>\$ 898,999</u>
Collection rate	98.9%

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2024 was as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities				
Capital Assets - Not Being Depreciated/Amortized				
Land	\$ 8,201,594	\$ 810,099	\$ --	\$ 9,011,693
Construction in progress	<u>6,292,551</u>	<u>2,200,483</u>	<u>848,115</u>	<u>7,644,919</u>
Total Capital Assets - Not Being Depreciated/Amortized	<u>14,494,145</u>	<u>3,010,582</u>	<u>848,115</u>	<u>16,656,612</u>
Capital Assets - Being Depreciated/Amortized				
Buildings	126,523,013	737,214	--	127,260,227
Vehicles	18,512,645	1,013,180	796,745	18,729,080
Equipment and furniture	10,779,858	920,369	1,375,296	10,324,931
Infrastructure	79,908,163	4,699,166	--	84,607,329
Right-of-use lease assets	721,681	--	--	721,681
Right-of-use subscription assets	<u>1,240,426</u>	<u>377,355</u>	<u>--</u>	<u>1,617,781</u>
Total Capital Asset - Being Depreciated/Amortized	<u>237,685,786</u>	<u>7,747,284</u>	<u>2,172,041</u>	<u>243,261,029</u>
Less Accumulated Depreciation/Amortization				
Buildings	33,120,337	2,494,624	520,112	35,094,849
Vehicles	10,984,788	1,131,152	676,339	11,439,601
Equipment and furniture	7,174,512	750,032	1,344,432	6,580,112
Infrastructure	20,905,615	1,811,068	4,319	22,712,364
Right-of-use lease assets	338,788	169,578	--	508,366
Right-of-use subscription assets	<u>309,310</u>	<u>373,027</u>	<u>--</u>	<u>682,337</u>
Total Accumulated Depreciation/Amortization	<u>72,833,350</u>	<u>6,729,481</u>	<u>2,545,202</u>	<u>77,017,629</u>
Total Capital Assets Being Depreciated/Amortized, net	<u>164,852,436</u>	<u>1,017,803</u>	<u>(373,161)</u>	<u>166,243,400</u>
Total Governmental Activities Capital Assets, net	<u>\$ 179,346,581</u>	<u>\$ 4,028,385</u>	<u>\$ 474,954</u>	<u>\$ 182,900,012</u>

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

Governmental Activities

General government	\$ 1,396,085
Public services	140,514
Public safety	538,232
Public works, including depreciation of general infrastructure assets	2,312,147
Education	<u>2,342,503</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 6,729,481</u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 6 – INTERFUND BALANCES

Interfund balances result from the sharing of pooled cash and investments. Individual interfund loans receivables and loans payables at June 30, 2024, were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 4,677,802	\$ --
Haigis Parkway	--	1,583,633
General Town Improvements	--	1,324,192
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Eastern Trail Alliance (Close the Gap)	--	48,600
Recreational development	173,536	--
Payne Road impact fees	--	346,599
Other impact fees	--	378,610
Rescue equipment	21,359	--
Police asset forfeiture	2,438	--
Credit Enhancement Agreements	1,980	--
School categorical programs	--	513,636
American Rescue Plan	3,112	--
Fire department	--	4,120
Departmental grants and programs	--	14,361
Total Nonmajor Special Revenue Funds	202,425	1,305,926
Nonmajor Capital Project Funds		
General School improvements	--	698,132
Nonmajor Permanent Funds		
Scarborough Memorial Cemetery	31,720	--
Dunstan Perpetual Care	--	64
Total Permanent Funds	31,720	64
Total Other Governmental Funds	234,145	2,004,122
Total All Funds	\$ 4,911,947	\$ 4,911,947

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 6 – INTERFUND BALANCES (CONTINUED)

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, 2024, the balances represent how much was due to or from the General Fund.

NOTE 7 – INTERFUND TRANSFERS

	Transfers In	Transfers Out
General Fund	\$ 2,438,650	\$ 2,865,000
Haigis Parkway Assessments	1,165,538	--
General Town Improvements	2,986,501	--
Nonmajor Governmental Funds	709,362	4,435,051
Total	\$ 7,300,051	\$ 7,300,051

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.

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 79,690,000	\$ 9,034,000	\$ 6,895,000	\$ 81,829,000	\$ 7,079,000
Premium	11,485,127	667,158	739,717	11,412,568	--
Compensated absences	4,014,277	2,605,508	2,689,926	3,929,859	982,465
Other postemployment benefits liability	9,582,122	1,531,015	--	11,113,137	250,000
Net pension liability	5,370,975	588,384	--	5,959,359	--
Right-of-use subscription liability	899,065	349,855	434,245	814,675	432,270
Right-of-use lease liability	396,690	--	170,863	225,827	178,917
Landfill post-closure care costs	1,621,901	--	--	1,621,901	5,000
Governmental Activity - Long-Term Liabilities	\$ 113,060,157	\$ 14,775,920	\$ 10,929,751	\$ 116,906,326	\$ 8,927,652

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

As of June 30, 2024, the Town had authorized, but unissued debt totaling \$6,765,730. 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 redeemed on its November 1, 2023 call date, and to pay costs of issuance. There is no call premium on the Refunded Bonds. The bonds were redeemed in full on November 1, 2023.

NOTE 9 – BONDS PAYABLE

Bonds payable at June 30, 2024 is comprised of the following:

	Amount Originally Issued	Percentage Applicable to			Interest Rate	Final Maturity Date	Balance End of Year
		Town	School	Sewer			
2014 Capital improvements	6,505,000	53.10%	46.90%	0.00	3.00-4.00%	2034	\$ 1,500,000
2015 Capital improvements	6,085,000	94.32%	5.68%	0.00	2.00-4.00%	2035	2,420,000
2016 Capital improvements	7,540,000	97.32%	2.68%	0.00	2.00-4.00%	2036	2,085,000
2017 Capital improvements	2,755,000	71.07%	28.93%	0.00	3.00-5.00%	2037	1,005,000
2018 Capital improvements	18,190,000	98.31%	1.69%	0.00	3.00-5.00%	2048	13,525,000
2019 Capital improvements	7,380,000	94.19%	5.81%	0.00	3.00-5.00%	2049	5,740,000
2020 Capital improvements	7,040,000	65.01%	34.99%	0.00	2.00-5.00%	2041	4,805,000
2020A Capital improvements	2,855,000	97.71%	2.29%	0.00	2.25-4.00%	2031	1,700,000
2020B Capital improvements	39,460,000	3.60%	96.40%	0.00	2.33-4.00%	2043	36,990,000
2021 Capital improvements	3,725,000	68.21%	31.79%	0.00	2.00-5.00%	2042	3,025,000
2023 Capital Improvements	9,034,000	73.08%	26.92%	0.00	4.00-5.00%	2044	<u>9,034,000</u>
Total							<u><u>\$ 81,829,000</u></u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 9 – BONDS PAYABLE (CONTINUED)

The annual requirements to amortize all debt outstanding as of June 30, 2024 are as follows:

June 30,	Principal	Interest	Total
2025	\$ 7,079,000	\$ 3,092,597	\$ 10,171,597
2026	6,930,000	2,792,922	9,722,922
2027	6,435,000	2,517,762	8,952,762
2028	6,235,000	2,256,409	8,491,409
2029	6,020,000	1,996,684	8,016,684
2030-2034	25,770,000	6,381,534	32,151,534
2035-2039	13,280,000	2,580,801	15,860,801
2040-2044	7,480,000	911,292	8,391,292
2045-2049	<u>2,600,000</u>	<u>185,000</u>	<u>2,785,000</u>
Totals	<u>\$ 81,829,000</u>	<u>\$ 22,715,001</u>	<u>\$ 104,544,001</u>

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, 2024, substantially all such calculations have been performed and the Town is in compliance with all known arbitrage requirements.

NOTE 10 – 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.

NOTE 11 – 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 \$6,548,950,000, the Town's debt limit is \$982,342,500. The Town's outstanding long-term debt of \$81,829,000 at June 30, 2024 was within the Statutory limit.

NOTE 12 – RIGHT-OF-USE ASSETS AND RECEIVABLES

The Town has entered into various leases as the lessee and lessor for property such as office equipment and parking facilities with terms expiring from 2025 through 2029.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 12 – RIGHT-OF-USE ASSETS AND RECEIVABLES (CONTINUED)

GOVERNMENTAL ACTIVITIES – LESSEE

Annual requirements to amortize the lease liability and related interest are as follows:

Years Ending June 30,	Principal	Interest
2026	\$ 178,918	\$ 3,010
2027	46,584	172
2028	325	3
Total	<u>\$ 225,827</u>	<u>\$ 3,185</u>

GOVERNMENTAL ACTIVITIES – LESSOR

Future payments due to the Town under non-cancelable agreements are as follows:

Years Ending June 30,	Principal	Interest
2025	\$ 171,380	\$ 5,627
2026	101,030	3,669
2027	94,442	1,983
2028	50,971	442
2029	1,769	31
2030	1,345	7
Total	<u>\$ 420,937</u>	<u>\$ 11,759</u>

NOTE 13 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The Town has entered into various SBITAs with terms expiring from 2025 through 2026 using a discount rate of 2.28% (incremental borrowing rate). At June 30, 2024 the Town has recognized a right-of-use asset, net of \$935,444 and a subscription liability of \$814,675. Future payments to amortize the subscription liability are as follows:

Years Ending June 30,	Principal	Interest
2025	\$ 432,270	\$ 16,080
2026	<u>382,405</u>	<u>7,704</u>
Total	<u>\$ 814,675</u>	<u>\$ 23,784</u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 14 – 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, 2024, the Town's 2024 State valuation of \$6,548,950,000 was 8.55% of the County's State valuation of \$76,597,050,000. The Town's share is 8.57% or \$2,559,825 of Cumberland County's \$29,875,598 long-term debt outstanding as of June 30, 2024.

The Town is also served by the Portland Water District. At June 30, 2024, the Town's share of self-supporting bonded water debt is 12.63% or \$8,266,503 of total water debt of \$126,668,897.

CONTINGENCIES

ecomaine, formerly Regional Waste Systems, a Maine Corporation with 21 participating municipalities ("Member Municipalities"), including the Town, operates a licensed balefill and ashfill site for which projected landfill closure and postclosure care costs approximate \$18,497,670 at June 30, 2024, the most recent data available. The Town's proportionate share of these estimated landfill closure and postclosure care costs is 9.45%, or \$1,747,282.

TOTAL DEBT AND CONTINGENCIES

Governmental Unit	As of June 30, 2024			
	Direct Debt	Overlapping Debt	Contingent Debt	Total Debt
Town of Scarborough	\$ 81,829,000	\$ --	\$ --	\$ 81,829,000
Cumberland County	--	2,559,825	--	2,559,825
Portland Water District - water debt	--	8,266,503	--	8,266,503
ecomaine landfill closure/postclosure costs	--	--	1,747,282	1,747,282
Totals	\$ 81,829,000	\$ 10,826,328	\$ 1,747,282	\$ 94,402,610

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 14 – OVERLAPPING DEBT AND OTHER CONTINGENCIES (CONTINUED)

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.

LITIGATION

There is no litigation threatened or pending as of June 30, 2024.

NOTE 15 – 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 reaches its capacity. As of June 30, 2024, the Town has used less than 25% of the landfill's total capacity. The estimated total current cost of landfill closure, \$1,621,901 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, 2024. Additionally, annual monitoring and maintenance costs are estimated to be \$5,000 per year.

The total closure and postclosure care costs of \$1,621,901 have been accrued in the statement of activities for the year ended June 30, 2024. 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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 16 – FUND BALANCE CHANGES

The following is a schedule of fund balance classifications for the governmental funds as June 30, 2024:

	General Fund	Haigis Parkway Assessment	General Town Improvements	Nonmajor Governmental
Fund Balances				
Nonspendable -Permanent Funds	\$ --	\$ --	\$ --	\$ 204,168
Nonspendable -Inventory	<u>29,739</u>	<u>--</u>	<u>--</u>	<u>112,124</u>
	<u>29,739</u>	<u>--</u>	<u>--</u>	<u>316,292</u>
Restricted:				
Permanent fund interest	--	--	--	140,462
Deficits in other funds (Haigis Parkway)	1,583,633	--	--	--
Credit Enhancement Agreements	--	--	--	112,967
Eastern Trail Alliance (Close the Gap)	--	--	--	828,278
Grants and donations	--	--	--	497,587
Fire Department equipment	--	--	--	17,955
Police asset forfeiture	--	--	--	208,009
Education	<u>2,127,029</u>	<u>--</u>	<u>--</u>	<u>1,006,331</u>
	<u>3,710,662</u>	<u>--</u>	<u>--</u>	<u>2,811,589</u>
Committed:				
Unemployment Comp/Beach Reserve/Hunnewell	473,284	--	--	--
HRA deductible/credit plans	120,798	--	--	--
Impact fees/reserves	--	--	--	5,572,887
Education	<u>--</u>	<u>--</u>	<u>--</u>	<u>713,828</u>
	<u>594,082</u>	<u>--</u>	<u>--</u>	<u>6,286,715</u>
Assigned:				
Carryforward balances/encumbrances	2,484,681	--	--	--
Education	<u>1,535,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>4,019,681</u>	<u>--</u>	<u>--</u>	<u>--</u>
Unassigned	<u>15,902,211</u>	<u>(1,519,712)</u>	<u>(1,238,174)</u>	<u>65,171</u>
Total Fund Balances	<u>\$ 24,256,375</u>	<u>\$ (1,519,712)</u>	<u>\$ (1,238,174)</u>	<u>\$ 9,479,767</u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 17 – ASSIGNED FUND BALANCES

At June 30, 2024, portions of the General Fund balance were assigned to future periods as follows:

Town Clerk - Part- time	\$ 5,615
Information Technology - Computer Hardware	12,000
Information Technology - Computer Software	16,500
Information Technology - Telephone hardware	25,000
Information Technology - Security equipment	25,000
Comprehensive Plan - Zoning/Planning Initiatives	15,000
Planning - Part-time	6,395
Police - New Vehicle	113,168
Police - SWAT Ballistic Vests	4,144
Police - Polygraph Update	1,385
CS - Infield Preparation	3,392
CS - New Equipment	10,000
CS - NRPA Staff training	5,000
CS - Staff Development	1,000
Fire - Ambulance Replacement	314,968
Fire - Turnout Gear Maintenance	8,398
Fire - New Rescue Vehicle	415,000
Fire - New Turnout Gear	15,691
Public Works - Gravel	9,595
Public Works - Culverts	9,917
Public Works - Cutting Edges	10,560
Public Works - Catch Basin Truck	550,000
Public Works - Wash Bay Rehab	45,000
Public Works - Install Electric Meter and Software	15,000
Public Works - Plow Truck	105,838
Encumbered Purchase Orders	141,115
Reserve for Accrued Sick Pay	600,000
Education	1,535,000
	<u>\$ 4,019,681</u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – 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 239 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 327 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.maineopers.org.

Employee membership data related to the Plans, as of June 30, 2023 was as follows:

	Teachers	PLD
Current participants: Vested and non-vested	40,586	13,122
Terminated participants: Vested	9,202	2,865
Terminated participants: Inactive due refunds	39,038	10,467
Retirees and beneficiaries receiving benefits	<u>39,038</u>	<u>10,615</u>
	<u>127,864</u>	<u>37,069</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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONSOLIDATED RETIREMENT PENSION PLAN (CONTINUED)

PLAN DESCRIPTIONS (CONTINUED)

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 3.88%.

For the year ended June 30, 2024, the Town's total payroll for all employees was \$57,117,272. Total covered payroll was \$33,624,679 for the Teacher Plan and \$10,714,857 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 \$3,681,897 for the year ended June 30, 2024.

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 14.89% 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, 2022, was 3.84% percent of annual teacher payroll, plus 14.89% 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, 2024 were \$1,387,460.

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 6.85%-7.60%, police employees and fire/rescue employees contribute 9.7% 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, 2023, was 10.2% of annual payroll. The Police and Fire/Rescue required contribution rate for the year ended June 30, 2023 was 13.4% or 14.7%, 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, 2024 were \$1,545,520.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONSOLIDATED RETIREMENT PENSION PLAN (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

TEACHER PLAN

At June 30, 2024, 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	\$ 883,749
State's proportionate share of the net pension liability associated with the Town of Scarborough School Department	<u>32,263,487</u>
Total	<u>\$ 33,147,236</u>

The net pension liability was measured as of June 30, 2023, 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, 2023, the School Department's proportion was 0.058251 percent, which was a decrease of 0.005428 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School Department recognized pension expense of \$1,590,463 and revenue of \$4,530,532 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:

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONSOLIDATED RETIREMENT PENSION PLAN (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

TEACHER PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,406	\$ --
Net difference between projected and actual earnings on Plan investments	--	81,988
Changes in proportion and differences between contributions and proportionate share of contributions	--	163,900
Contributions subsequent to the measurement date	1,387,460	--
Total	\$ 1,459,866	\$ 245,888

The \$1,387,460 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, 2025. 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:

Year Ended June 30:	
2024	\$ (111,070)
2025	(145,700)
2026	79,141
2027	4,147
	\$ (173,482)

PLD PLAN

At June 30, 2024, the Town and the Town School Department reported a liability of \$5,075,610 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the Town and the Town School Department’s proportion was 1.590626%, which was an increase of 0.074087% from its proportion measured as of June 30, 2022.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONSOLIDATED RETIREMENT PENSION PLAN (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

PLD PLAN (CONTINUED)

For the year ended June 30, 2024, the Town and the Town School Department recognized pension expense of \$2,091,434. At June 30, 2024, 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 experience	\$ 942,294	\$ --
Net difference between projected and actual earnings on Plan investments	--	861,303
Changes in proportion and differences between contributions and proportionate share of contributions	--	93,629
Contributions subsequent to the measurement date	1,545,520	--
Total	\$ 2,487,814	\$ 954,932

The \$1,545,520 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, 2025. 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:

Year Ended June 30:	
2024	\$ (88,409)
2025	(837,864)
2026	873,595
2027	40,040
	\$ (12,638)

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONSOLIDATED RETIREMENT PENSION PLAN (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2023 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 2.80%-13.03% and PLD Plan 2.75%-11.48%, per year
Investment rate of return	Teachers' Plan 6.50% and PLD Plan 6.50%, per annum, compounded annually

Mortality rates were based on the 2010 Public Plan Teacher Benefits - Weighted Healthy Retiree Mortality Table and 2010 Public Plan General Benefits - Weighted Healthy Retiree Mortality Table, for males or females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of June 30, 2016 to June 30, 2020.

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	Long-Term Expected Real Rate of Return
Public Equities	6.00%
U.S Government	2.60%
Private Equity	7.60%
Real Assets	
Real Estate	5.20%
Infrastructure	5.30%
Natural Resources	5.00%
Traditional Credit	3.20%
Alternative Credit	7.40%
Diversifiers	5.00%

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONSOLIDATED RETIREMENT PENSION PLAN (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.50% 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.

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 6.5% percent, as well as what the School Department's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	Discount Rate	Town/School Department's Proportionate Share of Net Pension Liability (Asset)
1% decrease	5.50%	\$ 1,737,657
Current discount rate	6.50%	\$ 883,749
1% increase	7.50%	\$ 172,917

PLD PLAN

The following presents the Town and the School Department's proportionate share of the net pension asset calculated using the discount rate of 6.5% 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 (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 18 – 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 (CONTINUED)

PLD PLAN (CONTINUED)

	Discount Rate	Town/School Department's Proportionate Share of Net Pension Liability (Asset)
1% decrease	5.50%	\$ 13,907,539
Current discount rate	6.50%	\$ 5,075,610
1% increase	7.50%	\$ (2,210,014)

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.

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 publishes information annually showing the actual State contribution to each school district. For the year ended June 30, 2023, the total amount of on-behalf payments was approximately \$4,530,532 and was recognized in the fund financial statements.

SUMMARY OF PENSION EXPENSE (BENEFIT), DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE TOWN

	Teachers	PLD	Total
Deferred outflows	\$ 1,459,866	\$ 2,487,814	\$ 3,947,680
Deferred inflows	245,888	954,932	1,200,820
Net pension liability	883,749	5,075,610	5,959,359
Pension expense (benefit)	1,590,463	2,091,434	3,681,897

NOTE 19 – 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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 19 – DEFINED CONSTRUCTION PENSION PLAN (CONTINUED)

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 18% 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 \$299,112 which was 6% of the participating employees and 18% of the Town Manager's current year covered payroll. The covered payroll amounted to \$4,632,193 while the Town's total payroll was \$15,613,455. Employee's required contributions amounted to \$267,342, 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 \$573,690 and the Town contributions amounted to \$341,954. The Town contributes a match up to 4%. The covered payroll amounted to \$10,982,263.

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.

NOTE 20 – POST-EMPLOYMENT HEALTH CARE

The Town has two OPEB plans which employees participate in, pension expense was \$861,387 for the year ended June 30, 2024.

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.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – POST-EMPLOYMENT HEALTH CARE (CONTINUED)

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, 2024, the following were covered by the benefit terms: Inactive employees or beneficiaries currently receiving benefit payments – 25, Active employees 169, total employees 194.

The Town's total OPEB liability of \$4,885,119 was measured as of January 1, 2024 and was determined by an actuarial valuation as of January 1, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2024 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 2.38% was used along with an aggregate payroll increase of 2.75%. Merit payroll increases, mortality, termination, disability and retirement assumptions relied on the Plan's June 30, 2016 through June 30, 2020's experience study. The initial healthcare cost trend rate assumptions used for the fiscal year ended June 30, 2024 were non-Medicare of 7.72% and Medicare 10.77%, decreasing to 3.81% and 3.81%, respectively, over a grading period of 20 years. Rates of mortality are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed 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. 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, 2021.

The discount rate was updated to reflect the December 28, 2023 Bond Buyer 20-Bond GO Index. The ultimate trend assumption was increased to reflect the increase in the Bond Buyer 20-Bond GO Index. The actuarial assumptions used in the January 1, 2024 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, 2016 through June 30, 2020.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – POST-EMPLOYMENT HEALTH CARE (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at June 30, 2023	\$ 3,563,400
Changes for the year:	
Service cost	90,288
Interest	133,482
Difference between expected and actual experience	393,827
Changes in assumptions	836,226
Benefit payments	(132,104)
Net changes	1,321,719
 Balance at June 30, 2024	 \$ 4,885,119

Changes of assumptions reflect a decrease of \$836,226. Changes in assumptions reflect a change in the discount rate from 3.72% in 2023 to 3.26% in 2024.

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 3.26%.

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 5,579,659	\$ 4,885,119	\$ 4,315,691

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, 2024 were non-Medicare of 7.72% and Medicare 10.77%, decreasing to 3.81% and 3.81%, respectively, over a grading period of 20 years. The following presents the Town’s proportionate share of the collective net OPEB liability, as well as what the Town’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	Current Health Care Trend Rates	1% Increase
Total OPEB liability	\$ 4,270,375	\$ 4,885,119	\$ 5,654,307

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – POST-EMPLOYMENT HEALTH CARE (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

For the year ended June 30, 2024, the Town recognized expense of \$333,686. At June, 30, 2024, 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	\$ 1,018,979	\$ --
Changes in assumptions	847,859	737,142
Contributions subsequent to the measurement date	107,652	--
Total	\$ 1,974,490	\$ 737,142

The \$107,652 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, 2025. 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:		
2025	\$	109,916
2026		109,915
2027		105,939
2028		139,922
2029		165,228
Thereafter		498,776
	\$	1,129,696

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

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – POST-EMPLOYMENT HEALTH CARE (CONTINUED)

GENERAL INFORMATION

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.

Employee membership data related to the Plan, as of the June 30, 2023 measurement date was, as follows:

Active members	461
Retirees under age 65	13
Retirees over age 65	<u>131</u>
Total	<u><u>605</u></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 retiree 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 55% 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 45% 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, 2024, the Town School Department reported a liability of \$6,228,018 for its net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – POST-EMPLOYMENT HEALTH CARE (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

For the year ended June 30, 2024, the Town School Department recognized expense of \$527,701. At June 30, 2024, 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	\$ 104,828	\$ 430,955
Changes in assumptions	567,024	157,912
Contributions subsequent to the measurement date	143,775	--
Total	\$ 815,627	\$ 588,867

Of the total amount reported as deferred outflows of resources related to OPEB, \$143,775 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, 2025. 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:		
2024	\$	93,593
2025		128,767
2026		83,315
2027		(99,751)
2028		(107,691)
Thereafter		(15,248)
	\$	82,985

Actuarial assumptions and methods: The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions:

Measurement date:	June 30, 2023
Discount Rate:	3.65% per annum for the year ended June 30, 2023 reporting.
Healthcare cost trend rates:	Non-Medicare – Initial trend of 7.96% applied in 2023 and 6.83% grading over 19 years to 4.00% per annum. Medicare – Initial trend rate of 0.00% applied in 2023 and 5.62% applied in 2024, grading over 18 years to 4.29% per annum.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – POST-EMPLOYMENT HEALTH CARE (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (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, 2023. The discount rate based on the index was 3.65% per annum as of June 30, 2023.

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – 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
Balance at June 30, 2022	\$ 6,018,722
Changes for the year:	
Service cost	215,488
Interest	218,619
Changes in assumptions	(106,724)
Benefit payments	(118,087)
Net changes	209,296
 Balance at June 30, 2023 (for June 30, 2024 reporting)	 \$ 6,228,018

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 2.65 percent or 1-percentage-point higher 4.65 percent than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 7,299,814	\$ 6,228,018	\$ 5,364,961

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, 2023 were non-Medicare of 7.95% applied in 2023 and Medicare 0.00% applied in 2023 and 5.62% applied in 2024, decreasing to 4.00% and 4.29%, 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:

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20 – POST-EMPLOYMENT HEALTH CARE (CONTINUED)

CHANGES IN THE NET OPEB LIABILITY (CONTINUED)

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB liability	\$ 5,241,138	\$ 6,228,018	\$ 7,482,484

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 55% of the blended single premium for the retiree’s healthcare coverage. Using the census data for the measurement period ended June 30, 2023 the estimated on-behalf OPEB subsidy for year ended June 30, 2024 was approximately \$597,204. 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.

SUMMARY OF OPEB EXPENSE (BENEFIT), DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE TOWN

	MEABT	MMEHT	Total
Deferred outflows	\$ 815,627	\$ 1,974,490	\$ 2,790,117
Deferred inflows	588,867	737,142	1,326,009
Net OPEB liability	6,228,018	4,885,119	11,113,137
OPEB expense	527,701	333,686	861,387

NOTE 21 – TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS

The Town entered into property tax abatement agreements (credit enhancement agreements or “CEA”) 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, 2024, the Town abated property taxes totaling \$1,431,916 under the CEA and TIF programs, including the following tax abatement agreements that each exceed 10 percent of the total amount abated:

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 21 – TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS (CONTINUED)

The business office retail abatement, Foundation Center (a TIF specific to this property was created for the CEA), totaled \$62,374.

The Town has an agreement for the Haigis Parkway District with total tax captured of \$1,450,050 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 \$31,110. 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.

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 \$1,142,371. 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 \$86,395, the Bessey Commons II Affordable Housing TIF for \$64,266, Avesta Southgate Affordable Housing TIF for \$36,811 and Avesta US Route One Affordable Housing TIF for \$8,589. 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 Bessey Common II TIF district program reimburses 100% of the incremental value for a period of 30 years. 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. The Developer of Avesta US Route One intends to construct an affordable rental housing project. The Avesta US Route One TIF district program reimburses 75% of the increased assessed value as captured assessed value for a period of 20 years.

NOTE 22 – 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

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 22 – RISK MANAGEMENT (CONTINUED)

potential claims liabilities, which should be recorded at June 30, 2024. 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.

NOTE 23 – NET POSITION

Net Position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net investment in capital assets, consists of capital assets and right of use assets, net of accumulated depreciation/amortization, 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, 2024:

	Governmental Activities
Capital assets	\$ 257,578,179
Right-of-use lease assets	721,681
Right-of-use subscription assets	1,617,781
Accumulated depreciation and amortization	(77,017,629)
Bonds payable	(81,829,000)
Premium liabilities net of amortization	(11,412,568)
Deferred charge on refunding	4,850,562
Subscription liability	(814,675)
Lease liability	(225,827)
Capital Related Accounts Payable and retainage	(756,799)
Unspent bond proceeds	<u>246,963</u>
Net investment in capital assets	<u><u>\$ 92,958,668</u></u>

TOWN OF SCARBOROUGH, MAINE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 25 – COMMITMENTS

Construction in progress of \$7,644,919 as of June 30, 2024 consists of building improvements, street light purchase/improvements, traffic signals improvement, road improvements, Eastern Trail improvements, HVAC replacement projects, turf project and high school running track. These projects are expected to be completed during the fiscal year ending June 30, 2025 or beyond. The additional estimated costs to complete these projects are approximately \$2,502,400.

NOTE 26 – RESTATEMENT

During the year ended June 30, 2024, the Scarborough Public Library changed its policy for capitalization of library books. The Library reflected a change in opening net position at July 1, 2023 of \$259,731 to reflect the removal of previously capitalized books. The Library now expenses books as incurred.

NOTE 27 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 26, 2024, which is the date the financial statements were available for issuance. No events other than those described below have been identified requiring recognition or disclosure in the financial statements.

On November 5, 2024, three bond referendum questions were passed by a vote of the citizens.

The first question authorized the Town to issue bonds totaling up to \$999,707 to purchase police cruiser and body worn video and audio recording equipment and related software. The software will be purchased through a long-term subscription and is anticipated to be accounted for under GASB 96.

The second question authorized the Town to issue bonds totaling up to \$1,000,000 to purchase a new pumper, commonly referred to as a fire engine. The fire engine will be purchased to replace an existing fire engine that is due for replacement according to the Fire Department's apparatus replacement schedule.

The third question authorized the Town to issue bonds totaling up to \$6,000,000 to replenish the land bond program. The land bond program supports land purchases throughout the Town for conservation, public access, recreation, and wildlife protection. The future bonds will be issued as each tract of land is purchased.

"Piping Plovers at Ferry Beach" by Emily Holland

REQUIRED SUPPLEMENTARY INFORMATION



TOWN OF
SCARBOROUGH, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

TOWN OF SCARBOROUGH, MAINE

RSI-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (BUDGETARY BASIS) GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 87,644,737	\$ 87,644,737	\$ 88,195,669	\$ 550,932
Licenses and permits	1,402,934	1,402,934	1,283,811	(119,123)
Intergovernmental	13,256,936	13,256,936	13,884,826	627,890
Interest earned	200,000	200,000	1,138,953	938,953
Unclassified	7,776,608	7,776,608	7,895,871	119,263
Total revenues	110,281,215	110,281,215	112,399,130	2,117,915
Expenditures:				
Current:				
General government	8,225,119	8,225,119	8,027,460	197,659
Public services	6,862,893	6,862,893	7,185,489	(322,596)
Public safety	15,528,070	15,528,070	15,417,291	110,779
Public works	8,870,251	8,870,251	8,356,511	513,740
Education	62,235,290	62,235,290	60,146,935	2,088,355
County tax	3,481,081	3,481,081	3,481,081	-
Debt service	5,061,028	5,061,028	4,685,656	375,372
Capital improvements	2,585,813	2,585,813	1,085,289	1,500,524
Total expenditures	112,849,545	112,849,545	108,385,712	4,463,833
Excess (deficiency) of revenues over expenditures	(2,568,330)	(2,568,330)	4,013,418	6,581,748
Other financing sources (uses):				
Transfers in	2,346,506	2,346,506	2,438,650	92,144
Transfers out	(3,265,000)	(3,265,000)	(4,065,000)	(800,000)
Utilization of surplus	2,701,824	2,701,824	-	(2,701,824)
General obligation bonds	1,035,000	1,035,000	1,930,185	895,185
Overlay	(250,000)	(250,000)	-	250,000
Total other financing sources (uses)	2,568,330	2,568,330	970,993	(1,597,337)
Net change in fund balances - budgetary basis	-	-	4,984,411	4,984,411
Fund balance, beginning of year	-	-	19,271,964	-
Fund balance, end of year	\$ -	\$ -	\$ 24,256,375	\$ -

See notes to required supplementary information.

TOWN OF SCARBOROUGH, MAINE

RSI-2

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – MMEHT GROUP HEALTH INSURANCE PLAN REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

(UNAUDITED)

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability						
Service Cost	\$ 90,288	\$ 109,282	\$ 114,702	\$ 99,093	\$ 94,071	\$ 107,114
Interest	133,482	81,142	68,928	82,090	130,878	116,667
Changes in benefit terms	--	--	--	--	(89,811)	--
Difference between expected and actual experience	393,827	--	653,519	--	412,934	--
Changes in assumptions or other inputs	836,226	(395,783)	(26,039)	171,460	(640,639)	(305,884)
Benefit payments	(132,104)	(121,181)	(115,018)	(110,594)	(106,333)	(102,243)
Net change in total OPEB liability	<u>1,321,719</u>	<u>(326,540)</u>	<u>696,092</u>	<u>242,049</u>	<u>(198,900)</u>	<u>(184,346)</u>
Total OPEB liability - Beginning	<u>3,563,400</u>	<u>3,889,940</u>	<u>3,193,848</u>	<u>2,951,799</u>	<u>3,150,699</u>	<u>3,335,048</u>
Total OPEB liability - Ending	<u>\$ 4,885,119</u>	<u>\$ 3,563,400</u>	<u>\$ 3,889,940</u>	<u>\$ 3,193,848</u>	<u>\$ 2,951,799</u>	<u>\$ 3,150,702</u>
 Covered Employee Payroll	 <u>\$ 12,198,317</u>	 <u>\$ 10,941,840</u>	 <u>\$ 10,941,840</u>	 <u>\$ 10,669,667</u>	 <u>\$ 10,019,117</u>	 <u>\$ 10,019,117</u>
 Total OPEB liability as a percentage of covered employee payroll	 40.0%	 32.6%	 35.6%	 29.9%	 27.7%	 31.4%

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, 2024	3.26%
June 30, 2023	3.72%
June 30, 2022	2.06%
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.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

This schedule is presented to illustrate requirement 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

RSI-3

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND
RELATED RATIOS – MEABT GROUP HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024
(UNAUDITED)**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability						
Service Cost	\$ 215,488	\$ 247,592	\$ 157,414	\$ 62,895	\$ 52,477	\$ 56,620
Interest	218,619	142,036	137,955	189,285	192,731	183,504
Changes in benefit terms	--	--	--	(660,868)	--	--
Difference between expected and actual experience	--	(603,337)	--	244,596	--	--
Changes in assumptions or other inputs	(106,724)	(43,760)	55,547	1,036,880	318,176	(246,226)
Benefit payments	(118,087)	(103,352)	(111,883)	(153,734)	(137,867)	(133,102)
Net change in total OPEB liability	<u>209,296</u>	<u>(360,821)</u>	<u>239,033</u>	<u>719,054</u>	<u>425,517</u>	<u>(139,204)</u>
Total OPEB liability - Beginning	<u>6,018,722</u>	<u>6,379,543</u>	<u>6,140,510</u>	<u>5,421,456</u>	<u>4,995,939</u>	<u>5,135,143</u>
Total OPEB liability - Ending	<u>\$ 6,228,018</u>	<u>\$ 6,018,722</u>	<u>\$ 6,379,543</u>	<u>\$ 6,140,510</u>	<u>\$ 5,421,456</u>	<u>\$ 4,995,939</u>
Covered Employee Payroll	28,713,033	28,012,715	21,508,485	19,578,067	22,094,507	21,503,170
Total OPEB liability as a percentage of covered employee payroll	21.7%	21.5%	29.7%	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, 2024	3.65%
June 30, 2023	3.54%
June 30, 2022	2.16%
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.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

This schedule is presented to illustrate requirement 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

RSI-4

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2024 (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
							Covered Payroll	of the Total Pension Liability
2024	6/30/2023	0.054%	\$ 883,749	\$ 32,263,487	\$ 33,147,236	\$ 32,480,161	2.72%	86.82%
2023	6/30/2022	0.064%	945,577	29,960,339	30,905,916	31,796,884	2.97%	86.68%
2022	6/30/2021	0.075%	633,921	16,630,393	17,264,314	26,669,756	2.38%	92.12%
2021	6/30/2020	0.033%	545,368	32,390,164	32,935,532	26,581,636	2.05%	81.03%
2020	6/30/2019	0.036%	524,183	28,538,618	29,062,801	25,337,964	1.80%	82.73%
2019	6/30/2018	0.037%	495,178	26,319,136	26,814,314	24,415,427	2.03%	82.90%
2018	6/30/2017	0.038%	552,792	27,719,908	28,272,700	23,568,099	2.35%	80.78%
2017	6/30/2016	0.035%	624,320	33,161,075	33,785,395	22,450,059	2.78%	76.21%
2016	6/30/2015	0.042%	565,672	24,964,846	25,530,518	21,706,258	2.61%	81.18%
2015	6/30/2014	0.035%	378,299	19,539,727	19,918,026	21,156,477	1.78%	84.04%

PLD Plan

Fiscal Year	Actuarial Valuation Date	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
					Covered Payroll	of the Total Pension Liability
2024	6/30/2023	1.59%	\$ 5,075,610	\$ 9,616,271	52.78%	92.34%
2023	6/30/2022	1.66%	4,425,398	8,405,668	52.65%	93.26%
2022	6/30/2021	-1.62%	(520,576)	7,353,891	-7.08%	100.86%
2021	6/30/2020	1.61%	6,379,397	8,941,589	71.35%	88.35%
2020	6/30/2019	1.62%	4,943,615	8,527,341	57.97%	90.62%
2019	6/30/2018	1.66%	4,538,914	7,843,357	57.87%	91.14%
2018	6/30/2017	1.59%	6,516,621	7,305,860	89.20%	86.43%
2017	6/30/2016	1.48%	7,865,767	6,444,728	122.05%	81.61%
2016	6/30/2015	1.53%	48,753,463	6,287,712	77.54%	88.27%
2015	6/30/2014	1.50%	2,310,255	6,125,426	37.72%	94.10%

TOWN OF SCARBOROUGH, MAINE

RSI-5

SCHEDULE OF CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2024 (UNAUDITED)

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
2024	6/30/2023	\$ 1,387,460	\$ 1,387,460	--	\$ 33,624,674	4.13%
2023	6/30/2022	1,247,161	1,247,161	--	32,480,161	3.84%
2022	6/30/2021	1,136,007	1,136,007	--	31,796,884	3.57%
2021	6/30/2020	1,292,742	1,292,742	--	26,669,756	4.85%
2020	6/30/2019	1,166,575	1,166,575	--	26,581,636	4.39%
2019	6/30/2018	1,055,590	1,055,590	--	25,337,964	4.16%
2018	6/30/2017	1,018,971	1,018,971	--	24,415,427	4.17%
2017	6/30/2016	838,381	838,381	--	23,568,099	3.56%
2016	6/30/2015	649,178	649,178	--	22,450,059	2.89%
2015	6/30/2014	626,859	626,859	--	21,706,258	2.88%

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
2024	6/30/2023	\$ 1,545,520	\$ 1,545,520	--	\$ 10,714,857	14.42%
2023	6/30/2022	1,458,564	1,458,564	--	9,616,271	15.17%
2022	6/30/2021	1,317,439	1,317,439	--	8,405,668	15.67%
2021	6/30/2020	1,108,280	1,108,280	--	7,353,891	15.07%
2020	6/30/2019	1,037,156	1,037,156	--	8,941,589	11.60%
2019	6/30/2018	990,347	990,347	--	8,527,341	11.61%
2018	6/30/2017	920,669	920,669	--	7,843,357	11.74%
2017	6/30/2016	815,586	815,586	--	7,305,860	11.16%
2016	6/30/2015	694,798	694,798	--	6,444,728	10.78%
2015	6/30/2014	624,901	624,901	--	6,287,712	9.94%

TOWN OF SCARBOROUGH, MAINE

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2024 (UNAUDITED)

BUDGETARY TO GAAP BASIS RECONCILIATION

The following reconciliation summarizes the difference for the Town's General Fund between budgetary and GAAP basis accounting principles for the fiscal year ended June 30, 2024.

Total Revenues and Other Financing Sources \$ 117,435,123

Budgetary revenues are different than GAAP revenues because
of the following reconciling items:

Pension and OPEB State on-behalf payments	5,127,736
Budgetary amounts recorded as transfers for GAAP	<u>(1,200,000)</u>

Total Revenues and Other Financing Sources as Reported on the
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Statement 4 \$ 121,362,859

Total Expenditures and Other Financing Uses \$ 112,450,712

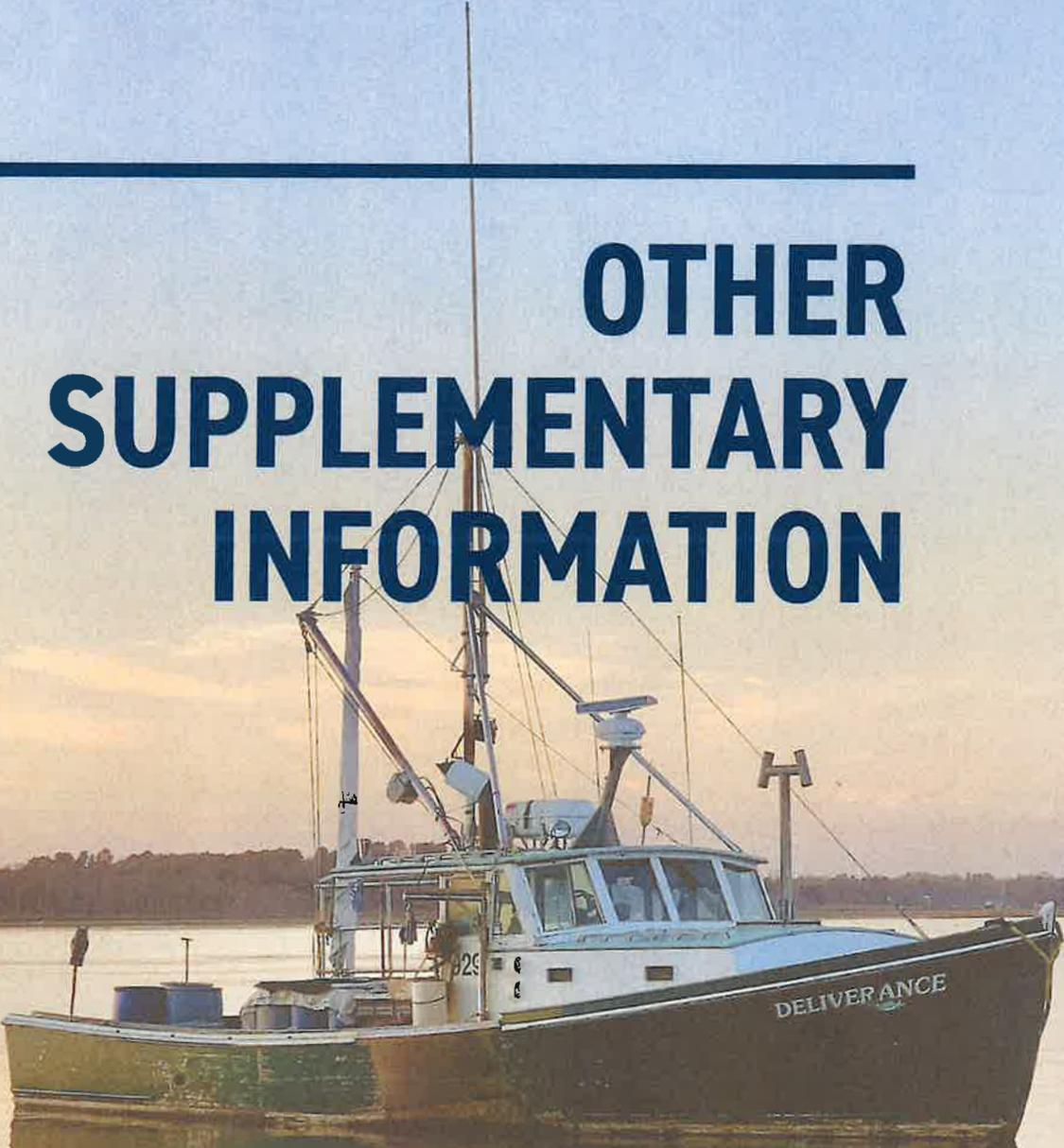
Budgetary expenditures are different than GAAP expenditures because
of the following reconciling items:

Pension and OPEB State on-behalf payments	5,127,736
Budgetary amounts recorded as transfers for GAAP	<u>(1,200,000)</u>

Total Expenditures and Other Financing Uses as Reported on the
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Statement 4 \$ 116,378,448

"Deliverance" by Sarah Hoover

OTHER SUPPLEMENTARY INFORMATION



TOWN OF
SCARBOROUGH, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

TOWN OF SCARBOROUGH, MAINE

EXHIBIT A-1

GENERAL FUND COMPARATIVE BALANCE SHEETS

JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 15,066,956	\$ 15,755,571
Investments	15,336,090	1,864,600
Receivables:		
Taxes receivable	417,578	343,077
Tax liens	982,202	657,309
Accounts receivable , net	813,909	550,812
Intergovernmental	527,165	520,355
Inventory	29,739	20,655
Interfund loans receivable	4,677,802	10,380,500
Tax acquired property	--	7,231
Lease receivable	420,937	587,817
Total Assets	\$ 38,272,378	\$ 30,687,927
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and other current liabilities	\$ 5,405,800	\$ 4,465,275
Accrued payroll and other related liabilities	6,942,283	5,339,154
Unearned revenues	76,623	91,584
Total Liabilities	12,424,706	9,896,013
Deferred Inflows of Resources		
Unavailable revenue-property taxes	1,169,500	929,000
Unavailable revenue - leases	421,797	590,950
Total Deferred Inflows of Resources	\$ 1,591,297	\$ 1,519,950
Fund balance:		
Nonspendable inventory	29,739	20,655
Restricted - Town	1,583,633	2,785,219
Restricted - Education	2,127,029	2,189,174
Committed - Town	594,082	594,082
Assigned - Town	2,484,681	1,603,655
Assigned - School	1,535,000	1,530,000
Unassigned - Town	15,902,211	10,549,179
Total Fund Balance	24,256,375	19,271,964
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 38,272,378	\$ 30,687,927

TOWN OF SCARBOROUGH, MAINE

EXHIBIT A-2

GENERAL FUND COMBINING BALANCE SHEETS

JUNE 30, 2024

	Town General Fund	School General Fund	Total General Fund
Assets			
Cash and cash equivalents	\$ 4,247,811	\$ 10,819,145	\$ 15,066,956
Investments	15,336,090	--	15,336,090
Receivables:			
Accounts, net	729,767	84,142	813,909
Intergovernmental	527,165	--	527,165
Taxes receivable	417,578	--	417,578
Tax liens	982,202	--	982,202
Interfund loans	5,477,843	(800,041)	4,677,802
Inventory	29,739	--	29,739
Lease receivable	420,937	--	420,937
Total Assets	<u>\$ 28,169,132</u>	<u>\$ 10,103,246</u>	<u>\$ 38,272,378</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 4,924,973	\$ 480,827	\$ 5,405,800
Accrued payroll and other related liabilities	994,538	5,947,745	6,942,283
Unearned revenues	63,978	12,645	76,623
Total Liabilities	<u>5,983,489</u>	<u>6,441,217</u>	<u>12,424,706</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	1,169,500	--	1,169,500
Unavailable revenue - leases	421,797	--	421,797
Total Deferred Inflows of Resources	<u>1,591,297</u>	<u>--</u>	<u>1,591,297</u>
Fund Balances			
Non-spendable	29,739	--	29,739
Restricted	1,583,633	2,127,029	3,710,662
Committed	594,082	--	594,082
Assigned	2,484,681	1,535,000	4,019,681
Unassigned	15,902,211	--	15,902,211
Total Fund Balances	<u>20,594,346</u>	<u>3,662,029</u>	<u>24,256,375</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,169,132</u>	<u>\$ 10,103,246</u>	<u>\$ 38,272,378</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT A-3

GENERAL FUND COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2024

	Town General Fund	School General Fund	Total General Fund
Revenues:			
Taxes	\$ 33,873,955	\$ 54,321,714	\$ 88,195,669
Licenses and permits	1,283,811	--	1,283,811
Intergovernmental	7,690,031	11,322,531	19,012,562
Interest earned	1,138,953	--	1,138,953
Other	<u>6,322,590</u>	<u>373,281</u>	<u>6,695,871</u>
Total Revenues:	<u>50,309,340</u>	<u>66,017,526</u>	<u>116,326,866</u>
Expenditures:			
Current:			
General government	8,027,460	--	8,027,460
Public services	7,185,489	--	7,185,489
Public safety	15,417,291	--	15,417,291
Public works	8,356,511	--	8,356,511
Education	--	65,274,671	65,274,671
County tax	3,481,081	--	3,481,081
Debt service	4,685,656	--	4,685,656
Capital improvements	<u>1,085,289</u>	<u>--</u>	<u>1,085,289</u>
Total Expenditures	<u>48,238,777</u>	<u>65,274,671</u>	<u>113,513,448</u>
Excess of revenues (under) over expenditures before other financing sources (uses)	<u>2,070,563</u>	<u>742,855</u>	<u>2,813,418</u>
Other financing sources (uses)			
Transfers from other funds	2,438,650	--	2,438,650
Transfers to other funds	(2,065,000)	(800,000)	(2,865,000)
Issuance of general obligation bonds	1,930,185	--	1,930,185
Premium received on general obligation bonds, net of issuance costs	<u>667,158</u>	<u>--</u>	<u>667,158</u>
Other Financing Sources (Uses):	<u>2,970,993</u>	<u>(800,000)</u>	<u>2,170,993</u>
Net Change in Fund Balances	5,041,556	(57,145)	4,984,411
Fund Balances - Beginning of Year	<u>15,552,790</u>	<u>3,719,174</u>	<u>19,271,964</u>
Fund Balances - End of Year	<u>\$ 20,594,346</u>	<u>\$ 3,662,029</u>	<u>\$ 24,256,375</u>

"Marsh Paddle" by Colleen Mars

OTHER NONMAJOR GOVERNMENTAL FUNDS



TOWN OF
SCARBOROUGH, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

TOWN OF SCARBOROUGH, MAINE

EXHIBIT B-1

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Other Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,842,885	\$ 807,025	\$ --	\$ 2,649,910
Investments	7,904,555	--	312,973	8,217,528
Intergovernmental receivable	897,338	--	--	897,338
Accounts receivable	782,961	--	--	782,961
Interfund loans	202,425	--	31,720	234,145
Prepaid items	5,055	--	--	5,055
Inventory	112,124	--	--	112,124
Total Assets	<u>\$ 11,747,343</u>	<u>\$ 807,025</u>	<u>\$ 344,693</u>	<u>\$ 12,899,061</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 931,876	\$ 43,722	\$ --	\$ 975,598
Interfund loans	1,305,926	698,132	64	2,004,122
Unearned revenues	439,574	--	--	439,574
Total Liabilities	<u>2,677,376</u>	<u>741,854</u>	<u>64</u>	<u>3,419,294</u>
Fund Balances				
Nonspendable trust principal	--	--	204,168	204,168
Nonspendable inventory	112,124	--	--	112,124
Restricted for Town	1,664,797	--	140,461	1,805,258
Restricted for Education	1,006,331	--	--	1,006,331
Committed for Town	5,572,887	--	--	5,572,887
Committed for Education	713,828	--	--	713,828
Unassigned for Town	--	65,171	--	65,171
Total Fund Balances	<u>9,069,967</u>	<u>65,171</u>	<u>344,629</u>	<u>9,479,767</u>
	<u>\$ 11,747,343</u>	<u>\$ 807,025</u>	<u>\$ 344,693</u>	<u>\$ 12,899,061</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT B-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues				
Intergovernmental	\$ 9,990,533	\$ --	\$ --	\$ 9,990,533
Contributions	586,833	--	--	586,833
Taxes	--	1,003,100	--	1,003,100
Assessments and impact fees	4,308,559	--	--	4,308,559
Sale of lots/land/equipment	90,000	--	21,940	111,940
Other revenue	2,630,204	--	--	2,630,204
Interest revenue	397,120	899	13,476	411,495
Total Revenues	<u>18,003,249</u>	<u>1,003,999</u>	<u>35,416</u>	<u>19,042,664</u>
Expenditures				
Current:				
Capital expenditures	1,392,643	3,053,018	--	4,445,661
Education	3,640,335	--	--	3,640,335
Other	8,942,535	--	--	8,942,535
Total Expenditures	<u>13,975,513</u>	<u>3,053,018</u>	<u>--</u>	<u>17,028,531</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Other Financing Sources (Uses)	<u>4,027,736</u>	<u>(2,049,019)</u>	<u>35,416</u>	<u>2,014,133</u>
Other Financing Sources (Uses)				
Transfers in	1,459	707,903	--	709,362
Transfers out	(4,435,051)	--	--	(4,435,051)
Total Other Financing Sources (Uses)	<u>(4,433,592)</u>	<u>3,286,361</u>	<u>--</u>	<u>(1,147,231)</u>
Net Change in Fund Balances	(405,856)	1,237,342	35,416	866,902
Fund Balances (Deficit) - Beginning of Year	<u>9,475,823</u>	<u>(1,172,171)</u>	<u>309,213</u>	<u>8,612,865</u>
Fund Balances - End of Year	<u>\$ 9,069,967</u>	<u>\$ 65,171</u>	<u>\$ 344,629</u>	<u>\$ 9,479,767</u>

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, 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.

NONMAJOR SPECIAL REVENUE FUNDS, CONTINUED

American Rescue Plan

This fund accounts for revenues and expenditures related to the Federal American Rescue Plan grant funding as provided under the law.

High Intensity Drug Trafficking Areas (HIDTA)

This fund accounts for revenues and expenditures under the HITDA grant program for which the Town serves as the administrator to various local and regional law enforcement agencies.

TOWN OF SCARBOROUGH, MAINE

EXHIBIT C-1

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

JUNE 30, 2024

	Recreational Development	Credit Enhancement Agreements	Scarborough Economic Development Corporation	Eastern Trail Alliance Close the Gap	Prouts Landing Conservation	Payne Road Improvements	Payne Road Impact Fees	
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ 44,956	\$ --	\$ --	\$ --	\$ --	\$ 313,764
Investments	--	110,987	--	798,293	28,221	80,262	--	1,627,962
Intergovernmental receivable	--	--	13,498	--	--	--	--	--
Accounts receivable	--	--	--	78,585	--	--	--	--
Interfund loans receivable	173,536	1,980	--	--	--	--	--	--
Prepaid items	--	--	5,055	--	--	--	--	--
Inventory	--	--	3,246	--	--	--	--	--
Total Assets	<u>\$ 173,536</u>	<u>\$ 112,967</u>	<u>\$ 66,755</u>	<u>\$ 876,878</u>	<u>\$ 28,221</u>	<u>\$ 80,262</u>	<u>\$ --</u>	<u>\$ 1,941,726</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ --	\$ --	\$ 18,866	\$ --	\$ --	\$ --	\$ --	\$ --
Interfund loans payable	--	--	--	48,600	--	--	--	346,599
Unearned revenues	--	--	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>18,866</u>	<u>48,600</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>346,599</u>
Fund Balances								
Nonspendable	--	--	3,246	--	--	--	--	--
Restricted	--	112,967	--	828,278	--	--	--	--
Committed	173,536	--	44,643	--	28,221	80,262	--	1,595,127
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balances	<u>173,536</u>	<u>112,967</u>	<u>47,889</u>	<u>828,278</u>	<u>28,221</u>	<u>80,262</u>	<u>--</u>	<u>1,595,127</u>
Total Liabilities and Fund Balances	<u>\$ 173,536</u>	<u>\$ 112,967</u>	<u>\$ 66,755</u>	<u>\$ 876,878</u>	<u>\$ 28,221</u>	<u>\$ 80,262</u>	<u>\$ --</u>	<u>\$ 1,941,726</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT C-1

**COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS**

JUNE 30, 2024

	Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	American Rescue Plan	High Intensity Drug Trafficking Areas	Totals
Assets										
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ 9,237	1,277,704	\$ 197,040	\$ --	184	\$ 1,842,885
Investments	2,172,788	211,741	454,443	22,075	2,077,749	2,110	--	317,924	--	7,904,555
Intergovernmental receivable	--	--	--	--	--	572,959	305,382	--	5,499	897,338
Accounts receivable	--	--	--	--	704,376	--	--	--	--	782,961
Interfund loans receivable	--	2,438	21,359	--	--	--	--	3,112	--	202,425
Prepaid items	--	--	--	--	--	--	--	--	--	5,055
Inventory	--	--	--	--	--	--	108,878	--	--	112,124
Total Assets	<u>\$ 2,172,788</u>	<u>\$ 214,179</u>	<u>\$ 475,802</u>	<u>\$ 22,075</u>	<u>\$ 2,791,362</u>	<u>\$ 1,852,773</u>	<u>\$ 611,300</u>	<u>\$ 321,036</u>	<u>\$ 5,683</u>	<u>\$ 11,747,343</u>
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ --	\$ 6,170	\$ 14	\$ --	\$ 785,426	\$ 64,151	\$ 57,249	\$ --	\$ --	\$ 931,876
Interfund loans payable	378,610	--	--	4,120	14,361	513,636	--	--	--	1,305,926
Unearned revenues	--	--	--	--	118,538	--	--	321,036	--	439,574
Total Liabilities	<u>378,610</u>	<u>6,170</u>	<u>14</u>	<u>4,120</u>	<u>918,325</u>	<u>577,787</u>	<u>57,249</u>	<u>321,036</u>	<u>--</u>	<u>2,677,376</u>
Fund Balances										
Nonspendable	--	--	--	--	--	--	108,878	--	--	112,124
Restricted	--	208,009	--	17,955	491,905	1,006,331	--	--	5,683	2,671,128
Committed	1,794,178	--	475,788	--	1,381,132	268,655	445,173	--	--	6,286,715
Unassigned	--	--	--	--	--	--	--	--	--	--
Total Fund Balances	<u>1,794,178</u>	<u>208,009</u>	<u>475,788</u>	<u>17,955</u>	<u>1,873,037</u>	<u>1,274,986</u>	<u>554,051</u>	<u>--</u>	<u>5,683</u>	<u>9,069,967</u>
Total Liabilities and Fund Balances	<u>\$ 2,172,788</u>	<u>\$ 214,179</u>	<u>\$ 475,802</u>	<u>\$ 22,075</u>	<u>\$ 2,791,362</u>	<u>\$ 1,852,773</u>	<u>\$ 611,300</u>	<u>\$ 321,036</u>	<u>\$ 5,683</u>	<u>\$ 11,747,343</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	Recreational Development	Credit Enhancement Agreements	Scarborough Economic Development Corporation	Eastern Trail Alliance Close the Gap	Prouts Landing Conservation	Payne Road Improvements	Payne Road Impact Fees
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ 113,360	\$ --	\$ --	\$ --
Interest earned	--	4,879	50	28,503	1,227	3,489	87,242
Contributions	--	--	296,322	--	--	--	--
Other	--	--	--	--	--	--	--
Assessments and impact fees	63,250	1,395,105	--	--	--	--	103,288
Total Revenues	<u>63,250</u>	<u>1,399,984</u>	<u>296,372</u>	<u>141,863</u>	<u>1,227</u>	<u>3,489</u>	<u>190,530</u>
Expenditures							
Construction and acquisitions	--	--	--	130,456	--	--	--
Education	--	--	--	--	--	--	--
Benefits paid	--	--	--	--	--	--	--
Other	--	1,395,354	296,844	--	--	--	--
Total Expenditures	<u>--</u>	<u>1,395,354</u>	<u>296,844</u>	<u>130,456</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>63,250</u>	<u>4,630</u>	<u>(472)</u>	<u>11,407</u>	<u>1,227</u>	<u>3,489</u>	<u>190,530</u>
Other Financing Sources (Uses)							
Transfers in	--	1,459	--	--	--	--	--
Transfers out	(300,000)	--	--	--	--	--	(758,340)
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>1,459</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(758,340)</u>
Net Change in Fund Balances	(236,750)	6,089	(472)	11,407	1,227	3,489	(567,810)
Fund Balances - Beginning of Year	<u>410,286</u>	<u>106,878</u>	<u>48,361</u>	<u>816,871</u>	<u>26,994</u>	<u>76,773</u>	<u>2,162,937</u>
Fund Balances - End of Year	<u>\$ 173,536</u>	<u>\$ 112,967</u>	<u>\$ 47,889</u>	<u>\$ 828,278</u>	<u>\$ 28,221</u>	<u>\$ 80,262</u>	<u>\$ 1,595,127</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT C-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Other Impact Fees	Police Asset Forfeiture	Rescue Equipment	Fire Department	Departmental Grants & Programs	School Categorical Programs	School Lunch Program	American Rescue Plan	High Intensity Drug Trafficking Areas	Totals
Revenues										
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ 1,030,172	\$ 1,147,967	1,913,963	\$ 809,758	\$ 4,975,313	\$ 9,990,533
Interest earned	121,062	10,035	8,123	935	131,575	--	--	--	--	397,120
Contributions	--	--	--	2,250	--	288,261	--	--	--	586,833
Sale of Lots/Land/Equip	--	--	90,000	--	--	--	--	--	--	90,000
Other	773,705	51,117	--	--	309,869	1,152,755	342,758	--	--	2,630,204
Assessments and impact fees	--	--	2,746,916	--	--	--	--	--	--	4,308,559
Total Revenues	<u>894,767</u>	<u>61,152</u>	<u>2,845,039</u>	<u>3,185</u>	<u>1,471,616</u>	<u>2,588,983</u>	<u>2,256,721</u>	<u>809,758</u>	<u>4,975,313</u>	<u>18,003,249</u>
Expenditures										
Construction and acquisitions	--	47,891	1,648	1,167	1,211,481	--	--	--	--	1,392,643
Education	--	--	--	--	--	1,394,370	2,245,965	--	--	3,640,335
Benefits paid	--	--	--	--	24,539	--	--	--	--	24,539
Other	--	--	1,102,994	--	--	1,108,009	--	38,998	4,975,797	8,917,996
Total Expenditures	<u>--</u>	<u>47,891</u>	<u>1,104,642</u>	<u>1,167</u>	<u>1,236,020</u>	<u>2,502,379</u>	<u>2,245,965</u>	<u>38,998</u>	<u>4,975,797</u>	<u>13,975,513</u>
Excess (Deficiency) of Revenues Over (Under)										
Expenditures Before Other Financing Sources (Uses)	<u>894,767</u>	<u>13,261</u>	<u>1,740,397</u>	<u>2,018</u>	<u>235,596</u>	<u>86,604</u>	<u>10,756</u>	<u>770,760</u>	<u>(484)</u>	<u>4,027,736</u>
Other Financing Sources (Uses)										
Transfers in	--	--	--	--	--	--	--	--	--	1,459
Transfers out	(908,503)	(10,000)	(1,615,000)	--	(72,448)	--	--	(770,760)	--	(4,435,051)
Total Other Financing Sources (Uses)	<u>(908,503)</u>	<u>(10,000)</u>	<u>(1,615,000)</u>	<u>--</u>	<u>(72,448)</u>	<u>--</u>	<u>--</u>	<u>(770,760)</u>	<u>--</u>	<u>(4,433,592)</u>
Net Change in Fund Balances	(13,736)	3,261	125,397	2,018	163,148	86,604	10,756	--	(484)	(405,856)
Fund Balances - Beginning of Year	<u>1,807,914</u>	<u>204,748</u>	<u>350,391</u>	<u>15,937</u>	<u>1,709,889</u>	<u>1,188,382</u>	<u>543,295</u>	<u>--</u>	<u>6,167</u>	<u>9,475,823</u>
Fund Balances - End of Year	<u>\$ 1,794,178</u>	<u>\$ 208,009</u>	<u>\$ 475,788</u>	<u>\$ 17,955</u>	<u>\$ 1,873,037</u>	<u>\$ 1,274,986</u>	<u>\$ 554,051</u>	<u>\$ --</u>	<u>\$ 5,683</u>	<u>\$ 9,069,967</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT C-3

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – SCHOOL CATEGORICAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	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	\$ --	\$ 117,614	\$ --	\$ 117,614	\$ --	\$ --
NCLB/Title IIA	--	89,446	--	89,446	--	--
ESSER III Funds	--	55,696	--	55,696	--	--
Local Entitlement	(1,760)	857,205	--	856,592	--	(1,147)
ARP IDEA	--	11,740	--	11,740	--	--
Local Entitlement Preschool	--	13,169	--	13,169	--	--
MOLI	--	3,097	--	3,097	--	--
Total Federal Education Grant Programs	(1,760)	1,147,967	--	1,147,354	--	(1,147)
Other State Grant Programs						
PEPG Grant	588	--	--	--	--	588
Scarborough Education Foundation	22,542	--	20,334	14,843	--	28,033
Fineberg Trust	136,743	--	--	--	--	136,743
Other Donations	34,498	--	8,190	3,828	--	38,860
Proficiency Based Graduation	3,083	--	--	--	--	3,083
Technology Maintenance Fees	32,046	--	30,829	--	--	62,875
School Nutrition Special Programs	(3,394)	--	16,430	17,971	--	(4,935)
Student Activity Funds	961,585	--	1,152,755	1,108,009	--	1,006,331
CC Admin Certification	2,447	--	10,580	8,476	--	4,551
Homelessness Prevention grant	--	1,797	--	1,797	--	--
MLTI Cybersecurity Grant	--	96,819	--	96,819	--	--
MLTI State Grant	4	103,282	--	103,282	--	4
Total Other State Grant Programs	1,190,142	201,898	1,239,118	1,355,025	--	1,276,133
Total School Categorical Programs	<u>\$ 1,188,382</u>	<u>\$ 1,349,865</u>	<u>\$ 1,239,118</u>	<u>\$ 2,502,379</u>	<u>\$ --</u>	<u>\$ 1,274,986</u>

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.

TOWN OF SCARBOROUGH, MAINE

EXHIBIT D-1

**BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS**

JUNE 30, 2024

	<u>General School Improvements</u>
Assets	
Cash and cash equivalents	\$ 807,025
Total Assets	<u>\$ 807,025</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 43,722
Interfund loans payable	698,132
Total Liabilities	<u>741,854</u>
Fund Balance	
Unassigned	<u>65,171</u>
Total Fund Balance	<u>65,171</u>
Total Liabilities and Fund Balance	<u>\$ 807,025</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT D-2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	<u>General School Improvements</u>
Revenues	
Taxes	\$ 1,003,100
Interest earned	899
Total Revenues	<u>1,003,999</u>
Expenditures	
Capital improvements	<u>3,053,018</u>
Total Expenditures	<u>3,053,018</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(2,049,019)</u>
Other Financing Sources (Uses)	
Transfers in	707,903
Proceeds of general obligation bonds	<u>2,578,458</u>
Total Other Financing Sources	<u>3,286,361</u>
Net Change in Fund Balance	1,237,342
Fund Balance (Deficit) - Beginning of Year	<u>(1,172,171)</u>
Fund Balance - End of Year	<u>\$ 65,171</u>

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.

TOWN OF SCARBOROUGH, MAINE

EXHIBIT E-1

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS**

JUNE 30, 2024

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
Assets				
Investments	\$ 283,607	\$ 26,091	\$ 3,275	\$ 312,973
Interfund loans receivable	31,720	--	--	31,720
Total Assets	<u>\$ 315,327</u>	<u>\$ 26,091</u>	<u>\$ 3,275</u>	<u>\$ 344,693</u>
Liabilities and Fund Balances				
Liabilities				
Interfund loans payable	\$ --	\$ 64	\$ --	\$ 64
Total Liabilities	<u>--</u>	<u>64</u>	<u>--</u>	<u>64</u>
Fund Balances				
Nonspendable principal	190,301	13,367	500	204,168
Restricted expendable income	125,026	12,660	2,775	140,461
Total Fund Balances	<u>315,327</u>	<u>26,027</u>	<u>3,275</u>	<u>344,629</u>
Total Liabilities and Fund Balances	<u>\$ 315,327</u>	<u>\$ 26,091</u>	<u>\$ 3,275</u>	<u>\$ 344,693</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT E-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR PERMANENT FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
Revenues				
Interest, dividends and change in fair value (net)	\$ 12,208	\$ 1,129	\$ 139	\$ 13,476
Sale of lots/perpetual care deposits	<u>21,940</u>	<u>--</u>	<u>--</u>	<u>21,940</u>
Total Revenues	<u>34,148</u>	<u>1,129</u>	<u>139</u>	<u>35,416</u>
Net Change in Fund Balances	34,148	1,129	139	35,416
Fund Balances - Beginning of Year	<u>281,179</u>	<u>24,898</u>	<u>3,136</u>	<u>309,213</u>
Fund Balances - End of Year	<u>\$ 315,327</u>	<u>\$ 26,027</u>	<u>\$ 3,275</u>	<u>\$ 344,629</u>

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.

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.

Mary Campbell Pederson 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.

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.

Teachout/Phillips Merit Scholarship Fund

A scholarship fund established to provide a yearly \$10,000 scholarship to a Scarborough High School senior planning to continue their education in STEM fields. Selection is based on both financial need and academic merit.

IDEXX Scholarship Fund

A scholarship fund established to provide up to six yearly \$2,500 scholarships to Scarborough High School seniors planning to continue their education. Two scholarships are made available in each of three categories: for the children of first responders, for students pursuing education in STEM fields, and for students with financial need.

TOWN OF SCARBOROUGH, MAINE

EXHIBIT F-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS**

JUNE 30, 2024

	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
Assets								
Investments	\$ 1,134	\$ 96,874	\$ 97,279	\$ 204	\$ 13	\$ 1,238	\$ 5,486	\$ 354
Due from student groups	--	--	--	--	--	--	--	--
Total Assets	<u>\$ 1,134</u>	<u>\$ 96,874</u>	<u>\$ 97,279</u>	<u>\$ 204</u>	<u>\$ 13</u>	<u>\$ 1,238</u>	<u>\$ 5,486</u>	<u>\$ 354</u>
Liabilities and Net Position								
Liabilities								
Due to student groups	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,500	\$ --
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,500</u>	<u>--</u>
Net Position								
Nonspendable principal	1,240	100,000	87,680	--	--	--	--	500
Restricted interest	(106)	(3,126)	9,599	204	13	1,238	3,986	(146)
Total Net Position	<u>1,134</u>	<u>96,874</u>	<u>97,279</u>	<u>204</u>	<u>13</u>	<u>1,238</u>	<u>3,986</u>	<u>354</u>
Total Liabilities and Net Position	<u>\$ 1,134</u>	<u>\$ 96,874</u>	<u>\$ 97,279</u>	<u>\$ 204</u>	<u>\$ 13</u>	<u>\$ 1,238</u>	<u>\$ 5,486</u>	<u>\$ 354</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT F-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
PRIVATE-PURPOSE TRUST FUNDS**

JUNE 30, 2024

	S. Dwight Howard Mem. Scholarship Fund	Bertha Libby-Lary Scholarship Fund	Academic Decathlon Scholarship Fund	Class of 1976 Scholarship Fund	Kathy Pearson Scholarship Fund	Lewis Phillips Scholarship Fund	SHS Idexx Scholarship Fund	Totals
Assets								
Investments	\$ 2,570	\$ 11,267	\$ 1,391	\$ 388	\$ 3,335	\$ 14,048	\$ 20,068	\$ 255,649
Due from student groups	--	--	--	700	--	--	--	700
Total Assets	<u>\$ 2,570</u>	<u>\$ 11,267</u>	<u>\$ 1,391</u>	<u>\$ 1,088</u>	<u>\$ 3,335</u>	<u>\$ 14,048</u>	<u>\$ 20,068</u>	<u>\$ 256,349</u>
Liabilities and Net Position								
Liabilities								
Due to student groups	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,500
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,500</u>
Net Position								
Nonspendable principal	2,026	3,500	--	350	3,810	14,000	20,000	233,106
Restricted interest	544	7,767	1,391	738	(475)	48	68	21,743
Total Net Position	<u>2,570</u>	<u>11,267</u>	<u>1,391</u>	<u>1,088</u>	<u>3,335</u>	<u>14,048</u>	<u>20,068</u>	<u>254,849</u>
Total Liabilities and Net Position	<u>\$ 2,570</u>	<u>\$ 11,267</u>	<u>\$ 1,391</u>	<u>\$ 1,088</u>	<u>\$ 3,335</u>	<u>\$ 14,048</u>	<u>\$ 20,068</u>	<u>\$ 256,349</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT F-2

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	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
Additions							
Donations	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Interest and dividends	<u>50</u>	<u>4,217</u>	<u>4,247</u>	<u>9</u>	<u>1</u>	<u>54</u>	<u>321</u>
Total Additions	<u>50</u>	<u>4,217</u>	<u>4,247</u>	<u>9</u>	<u>1</u>	<u>54</u>	<u>321</u>
Deductions							
School scholarships	<u>--</u>	<u>--</u>	<u>1,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,500</u>
Total Deductions	<u>--</u>	<u>--</u>	<u>1,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,500</u>
Changes in Net Position	50	4,217	3,247	9	1	54	(1,179)
Net Position - Beginning of Year	<u>1,084</u>	<u>92,657</u>	<u>94,032</u>	<u>195</u>	<u>12</u>	<u>1,184</u>	<u>5,165</u>
Net Position - End of Year	<u>\$ 1,134</u>	<u>\$ 96,874</u>	<u>\$ 97,279</u>	<u>\$ 204</u>	<u>\$ 13</u>	<u>\$ 1,238</u>	<u>\$ 3,986</u>

TOWN OF SCARBOROUGH, MAINE

EXHIBIT F-2

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
PRIVATE-PURPOSE TRUST FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	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	Lewis Phillips Scholarship Fund	SHS Idexx Scholarship Fund	Totals
Additions									
Donations	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 24,000	\$ 30,000	\$ 54,000
Interest and dividends	16	110	489	60	17	142	48	68	9,849
Total Additions	<u>16</u>	<u>110</u>	<u>489</u>	<u>60</u>	<u>17</u>	<u>142</u>	<u>24,048</u>	<u>30,068</u>	<u>63,849</u>
Deductions									
School scholarships	--	--	250	--	--	--	10,000	10,000	22,750
Total Deductions	<u>--</u>	<u>--</u>	<u>250</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>10,000</u>	<u>10,000</u>	<u>22,750</u>
Changes in Net Position	16	110	239	60	17	142	14,048	20,068	41,099
Net Position - Beginning of Year	<u>338</u>	<u>2,460</u>	<u>11,028</u>	<u>1,331</u>	<u>1,071</u>	<u>3,193</u>	<u>--</u>	<u>--</u>	<u>213,750</u>
Net Position - End of Year	<u>\$ 354</u>	<u>\$ 2,570</u>	<u>\$ 11,267</u>	<u>\$ 1,391</u>	<u>\$ 1,088</u>	<u>\$ 3,335</u>	<u>\$ 14,048</u>	<u>\$ 20,068</u>	<u>\$ 254,849</u>

"Surfs Up or Down" by Linda Karwacki

GENERAL LONG TERM DEBT



**TOWN OF
SCARBOROUGH, MAINE**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

TOWN OF SCARBOROUGH, MAINE

EXHIBIT G-1

SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT

FOR THE YEAR ENDED JUNE 30, 2024

	Interest Rate	Final Maturity Date	Annual Principal Payments	Balance Beginning of Year	Current Year		Balance End of Year
					Issued	Retired	
General Obligation Bonds							
2013 Capital Improvements	Varies	2024	715,000 in 2024	\$ 715,000	\$ --	\$ 715,000	\$ --
2014 Capital Improvements	3.00%	2034	300,000 in 2024				
	3.00%		250,000 to 2029				
	4.00%		50,000 to 2034	1,800,000	--	300,000	1,500,000
2015 Capital Improvements	4.00%	2035	320,000 to 2025				
	Varies		265,000 to 2029				
	3.00%		245,000 to 2030				
	3.00%		165,000 in 2031				
	3.00%		160,000 to 2034				
2016 Capital Improvements	3.00%		150,000 in 2035	2,740,000	--	320,000	2,420,000
	2.50%	2036	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				
2017 Capital Improvements	3.00%		65,000 to 2036	2,515,000	--	430,000	2,085,000
	5.00%	2037	185,000 to 2027				
	3.00%		55,000 to 2032				
2018 Capital Improvements	3.00%		35,000 to 2037	1,190,000	--	185,000	1,005,000
	5.00%	2048	930,000 in 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				
2019 Capital Improvements	Varies		500,000 to 2048	14,455,000	--	930,000	13,525,000
	5.00%	2049	410,000 to 2025				
	Varies		295,000 to 2035				
	3.00%		260,000 to 2040				
2020 Capital Improvements	3.00%		120,000 to 2049	6,150,000	--	410,000	5,740,000
	Varies		745,000 to 2026				
	5.00%		370,000 to 2031				
	Varies		215,000 to 2036				
	2.25%		80,000 to 2039				
2020 Advance Refunding A	2.25%		75,000 to 2040	5,550,000	--	745,000	4,805,000
	4.00%	2031	385,000 to 2025				
	2.50%		380,000 in 2026				
	2.25%		195,000 in 2027				
	2.25%		185,000 to 2031	2,085,000	--	385,000	1,700,000

TOWN OF SCARBOROUGH, MAINE

EXHIBIT G-1

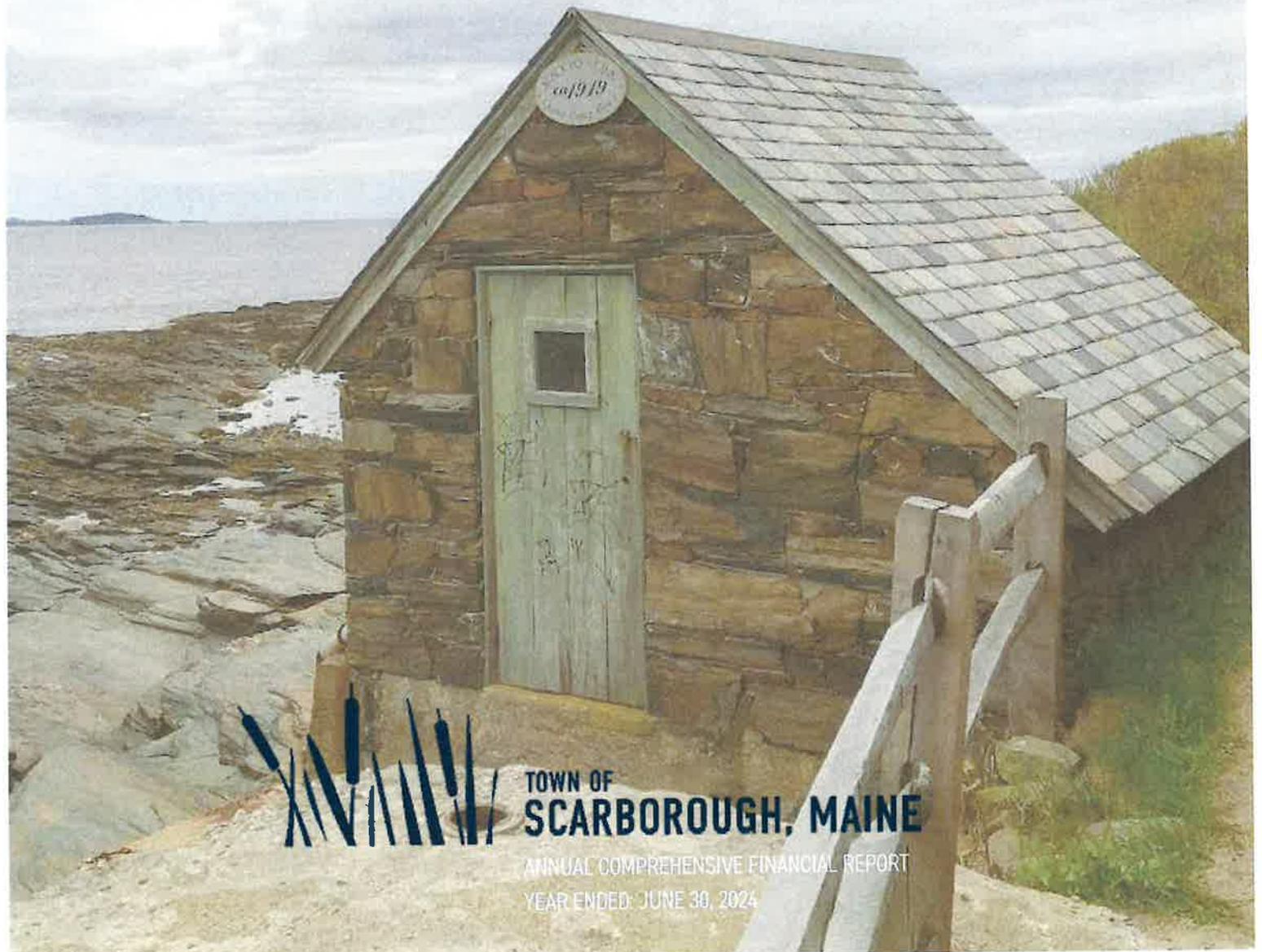
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	Interest Rate	Final Maturity Date	Annual Principal Payments	Balance Beginning of Year	Current Year		Balance End of Year	
					Issued	Retired		
General Obligation Bonds								
2020 Advance Refunding B	4.00%	2043	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		39,115,000	--	2,125,000	36,990,000	
2021 Capital Improvements	5.00%		350,000 to 2027					
	5.00%		300,000 to 2032					
	2.00%		75,000 to 2037					
	2.00%		20,000 to 2042	3,375,000	--	350,000	3,025,000	
2023 Capital Improvements	5.00%	2044	819,000 in 2025					
	5.00%		815,000 to 2026					
	5.00%		805,000 to 2029					
	5.00%		670,000 to 2032					
	4.00%		670,000 in 2033					
	5.00%		670,000 in 2034					
	5.00%		310,000 to 2038					
	4.00%		310,000 in 2039					
	4.25%		15,000 to 2044			9,034,000		9,034,000
						<u>79,690,000</u>	<u>9,034,000</u>	<u>6,895,000</u>
				<u>\$ 79,690,000</u>	<u>\$ 9,034,000</u>	<u>\$ 6,895,000</u>	<u>\$ 81,829,000</u>	

"Coast Walk" by Brian Scott

SUPPLEMENTAL BUDGET TO ACTUAL



**TOWN OF
SCARBOROUGH, MAINE**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2024

TOWN OF SCARBOROUGH, MAINE

EXHIBIT H-1

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (BUDGETARY BASIS) DETAILED FOR THE YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024						2023 Actual
	2023 Carryforward	Budget	Budget Transfers	Total Available	Actual	Variance Positive (Negative)	
Revenues:							
Taxes:							
Property taxes	\$ --	\$ 80,058,868	\$ --	\$ 80,058,868	\$ 79,842,857	\$ (216,011)	\$ 75,437,979
Excise taxes	--	7,281,500	--	7,281,500	8,010,282	728,782	7,402,098
Cable franchise tax	--	235,000	--	235,000	216,221	(18,779)	224,990
Interest and costs on taxes	--	69,369	--	69,369	126,309	56,940	67,198
Total Taxes	--	87,644,737	--	87,644,737	88,195,669	550,932	83,132,265
Licenses and permits:							
Plumbing fees	--	45,000	--	45,000	37,350	(7,650)	45,175
Fees and Permits	--	269,034	--	269,034	273,997	4,963	232,422
Building permits	--	850,000	--	850,000	762,840	(87,160)	916,953
Electrical permits	--	125,000	--	125,000	100,737	(24,263)	135,923
Zoning Board of Appeals	--	7,000	--	7,000	3,750	(3,250)	5,500
License plate fees	--	91,900	--	91,900	94,962	3,062	90,104
Subdivision fees	--	15,000	--	15,000	10,175	(4,825)	9,150
Total Licenses and Permits	--	1,402,934	--	1,402,934	1,283,811	(119,123)	1,435,227
Intergovernmental:							
Education state subsidies	--	5,941,838	--	5,941,838	5,957,196	15,358	5,031,553
Federal HIDTA revenues	--	250,000	--	250,000	250,583	583	256,557
State Revenue Sharing	--	3,628,179	--	3,628,179	3,708,404	80,225	3,440,495
Homestead exemption	--	1,515,000	--	1,515,000	1,554,641	39,641	1,490,804
Business equipment tax exemption	--	775,000	--	775,000	867,298	92,298	828,475
LRAP (Local Road Assistance Program)	--	317,636	--	317,636	366,304	48,668	317,636
ecomaine payment in lieu of taxes	--	71,450	--	71,450	71,429	(21)	71,429
General assistance reimbursement	--	120,002	--	120,002	260,570	140,568	257,723
Adult education State subsidies	--	60,738	--	60,738	68,284	7,546	36,149
Other Federal and State revenues - School	--	40,000	--	40,000	237,599	197,599	32,506
Other Intergovernmental revenues - Town	--	537,093	--	537,093	542,518	5,425	566,191
Total Intergovernmental	--	13,256,936	--	13,256,936	13,884,826	627,890	12,329,518
Interest earned	--	200,000	--	200,000	1,138,953	938,953	410,359
Unclassified:							
School Department miscellaneous	--	311,000	--	311,000	281,566	(29,434)	254,374
Adult education	--	30,000	--	30,000	23,431	(6,569)	43,123
Community services	--	2,615,779	--	2,615,779	2,328,852	(286,927)	2,238,477
Insurance reimbursements	--	100,000	--	100,000	98,857	(1,143)	130,398
Public Violations	--	75,700	--	75,700	81,007	5,307	61,663
Special duty police/fire	--	86,000	--	86,000	207,413	121,413	236,061
Inspection/review fees	--	268,000	--	268,000	281,741	13,741	308,827
Rescue donations	--	1,200,000	--	1,200,000	1,200,000	--	1,150,000
Rental/Lease income	--	185,144	--	185,144	217,363	32,219	143,818
Sale of Town-owned property	--	106,000	--	106,000	77,864	(28,136)	211,590
Salary reimbursement	--	1,475,956	--	1,475,956	1,493,544	17,588	1,309,206
Vehicle fuel reimbursement	--	589,979	--	589,979	506,653	(83,326)	561,931
Vehicle maintenance reimbursement	--	616,400	--	616,400	730,738	114,338	598,959
Miscellaneous	--	116,650	--	116,650	366,842	250,192	330,874
Total Unclassified	--	7,776,608	--	7,776,608	7,895,871	119,263	7,579,301
Total Revenues	--	110,281,215	--	110,281,215	112,399,130	2,117,915	104,886,670

TOWN OF SCARBOROUGH, MAINE

EXHIBIT H-1

GENERAL FUND (CONTINUED) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (BUDGETARY BASIS) DETAILED FOR THE YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024						
	2023 Carryforward	Budget	Budget Transfers	Total Available	Actual	Variance Positive (Negative)	2023 Actual
Expenditures:							
Current:							
General government:							
Town Council	\$ --	\$ 11,573	\$ --	\$ 11,573	\$ 16,173	\$ (4,600)	\$ 11,367
Administration	--	533,488	--	533,488	476,164	57,324	453,713
Town Clerk	--	373,070	--	373,070	423,797	(50,727)	326,644
General government	--	164,252	--	164,252	165,760	(1,508)	150,909
Legal	--	113,000	--	113,000	133,452	(20,452)	171,184
Human resources	--	355,533	--	355,533	371,304	(15,771)	340,789
Risk management	--	874,965	--	874,965	896,074	(21,109)	970,247
Personnel benefits	--	507,148	--	507,148	537,506	(30,358)	607,494
Public information	--	500	--	500	--	500	-
Municipal Building	--	486,420	--	486,420	596,151	(109,731)	528,533
Oak Hill Professional Bldg	--	30,959	--	30,959	27,917	3,042	36,293
Alger Building	--	13,900	--	13,900	5,302	8,598	4,383
Washington Ave Storage	--	1,000	--	1,000	400	600	-
Public Safety Building	--	290,856	--	290,856	185,387	105,469	208,281
Finance	1,420	503,635	--	505,055	448,778	56,277	421,530
Taxation/Treasury	-	527,133	--	527,133	474,839	52,294	500,904
Assessing	515	473,198	--	473,713	447,005	26,708	388,376
Management information systems	38,369	1,918,277	--	1,956,646	1,909,718	46,928	1,667,957
Planning	28,000	965,408	--	993,408	895,233	98,175	1,243,083
Outside agencies	--	12,500	--	12,500	16,500	(4,000)	12,500
Total General Government	<u>68,304</u>	<u>8,156,815</u>	<u>--</u>	<u>8,225,119</u>	<u>8,027,460</u>	<u>197,659</u>	<u>8,044,187</u>
Public services:							
Library	--	1,287,748	--	1,287,748	1,287,748	--	1,108,633
Public health and welfare	--	260,637	--	260,637	437,958	(177,321)	292,778
Tax Rebates (Credit Enhancement Agree	--	1,350,000	--	1,350,000	1,431,915	(81,915)	1,588,736
Economic Development Corporation	--	284,512	--	284,512	287,431	(2,919)	271,353
Community services	64,206	3,615,790	--	3,679,996	3,740,437	(60,441)	3,112,822
Total Public Services	<u>64,206</u>	<u>6,798,687</u>	<u>--</u>	<u>6,862,893</u>	<u>7,185,489</u>	<u>(322,596)</u>	<u>6,374,322</u>
Public safety:							
Fire Department	3,074	4,332,588	--	4,335,662	4,628,249	(292,587)	4,353,318
Emergency Management	--	39,204	--	39,204	31,270	7,934	39,072
Emergency Medical Services	241	2,864,543	--	2,864,784	2,721,999	142,785	2,373,485
Marine resources/coop	--	53,821	--	53,821	59,843	(6,022)	44,073
Police Department	17,079	8,217,520	--	8,234,599	7,975,930	258,669	7,612,502
Total Public Safety	<u>20,394</u>	<u>15,507,676</u>	<u>--</u>	<u>15,528,070</u>	<u>15,417,291</u>	<u>110,779</u>	<u>14,422,450</u>
Public works:							
Public Works Department	23,946	3,713,993	--	3,737,939	3,202,699	535,240	3,201,427
GIS/Engineering services	--	--	--	--	262	(262)	144,240
Technical/Engineering Department	--	593,640	--	593,640	585,176	8,464	--
Vehicle maintenance	1,702	2,293,851	--	2,295,553	2,321,592	(26,039)	2,206,039
Water charges	--	285,500	--	285,500	293,655	(8,155)	266,364
Street lighting	--	54,000	--	54,000	56,813	(2,813)	60,850
Traffic signals	6,070	113,060	--	119,130	86,419	32,711	110,625
Cemetery care	--	18,100	--	18,100	18,366	(266)	13,236
Memorials	--	8,600	--	8,600	5,053	3,547	8,265
Shade trees	--	25,000	--	25,000	17,547	7,453	558
Solid waste program	24,889	1,707,900	--	1,732,789	1,768,929	(36,140)	1,575,148
Total Public Works	<u>56,607</u>	<u>8,813,644</u>	<u>--</u>	<u>8,870,251</u>	<u>8,356,511</u>	<u>513,740</u>	<u>7,586,752</u>
Education:							
Adult education	--	183,149	--	183,149	181,138	2,011	153,920
Regular instruction	--	26,154,536	(52,697)	26,101,839	25,736,457	365,382	24,210,600
Special education	--	12,095,474	--	12,095,474	11,441,768	653,706	10,665,109
Other instruction	--	1,673,651	--	1,673,651	1,577,815	95,836	1,474,353
Student and staff support	--	6,023,235	52,697	6,075,932	5,887,591	188,341	5,611,641
System administration	--	1,506,410	40,000	1,546,410	1,503,049	43,361	1,333,640
School administration	--	1,977,203	--	1,977,203	1,911,587	65,616	1,903,176
Transportation	--	2,067,292	--	2,067,292	1,894,543	172,749	1,772,443
Facilities maintenance	--	5,005,760	--	5,005,760	4,530,097	475,663	4,244,058
Debt service	--	5,548,580	(40,000)	5,508,580	5,482,890	25,690	5,212,559
Total Education	<u>--</u>	<u>62,235,290</u>	<u>--</u>	<u>62,235,290</u>	<u>60,146,935</u>	<u>2,088,355</u>	<u>56,581,499</u>

TOWN OF SCARBOROUGH, MAINE

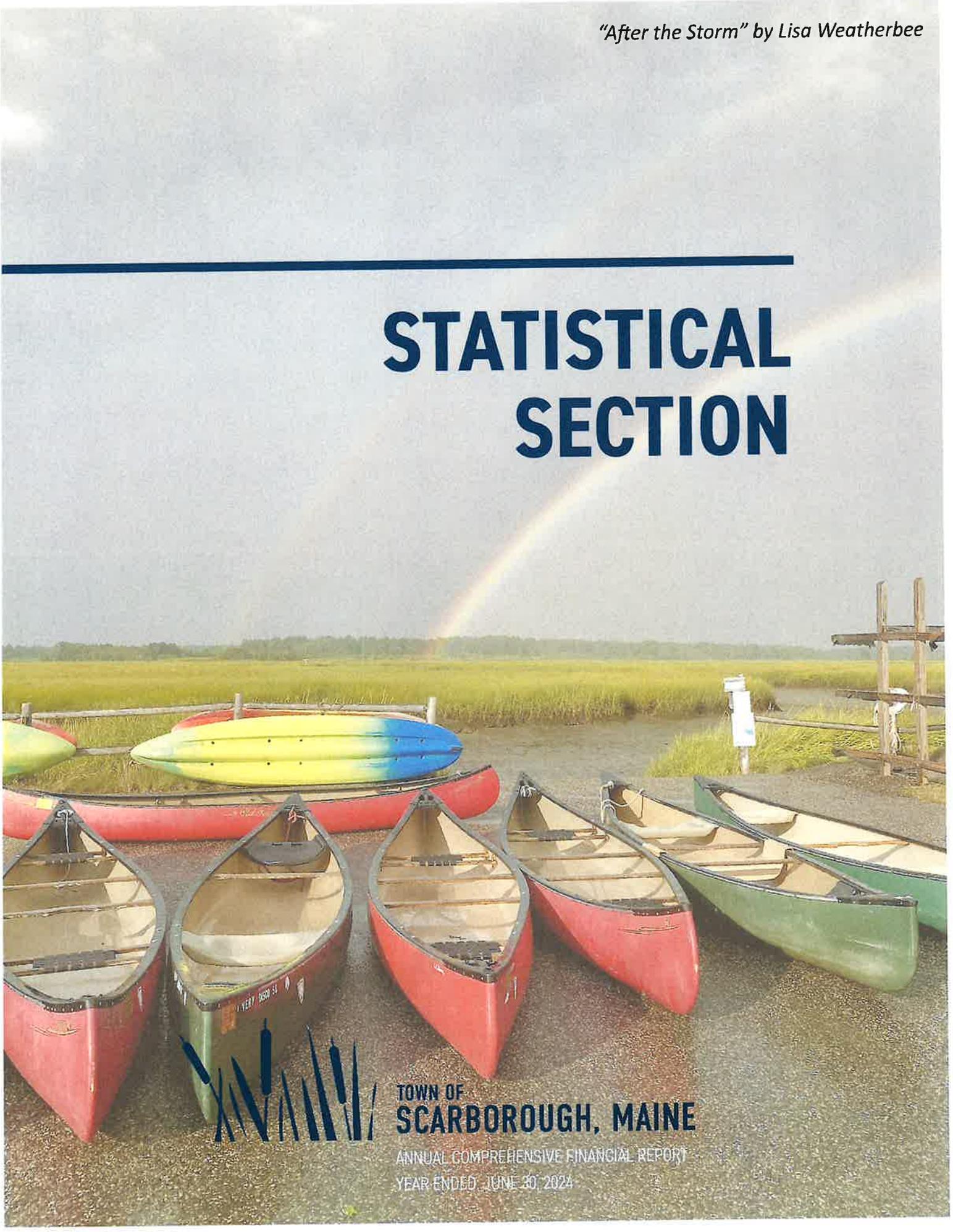
EXHIBIT H-1

GENERAL FUND (CONTINUED)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) DETAILED
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024						2023 Actual
	2023 Carryforward	Budget	Budget Transfers	Total Available	Actual	Variance Positive (Negative)	
Expenditures, Continued:							
Current, continued:							
County tax	\$ --	\$ 3,481,081	\$ --	\$ 3,481,081	\$ 3,481,081	\$ --	\$ 3,119,411
Debt service (excluding education):							
Principal	--	3,134,351	--	3,134,351	3,145,739	(11,388)	4,957,260
Interest and other costs	--	1,926,677	--	1,926,677	1,539,917	386,760	1,431,390
Total Debt Service	--	5,061,028	--	5,061,028	4,685,656	375,372	6,388,650
Capital improvements	637,313	1,948,500	--	2,585,813	1,085,289	1,500,524	1,823,768
Total Expenditures	846,824	112,002,721	--	112,849,545	108,385,712	4,463,833	104,341,039
Excess (Deficiency) of Revenues Over							
Expenditures	(846,824)	(1,721,506)	--	(2,568,330)	4,013,418	6,581,748	545,631
Other Financing Sources (Uses):							
Transfers in	--	2,346,506	--	2,346,506	2,438,650	92,144	2,846,190
Transfers out	--	(3,265,000)	--	(3,265,000)	(4,065,000)	(800,000)	(2,863,747)
General obligation bonds	--	1,035,000	--	1,035,000	1,930,185	895,185	--
Premium received on issued bonds, net of issuance costs	--	--	--	--	667,158	667,158	--
Overlay	--	(250,000)	--	(250,000)	--	250,000	--
Total Other Financing Sources (Uses)	--	(133,494)	--	(133,494)	970,993	1,104,487	(17,557)
Excess (Deficiency) of Revenues and Other Financing Sources							
Over (Under) Expenditures and Other Financing Uses	(846,824)	(1,855,000)	--	(2,701,824)	4,984,411	7,686,235	528,074
Utilization of prior year surplus and carrying balances	846,824	1,855,000	--	2,701,824	--	(2,701,824)	--
Net change in fund balances - budgetary basis	--	--	--	--	4,984,411	4,984,411	528,074
Fund balances - Beginning of Year	\$ --	\$ --	\$ --	\$ --	\$ 19,271,964	\$ --	\$ 18,743,890
Fund balances - End of Year	\$ --	\$ --	\$ --	\$ --	\$ 24,256,375	\$ --	\$ 19,271,964

"After the Storm" by Lisa Weatherbee

STATISTICAL SECTION



**TOWN OF
SCARBOROUGH, MAINE**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

STATISTICAL SECTION

This part of the Town's annual comprehensive financial 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.

Contents	Table
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
Revenue Capacity <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	6-11
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	12-17
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	18-23
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the government provides and the activities it performs.</i>	24-31

Note: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

TOWN OF SCARBOROUGH, MAINE

TABLE 1

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities											
Net investment in capital assets	\$	92,958,668	92,279,914	75,907,216	77,301,217	64,957,968	57,341,865	61,977,397	61,708,817	59,088,465	57,103,811
Restricted		5,671,455	5,578,654	6,701,889	5,417,255	2,407,963	1,540,755	2,577,864	3,883,241	5,568,308	3,373,177
Unrestricted		<u>8,039,100</u>	<u>(1,032,099)</u>	<u>447,429</u>	<u>(2,782,625)</u>	<u>(4,065,315)</u>	<u>2,688,359</u>	<u>(6,355,930)</u>	<u>(3,775,014)</u>	<u>(2,259,046)</u>	<u>(688,245)</u>
Total Governmental Activities Net Position	\$	<u>106,669,223</u>	<u>96,826,469</u>	<u>83,056,534</u>	<u>79,935,847</u>	<u>63,300,616</u>	<u>61,570,979</u>	<u>58,199,331</u>	<u>61,817,044</u>	<u>62,397,727</u>	<u>59,788,743</u>

Notes:

- 1) Total Net Position as restated for the fiscal year ended June 30, 2017. The Restatement resulted from implementation of GASB Statement No. 75.
- 2) 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.
- 3) Total Net Position as restated for the fiscal year ended June 30, 2021. The Restatement resulted from implementation of GASB Statement No. 87 in addition to reversal of compensated absences on fund statements.
- 4) Total Net Position as restated for the fiscal year ended June 30, 2022. The Restatement resulted from implementation of GASB Statement No. 96.

TOWN OF SCARBOROUGH, MAINE

TABLE 2

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Program Revenues										
Charges for services										
General government	\$ 4,292,629	\$ 3,032,898	\$ 4,079,787	\$ 3,397,720	\$ 3,365,087	\$ 3,088,056	\$ 2,370,489	\$ 2,821,305	\$ 3,257,876	\$ 3,170,678
Public services	4,025,346	4,075,114	3,471,252	2,837,944	2,562,570	3,021,376	3,004,909	2,883,349	2,510,082	2,531,113
Public safety	3,479,537	3,242,391	3,273,682	3,873,513	3,606,215	3,424,185	3,075,250	3,094,403	2,780,266	2,731,150
Public works	2,372,878	2,511,519	1,736,170	2,243,752	1,707,293	1,963,528	2,040,177	1,740,432	1,635,542	1,692,802
Education	1,800,510	1,572,810	1,252,423	757,372	1,217,477	1,649,528	1,523,725	1,268,370	1,356,477	1,299,774
Operating grants and activities	22,945,387	23,099,726	21,528,206	18,539,857	11,535,370	7,633,881	7,247,352	9,486,212	8,150,991	8,586,603
Capital grants and contributions	77,864	211,590	28,125	7,772,007	62,802	96,626	54,317	161,912	149,582	54,304
General revenues										
Property and excise taxes, levies for general purposes	89,233,598	84,203,524	78,861,625	76,583,938	74,414,696	72,171,334	68,335,117	65,631,946	63,529,063	60,877,879
Grants and contributions not restricted to specific programs	7,039,703	6,656,839	5,635,785	4,570,408	3,655,801	3,552,551	2,880,488	2,206,632	1,796,997	1,908,036
Unrestricted investment earnings	1,138,953	410,359	2,628	177,290	230,534	525,771	152,437	175,917	84,783	390,260
Total Revenues	<u>136,406,405</u>	<u>129,016,770</u>	<u>119,869,683</u>	<u>120,753,801</u>	<u>102,357,845</u>	<u>97,126,836</u>	<u>90,684,261</u>	<u>89,470,478</u>	<u>85,251,659</u>	<u>83,242,599</u>
Expenses										
General government	16,522,733	13,424,532	17,343,009	19,203,342	16,045,768	16,687,230	13,113,500	14,435,000	12,728,572	14,077,217
Public services	7,326,003	6,461,889	5,669,872	4,787,771	4,810,221	4,752,163	4,996,328	4,923,303	4,733,734	4,658,690
Public safety	20,931,320	19,651,186	19,040,785	12,965,441	13,043,518	11,081,295	12,599,095	11,496,900	10,922,234	9,716,227
Public works	10,668,658	9,558,623	10,167,312	8,228,353	7,996,409	8,257,195	8,116,981	8,245,900	8,048,143	7,713,975
Education	68,169,152	63,327,400	61,315,985	57,837,139	55,037,803	49,389,226	46,873,688	46,499,772	42,774,764	41,617,985
Interest on debt service	2,945,785	2,823,205	3,212,033	3,012,049	3,694,489	3,588,079	3,502,402	3,230,297	3,435,228	3,418,748
Total Expenses	<u>126,563,651</u>	<u>115,246,835</u>	<u>116,748,996</u>	<u>106,034,095</u>	<u>100,628,208</u>	<u>93,755,188</u>	<u>89,201,994</u>	<u>88,831,172</u>	<u>82,642,675</u>	<u>81,202,842</u>
Change in Net Position	<u>\$ 9,842,754</u>	<u>\$ 13,769,935</u>	<u>\$ 3,120,687</u>	<u>\$ 14,719,706</u>	<u>\$ 1,729,637</u>	<u>\$ 3,371,648</u>	<u>\$ 1,482,267</u>	<u>\$ 639,306</u>	<u>\$ 2,608,984</u>	<u>\$ 2,039,757</u>

TOWN OF SCARBOROUGH, MAINE

TABLE 3

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable Inventory	\$ 30	\$ 21	\$ 15	\$ 29	\$ 31	\$ 28	\$ 28	\$ 13	\$ 31	\$ 43
Restricted for Town	1,583	2,785	2,809	2,923	2,930	2,951	3,148	2,958	2,743	2,898
Restricted for Education	2,127	2,189	2,643	2,050	649	200	332	242	2,224	540
Committed - General Fund	594	594	567	549	455	441	393	400	503	519
Assigned - General Fund	2,485	1,604	1,746	2,876	2,616	2,122	1,976	1,676	2,140	2,305
Assigned - Education	1,535	1,530	1,030	1,030	700	352	501	2,102	426	425
Unassigned - General Fund	<u>15,902</u>	<u>10,549</u>	<u>9,934</u>	<u>6,294</u>	<u>7,702</u>	<u>8,212</u>	<u>7,387</u>	<u>6,894</u>	<u>6,108</u>	<u>4,973</u>
Total General Fund	<u>24,256</u>	<u>19,272</u>	<u>18,744</u>	<u>15,751</u>	<u>15,083</u>	<u>14,306</u>	<u>13,765</u>	<u>14,285</u>	<u>14,175</u>	<u>11,703</u>
All Other Governmental Funds										
Nonspendable Permanent Fund Principal	204	204	204	194	180	173	168	164	155	147
Nonspendable Inventory Special Revenues	112	60	87	48	60	43	40	36	36	26
Restricted Special Revenues	2,672	2,512	3,575	1,633	774	717	873	645	637	624
Restricted Capital Projects	--	--	--	--	--	10,486	15,203	651	2,317	5,409
Restricted Permanent Fund Interest	140	105	99	104	105	98	91	90	90	86
Committed - Special Revenues	6,287	6,903	5,797	6,805	5,974	6,751	6,265	5,246	4,752	4,439
Unassigned - Special Revenues	(1,455)	(2,685)	(2,704)	(2,796)	(2,282)	(1,972)	(1,943)	(1,746)	(1,550)	(1,365)
Unassigned - Capital Projects	<u>(1,238)</u>	<u>(4,742)</u>	<u>(404)</u>	<u>(1,298)</u>	<u>(896)</u>	<u>(247)</u>	<u>--</u>	<u>--</u>	<u>1,527</u>	<u>(567)</u>
Total All Other Governmental Funds	<u>6,722</u>	<u>2,357</u>	<u>6,654</u>	<u>4,690</u>	<u>3,915</u>	<u>16,049</u>	<u>20,697</u>	<u>5,086</u>	<u>7,964</u>	<u>8,799</u>
Total Governmental Funds Fund Balances	<u>\$ 30,978</u>	<u>\$ 21,629</u>	<u>\$ 25,398</u>	<u>\$ 20,441</u>	<u>\$ 18,998</u>	<u>\$ 30,355</u>	<u>\$ 34,462</u>	<u>\$ 19,371</u>	<u>\$ 22,139</u>	<u>\$ 20,502</u>

TOWN OF SCARBOROUGH, MAINE

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING) (AMOUNTS EXPRESSED IN THOUSANDS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	\$ 89,925	\$ 83,959	\$ 79,789	\$ 77,012	\$ 74,600	\$ 72,140	\$ 68,340	\$ 65,949	\$ 63,719	\$ 61,154
Licenses and permits	1,284	1,435	1,229	1,067	866	864	939	782	817	756
Intergovernmental	29,000	27,874	26,362	21,600	14,785	12,480	10,600	10,954	11,672	12,879
Interest earned	1,560	584	(141)	171	434	739	192	426	199	449
Other	14,397	14,992	12,712	13,744	11,299	12,613	11,852	11,193	10,418	10,376
Total Revenues	<u>136,166</u>	<u>128,844</u>	<u>119,951</u>	<u>113,594</u>	<u>101,984</u>	<u>98,836</u>	<u>91,923</u>	<u>89,304</u>	<u>86,825</u>	<u>85,614</u>
Expenditures										
General government	8,027	8,044	7,724	6,133	6,785	8,005	7,070	5,932	4,951	4,829
Public services	7,185	6,374	5,569	4,663	4,660	4,724	4,945	4,922	4,690	4,612
Public safety	15,417	14,422	18,550	6,852	13,873	11,478	11,836	11,116	10,297	9,344
Public works	8,357	7,587	7,080	5,367	6,322	9,377	6,750	7,128	7,233	6,506
Education (Excludes School Debt)	63,432	63,205	58,315	57,508	52,346	49,401	46,291	45,541	43,681	45,614
Education Debt (Prin & Int)	5,483	5,213	5,511	5,145	5,254	5,691	5,614	5,761	5,119	4,606
County tax	3,481	3,119	3,082	3,188	2,957	2,827	2,710	2,569	2,493	2,355
Debt service (Principal-Town Only (1))	3,146	4,958	4,730	4,903	4,525	3,868	3,866	3,800	3,760	3,506
Debt service (Interest-Town Only)	1,540	1,431	1,631	1,768	1,704	1,731	1,008	1,058	1,164	1,100
Capital Outlay	11,508	8,203	4,292	12,953	19,363	10,887	3,636	4,415	3,626	9,942
Other	8,943	10,056	4,047	4,426	3,635	3,099	2,637	2,639	2,054	1,928
Total Expenditures	<u>136,519</u>	<u>132,612</u>	<u>120,531</u>	<u>112,906</u>	<u>121,424</u>	<u>111,088</u>	<u>96,363</u>	<u>94,881</u>	<u>89,068</u>	<u>94,342</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(353)	(3,768)	(580)	688	(19,440)	(12,252)	(4,440)	(5,577)	(2,243)	(8,728)
Other Financing Sources (Uses)										
Transfers in	7,301	5,725	3,709	4,877	1,978	1,368	1,264	3,208	1,410	1,071
Transfers out	(7,301)	(5,725)	(3,709)	(4,877)	(1,978)	(1,368)	(1,264)	(3,208)	(1,410)	(1,071)
Refunding bond issued	--	--	--	42,315	--	--	--	--	3,785	--
Payment to refunding bond escrow agent	--	--	--	(47,975)	--	--	--	--	(3,972)	--
Premium received on refunded debt	--	--	--	5,660	--	--	--	--	187	--
Premium received on issued debt	667	--	651	--	1,043	765	1,341	--	85	--
General obligation bonds and capital leases	9,034	--	3,725	--	7,040	7,380	18,190	2,755	3,755	6,085
Total Other Financing Sources (Uses)	<u>9,701</u>	<u>--</u>	<u>4,376</u>	<u>--</u>	<u>8,083</u>	<u>8,145</u>	<u>19,531</u>	<u>2,755</u>	<u>3,840</u>	<u>6,085</u>
Net Change in Fund Balances	<u>\$ 9,348</u>	<u>\$ (3,768)</u>	<u>\$ 3,796</u>	<u>\$ 688</u>	<u>\$ (11,357)</u>	<u>\$ (4,107)</u>	<u>\$ 15,091</u>	<u>\$ (2,822)</u>	<u>\$ 1,597</u>	<u>\$ (2,643)</u>
Debt Service as a Percentage of Non-Capital Expenditures	3.70%	5.44%	5.47%	6.67%	6.10%	5.59%	5.26%	5.37%	5.76%	5.46%

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

TOWN OF SCARBOROUGH, MAINE

TABLE 5

**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
2024	\$ 8,027,460	\$ 7,185,489	\$ 15,417,291	\$ 8,356,511	\$ 60,146,935	\$ 3,481,081	\$ 4,685,656	\$ 1,085,289	\$ 108,385,712
2023	8,044,187	6,374,322	14,422,450	7,586,752	56,581,499	3,119,411	6,388,650	1,823,768	104,341,039
2022	7,724,048	5,569,316	13,169,023	7,079,988	58,091,049	3,081,933	6,361,083	1,611,570	102,688,010
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
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
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
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
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
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
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

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

TOWN OF SCARBOROUGH, MAINE

TABLE 6

**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
2024	\$ 79,842,857	\$ 126,309	\$ 7,977,254	\$ 33,028	\$ 216,221	\$ 88,195,669
2023	75,437,979	67,198	7,369,371	32,727	224,990	83,132,265
2022	71,428,719	57,216	7,132,628	30,498	222,411	78,871,472
2021	69,108,829	79,210	7,140,356	34,573	229,665	76,592,633
2020	67,674,116	95,112	6,323,543	28,718	218,180	74,339,669
2019	65,332,400	112,016	6,333,746	31,970	219,247	72,029,379
2018	61,957,189	106,100	5,903,828	31,034	208,117	68,206,268
2017	59,523,351	101,590	5,873,919	28,925	200,984	65,728,769
2016	57,470,744	113,124	5,596,389	30,144	190,592	63,400,993
2015	55,621,936	105,060	5,026,029	27,530	191,317	60,971,872
2014	53,664,817	98,390	4,620,362	30,849	191,220	58,605,638

TOWN OF SCARBOROUGH, MAINE

TABLE 7

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	Assessed Property	Assessed Property	Estimated Actual Value		
2024	\$ 5,145,863,738	* \$ 110,459,200	\$ 5,256,322,938	\$ 5,256,322,938	15.97	100%		
2023	4,877,518,176	110,658,700	4,988,176,876	4,988,176,876	15.39	100%		
2022	4,735,610,576	110,072,200	4,845,682,776	4,845,682,776	15.02	100%		
2021	4,615,052,676	112,178,300	4,727,230,976	4,727,230,976	14.86	100%		
2020	4,577,104,776	119,356,600	4,696,461,376	4,696,461,376	14.70	100%		
2019	3,908,909,212	103,383,400	4,012,292,612	4,012,292,612	16.49	100%		
2018	3,678,001,742	107,486,600	3,785,488,342	3,785,488,342	16.49	100%		
2017	3,667,678,200	108,684,300	3,776,362,500	3,776,362,500	15.92	100%		
2016	3,637,366,300	108,181,800	3,745,548,100	3,745,548,100	15.49	100%		
2015	3,587,500,600	112,987,600	3,700,488,200	3,700,488,200	15.10	100%		

* Assessed value includes a one time State of Maine Property Tax Stabilization LD 290 with an assessed value of \$113,739,762
Source: Town of Scarborough Assessor's Office.

TOWN OF SCARBOROUGH, MAINE

TABLE 8

**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	Total Property Tax Rates by Year
2024	4.265	10.758	0.677	0.925	0.050	(0.706)	15.97
2023	4.060	10.556	0.625	0.711	0.067	(0.628)	15.39
2022	4.154	10.396	0.636	0.341	0.102	(0.608)	15.02
2021	4.024	10.346	0.675	0.300	0.095	(0.578)	14.86
2020	4.091	10.147	0.630	0.228	0.064	(0.460)	14.70
2019	4.599	11.225	0.705	0.254	0.168	(0.461)	16.49
2018	4.698	11.239	0.716	0.224	0.037	(0.423)	16.49
2017	4.743	10.563	0.680	0.240	0.046	(0.353)	15.92
2016	4.597	10.144	0.666	0.254	0.132	(0.303)	15.49
2015	4.649	9.774	0.637	0.245	0.089	(0.292)	15.10

TOWN OF SCARBOROUGH, MAINE

TABLE 9

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)**

2024				2015			
<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	\$ 106,566,200	1	2.03%	Maine Life Care Retirement	\$ 64,297,800	1	1.74%
Central Maine Power	51,552,100	2	0.98%	Walmart/Sams Club	37,927,000	2	1.01%
The Residences at Gateway Commons LLC	43,420,200	3	0.83%	New England Expedition	35,201,100	3	0.95%
Hannaford Brothers	38,882,100	4	0.74%	Central Maine Power	25,831,400	4	0.70%
Idexx Distribution Inc	30,419,000	5	0.58%	Hannaford Brothers	24,601,200	5	0.66%
Walmart Real Estate Business Trust	22,697,700	6	0.43%	Scarborough Gallery	20,049,800	6	0.54%
New England Expedition-Scarborough LLC	21,328,100	7	0.41%	MMC Realty Maine health	19,850,100	7	0.54%
Abbott Diagnostics Scarborough Inc	20,757,300	8	0.39%	Gavin Ruotolo	18,941,000	8	0.51%
Waterstone Scarborough LLC	17,904,400	9	0.34%	RRE Foxcroft/RRE Coach Lantern	13,247,600	9	0.36%
Coach Lantern Apartments LLC	15,345,700	10	0.29%	Shaw's Supermarket	12,630,600	10	0.34%
Total Principal Taxpayers	\$ 368,872,800		7.02%		\$ 272,577,600		7.37%
Total Assessed Value:	\$ 5,256,322,938				\$ 3,700,488,200		

Source: Town of Scarborough, Maine Assessor

TOWN OF SCARBOROUGH, MAINE

TABLE 10

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collections/Abatements Within Year of Levy		Collections/ Abatements in Subsequent Years	Total Collections/Abatements to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 84,001,504	\$ 83,102,505	98.9%	\$ -	\$ 83,102,505	98.93%
2023	76,830,055	76,248,783	99.2%	416,523	76,665,306	99.79%
2022	72,782,713	72,358,011	99.4%	104,320	72,462,331	99.56%
2021	70,246,652	69,709,390	99.2%	387,814	70,097,203	99.79%
2020	69,037,982	68,228,330	98.8%	760,798	68,989,129	99.93%
2019	66,162,710	65,462,458	98.9%	671,747	66,134,206	99.96%
2018	62,422,707	61,848,681	99.1%	546,897	62,395,579	99.96%
2017	60,119,691	59,602,002	99.1%	502,786	60,104,787	99.98%
2016	58,018,545	57,331,779	98.8%	673,685	58,005,464	99.98%
2015	55,877,372	55,321,988	99.0%	544,838	55,866,826	99.98%

Source: Town of Scarborough Tax Collector's Office.

TOWN OF SCARBOROUGH, MAINE

TABLE 11

ASSESSED VALUATIONS AND TAX LEVIES LAST TEN FISCAL YEARS

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Rate	Tax Levy
2024	\$ 5,145,863,738	\$ 110,459,200	\$ 5,256,322,938	15.97	\$ 83,943,477
2023	4,877,518,176	110,658,700	4,988,176,876	15.39	76,768,042
2022	4,735,610,576	110,072,200	4,845,682,776	15.02	72,782,155
2021	4,615,052,676	112,178,300	4,727,230,976	14.86	70,246,652
2020	4,577,104,776	119,356,600	4,696,461,376	14.70	69,037,982
2019	3,908,909,212	103,383,400	4,012,292,612	16.49	66,162,710
2018	3,678,001,742	107,486,600	3,785,488,342	16.49	62,422,707
2017	3,667,678,200	108,684,300	3,776,362,500	15.92	60,119,691
2016	3,637,366,300	108,181,800	3,745,548,100	15.49	58,018,545
2015	3,587,500,600	112,987,600	3,700,488,200	15.10	55,877,372

Source: Town of Scarborough Assessor's Office.

TOWN OF SCARBOROUGH, MAINE

TABLE 12

STATUTORY DEBT LIMIT BY STATE AND LOCAL

STATE OF MAINE LEGAL DEBT MARGIN CALCULATION JUNE 30, 2024

	State Assessed Value:		<u>\$ 6,548,950,000</u>		
	Legal Debt Margin Limit of 15% of State Valuation		\$ 982,342,500		
Purpose	State Legal Percent	State Legal Debt Limit	Principal Debt Outstanding	Margin	Actual Percent
Municipal - Other	7.5%	\$ 491,171,250	\$ 39,307,465	\$ 451,863,785	0.60%
Storm or Sanitary Sewer	7.5%	491,171,250	--	491,171,250	0.00%
School	10.0%	654,895,000	42,521,535	612,373,465	0.65%
Munc Airport, Water,Special District	3.0%	196,468,500	--	196,468,500	0.00%
		Total	<u>\$ 81,829,000</u>		
				Total Bonded Debt Applicable to Debt Limit	<u>\$ 81,829,000</u>
				Legal Debt Margin	<u>\$ 900,513,500</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, 2024

			Scarborough Legal Debt Margin Limit of 8.50% of State Valuation	\$556,660,750	
Purpose	Scarborough Legal Percent	Scarborough Legal Debt Limit	Principal Debt Outstanding	Margin	Actual Percent
Municipal - Other	4.0%	\$ 261,958,000	\$ 39,307,465	\$ 222,650,535	0.60%
Storm or Sanitary Sewer	4.0%	261,958,000	--	261,958,000	0.00%
School	5.0%	327,447,500	42,521,535	284,925,965	0.65%
Munc Airport, Water,Special District	1.5%	98,234,250	--	98,234,250	0.00%
		Total	<u>\$ 81,829,000</u>		
				Total Bonded Debt Applicable to Debt Limit	<u>\$ 81,829,000</u>
				Legal Debt Margin	<u>\$ 474,831,750</u>

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

TOWN OF SCARBOROUGH, MAINE

TABLE 13

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Other Bond Adjustments	Right of Use Lease/Subscription Liabilities (1)(2)	Total Outstanding Debt	Population*	Percentage of Personal Income	Debt Per Capita
2024	\$ 81,829,000	\$ 11,412,568	\$ 1,040,502	\$ 94,282,070	23,656	5.39%	\$ 3,986
2023	79,690,000	11,485,127	1,295,755	92,470,882	23,218	5.31%	3,983
2022	88,055,000	12,230,856	1,631,909	101,917,765	23,218	5.97%	4,390
2021	92,660,000	12,272,554	715,177	105,647,731	22,713	7.17%	4,651
2020	102,130,000	7,307,717	--	109,437,717	21,428	8.85%	5,107
2019	102,720,000	6,602,073	49,567	109,371,640	19,602	9.90%	5,580
2018	102,650,000	6,125,334	97,939	108,873,273	19,819	11.04%	5,493
2017	91,630,000	5,049,838	--	96,679,838	19,911	10.62%	4,856
2016	95,920,000	5,315,488	199,715	101,435,203	20,379	12.20%	4,977
2015	98,500,000	5,233,907	395,578	104,129,485	20,991	12.52%	4,961

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: Scarborough Economic Development Corporation (SEDCO)

(1) - FY2021 reflects restatement for implementation of GASB 87 on July 1, 2021. Leases prior to FY2021 reflected as capital leases.

(2) - FY2022 reflects restatement for implementaiton of GASB 96 on July 1, 2022.

TOWN OF SCARBOROUGH, MAINE

TABLE 14

**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
2024	\$ 81,829,000	\$ 11,412,568	\$ 93,241,568	\$ 5,256,322,938	1.56%	23,656	5.39%	\$ 3,459
2023	79,690,000	11,485,127	91,175,127	4,988,176,876	1.60%	23,218	5.31%	3,432
2022	88,055,000	12,230,856	100,285,856	4,845,682,776	1.82%	23,218	5.97%	3,793
2021	92,660,000	12,272,554	104,932,554	4,727,230,976	1.96%	22,135	7.17%	4,186
2020	102,130,000	7,307,717	109,437,717	4,696,461,376	2.17%	19,494	8.85%	5,239
2019	102,720,000	6,602,073	109,322,073	4,012,292,612	2.56%	19,602	9.90%	5,240
2018	102,650,000	6,125,334	108,775,334	3,785,488,342	2.71%	19,819	11.04%	5,179
2017	91,630,000	5,049,838	96,679,838	3,776,362,500	2.43%	19,911	10.62%	4,602
2016	95,920,000	5,315,488	101,235,488	3,745,548,100	2.56%	20,379	12.20%	4,707
2015	98,500,000	5,233,907	103,733,907	3,700,488,200	2.66%	20,991	12.52%	4,692

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.

TOWN OF SCARBOROUGH, MAINE

TABLE 15

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2024	\$ 6,895,000	\$ 3,194,928	\$ 10,089,928	\$ 113,513,448	8.89%
2023	8,365,000	3,236,209	11,601,209	109,126,776	10.63%
2022	8,330,000	3,486,882	11,816,882	102,688,010	11.51%
2021	8,430,000	3,257,322	11,687,322	92,437,790	12.64%
2020	7,630,000	3,784,372	11,414,372	90,073,675	12.67%
2019	7,310,000	3,910,975	11,220,975	87,718,110	12.79%
2018	7,170,000	3,227,906	10,397,906	83,207,174	12.50%
2017	7,045,000	3,348,228	10,393,228	81,300,349	12.78%
2016	6,320,000	2,139,692	8,459,692	76,071,959	11.12%
2015	5,480,000	3,505,753	8,985,753	75,111,822	11.96%

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

TOWN OF SCARBOROUGH, MAINE

TABLE 16

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limit	\$ 556,660	\$ 475,349	\$ 424,043	\$ 721,140	\$ 716,753	\$ 647,040	\$ 610,215	\$ 584,903	\$ 568,793	\$ 451,595
Total net debt applicable to limit	81,829	79,690	88,055	92,660	102,130	102,720	102,650	91,630	95,920	103,734
Legal debt margin	474,831	395,659	335,988	628,480	614,623	544,320	507,565	493,273	472,873	347,861
Total net debt applicable to the limit as a percentage of debt limit	14.70%	16.76%	20.77%	12.85%	14.25%	15.88%	16.82%	15.67%	16.86%	22.97%

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.

TOWN OF SCARBOROUGH, MAINE

TABLE 17

DIRECT, OVERLAPPING AND CONTINGENT DEBT LAST TEN FISCAL YEARS (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town of Scarborough										
General Obligation Bonds	\$ 81,829	\$ 79,690	\$ 88,055	\$ 92,660	\$ 102,130	\$ 102,720	\$ 102,650	\$ 91,630	\$ 95,920	\$ 98,500
Premium	11,412	11,485	12,231	12,273	7,308	6,602	6,125	5,050	5,315	5,234
Right of Use Lease/Subscription Liabilities (1)(2)	1,041	1,296	1,632	716	--	50	98	--	200	396
Total Direct Debt	<u>94,282</u>	<u>92,471</u>	<u>101,918</u>	<u>105,649</u>	<u>109,438</u>	<u>109,372</u>	<u>108,873</u>	<u>96,680</u>	<u>101,435</u>	<u>104,130</u>
Cumberland County	2,560	2,564	2,720	3,357	3,357	3,486	3,286	3,464	3,321	3,457
Portland Water District	8,266	7,353	7,650	7,343	7,829	7,300	6,926	6,396	6,654	6,454
Total Overlapping Debt	<u>10,826</u>	<u>9,917</u>	<u>10,370</u>	<u>10,700</u>	<u>11,186</u>	<u>10,786</u>	<u>10,212</u>	<u>9,860</u>	<u>9,975</u>	<u>9,911</u>
ecomaine Waste Systems										
Landfill closure/postclosure	1,754	1,687	1,622	1,442	1,408	1,381	1,324	1,318	1,504	1,467
Total Contingent Debt	<u>1,754</u>	<u>1,687</u>	<u>1,622</u>	<u>1,442</u>	<u>1,408</u>	<u>1,381</u>	<u>1,324</u>	<u>1,318</u>	<u>1,504</u>	<u>1,467</u>
Total Direct, Overlapping/Contingent	<u>\$ 106,862</u>	<u>\$ 104,075</u>	<u>\$ 113,910</u>	<u>\$ 117,791</u>	<u>\$ 122,032</u>	<u>\$ 121,539</u>	<u>\$ 120,409</u>	<u>\$ 107,858</u>	<u>\$ 112,914</u>	<u>\$ 115,508</u>

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.

(1) - FY2021 reflects restatement for implementation of GASB 87 on July 1, 2021. Leases prior to FY2021 reflected as capital leases.

(2) - FY2022 reflects restatement for implementaion of GASB 96 on July 1, 2022.

TOWN OF SCARBOROUGH, MAINE

TABLE 18

**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)
2024	23,919	\$ 1,518,425,958	\$ 63,482	47.4	2,882	2.20%
2023	23,656	1,501,730,192	63,482	46.5	2,850	2.20%
2022	23,218	1,473,925,076	63,482	48.0	2,913	2.20%
2021	22,713	1,291,529,319	56,863	48.0	2,884	4.24%
2020	22,135	1,153,963,955	52,133	47.7	2,873	6.20%
2019	20,991	1,037,417,202	49,422	48.1	2,999	2.40%
2018	20,379	929,954,907	45,633	47.1	2,948	2.70%
2017	19,911	862,703,808	43,328	45.8	2,920	2.80%
2016	19,819	786,477,377	39,683	45.1	2,971	2.90%
2015	19,602	786,804,678	40,139	44.7	2,989	3.10%

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

Source: U.S. Census Bureau

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

(c) United States Census Bureau. This remains the current source of per capita.

(d) Enrollment numbers for October of each year, produced by Scarborough School Department, includes out of district students.

(e) State of Maine Department of Labor, Division of Economic Analysis and Research, unemployment based on June 2024 data.

TOWN OF SCARBOROUGH, MAINE

TABLE 19

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

2024				2015		
Employer	Employees	Rank	Percentage of total Town Employment	Employer	Employees *	Rank
Town of Scarborough	1,470	1	8.8%	Town of Scarborough	1,367	1
Hannaford Brothers	1,300	2	7.8%	Hannaford Brothers	1,052	2
MaineHealth	500	3	3.0%	US Postal Service	589	3
US Postal Service	450	4	2.7%	Maine Medical Center	389	4
Abbott (formerly Alere)	420	5	2.5%	Wal-Mart	349	5
Johnson & Jordan	301	6	1.8%	Cabela's	250	6
Wal-Mart	300	7	1.8%	NorDX	216	7
Piper Shores	276	8	1.7%	Piper Shores	209	8
Morrison Center	244	9	1.5%	Alere	200	9
Cabela's	163	10	1.0%	Sam's Wholesale Club	188	10

* Source: Scarborough Economic Development Corporation (SEDCO).

TOWN OF SCARBOROUGH, MAINE

TABLE 20

UNEMPLOYMENT DATA LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Portland Metropolitan Statistical Area (PMSA)*	State of Maine	Town of Scarborough	US
2024	2.3%	2.6%	2.2%	4.3%
2023	2.2%	2.6%	2.2%	3.6%
2022	2.2%	2.6%	2.2%	3.6%
2021	4.6%	6.1%	4.2%	6.1%
2020	6.9%	6.5%	6.2%	11.2%
2019	2.3%	2.8%	2.4%	3.8%
2018	2.7%	3.2%	2.7%	4.2%
2017	2.8%	3.3%	2.6%	4.5%
2016	3.1%	3.7%	3.0%	5.1%
2015	3.5%	4.2%	3.1%	5.5%

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.

TOWN OF SCARBOROUGH, MAINE

TABLE 21

PUBLIC EDUCATION DATA LAST TEN YEARS

School	Grade	Estimated Capacity	Enrollment [^]									
			FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Blue Point School	K-2	250*	205	213	208	196	203	197	172	190	190	223
Eight Corners School	K-2	280*	214	228	228	226	245	223	224	223	218	221
Pleasant Hill School	K-2	180*	192	198	193	185	205	188	171	174	173	173
Wentworth School	3-5	800	679	675	631	614	665	661	675	670	639	697
Scarborough Middle School	6-8	800*	651	670	703	709	696	675	717	716	747	799
Scarborough High School	9-12	1200	916	911	917	942	983	1002	979	996	1022	998

Note: *Includes Portable Classrooms. ^ State of Maine Department of Education "Current Year Pupils" as of October 1st.

Enrollment Trends

October 1st	Grades					Tuition	Attending Enrollment+
	K-2	3-5	6-8	9-12			
FY 2024	611	679	651	916	0	2,857	
FY 2023	639	675	670	911	0	2,895	
FY 2022	629	631	703	917	0	2,880	
FY 2021	607	614	709	942	0	2,872	
FY 2020	653	665	696	983	0	2,997	
FY 2019	608	661	675	1,002	0	2,946	
FY 2018	567	675	717	979	0	2,938	
FY 2017	587	670	716	994	2	2,969	
FY 2016	581	639	746	1,021	2	2,989	
FY 2015	617	696	799	997	2	3,111	

Note: +Attending Enrollment is an attending student count, or a head count of students, based on where the students are educated. Public school district attending counts include: students from the local school district attending schools in the local school district, plus students from outside the school district who are tutitioned from other school districts.

TOWN OF SCARBOROUGH, MAINE

TABLE 22

RETAIL SALES AND BUILDING PERMIT DATA LAST TEN YEARS

Retail Sales by Product Group and Consumer Sales (\$/000)

Year Ended Dec 31,	Business/ Operating	Building Supply	Food Store	General Mdse.	Other Retail	Auto/ Transp.	Rest. & Lodging	Group Total	Consumer Sales
2023	92,677.4	90,209.0	63,344.7	268,097.3	62,701.5	108,745.6	116,904.1	802,679.6	710,002.4
2022	90,027.3	90,973.3	57,375.1	275,838.5	61,805.6	103,356.4	109,058.6	788,435.1	698,407.7
2021	83,507.0	89,409.3	51,597.3	253,044.2	102,481.0	73,426.6	96,681.3	750,146.7	666,639.7
2020	64,891.0	84,565.5	48,137.8	205,042.5	88,342.3	61,154.4	67,455.1	619,588.6	554,697.6
2019	70,311.3	64,808.7	51,170.3	228,822.2	83,289.5	53,560.9	89,580.0	641,632.8	571,321.5
2018	65,328.4	61,246.3	47,007.8	226,677.0	83,210.1	47,568.6	89,136.7	620,175.0	554,846.6
2017	60,919.1	64,442.1	43,320.6	221,658.4	85,611.5	44,011.0	87,957.8	607,920.4	547,001.3
2016	55,250.7	54,612.2	39,874.9	217,972.6	88,494.2	42,935.0	81,273.7	580,413.3	525,162.7
2015	58,094.3	51,084.4	30,295.6	169,451.0	85,946.0	40,547.4	76,929.4	512,348.5	454,254.2
2014	51,089.3	47,798.4	27,617.1	165,709.5	85,224.4	33,620.6	72,370.9	483,430.2	432,340.9

Source: State of Maine, Department of Taxation, Sales Tax Division

Building Permits

Year Ended Dec 31,	Commercial (\$/000)				Residential (\$/000)				Total (\$/000)	
	New Construction		Alterations		New Construction		Alterations		Permits	Costs
	Permits	Costs	Permits	Costs	Permits	Costs	Permits	Costs		
2023	5	35,406	80	270,266	49	116,147	526	191,535	660	613,354
2022	9	204,953	60	317,806	92	259,246	562	259,053	723	1,041,058
2021	16	131,480	88	60,650	146	364,026	601	219,400	851	775,556
2020	9	110,432	74	119,607	82	175,566	552	150,326	717	555,931
2019	11	62,648	70	65,998	129	242,474	562	144,011	772	515,131
2018	6	15,777	78	55,096	90	250,870	617	173,854	791	495,597
2017	9	23,371	84	133,193	93	197,174	576	128,000	762	481,738
2016	13	27,255	93	128,168	92	136,711	508	113,253	706	405,387
2015	5	82,997	82	68,360	100	157,613	535	140,198	722	449,168
2014	4	13,968	69	50,567	70	128,536	412	100,197	555	293,268

Source: Town of Scarborough, Planning and Codes Department

TOWN OF SCARBOROUGH, MAINE

TABLE 23

POPULATION CHARACTERISTICS DATE LAST TEN YEARS

	Town of Scarborough									
	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Median Age (years)	47.4	46.5	48	48	47.7	48.1	47.1	45.8	45.1	44.7
% under 5 years	3.1%	3.1%	3.1%	3.7%	3.9%	4.2%	3.9%	3.8%	3.7%	6.2%
% under 18 years	17.9%	17.9%	17.9%	19.0%	19.4%	21.1%	22.0%	22.5%	21.0%	19.8%
% 65 and over	23.3%	23.3%	23.3%	21.8%	20.7%	22.1%	20.8%	19.5%	19.0%	19.3%
Persons/Households	2.44	2.44	2.39	2.39	2.39	2.17	2.33	2.47	2.56	2.51
	Cumberland County									
	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Median Age (years)	42.5	42.5	42.4	41.8	42.1	42.5	42.1	41.6	42.2	42.4
% under 5 years	4.5%	4.5%	4.6%	4.7%	4.8%	4.7%	4.6%	4.8%	5.0%	4.9%
% under 18 years	17.8%	17.8%	17.8%	18.1%	18.6%	18.1%	18.6%	19.0%	19.2%	19.2%
% 65 and over	20.7%	20.7%	20.7%	19.5%	18.5%	19.1%	18.4%	18.0%	17.2%	16.8%
Persons/Households	2.23	2.23	2.24	2.29	2.32	2.29	2.31	2.41	2.40	2.44
	State of Maine									
	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Median Age (years)	44.8	44.8	44.7	44.7	44.8	45	44.9	44.8	44.6	44.4
% under 5 years	4.4%	4.4%	4.5%	4.6%	4.7%	4.7%	4.8%	4.8%	4.8%	4.8%
% under 18 years	17.8%	17.8%	18.1%	18.3%	18.6%	18.5%	18.7%	18.9%	19.1%	19.3%
% 65 and over	23.0%	23.0%	22.4%	21.8%	21.3%	21.2%	20.6%	20.0%	19.4%	18.8%
Persons/Households	2.20	2.20	2.23	2.25	2.29	2.28	2.28	2.40	2.44	2.37
	USA									
	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Median Age (years)	39.1	39.1	38.9	38.8	38.5	38.4	38.2	38	37.9	37.8
% under 5 years	5.5%	5.5%	5.6%	5.6%	5.8%	6.0%	6.1%	6.1%	6.2%	6.2%
% under 18 years	21.7%	21.7%	21.7%	21.9%	22.2%	22.3%	22.4%	22.6%	22.8%	23.0%
% 65 and over	17.7%	17.7%	17.3%	16.9%	16.5%	16.5%	16.0%	15.6%	15.2%	14.9%
Persons/Households	2.5%	2.49	2.50	2.54	2.60	2.61	2.63	2.65	2.65	2.65

Source: United States Census Bureau

*Note: The 2024 data will not be available until December 2024 and will be revised when the numbers are released.

TOWN OF SCARBOROUGH, MAINE

TABLE 24

**FUND BALANCE DATA
LAST TEN YEARS**

	Fund Balance as % Revenues									
	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Committed, Assigned & Unassigned										
General Fund Balance	20,515,974	14,276,916	13,276,040	11,908,600	11,472,538	11,127,667	10,256,307	11,072,395	9,177,030	8,761,956
Total Revenues	118,924,209	108,522,407	101,527,517	98,215,569	94,004,857	90,776,202	84,250,061	82,167,224	80,145,388	78,578,544
Fund Balance as % Revenues	17.25%	13.16%	13.08%	12.12%	12.20%	12.26%	12.17%	13.48%	11.45%	11.15%
Assigned & Unassigned General Fund Balance										
General Fund Balance	19,921,892	13,682,834	12,708,836	11,360,000	11,017,626	10,686,568	9,862,795	10,672,154	8,674,267	7,702,662
Total Revenues	118,924,209	108,522,407	101,527,517	98,215,569	94,004,857	90,776,202	84,250,061	82,167,224	80,145,388	78,578,544
Fund Balance as % Revenues	16.75%	12.61%	12.52%	11.57%	11.72%	11.77%	11.71%	12.99%	10.82%	9.80%
	Fund Balance as % Prior Year Budgeted Expenses									
	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Unassigned General Fund Balance	15,902,211	10,549,179	9,933,328	7,453,447	7,701,960	8,211,760	7,386,943	6,893,626	6,107,559	4,973,289
Budgeted Expenses	109,958,118	102,765,326	98,931,408	94,056,204	88,086,163	83,673,671	81,894,558	77,616,047	73,497,116	72,627,128
Fund Balance as % Budget Expenses	14.46%	10.27%	10.04%	7.92%	8.74%	9.81%	9.02%	8.88%	8.31%	6.85%

TOWN OF SCARBOROUGH, MAINE

TABLE 25

**TAX LEVY AND COLLECTIONS
LAST TEN YEARS**

Fiscal Year end June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Tax Commitment (000)	Collections (after Supplements and Abatements)		
					Year End (000)	% of Levy	% of Levy A/O 6/30
2024	6,548,950	\$ 5,256,323	15.97	83,943	83,044	98.93%	98.93%
2023	5,592,350	4,988,177	15.39	76,830	76,665	99.79%	99.24%
2022	4,988,750	4,845,683	15.02	72,782	72,462	99.56%	99.42%
2021	4,807,600	4,727,231	14.86	70,247	70,097	99.79%	99.24%
2020	4,778,350	4,696,461	14.70	69,038	68,989	99.93%	98.83%
2019	4,313,600	4,012,293	16.49	66,163	66,134	99.96%	98.94%
2018	4,068,100	3,785,488	16.49	62,423	62,396	99.96%	99.08%
2017	3,899,350	3,776,363	15.92	60,120	60,105	99.98%	99.14%
2016	3,791,950	3,745,548	15.49	58,019	58,005	99.98%	98.80%
2015	3,667,300	3,700,488	15.10	55,877	55,867	99.98%	99.00%

Source: Town of Scarborough, Assessor and Tax Collector

TOWN OF SCARBOROUGH, MAINE

TABLE 26

**DEBT RATIOS
LAST TEN YEARS**

Fiscal Year End June 30,	Population*	Equalized State Val. (000)	Assessed Valuation (000)	Total Debt	Debt as % Eq. Val.	Per Capita Debt
2024	23,919	6,548,950	5,256,323	81,829,000	1.25%	\$ 3,421.09
2023	23,656	5,592,350	4,988,177	79,690,000	1.42%	3,368.70
2022	23,218	4,988,750	4,845,683	88,055,000	1.77%	3,792.53
2021	22,713	4,807,600	4,727,231	92,660,000	1.93%	4,079.60
2020	22,135	4,778,350	4,696,461	102,130,000	2.14%	4,613.96
2019	20,991	4,313,600	4,012,293	102,720,000	2.38%	4,893.53
2018	20,379	4,068,100	3,785,488	102,650,000	2.52%	5,037.05
2017	19,911	3,899,350	3,776,363	91,630,000	2.35%	4,601.98
2016	19,819	3,791,950	3,745,548	95,920,000	2.53%	4,839.80
2015	19,602	3,667,300	3,700,488	98,500,000	2.69%	5,025.00

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

TOWN OF SCARBOROUGH, MAINE

TABLE 27

**DEBT SERVICE COMPONENT OF OPERATING EXPENSES
LAST TEN YEARS**

	Fund Balance as % Revenues									
	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Current Year Debt Service:	9,837,384	11,601,209	11,711,216	11,865,131	11,414,372	11,220,975	10,397,906	10,393,228	9,838,805	8,980,337
Budgeted Operating Expenses:	112,002,721	107,338,852	101,500,215	96,034,595	94,056,204	88,086,163	84,369,326	82,428,257	78,176,950	76,196,802
Debt Service as % of Operating Expense:	8.78%	10.81%	11.54%	12.36%	12.14%	12.74%	12.32%	12.61%	12.59%	11.79%

Note: Our fiscal policy for this schedule defines budgeted operating expenses to include debt service and capital outlay included in the general fund.

TOWN OF SCARBOROUGH, MAINE

TABLE 28

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Town Clerk										
Certified copies	5,653	5,373	5,997	4,444	5,049	5,446	5,077	5,762	5,962	5,577
Licenses	1,396	1,383	1,140	1,117	162	997	844	821	735	839
Permits	338	296	296	306	279	404	750	1,134	1,047	1,065
Beach passes	7,620	7,962	7,691	7,458	5,279	5,970	5,603	4,775	2,496	2,665
Community Services										
Passport applications	993	948	838	321	497	648	675	695	665	643
Finance Revenue Office										
Hunting & fishing licenses	390	401	480	500	499	719	700	702	857	1,146
ATV/snowmobile registrations	408	481	540	565	541	581	634	628	406	738
Tax bill issued	10,752	10,721	10,721	10,301	10,325	9,993	9,944	9,897	9,796	9,623
Excise registrations	30,237	31,247	28,350	25,651	25,470	30,004	30,065	29,892	29,604	27,728
Planning										
Permits	641	724	761	885	647	785	809	785	774	651
Certificates of Occupancy	288	338	269	257	256	190	252	267	262	198
Public Safety										
Police										
Physical arrests	762	754	786	732	582	768	864	521	697	895
Traffic violations	1,125	765	1,230	772	561	1,541	1,847	1,433	1,333	977
Fire										
Number of calls answered	3,456	1,807	1,342	1,327	1,355	1,318	1,340	2,381	1,720	1,832
Number of inspections	691	2,230	4,871	2,886	2,860	3,044	3,319	3,078	2,529	3,192
Rescue										
Number of calls answered	3,388	3,323	3,529	2,990	2,876	2,950	2,917	2,900	3,029	2,359
Public Works										
Street resurfacing (miles)	10	7	6	7	8	5	5	5	4	6
Pot holes repaired (qty used in tons)	152	149	81	93	74	39	42	48	4	12
No. times plows dispatched	12	22	11	17	26	28	24	21	19	28

Source: Town of Scarborough various departments

TOWN OF SCARBOROUGH, MAINE

TABLE 29

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Planning vehicles	4	3	3	3	3	3	4	3	4	4
Technology vehicles	3	3	3	3	3	3	3	3	4	4
Public Service										
Community services										
Vehicles	9	8	8	8	8	7	6	8	8	7
Parks	6	6	6	6	6	6	6	6	6	6
Public Safety										
Police										
Vehicles - patrol units	16	16	16	16	14	14	14	12	12	12
Vehicles - patrol motorcycles	2	2	2	2	2	2	2	2	2	2
Facilities	1	1	1	1	1	1	1	1	1	1
Fire										
Vehicles - response trucks	13	14	14	14	13	12	12	12	12	12
Marine	4	4	4	4	4	2	2	2	2	2
Facilities	6	6	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)	183	183	182	181	179	177	177	177	175	175
Street lights	1,125	1,122	1,100	1,100	1,100					
Traffic signals	36	36	36	43	43	43	43	43	43	43
Generators	10	10	10	9	12	11	11	11	11	10
Education										
Vehicles - buses	32	29	29	30	29	30	29	26	26	29
Facilities	6	6	6	6	6	6	6	6	6	6

Source: Town of Scarborough various departments.

TOWN OF SCARBOROUGH, MAINE

TABLE 30

TOWN GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Full time	47	45	42	37	39	42	39	37	36	35
Part time	23	17	10	28	34	14	12	23	14	64
Public Services										
Full time	21	19	17	15	14	13	16	17	15	15
Part time	136	56	64	39	53	102	150	156	123	125
Public Safety										
Police										
Full time	58	59	60	61	61	60	61	67	55	53
Part time	25	25	27	32	28	28	36	39	36	28
Fire										
Full time	6	6	6	5	6	9	9	9	8	8
Part time	77	91	111	121	113	149	154	146	169	160
Rescue										
Full time	38	36	35	32	29	24	24	24	24	23
Part time	--	--	--	--	--	--	--	--	--	--
Public Works										
Full time	28	36	28	32	29	32	34	36	32	32
Part time	5	5	3	5	6	7	8	5	2	1
Education										
Full time	575	565	562	548	533	522	524	512	514	512
Part time	127	118	120	132	147	151	144	151	155	155
Total	<u>1,166</u>	<u>1,078</u>	<u>1,085</u>	<u>1,087</u>	<u>1,092</u>	<u>1,153</u>	<u>1,211</u>	<u>1,222</u>	<u>1,183</u>	<u>1,211</u>

Source: Town of Scarborough

TOWN OF SCARBOROUGH, MAINE

TABLE 31

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		Executive		Vehicle Maintenance
		Assistant Town Manager		Assistant Town Manager		Stock Room
		Town Clerk/Elections		Town Clerk/Elections		Traffic Signals
		Marketing and Communications Manager		Marketing and Communications Manager		Engineering/GIS
		Purchasing		Purchasing		Solid Waste
		Elections		Elections		Water Charges
		Human Resources		Human Resources		Street Lighting
		Legal		Legal		Cemetery Care
		Municipal Insurance		Municipal Insurance		Memorials
		Municipal Building	Municipal Building		Shade Trees	
	Finance:	Accounting				
		Tax/Treasury		Education:	Primary	
		Assessing			Elementary	
	Planning:	Planning			Secondary	
		Code Enforcement			Instruction Improvement	
		Zoning & Planning Boards			Food Services	
	Engineering and Technical Services:				Special Services	
					General & Special Administration	
	Public Service:	Information System			Board of Education	
	Community Serv:	Administration		Office of the Superintendent		
		Recreation		Business Administration		
		Intergeneration		Transportation		
		Grounds Maintenance		Operation & Maintenance of Plant		
		Beach Care	County Tax:	County Tax		
	Public Assistance	Welfare/Health Assistance	Debt:	Debt Service		
	Economic Develop.		Capital Improvements:	Capital Projects		
	Library					
Public Safety:	Fire:	Fire Suppression				
		Fire Prevention				
		Rescue				
		Emergency Preparedness				
	Police:	Patrol				
		Dispatch				
		Marine Resources				
		Animal Control				
		Social Services Navigator				

Source: Town of Scarborough.