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2008

## Town of Scarborough, Maine Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2008

Scarborough, Me.

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Town of Scarborough, Maine  
Comprehensive Annual Financial Report  
For the Fiscal Year Ending June 30, 2008



Prepared by:  
Town of Scarborough  
Finance Department

HIGGINS • MILNE • FROST • RING • HARRON • BURROUGHS • AIG • MOLLON • COLTRON • WESTBROOK • JANE

MACHIAS • SNOW • PINE • MINNOCK • BAILEY • SQUANDS • HOPKIN • FOGG • SWET • LARPALE • SOUTHEATE

CANNOCK • JOCELYN • FOXWELL • BOADEN • ALGER • LIGBY • SCOTTOW • WICKWAER • WASHBY

**TOWN OF SCARBOROUGH, MAINE**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2008**

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**Table of Contents**

	<u>Statement</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		1-10
Certificate of Achievement for Excellence in Financial Reporting		11
Organizational Chart		12
List of Elected and Appointed Officials		13
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		15-16
Management's Discussion and Analysis		18-28
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	1	31
Statement of Activities	2	32
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	6	36
Statement of Fiduciary Net Assets – Fiduciary Funds	7	37
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	8	38
Notes to Basic Financial Statements		39-59
	<u>Exhibit</u>	
Combining and Individual Fund Statements and Schedules:		
General Fund:		
Comparative Balance Sheets	A-1	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis	A-2	62-64
Nonmajor Governmental Funds:		
Combining Balance Sheet	B-1	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	67
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	71-72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	73-74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – School Categorical Funds	C-3	75

**TOWN OF SCARBOROUGH, MAINE**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2008**

---

Table of Contents, continued

	<u>Exhibit</u>	<u>Page</u>
Nonmajor Capital Project Funds:		
Balance Sheet	D-1	77
Statement of Revenues, Expenditures and Changes in Fund Balance	D-2	78
Nonmajor Permanent Funds:		
Combining Balance Sheet	E-1	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	E-2	81
Private-purpose Trust Funds:		
Combining Statement of Fiduciary Net Assets	F-1	84
Combining Statement of Changes in Fiduciary Net Assets	F-2	85
Agency Funds:		
Statement of Changes in Assets and Liabilities	F-3	86
General Long-term Debt:		
Statement of Changes in General Long-term Debt	G	88-89

Table

**STATISTICAL SECTION**

Statistical Information:

Net Assets by Component - Last Six Fiscal Years	1	92
Changes in Net Assets - Last Six Fiscal Years	2	93
Fund Balances of Governmental Funds - Last Ten Fiscal Years	3	94
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	4	95
General Governmental Expenditures by Function – Last Ten Fiscal Years	5	96
General Government Tax Revenue by Source - Last Ten Fiscal Years	6	97
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	7	98
Property Tax Rates Direct and Overlapping Governments – Last Ten Fiscal Years	8	99
Principal Property Taxpayers – Current Year and Ten Years Ago	9	100
Property Tax Levies and Collections – Last Ten Fiscal Years	10	101
Assessed Valuations and Tax Levies – Last Ten Fiscal Years	11	102
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	12	103
Ratios of Capital Leases – Last Ten Fiscal Years	12A	103
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures - Last Ten Fiscal Years	13	104
Legal Debt Margin Information – Last Ten Fiscal Years	14	105
Demographic and Economic Statistics	15	106
Principal Employers – Current Year and Ten Years Ago	16	107
Unemployment Data – Last Nine Fiscal Years	17	108
Operating Indicators by Function – Last Ten Fiscal Years	18	109
Departmental Listings by Division, Department and Function	19	110
Town Government Employees by Function Last Ten Years	20	111

# INTRODUCTION





# *Town of Scarborough, Maine*

P.O. BOX 360 • SCARBOROUGH, MAINE 04070-0360

December 23, 2008

RUTH D. PORTER  
FINANCE DIRECTOR  
TREASURER

Michael J. Wood, Council Chairman  
And Distinguished Members of the Town Council  
Scarborough, Maine

In accordance with the requirements of our Town Charter and state statutes, we hereby issue to the citizens of the Town of Scarborough and to all interested parties, the comprehensive annual financial report of the Town of Scarborough, Maine for the fiscal year ended June 30, 2008.

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 afford us the knowledge and belief, that all of 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.

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 it in conjunction with it.

The comprehensive annual financial report is prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America. This report is presented in three sections: introductory, financial and statistical. The first section is introductory and includes this transmittal letter. The second section, financial, includes the management's discussion and analysis of the Town's financial activities, the basic financial statements and the combining and individual fund statements and schedules. The final section, statistical, includes selected financial and demographic information, generally presented on a multi-year basis.

## **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 Westbrook, South Portland, Cape Elizabeth, Gorham, Buxton, Saco and Old Orchard Beach.

The Town, first settled in 1633, was incorporated as the sixth town in the Province of Maine on July 14, 1658. This year we celebrated our 350<sup>th</sup> anniversary. 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, we have two component units, Scarborough Economic Development Corporation and the 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 Economic Development Corporation shows as a blended presentation within the Special Revenue Funds to emphasize that they provide services that benefit the Town.

Financial statements for the following entities are not included in 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** (formerly Regional Waste)

Scarborough Sanitary District  
Biddeford Saco Water District

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. 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 school budget is sent to the voters in a Budget Validation Referenda for final approval. This must happen within 14 days of the Town Council vote. If the voters do not approve the budget, it goes back to the School Board for revision, the Council has to approve it, and then it goes to the citizens. This process continues until the voters approve a budget. If they do not approve one by July 1, the last budget approved by the Town Council would be the budget until one is finally approved in a referendum.



## ECONOMIC CONDITION AND FUTURE OUTLOOK

**Maine Economy.** By nearly every measure, the Maine economy grew slowly in 2008. Gasoline and energy prices affected growth, and the unemployment rate increased slightly. Maine's unemployment rate has been below the national average for nearly nine years. In 2008, employment decreased by .4% or 2,879 jobs. The major industry groups creating the most jobs were education and health services, leisure and hospitality, construction and the trade-transportation-utilities group. The largest declines were in manufacturing and financial services. Maine taxable sales were up 1.30% over last year. Housing permits for the state were down 29% in keeping with the general trend across the country. Interest rates declined over the past year. The interest rates have now leveled off but a slowdown in the housing industry may persist, as the economy continues to weaken. The scheduled closing of the Brunswick Navel Air Station is not likely to have much effect for several months.

**Local Economy.** The Town of Scarborough is primarily a suburban residential community that enjoys a favorable economic environment and local indicators continue to point to stability and growth. Approximately 1,400 businesses are located within Scarborough reflecting a 7.69% increase in businesses over last year. As well as being home to two excellent major medical research facilities, the Town of Scarborough continues to attract high tech and biotech industries. Additionally, the Town of Scarborough is an active participant in the development of private industrial and commercial facilities. The Town of Scarborough has a varied manufacturing, industrial and commercial base that adds to the relative stability of the unemployment rate.

The business community in Scarborough is diverse and is located primarily in distinct areas of the Town. US Route One, one of the major routes through the community, is primarily a commercial business district serving the daily needs of Scarborough's residents. It is a mix of retail, business, and professional offices. Payne Road, a continuation of the Maine Mall Road, is home to many larger, big box type retailers and serves a regional clientele. Industrial development is largely contained in the Scarborough Industrial Park and the Pleasant Hill Road areas. A new business area is being developed along the corridor connecting Maine Turnpike Exit 42 and US Route One, known as the Haigis Parkway. Through the creation of a TIF district and local sewer assessments, the Town installed utilities along this stretch of roadway that bisects US Route One and Payne Road and ends at the Maine Turnpike at exit 42. Plans call for development of a high-end business park of approximately 330 acres over the next 15+ years. The first new development in this area opened in May 2008.

Interstate 95, also known as the Maine Turnpike, bisects the Town of Scarborough, north to south, and Scarborough has direct access to Interstate 95 at Exit 42. Interstate 295, Interstate 95, the aforementioned U. S. Route One and the Haigis Parkway give Scarborough an enviable location advantage. Additionally, Scarborough is located ten minutes from downtown Portland, five minutes to the Portland International Jetport, and less than two hours from Boston. Access to the Downeaster train service to Boston is located just north and south of Scarborough.

Over the past ten years, the Town of Scarborough has been one of the fastest growing residential centers in the State of Maine. This growth has necessitated Scarborough's need to develop a strong and stable commercial base to help meet the ever-growing demands of our residents. To foster that development, the Town of Scarborough created a private non-profit Corporation, Scarborough Economic Development Corporation (SEDCO) in 1985 to encourage new business and retain and grow existing businesses and assist the community in its long term economic development planning.

**Comprehensive Plan.** Over the course of fiscal year 2008, a major initiative of the Town has been the implementation of the 2006 Updated Comprehensive Plan. The implementation of the Plan, to date, has focused on updating our existing zoning regulations for our commercial areas as well as establishing new commercial and mixed-use zones in new areas of the community. The zoning along the entire length of US Route One was revised to establish, town center style, mixed-use zoning districts in the Dunstan and Oak Hill areas of Scarborough. Unique to these areas is a business-office-research district, near the Oak Hill end of US Route One, to ensure this area continues to be a medical and research hub. A new local business district between the Scarborough Marsh and Oak Hill is intended serve the needs of the local community by promoting development and redevelopment. In addition to rezoning the US Route One corridor, the Town turned its attention to Running Hill Road, which abuts the Maine Mall area of South Portland. The location of this area offers significant potential for new commercial and higher density residential development. Zoning was crafted to enable this type of growth, but requires development to be more compact, efficient and vertical than the more conventional retail and office development in the surrounding area. Given these zoning initiatives, the Town anticipates high quality commercial and mixed-use development and redevelopment along US Route One as well as in the Running Hill Road area.

#### **Major Initiatives For the Year.**

Construction of the Gateway at Scarborough development, including the destination retailer *Cabelas*, occurred throughout fiscal year 2008, with the hunting, fishing and outdoor-gear retailer opening their doors for business in May of 2008. This 140,000 sq. ft. store is accompanied by 50,000 sq. ft. of other retail and restaurant space that became available over the course of this fiscal year, as well as additional restaurant and retail development that will occur on the *Gateway Shoppes* site in the coming year. This complex has become a retail and restaurant hub off Exit 42 of the Maine Turnpike, one of Scarborough's primary gateways. Major roadway and intersection improvements were necessary to accommodate this new development as well as to serve future development in this vicinity.

The Enterprise Business Park, a private business park, developed in partnership with the Town of Scarborough, continues to develop with the completion and occupancy of its eighth building with a ninth currently under construction. The new animal neurological facility joins a range of industrial, hi-tech research, medical and professional office uses presently located in the park.

Over the course of fiscal year 2008, Scarborough Gallery, a retail boulevard, continued to expand as well. Lowes Home Improvement opened in the summer of 2007 and a new restaurant, Texas Roadhouse, opened their doors in early spring of 2008. In addition, a new Super Wal-Mart commenced construction in late 2007 with the goal of opening in early 2009. In the same vicinity of Scarborough Gallery, the Sam's Club warehouse retailer expanded their store by 25,000 sq. ft. and a new 88-room Homewood Suites Hotel opened for business in the spring of 2008 offering additional lodging accommodates in Scarborough.

In addition to commercial development in the Haigis Parkway zone and in the Payne Road area, Scarborough also saw new development along Route One. A new 20,000 sq. ft. office building was constructed at 383 Route One; a 69-room Comfort Inn and Suites was approved and constructed; a classic diner opened its doors in Dunstan; and the cPort Credit Union located at 313 Route One also opened their doors for business.

On the residential side, Scarborough continues to see growth as well. Dunstan Crossing, a large mixed housing development with formal green areas, commenced construction of phase I of the project. The Black Point Inn on Prouts Neck was subdivided into 13 new residential lots that are now available for development. In addition, a number of single-family developments were constructed, including Hidden Creek Phase III, Sea Ridge at Blue Point, Sunset Ridge, the Pine Point Subdivision, and the SouthCoast Community Church development.

Located on the Municipal and School Campus is the turf stadium. We have completed the expansion of the turf field seating capacity for approximately 3500 people. This expansion along with relocation of the older bleachers should help with hosting large events at the High School Complex. Also at the High School Complex, new drainage was added to the baseball field.

The Eastern Trail is part of the East Coast Greenway Trail System that extends the off-road segment from the Old Orchard Beach town line to the Nonesuch River. The next Eastern Trail project involves spanning the river and connecting with the South Portland Greenway, a distance of about 2 miles. A feasibility study has been completed and we are in the process of obtaining approval for federal funding.

The Fire Department continues their quest for grant funding from a variety of sources. In the 2008 fiscal year, the department participated in a regional grant opportunity as a member of the Metro Fire Chiefs Coalition. This group was successful in obtaining a Fire Act Grant to purchase a driver training simulator, and conduct defensive and emergency vehicle operator training classes. Since driving emergency apparatus is one of our most hazardous tasks, this grant will be a great safety enhancement.

The Public Works Department completed work on drainage and roadway improvements in the Schooner Road and Higgins Beach area. Public Works staff continues their efforts in the National Pollution Elimination System program (NPDES). Currently, the town is continuing to work with the Inter-local storm-water committee to fulfill our EPA requirements.

Public Works implemented an automated curbside recycling and trash collection system, and a bulk item drop off program. The Public Works facility is currently in the process of a lighting improvement/efficiency upgrade. Effective with the new fiscal year, bio-diesel fuel will replace diesel as a main fuel source for town vehicles.

### **For the Future.**

As mentioned above, the Super Wal-Mart and Lowe's Home Improvement stores will anchor the Scarborough Gallery, a 500,000 square foot shopping destination. In addition to these anchors, the Planning Board approved a new McDonald's restaurant as well as a KFC/Taco Bell establishment. These eating establishments will join Texas Roadhouse along Gallery Boulevard.

Likewise, additional development will join the *Gateway Shoppes* complex at the Maine Turnpike Exit 42. Neptune Properties is currently constructing an 18,000 sq. ft. retail building at the corner of Payne Road and Haigis Parkway across the street from the Shoppes that will open in the winter of 2008. In addition, Gateway Square has been permitted to include a 90,000 sq. ft. corporate headquarters for Fairchild Semiconductor, which is the type of high quality professional use that was envisioned for the parkway. This green design office building will be accompanied by a daycare center and other office uses. Farther down the parkway, closer to Route One, the Planning Board has also approved a new commercial subdivision of twelve lots that will pave the way for additional development along Haigis Parkway.

In Oak Hill, our town center, the construction of a new mixed-use development, Bessey Square, is partially complete with an office and retail tenant, but Phase II and III of the project will include live/work units and additional office, retail and restaurant space, creating a mixed-use destination. Next door, a 55 unit senior housing development is nearing completion at the former Bessey School building, which will provide affordable senior housing in our town center within the next year. Also in Oak Hill, a 12,000 sq. ft. office building was approved in September and a new Saco-Biddeford Bank is nearing completion off Hannaford Drive. At the center of Oak Hill is a proposed Walgreen Pharmacy that is beginning the permitting process and will likely accompany these two commercial buildings.

Additionally, in August 2007, the Morrison Development Center School was approved and construction has started in the Oak Hill area. Also under construction is a new funeral home in the Dunstan area, a self-storage facility in the Industrial Park, a 24,000 sq. ft. expansion to a Maine Medical Center research facility and a Brewing Company and Pub in Southborough, all of which are likely to be completed by the end of fiscal 2009.

Black Point Road Community Park is under construction and is scheduled to open in the spring of 2009. The Black Point Park will consist of an open space area, a fifty-car gravel parking lot, a small storage building, irrigation for a community garden and an open green space playing field. Some landscaping will be provided around the area to assure proper buffer between neighbors.

A growing trend is the revitalization of US Route One. As was previously discussed, a new Mercedes dealership combined seven previous properties and entrances into one new project. A number of other projects are also evidence of this trend. The former high school, Bessey School, which had been used for warehouse and office space, is under construction to become subsidized housing for the elderly. Phase I of this project, will include 54 elderly housing units. Bessey Square, right next door to the Bessey School, is currently under construction to become a mixed-use development offering a coffee shop, retail, office and ten live/work units. The Orion Center will involve the complete makeover of an older shopping center into a more village-like atmosphere emphasizing a pedestrian connection. This site, renamed the Scarborough Village Square and approved by the Planning Board has not begun construction. Just off Route One, a substantial addition to the Maine Medical Center Campus was recently approved and construction is now starting. This addition will increase the existing facility by more than 50% and provide more space for medical research in Scarborough.

On the residential side, Eastern Village, a larger traditional neighborhood development with approximately 200 dwelling units, was approved in fiscal year 2008 and will be built out over the coming five to ten years. In addition, a senior retirement community proposing 308 units is under review and will likely be developed within the next three years. We also have seen a number of small residential subdivisions that will increase our housing stock in the near future.

Acquisition and preservation of open space and environmentally sensitive areas continue as priorities for the citizens of Scarborough. In 2000, the citizen approved a \$1.5 million bond for open space preservation and we used these funds in partnership with the Scarborough Land Trust to acquire two farms, one of which remains a working farm with an agricultural easement. Of the original bond issue, \$300,000 is currently available. The voters also approved an additional \$2.5 million for open space preservation in 2003.

In the coming year, fiscal year 2009, the Fire Department will receive funding to replace our spare Pumper apparatus. Our active truck committee spent six months meeting with vendors and designing specifications. The purchasing agent issued an RFP and we have since completed negotiations. A contract was signed for a new Compressed Air Foam (CAFS) Pumper. This new technology allows the firefighters to fight fires with less water and less labor by adding a foam mixture partially propelled by air pressure that extinguishes class A type materials quicker with less water damage.

**Long Term Financial Planning.** Scarborough utilizes a five year Capital Improvement Plan. The plan encompasses equipment replacement most of which is on a scheduled replacement program: building, land and infrastructure improvements: and land acquisition for capital project, to preserve open space, and of the existing farmland. This plan is updated annually.

The Town of Scarborough is one of twenty-one (21) communities that own and operate a waste to energy facility incorporated as **ecomaine**. The Board of Directors executed a new electric sales contract and fully implemented a new single stream recycling process in a state of the art processing facility without issuing any additional debt. The City of Saco was added as an associate member becoming the seventh associate member in addition to the 21 owner members. During the year, the Board initiated a strategic planning program to help prepare for future challenges and to develop strategies to cope with a decreasing waste stream.

The Public Safety Department continues to face a growing demand for services and plans were adopted to begin addressing these needs. The Fire Department presented a comprehensive staffing analysis to the Town Council during the budget cycle to pace service delivery with the growth in the community especially in the commercially zoned areas. This analysis included a long-range plan for gradually adding full time personnel over the next ten years. The Council authorized in the FY 2009 budget the addition of six new full time personnel, four firefighter/emergency medical technicians and two paramedic lieutenants.

The Police Department experienced similar demands to those of the Fire Department. With changes in technology, staffing and increasing service demands, the present police facility no longer meets the requirements of a 24/7 service operation and the increase activity in the community. An architectural firm was hired to begin design on a new facility and additional land adjacent to existing town property was acquired for a new public safety facility. This new facility will require a town referendum but a date for this question has yet to be set.

Also, as the Town's population continues to grow, existing school buildings, already at or near capacity, are being stretched to the point that effective instruction for all students is becoming increasingly difficult to guarantee and is a top priority for the Town.

Scarborough Middle School for grades six through eight, reached its physical capacity of 600 when the building opened its doors in September 1996. Current enrollment exceeded 800 and an additional fifteen modular classrooms were needed. Future enrollment of the middle school population is projected to be above 900. Proposed development projects will likely push this figure even higher. Additional modular units were added during the last year.

Similarly, the Wentworth Intermediate School, with an enrollment of over 772 is not conducive to currently accepted best practices in intermediate education. Additionally, building mechanicals (heating, lighting) and various building entrances create security concerns. Several of the older modular units were replaced by units acquired from other school districts that recently completed school buildings.

The Board of Education is commencing a new round of studies to examine the needs of the school system which includes the expansion of the Middle School, replacement of the Wentworth School and the construction of a new K-2 school on property acquired by the town last year in an area that is growing and slated for additional growth in the revised Comprehensive Plan.

The Scarborough Public Library is also experiencing an increase in demand for services beyond the lending of books. They are preparing a plan to renovate and repair the existing structure and to replace outdated equipment. The current structure is 17 years old and is in need of mechanical improvements as well as expansion. Voters turned down a proposal to fund an expansion and renovation of the structure in 2006. The Library Board of Trustees is developing a plan for modest expansion and repairs, some of which were completed in 2007.

## **FINANCIAL INFORMATION**

**Assessed Valuation and Collections.** An indicator of our strong local economy is reflected in the growth of the Town's assessed value of real and personal property. The taxable valuation of Scarborough has more than tripled since 1990. For the 2008 tax year, the valuation was \$3,397,230,200 compared to the 1990 valuation of \$995,448,900.

Below is a list of unpaid property taxes, for the last five years:

\$221,223 in 2004,  
\$311,646 in 2005,  
\$297,237 in 2006,  
\$287,295 in 2007,  
\$398,204 in 2008.

**Cash Management Policies and Practices.** The Town of Scarborough invests cash, temporarily idle during the year, in demand deposits, certificates of deposit, U.S. Government obligations and repurchase agreements. The average yield on all investments was approximately 3.46%. Total investment income during the year amounted to \$686,432 compared to \$718,020 last year.

**Risk Management.** The Town of Scarborough continues to manage all aspects of its risk management program aggressively. The Human Resource staff is responsible for all employment, workers' compensation and ADA related issues. As claims arise, the staff identifies the situations that may cause injury or illness to employees, and they work to resolve safety issues and health concerns. An ADA Advisory Committee, consisting of Scarborough residents, was created to address any ADA matters that may arise.

The Administrative Assistant to the Town Manager is responsible for the property and casualty, police professional and general liability claims. The Town's risk pool insurance provider, as a part of their insurance service, provides safety training to the Town along with loss prevention analysis on a regular basis.

## OTHER INFORMATION

**Independent Audit.** The Town Charter requires an annual financial audit by independent certified public accountants appointed by the Town Council. The firm of Macdonald Page & Co was engaged to perform the annual audit for the Scarborough Town Council for the fiscal year 2008. This audit is designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The independent auditor's report is presented as the first component of the financial section of this report.

**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 comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the third consecutive year that the Town of Scarborough has submitted and achieved this prestigious award. In order to receive the Certificate of Achievement award, 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 comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for this certificate.

**Acknowledgements.** The Town of Scarborough is grateful to the 350<sup>th</sup> Celebration Committee, the many volunteers, the vendors, the Town staff, the sponsors and especially, the artist Deb Merrill, who created the historical map depicted on the front of this report. Their donation of time and talents created a successful, grand, weekend long, celebration that the citizens and businesses of Scarborough will long remember. I would like to extend my appreciation to the Scarborough Town Council for their full support for maintaining the highest standards of professionalism in the management of the Town's finances. I would like to acknowledge my gratitude for the information provided by all of the Departments and their staff. The preparation of the comprehensive annual financial report is possible due to the dedicated service of each member of the Scarborough Finance Department. I would also like to wish the best in the future for the existing Town Manager, Ronald W. Owens. Thank you for all that you have done for the Town of Scarborough. Furthermore, I would also like to acknowledge the firm of Macdonald Page & Co., for their efforts and guidance during the engagement.

Respectfully Submitted,

Ruth D. Porter  
Finance Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Scarborough  
Maine

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

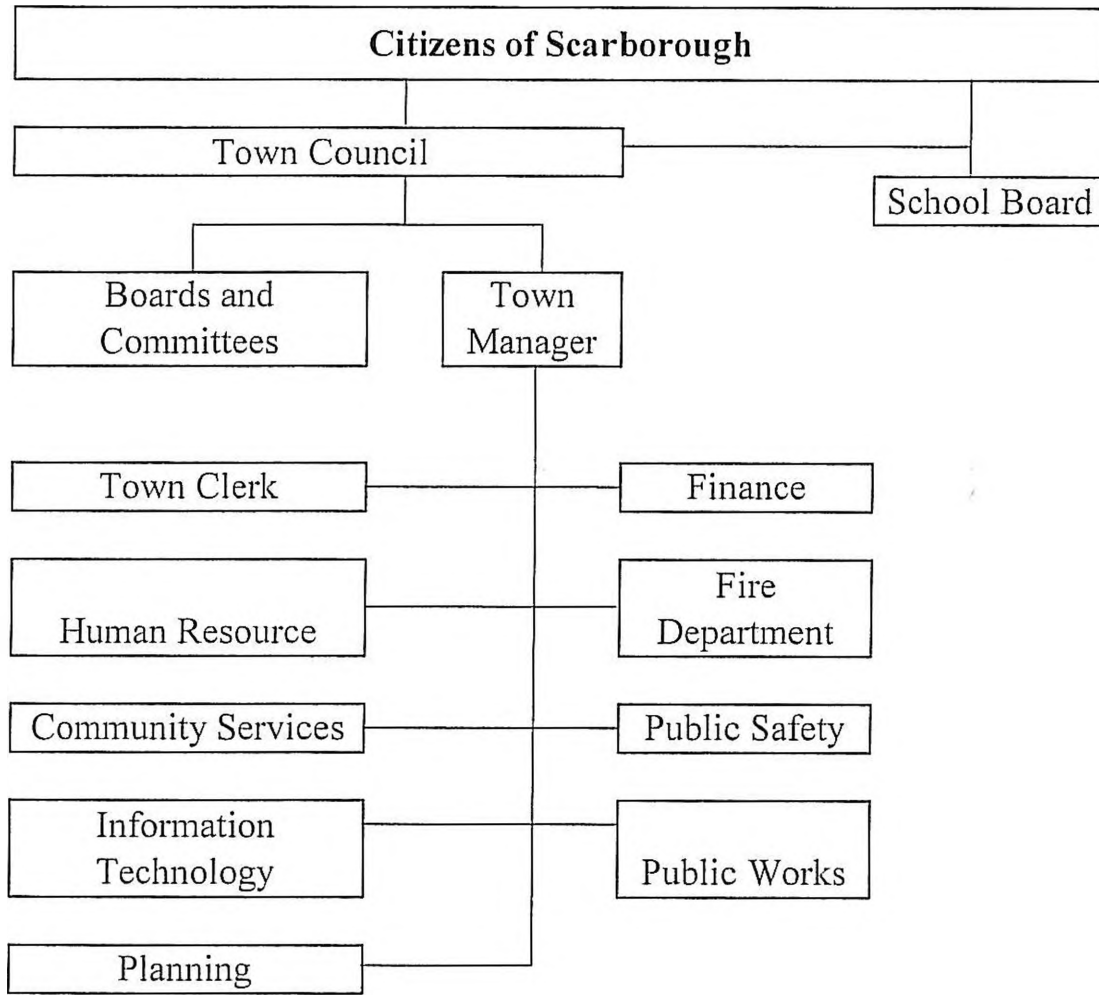
President

*Jeffrey R. Emer*

Executive Director

# Town of Scarborough, Maine

## Organizational Chart



# TOWN OF SCARBOROUGH

## Principal Executive Officers

As of June 30, 2008

### Elected Town Council

Jeffrey A. Messer, Chairman

Ronald D. Ahlquist

Judith L. Roy

Sylvia J. Most

Carol S. Rancourt

Richard J. Sullivan, Jr

Michael J. Wood

### Appointed Municipal Staff

Ronald W. Owens	Town Manager
Yolande P. Justice	Town Clerk/Registrar of Voter
Ruth D. Porter	Tax Collector/Finance Director /Treasurer
Paul G. Lesperance	Assessor
Brian Smith	Human Resource/General Assistance
Robert Moulton	Chief of Police
Michael Shaw	Director of Public Works
B.Michael Thurlow	Fire Chief
Daniel Bacon	Town Planner
Bruce Gullifer	Recreation Director
Stephen Tewhey	Information Systems
David Doyle	Superintendent of Schools

# FINANCIAL SECTION



HUSKINS • MILL • LEE • FROST • FINE • TANTON • BURNHAM • KINS • MULLON • COLTON • WESTBROOK • JAFFE •  
 CARNOCK • JOCELYN • FOXWELL • BORDEN • LIPP • LIDEN • SUTTON • WICKWAPAWASKIE

MAUDS • END • PINE • MINNICK • BAILEY • SQUADRO • HOPKINELL • FOGG • SWET • LORRAINE • WHITE • EAST

# macdonaldpage & co llc

Certified Public Accountants and Management Advisors

## Independent Auditors' Report

Town Council  
Town of Scarborough, Maine

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Scarborough, Maine, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Scarborough, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Scarborough, Maine, as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2008 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section, combining statements and individual fund schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Maddonell Page 1 Co LLC*

South Portland, Maine  
December 23, 2008

MD&A

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, 2008. 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. All dollar amounts are expressed in thousands of dollars unless otherwise indicated.

### FINANCIAL HIGHLIGHTS

- The assets of the Town of Scarborough exceeded liabilities at the close of the 2008 fiscal year by \$45,942 (net assets).
- The Town's total net assets increased \$2,972. Capital assets decreased due to the removal of the Haigis Parkway capital assets. While the Town paid for the construction and installation of the utility infrastructure along the Haigis Parkway, the assets once installed, became the property of the utility companies and therefore, were removed from the Town's capital assets. Current liabilities increased due to the timing of the accounts payables.
- As of June 30, 2008, the Town's governmental funds reported combined fund balances of \$21,522, an increase of \$2,537 compared with the prior year. Of the approximately \$17,858 reported as unreserved fund balance, \$4,589 are special revenue funds authorized for specific projects and \$4,912 are for major capital construction projects. The remaining amount of \$8,357 is available for the discrete purposes for which these funds are collected.
- As of June 30, 2008, unreserved undesignated fund balance for the general fund was \$6,222 or 9.21% of the total general fund expenditures of \$67,583. The Town of Scarborough's Fund Balance policy calls for 8.33% of the total operating budget or \$5,630.
- Total debt increased by \$2,483 from the prior year. Total debt retired was \$6,030. Total debt issued was \$8,513 in general obligation bonds.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended 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.

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

The statement of net assets presents information on all Town of Scarborough's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported 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, library, economic development), public safety, public works (highways, streets and



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 for this component unit is reported separately from the financial information presented for the Town of Scarborough itself. The Scarborough Economic Development Corporation, although also legally separate, has been recorded in the special revenue funds using the blended presentation method. The government-wide financial statements can be found on pages 31-32 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that are 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. All of the funds in the Town of Scarborough are divided 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 (Statements 4) provide a reconciliation (statement 5) to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Scarborough maintains 38 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, Performance Bonds, Haigis Parkway and the General Town Improvements all of which are considered major funds. Data from the remaining 34 funds (Special Revenue, Capital Projects, and Permanent) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in Exhibit C-1 through Exhibit E-2.

The basic governmental funds financial statements can be found on pages 33-34 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 Municipal Building Fund was established to account for grants, awards, and money appropriated by the Town Council for a study, development, and the related tax increment financing district for the construction of a Town Center facility.
- 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 Municipal Building Fund and General School Improvement Account are not considered major funds and are provided in the form of combining statements elsewhere in this report. The capital projects fund financial statements can be found on pages 77-78 of this report.

**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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**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. Permanent funds are established by the Town of Scarborough 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 80-81 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 Town of Scarborough reports on both the private purpose trust fund and the agency fund. Private purpose trust funds are used to report all of the Scarborough School Department's scholarship programs. Student Activity Funds are recorded as Agency 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 84-86 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-59.

**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 60-89 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the Town of Scarborough, assets exceeded liabilities by \$45,942 as of June 30, 2008. As mentioned earlier, the decrease in net assets from 2007 is the result of capital assets that were recorded as town assets that really belong to the utilities in the Haigis Parkway.

By far the largest portion of the Town of Scarborough's net assets (77.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of Scarborough uses these capital assets to provide services to our 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.

TOWN OF SCARBOROUGH, MAINE  
Management Discussion and Analysis, Continued

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Town of Scarborough's Net Assets

**Governmental Activities**

	2008	2007
Assets:		
Current and other assets	\$ 26,153	\$ 22,105
Long term assets	3,112	3,209
Capital Assets not depreciated	9,663	44,991
Capital assets	88,142	62,470
Total Assets	127,070	132,775
Liabilities:		
Long term liabilities outstanding	66,647	63,907
Other liabilities	14,481	12,766
Total Liabilities	81,128	76,673
Net assets:		
Invested in capital assets, net of related debt	35,652	44,077
Restricted	5,111	3,054
Unrestricted	5,179	8,971
Total Net Assets	\$ 45,942	\$ 56,102

11.13% of the Town of Scarborough's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, in the amount of \$5,179, may be used to meet the Town of Scarborough's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year and the prior fiscal year, the Town of Scarborough is able to report positive balances for its net assets.

The Town of Scarborough saw an increase of \$2,058 in restricted net assets due to the start of various paving and other capital projects such as the work on the Green Acres area and the Jasper Street improvements.

**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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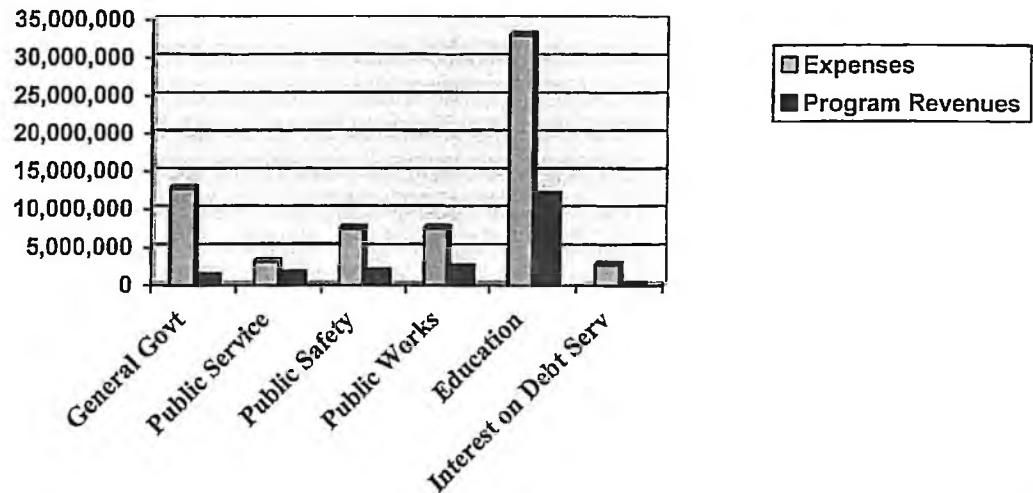
**GOVERNMENTAL ACTIVITIES.** All of the increase pertaining to the Town of Scarborough's net assets, of \$2,972, is due to the governmental activities of the Town. Key components of this increase are shown below:

**Town of Scarborough's Changes in Net Assets**

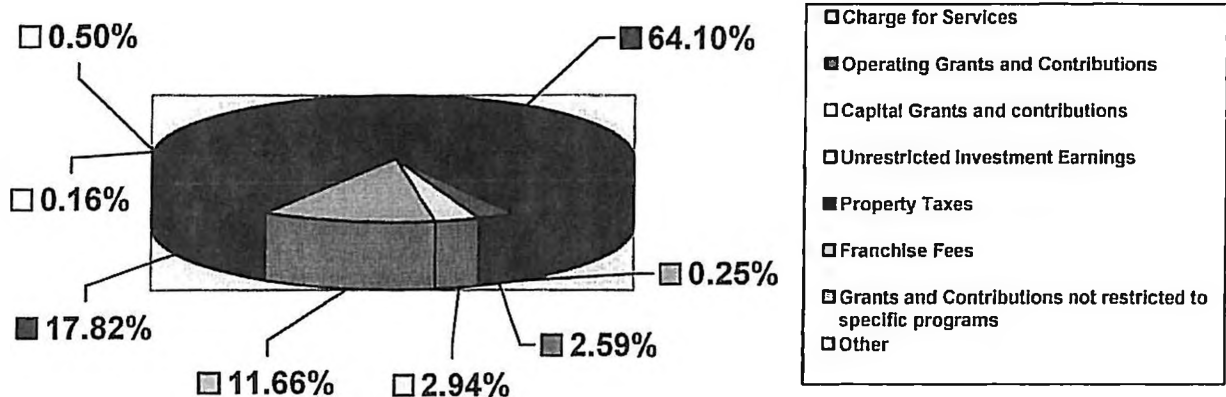
	2008	2007
<b>Revenues:</b>		
Program Revenues:		
Charge for services	\$ 8,095	\$ 7,758
Operating grants and contributions	12,375	11,403
Capital grants and contributions	113	-
General Revenues:		
Property and excise taxes, levied for general purposes	44,519	42,616
Franchise Tax	172	156
Grants and contributions not restricted to specific programs	1,795	1,743
Unrestricted investment earnings	344	404
Other	2,039	188
<b>Total revenues</b>	<b>69,452</b>	<b>64,268</b>
<b>Expenses:</b>		
General government	12,740	13,200
Public Services	3,133	3,092
Public Safety	7,425	7,080
Public Works	7,494	6,426
Education	32,951	31,531
Interest on Debt Service	2,737	1,141
<b>Total expenses</b>	<b>66,480</b>	<b>62,470</b>
Increase in net assets	2,972	1,798
Net assets beginning, restated	42,970	54,304
<b>Net assets ending</b>	<b>\$ 45,942</b>	<b>\$ 56,102</b>

The Town Council approved a change in the Haigis Parkway assessment in 2007. This change resulted in refunds of prior assessments paid to the Town by the property owners. These refunds, for 2007, are reflected as expenditures in the general government expenses for 2007.

### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities



### FINANCIAL ANALYSIS OF THE TOWN'S FUNDING

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

**Governmental Funds.** The general government functions are contained in the General, Special Revenue, Capital Project and Permanent Funds. The focus of the Town'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2008, the Town of Scarborough's governmental funds reported combined ending fund balances of \$21,522, an increase of \$2,538 in comparison with the prior year's restated fund balances. This increase is the result of various capital project programs begun but not completed at year end.

**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

The revenues generated for the Haigis Parkway will be used to pay the long-term debt service payments on the Haigis Parkway infrastructure construction.

**Governmental Fund Balance Comparison**

	<b>2008</b>	<b>2007</b>
General Fund	\$ 8,974	\$ 8,317
Haigis Parkway	2,328	2,766
General Town Improvements	3,574	2,211
Other Governmental Funds	6,646	5,690
<b>Total</b>	<b>\$ 21,522</b>	<b>\$ 18,984</b>

As noted earlier, governmental funds reported combined fund balances of \$21,522, an increase of \$2,538 compared with the prior year restated fund balances of \$18,984. Of the \$17,858 reported as unreserved fund balance, \$4,589 are special revenue funds authorized for specific projects and \$4,912 are for major capital construction projects. The remaining amount of \$8,357 is available for the discrete purposes for which these funds are collected.

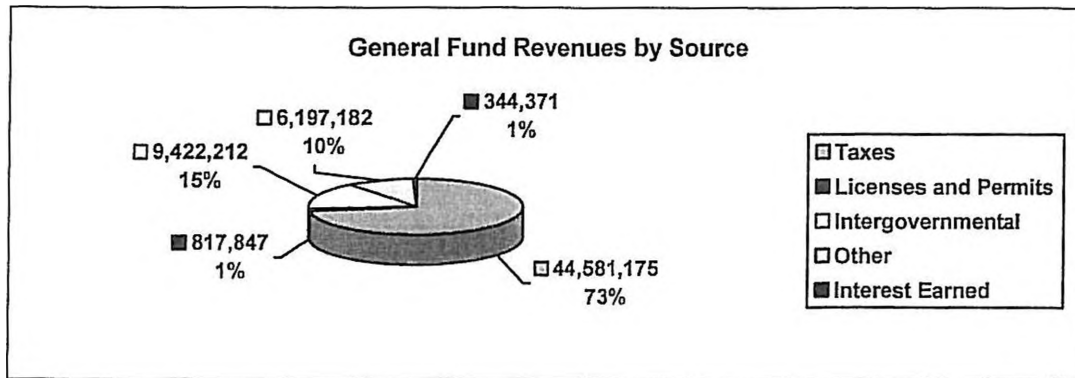
The remaining \$3,665 of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to:

\$ 618	Deficit Fund Balances in the Special Revenue and Capital Projects Fund
200	Perpetual Care of Municipal Cemeteries
2,824	Haigis Parkway non-current notes receivables
<u>23</u>	Food Service inventory
<b>\$3,665</b>	<b>Total Governmental Fund Reserved Fund Balance</b>

**General Fund Highlights**

The General Fund is the chief operating fund of the Town of Scarborough. As of June 30, 2008, unreserved fund balance in the General Fund was \$8,357 compared to total fund balance of \$8,974. As a measure of the General Fund's liquidity, we believe it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.37% of total general fund expenditures, while total fund balance represents 13.28% of the same amount. Thus, the year-end fund balance is in compliance with the Town's policy of maintaining a minimum fund balance of 8.33% of the total operating budget for the General Fund.

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



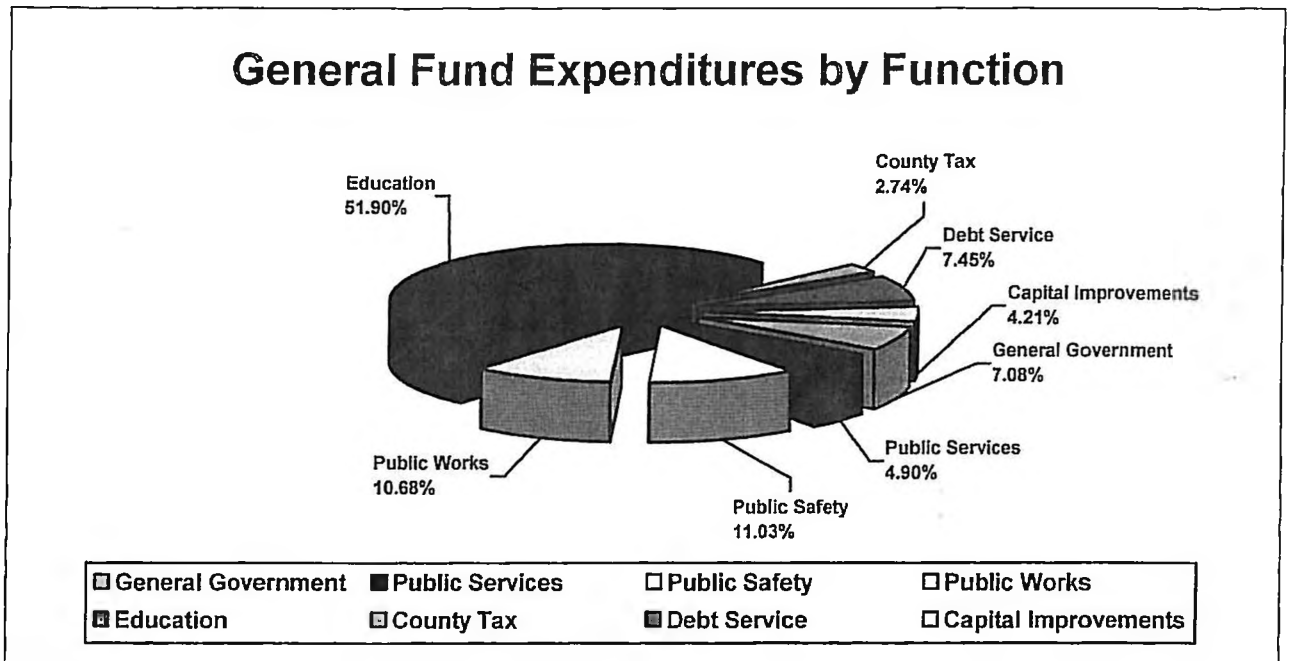
**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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Property Tax revenues increased \$2,016 from 2007 to 2008 compared to the 2006 to 2007 increase of \$1,340.

A comparison of the actual revenues to estimated revenues can be found on page 36 of the financial statements.

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



Total general fund expenditures increased \$4,808 or 8.22%. Some of the key factors in this increase are:

- Public Safety increased 5.19% due to the increase in public safety personnel.
- Public Works increased 15.72% due to the heavy winter season and increased expenditures relating to fuel, overtime, and vehicle repair costs for the town fleet.
- County Tax increased 7.47% to help offset the costs of Cumberland County.
- Capital Improvements increased 87.78% mostly due to improvements at the Library facility and the purchase of a new solid waste collection system.

### **Capital Projects Fund Highlights**

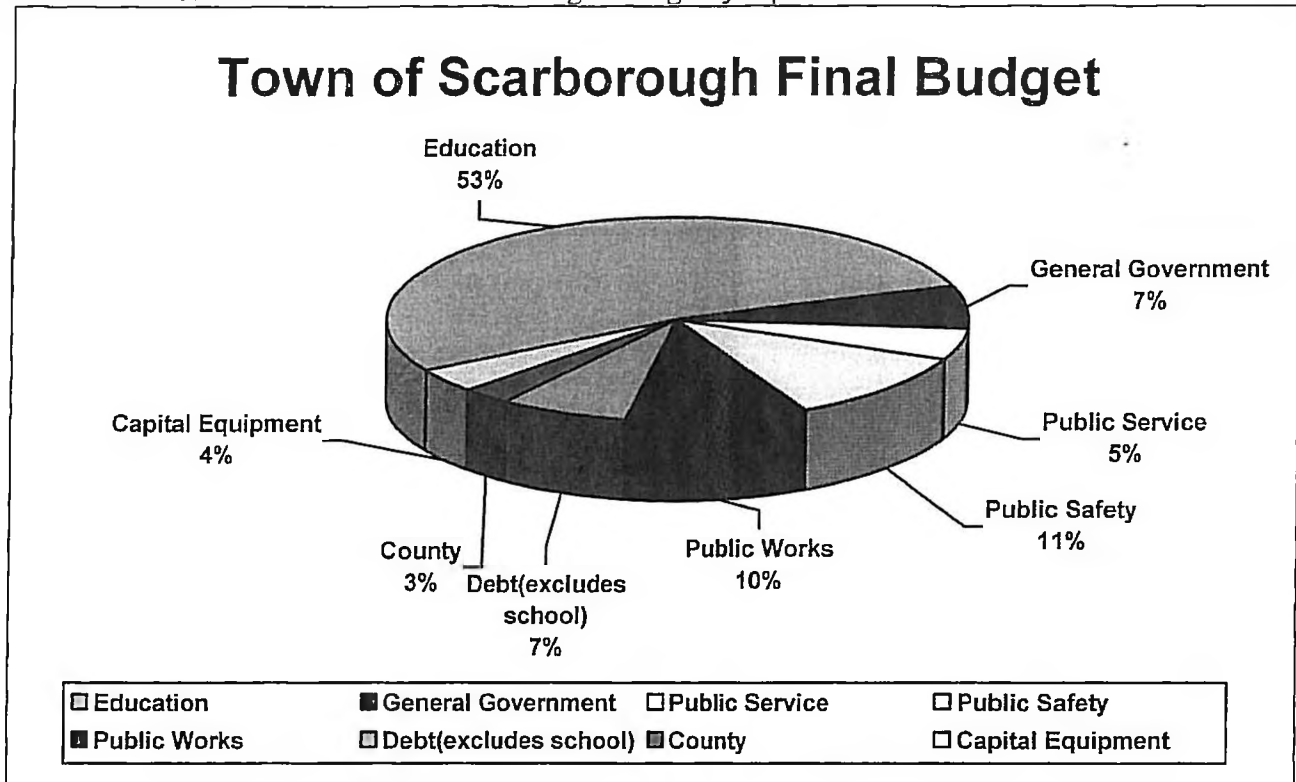
During this fiscal year, the Town of Scarborough's fund balances for Capital Projects increased from \$2,926 in 2007 to \$4,912 in 2008. Expenditures increased from \$4,724 in 2007 to \$5,446 in 2008 mostly due to the Higgins Beach drainage project.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final budget for the Town's General Fund represents the original budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances and commitments) plus any supplementary appropriations that may occur during the fiscal year. In fiscal year 2008, a total of \$2,134 has been set aside for prior year encumbrances and commitments. The original operating budget and the final amended budget amounted to \$63,154.

**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

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



**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Town's investment in capital assets for its governmental fund, as of June 30, 2008, amounts to \$97,805 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, improvements, machinery, equipment, and roads. The total decrease in the Town's investment in capital assets for the current fiscal year was 8.99%. This decrease is due to the removal of the Haigis Parkway utility installation costs. The Town incurred the cost to install the utilities along the Haigis Parkway, however once completed, the utilities became the property of the utility companies. Construction in progress also decreased due to the High School construction and renovation project that was completed in a prior year but was never removed from the construction in progress line. Both of these resulted in a prior period adjustment. The town will be improving the process for tracking Capital Assets over the next year.

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

**Governmental Activities**

	2008	2007
Land	\$ 4,876	\$ 4,396
Buildings	56,424	33,957
Vehicles	5,540	5,650
Equipment & Furniture	2,113	1,668
Infrastructure	24,065	21,195
Construction in Progress	4,788	40,595
<b>Total</b>	<b>\$ 97,806</b>	<b>\$ 107,461</b>



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.

Additional information on the Town of Scarborough's capital assets can be found in Notes to the Basic Financial Statements on pages 47 of this report.

**Long-term Debt.** As of June 30, 2008, the Town had long-term bonds outstanding of \$69,328 compared to \$66,845 in the prior year. This debt is backed by the full faith and credit of the Town of Scarborough. Additional information relating to the Town's long-term debt can be found in the Notes to Financial Statements on pages 49-51 of this report.

<b>Outstanding Debt</b>		
<b>General Obligation Bonds</b>		
	<u>2008</u>	<u>2007</u>
Municipal	\$ 21,812	\$ 18,368
Education	38,006	38,418
Sewer	9,510	10,059
<b>Total Debt</b>	<b>\$ 69,328</b>	<b>\$ 66,845</b>

Moody's Investors Service has affirmed a bond rating of "Aa3" and an "AA" (Stable) rating was assigned from Standard and Poor's (S&P) to the Town of Scarborough, Maine's debt. Moody's prior assignment of "A1", first assigned in 1975, was upgraded in 2002 to an assignment of "Aa3". S&P's "AA- (Stable)" was an "initial" rating for the Town of Scarborough in 2003. As of June 30, 2008, the Town's rating from both rating agencies remain stable.

These ratings reflect: "Strong continuing growth in the Town's tax base, favorable wealth levels, satisfactory operations and a manageable debt position". Moody's expects the Town's affluent tax base to continue to grow at a strong pace, given recent trends and room for continued development, citing evidence of the opportunities for development within the Town. Moody' believes the Town of Scarborough will continue to maintain satisfactory financial operations, supported by increasing reserves.

**Note: Definitions of above ratings**

**Moody's definition of "AA" ratings:** Assigned for issues judged to be of high quality by all standards and, together with "AAA", comprise what are generally known as "high grade" bonds.

**S&P's definition "AA" ratings:** indicates a very strong capacity to pay interest and repay principal and differs from the highest rated issues ("AAA") only in a small degree.

**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 may factors in making judgments and estimates about the finances of the upcoming year. A primary objective is to continue to provide level services to the citizens in the Town of Scarborough while keeping any increase in the property tax rate between three and five percent. Recognizing our aging population and a growing need for more emergency medical staff, the Council approved the addition of two new lieutenant paramedics and four new emergency medical technician positions in the 2009 budget.

**TOWN OF SCARBOROUGH, MAINE**  
**Management Discussion and Analysis, Continued**

The Town of Scarborough, in cooperation with its school department, has worked to develop a five-year capital budget plan to manage and plan for the long term capital needs of our community. Additionally, the Town also works collaboratively, not only within the Town's departments, but also with several neighboring communities and agencies to improve mutual operations and efficiencies and to reduce expenses where possible.

Below is a comparison of the 2008 budget with the 2009 budget.

	<u>2008</u>	<u>2009</u>
Administration	\$ 1,695,860	\$ 1,753,940
Finance Department	1,131,655	1,212,713
Information Systems	520,629	538,791
Planning Department	852,217	852,640
Community Services	1,979,625	2,070,645
Library	719,634	760,556
Economic Development	212,773	219,162
General Assistance/Affordable Hsg	12,325	24,270
Fire/Rescue/EMA Department	2,858,082	3,156,525
Public Safety Department	4,137,495	4,406,970
Public Works Department	6,305,800	6,501,204
Debt Service	4,717,767	4,935,548
Capital Equipment	1,878,746	947,360
Total Municipal Operating	27,022,608	27,380,324
Education	33,489,615	35,846,751
County Tax	1,735,302	1,836,509
Total Operating Budget	35,224,917	37,683,260
School Special Revenues	-	-
School Food Services	1,315,678	1,449,644
350 <sup>th</sup> Celebration/Wellness Initiative	40,000	40,000
Capital Improvement-Municipal	7,816,800	17,453,800
Capital Improvement-School	1,203,510	1,225,100
TIFs and Overlay	798,425	926,361
<b>Total Budget</b>	<b>\$ 73,421,938</b>	<b>\$ 86,158,489</b>

Additionally, the Town of Scarborough recognizes the importance of maintaining an appropriate level of undesignated fund balance. As stated earlier, the Town Council has adopted a fund balance policy. Once the fund balance level is achieved, the intent is to dedicate any excess balances towards major capital improvements and purchases.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Scarborough's finances for everyone interested in Scarborough's finances. Questions concerning any of the information provided in this report or the 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 [rporte@ci.scarborough.me.us](mailto:rporte@ci.scarborough.me.us).

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# **BASIC FINANCIAL STATEMENTS**

## TOWN OF SCARBOROUGH, MAINE

## Statement of Net Assets

June 30, 2008

	Governmental Activities	Component Unit
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,573,438	62,947
Investments	19,408,592	451,927
Receivables:		
Accounts	504,746	4,658
Intergovernmental	46,247	-
Taxes receivable	132,608	-
Tax liens	456,920	-
Tax acquired property	7,231	-
Inventory	23,419	1,317
Prepaid items	-	9,028
Notes receivable	3,111,793	-
Capital assets, not being depreciated	9,663,621	-
Capital assets, net	88,141,768	826,313
Total assets	127,070,383	1,356,190
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	4,064,953	25,618
Accrued payroll and other related liabilities	3,189,200	38,271
Taxes collected in advance	15,003	-
Accrued interest	434,015	-
Noncurrent liabilities:		
Due within one year	6,778,054	-
Due in more than one year	66,646,868	-
Total liabilities	81,128,093	63,889
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	35,652,357	826,313
Restricted for:		
Nonexpendable trust principal	117,178	526,871
Expendable trust - income portion	82,331	-
Capital projects	4,911,951	-
Unrestricted	5,178,473	(60,883)
Total net assets	\$ 45,942,290	1,292,301

*See accompanying notes to financial statements.*

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2008**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net assets	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government	Component unit
					Governmental activities	Public Library
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 12,739,673	1,620,897	521,673	112,751	(10,484,352)	-
Public services	3,133,250	1,589,909	11,637	-	(1,531,704)	-
Public safety	7,424,751	1,648,995	92,829	-	(5,682,927)	-
Public works	7,493,947	2,023,638	369,892	-	(5,100,417)	-
Education	32,951,412	1,211,208	11,378,614	-	(20,361,590)	-
Interest on debt service	2,737,229	-	-	-	(2,737,229)	-
Total governmental activities	66,480,262	8,094,647	12,374,645	112,751	(45,898,219)	-
<b>Total primary government</b>	<b>\$ 66,480,262</b>	<b>8,094,647</b>	<b>12,374,645</b>	<b>112,751</b>	<b>(45,898,219)</b>	<b>-</b>
<b>Component unit:</b>						
Scarborough Public Library	\$ 915,070	895,450	-	-	-	(19,620)
General revenues:						
Property taxes, levied for general purposes				\$ 40,038,475		-
Excise taxes				4,318,420		-
Payments in lieu of taxes				71,697		-
Interest and costs on taxes				90,105		-
Franchise Tax				172,545		-
Grants and contributions not restricted to specific programs:						
Homestead exemption				325,653		-
Other State aid				60,783		-
State Revenue Sharing				1,409,156		-
Unrestricted investment earnings				344,371		-
Other				2,039,037		-
Total general revenues				48,870,242		-
Change in net assets					2,972,023	(19,620)
Net assets - beginning, restated					42,970,267	1,311,921
Net assets - ending					\$ 45,942,290	1,292,301

*See accompanying notes to financial statements.*

## TOWN OF SCARBOROUGH, MAINE

Balance Sheet  
Governmental Funds  
June 30, 2008

	General	Performance Bonds	General Town Improvements	Haigis Parkway Assessments	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,972,040		1,054,070	-	547,328	5,573,438
Investments	7,724,325	1,627,770	3,143,082	-	6,913,415	19,408,592
Receivables:						
Accounts	487,613	-	-	-	63,380	550,993
Intergovernmental	-	-	-	-	-	-
Taxes receivable	132,608	-	-	-	-	132,608
Tax liens	456,920	-	-	-	-	456,920
Interfund loans receivable	877,117	59,230	-	-	803,850	1,740,197
Tax acquired property	7,231	-	-	-	-	7,231
Inventory	-	-	-	-	23,419	23,419
Notes receivable				3,111,793	-	3,111,793
<b>Total assets</b>	<b>\$ 13,657,854</b>	<b>1,687,000</b>	<b>4,197,152</b>	<b>3,111,793</b>	<b>8,351,392</b>	<b>31,005,191</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	1,005,571	63,317	623,497	-	747,360	2,439,745
Accrued payroll and other related liabilities	3,189,200	-	-	-	-	3,189,200
Accrued compensated absences	65,218	-	-	-	-	65,218
Interfund loans payable	-	-	-	783,689	958,033	1,741,722
Taxes collected in advance	15,003	-	-	-	-	15,003
Deferred tax revenue	408,370	-	-	-	-	408,370
Performance bond deposits	-	1,623,683	-	-	-	1,623,683
<b>Total liabilities</b>	<b>4,683,362</b>	<b>1,687,000</b>	<b>623,497</b>	<b>783,689</b>	<b>1,705,393</b>	<b>9,482,941</b>
<b>Fund balances:</b>						
Reserved	617,834	-	-	2,823,793	222,928	3,664,555
Unreserved, reported in:						
General fund - undesignated	6,222,425	-	-	-	-	6,222,425
General fund - designated	2,134,233	-	-	-	-	2,134,233
Special revenue funds (deficit)	-	-	-	(495,689)	5,084,775	4,589,086
Capital projects funds	-	-	3,573,655	-	1,338,296	4,911,951
Permanent funds	-	-	-	-	-	-
<b>Total fund balances</b>	<b>8,974,492</b>	<b>-</b>	<b>3,573,655</b>	<b>2,328,104</b>	<b>6,645,999</b>	<b>21,522,250</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,657,854</b>	<b>1,687,000</b>	<b>4,197,152</b>	<b>3,111,793</b>	<b>8,351,392</b>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						97,805,389
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						408,370
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.						
Bonds payable						(69,328,000)
Capital leases						(2,025,032)
Accrued interest						(434,015)
Landfill liability						(441,534)
Accrued compensated absences						(1,565,138)
<b>Net assets of governmental activities</b>						<b>\$ 45,942,290</b>

See accompanying notes to financial statements.

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2008**

	General	Performance Bonds	General Town Improvements	Haigis Parkway Assessments	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 44,581,175	-	-	-	-	44,581,175
Licenses and permits	817,847	-	-	-	-	817,847
Intergovernmental	12,605,805	-	-	-	1,436,757	14,042,562
Interest earned	344,371	-	94,503	6,820	238,920	684,614
Donations	-	-	-	-	114,820	114,820
Sale of lots	-	-	-	-	4,800	4,800
Assessments and impact fees	-	-	-	-	194,018	194,018
Other	6,197,182	-	-	6,106	2,770,790	8,974,078
Total revenues	64,546,380	-	94,503	12,926	4,760,105	69,413,914
<b>Expenditures:</b>						
<b>Current:</b>						
General government	4,482,678	-	-	-	-	4,482,678
Public services	3,102,548	-	-	-	-	3,102,548
Public safety	6,986,430	-	-	-	-	6,986,430
Public works	6,765,228	-	-	-	-	6,765,228
Education	36,113,916	-	-	-	-	36,113,916
County tax	1,735,302	-	-	-	-	1,735,302
Debt service	4,720,620	-	-	-	-	4,720,620
Capital improvements	3,675,867	-	3,707,175	-	1,922,132	9,305,174
Other	-	-	-	178	3,187,454	3,187,632
Total expenditures	67,582,589	-	3,707,175	178	5,109,586	76,399,528
Excess (deficiency) of revenues over expenditures	(3,036,209)	-	(3,612,672)	12,748	(349,481)	(6,985,614)
<b>Other financing sources (uses):</b>						
Transfers in	2,782,635	-	168,398	133,301	611,077	3,695,411
Transfers out	(886,474)	-	(533,337)	(583,615)	(1,691,985)	(3,695,411)
Proceeds from capital leases	1,010,422	-	-	-	-	1,010,422
General obligation bonds	786,810	-	5,340,300	-	2,385,890	8,513,000
Total other financing sources (uses)	3,693,393	-	4,975,362	(450,314)	1,304,982	9,523,423
Net change in fund balances	657,184	-	1,362,690	(437,566)	955,501	2,537,809
Fund balances, beginning of year, restated	8,317,308	-	2,210,965	2,765,670	5,690,498	18,984,441
Fund balances, end of year	\$ 8,974,492	-	3,573,655	2,328,104	6,645,999	21,522,250

*See accompanying notes to financial statements.*



**TOWN OF SCARBOROUGH, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2008**

Net change in fund balances - total governmental funds (from Statement 4)	\$	2,537,809
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlays	\$ 6,238,669	
Depreciation expense	(2,750,440)	3,488,229
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		38,370
<p>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.</p>		
		45,239
<p>Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		(654,624)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds (\$8,513,000) exceeded repayments (\$6,030,000).</p>		
		(2,483,000)
<hr/>		
<b>Change in net assets of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>2,972,023</b>

*See accompanying notes to financial statements.*

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2008**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 44,616,616	44,616,616	44,581,175	(35,441)
Licenses and permits	791,708	791,708	817,847	26,139
Intergovernmental	9,372,942	9,372,942	9,422,212	49,270
Interest earned	227,000	227,000	344,371	117,371
Unclassified	4,506,925	4,506,925	6,197,182	1,690,257
Total revenues	59,515,191	59,515,191	61,362,787	1,847,596
<b>Expenditures:</b>				
Current:				
General government	4,306,276	4,306,276	4,482,678	(176,402)
Public services	3,020,010	3,020,010	3,102,548	(82,538)
Public safety	7,117,737	7,117,737	6,986,430	131,307
Public works	6,366,119	6,366,119	6,765,228	(399,109)
Education	33,489,615	33,489,615	32,865,105	624,510
County tax	1,735,302	1,735,302	1,735,302	-
Debt service	4,717,767	4,717,767	4,720,620	(2,853)
Capital improvements	2,401,246	2,401,246	2,665,445	(264,199)
Total expenditures	63,154,072	63,154,072	63,323,356	(169,284)
Deficiency of revenues under expenditures	(3,638,881)	(3,638,881)	(1,960,569)	1,678,312
<b>Other financing sources (uses):</b>				
Transfers in	2,123,566	2,123,566	2,782,635	659,069
Transfers out	(644,293)	(644,293)	(886,474)	(242,181)
Utilization of surplus	1,342,103	1,342,103	-	(1,342,103)
Overlay	(99,688)	(99,688)	-	99,688
General obligation bonds	917,193	917,193	786,810	(130,383)
Total other financing sources (uses)	3,638,881	3,638,881	2,682,971	(955,910)
Net change in fund balances - budgetary basis	-	-	722,402	722,402
Reconciliation to GAAP basis:				
Current portion of accrued compensated absences			(65,218)	
Fund balance, beginning of year, restated			8,317,308	
Fund balance, end of year	\$		8,974,492	

*See accompanying notes to financial statements.*

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

	Private-purpose Trust Funds (Scholarships)	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	215,730
Investments	259,009	-
Interfund loans receivable	2,525	-
<b>Total assets</b>	<b>261,534</b>	<b>215,730</b>
<b>LIABILITIES</b>		
Interfund loans payable	1,000	-
Accounts payable	-	-
Due to student groups	-	215,730
<b>Total liabilities</b>	<b>1,000</b>	<b>215,730</b>
<b>NET ASSETS</b>		
Held in trust	\$ 260,534	-

*See accompanying notes to financial statements.*

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the year ended June 30, 2008**

	Private-purpose Trust Funds (Scholarships)
<b>Additions:</b>	
Donations	\$ 2,639
Interest and dividends	9,711
Total additions	12,350
<b>Deductions:</b>	
School scholarships	5,300
Total deductions	5,300
Change in net assets	7,050
Net assets, beginning of year	253,484
<b>Net assets, end of year</b>	<b>\$ 260,534</b>

*See accompanying notes to financial statements.*

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Town of Scarborough conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

**A. Reporting Entity**

The Town of Scarborough was incorporated in 1658 and operates under a Council-Manager form of government adopted by charter in 1969.

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The 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 potential component unit addressed in defining the government's reporting entity.

Scarborough Economic Development Corporation (SEDCO) encourages and assists the development of business in the Town of Scarborough. The Town provides SEDCO a majority of its revenues and the Town directly benefits from its services. All of the financial activity of SEDCO has been reported with the Town's special revenue fund, using the blended presentation method. The town provided approximately \$215,000 to SEDCO for the year ended June 30, 2008.

Scarborough Public Library (the Library) promotes and maintains library facilities in and for the Town of Scarborough. The Town provides the Library a majority of its revenues. The Library has been included as part of these financial statements, using the discrete presentation method. The Town provided approximately \$720,000 to the library for the year ended June 30, 2008.

Both of the above 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 can be obtained from the Town of Scarborough Finance Department, P.O. Box 360, Scarborough, Maine 04070-0360.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity 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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

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

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

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

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

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 required to be accounted for in another fund.

The General Town Improvements fund accounts for certain town capital improvements.

The Performance Bond Fund accounts for funds temporarily held by the Town until work is completed by developers. If the work is not completed, these funds are retained by the Town and the Town completes the required work.

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

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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Additionally, the Town reports the following fund type:

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund types:

Private-purpose Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. Private-purpose Trust funds use the economic resources measurement focus. The Town's private purpose trust funds are school department scholarship funds.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity. The Town's agency funds are student activity funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town has elected not to follow subsequent private-sector guidance.

As a general rule the effect of 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.

**D. Assets, Liabilities, and Equity**

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

**Accounts Receivable and Notes Receivable** – Management has reviewed accounts receivable and notes receivable for collectibility and has determined that an allowance for uncollectible accounts is not necessary.

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

**Inventory** - Inventory consists of the School Lunch Program food and supplies and is recorded at a lower of cost or market basis on a first-in, first-out basis. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

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

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

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

**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 operating transfers.



TOWN OF SCARBOROUGH, MAINE  
Notes to Financial Statements, Continued

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**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.

**Comparative Data/Reclassifications** - Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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**A. Budgetary Information**

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

	Revenues and other <u>sources</u>	Expenditures and other <u>uses</u>
2007-2008 budget as adopted	\$63,085,950	63,085,950
Budgetary adjustments:		
Subsequent authorization	10,000	10,000
Prior year encumbrances and carryforwards	802,103	802,103
<b>Total adjusted budget</b>	<b>\$ 63,898,053</b>	<b>63,898,053</b>

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

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**B. Excess of Expenditures over Appropriations**

The over-expenditure of the General Government function was the result of the legal fees and engineering exceeding budget.

The over-expenditure of the Public Service department was partially offset by excess community services fees in excess of budgeted revenues.

The over-expenditure of the Public Works department was the result of the heavy 2007-2008 winter season and vehicle repair costs. Most of the vehicle maintenance costs are offset by an excess of salary, vehicle fuel and repair reimbursements in excess of budgeted revenues.

The Debt Service over-expenditure is the result of issuance costs on the \$8,513,000 bond issue being higher than budgeted.

Capital Improvements are over-expended, as a result of some of the improvements being spent prior to the actual issuance of the bond proceeds. These projects will be bonded in 2009.

**C. Deficit Fund Balance**

At June 30, 2008, the following special revenue and capital projects funds had deficit fund balances:

The Recreational Development Fund (a special revenue fund) had a deficit of \$56,294. It is expected that the deficit will be adequately funded in future years through development and user fees.

The Boat Launch Fund (a special revenue fund) had a deficit of \$41,631. It is expected that this deficit will be adequately funded in future years through additional contributions and revenues.

The School Lunch Program (a special revenue fund) had a deficit of \$86,986. It is expected that this deficit will be adequately funded with future year's revenues or from the general fund.

The Municipal Building Fund (a capital project fund) had a deficit of \$519,909. This deficit is expected to be adequately funded in future years with TIF revenues.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

**DEPOSITS AND INVESTMENTS**

**A. Deposits**

*Custodial Credit Risk-Town Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town does not have a formal policy with respect to custodial credit risk. As of June 30, 2008, the Town reported deposits of \$5,789,168 with a bank balance of \$5,924,268. Of the Town's bank balances of \$5,924,268, none was exposed to custodial credit risk because it was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$5,573,438
Reported in fiduciary funds	215,730
<b>Total deposits</b>	<b>\$5,789,168</b>

At June 30, 2008, the Scarborough Public Library's cash balance was \$62,947 with a bank balance of \$56,317 all of which was covered by F.D.I.C. insurance.

**B. Investments**

At June 30, 2008, 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	18,999,195	18,999,195	-	-
Mutual funds (1)	668,406		not applicable	
<b>Total investments</b>	<b>\$19,667,601</b>	<b>18,999,195</b>	-	-

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure noted below. Investments have been reported as follows:

Reported in governmental funds	\$19,408,592
Reported in fiduciary funds	259,009
<b>Total investments</b>	<b>\$19,667,601</b>

*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 bank failure, the Town's deposits may not be returned. The Town does not have a formal policy with respect to custodial credit risk. None of the Town's investments totaling \$19,667,601 was exposed to custodial credit risk. At June 30, 2008, the Scarborough Public Library's investment balance was \$451,927, none of which was exposed to custodial credit risk.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

**PROPERTY TAX**

Property taxes for the current year were committed on August 23, 2007, 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, 2007 and 50% on March 17, 2008. Interest at the rate of 12% per annum was charged on any amounts remaining unpaid after these respective due dates. Assessed values are periodically established by the Town's Assessor at 100% of the assumed market value as of June 30, 2008 and the Town's value was 102% of the 2008 State valuation of \$3,531,150,000.

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 \$99,688 for the year ended June 30, 2008.

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

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables 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 revenues.

The following summarizes the June 30 levy:

	<u>2008</u>	<u>2007</u>
Assessed value	\$ 3,397,230,200	3,317,497,800
<u>Tax rate (per \$1.000)</u>	<u>11.80</u>	<u>11.48</u>
Commitment	40,087,316	38,084,875
<u>Supplemental taxes assessed</u>	<u>95.885</u>	<u>55.086</u>
	40,183,201	38,139,961
<u>Less - collections and abatements</u>	<u>39,784,997</u>	<u>37,852,666</u>
<b><u>Receivable at June 30</u></b>	<b><u>398,204</u></b>	<b><u>287,295</u></b>
Consisting of:		
Taxes	52,572	47,609
Liens	345,632	239,686
<b><u>Receivable at June 30</u></b>	<b><u>\$ 398,204</u></b>	<b><u>287,295</u></b>
Collection rate	99.01%	99.30%



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**INTERFUND BALANCES**

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Interfund balances result from the sharing of pooled cash and investments. Individual interfund receivables and payables at June 30, 2008, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	<u>\$ 877.117</u>	<u>-</u>
<u>General Town Improvements</u>	<u>-</u>	<u>-</u>
<u>Haigis Parkway</u>	<u>-</u>	<u>783.689</u>
<u>Performance Bonds</u>	<u>59.230</u>	<u>-</u>
 Nonmajor Governmental Funds:		
Nonmajor Special Revenue Funds:		
Unemployment compensation	2,284	-
Hurd Park and Ferry Beach	7,271	-
Recreational development	-	184,495
Sewer expansion	217,168	-
Boat Launch	-	41,631
Scarborough Memorial improvement	-	15,600
Route 1 Sawyer Road improvement	86,515	-
Industrial Park	-	50,000
Payne Road impact fees	433,284	-
Other impact fees	18,762	-
Police asset forfeiture	29,876	-
Hunnewell House	2,010	-
Rescue equipment	-	34,312
Fire Dept Equipment	4,280	-
Departmental grants and programs	-	111,012
Total Nonmajor Special Revenue Funds	801.450	437.050
 Nonmajor Capital Project Funds:		
Municipal building fund	-	519.909
Total Nonmajor Capital Project Funds	-	519.909
 Nonmajor Permanent Funds:		
Scarborough Memorial Cemetery	2,400	-
Dunstan Perpetual Care	-	1.074
Total Permanent Funds	2.400	1.074
Total Other Governmental Funds	803.850	958.033
 Private-purpose Trust Funds	 2.525	 1.000
Total all funds	\$ 1,742.722	1,742.722

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

**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. The balances represent each fund's portion of the centralized checking account.

**INTERFUND TRANSFERS**

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$2,782,635	886,474
General Town Improvements	168,398	533,337
Haigis Parkway Assessments	133,301	583,615
Nonmajor Governmental Funds	611,077	1,691,985
<b>Total</b>	<b>\$ 3,695,411</b>	<b>3,695,411</b>

These operating transfers were budgeted transfers to fund certain activities.

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2008, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 66,845,000	8,513,000	6,030,000	69,328,000	6,103,000
Capital leases	1,370,408	1,010,422	355,798	2,025,032	605,785
Compensated absences	1,592,213	38,143	-	1,630,356	65,218
Landfill post-closure care costs	445,584	-	4,050	441,534	4,051
<b>Governmental activity</b>					
<b>Long-term liabilities</b>	<b>\$ 70,253,205</b>	<b>9,561,565</b>	<b>6,389,848</b>	<b>73,424,922</b>	<b>6,778,054</b>

As of June 30, 2008, the Town had authorized, but unissued debt totaling \$3,850,630. The General Fund typically pays all governmental activities long-term debt service requirements including accrued compensated absences.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**BONDS PAYABLE**

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Bonds payable at June 30, 2008 is comprised of the following:

General Obligation Notes and Bonds	Amount originally issued	Percentage applicable to			Interest rate	Final maturity date	Balance end of year
		Town	School	Sewer			
1988 Capital improvements	6,615,000	16.80%	-	83.20%	Varies	2009	275,000
1989 Capital improvements	2,300,000	100.00%	-	-	Varies	2009	100,000
1990 Capital improvements	7,415,000	-	100.00%	-	Varies	2011	975,000
1993 Capital improvements	1,135,000	100.00%	-	-	Varies	2012	125,000
1994 Capital improvements	6,775,000	-	100.00%	-	Varies	2015	1,610,000
1995 Capital improvements	6,160,000	1.89%	98.11%	-	Varies	2016	2,120,000
1997 Capital improvements	4,230,000	100.00%	-	-	Varies	2017	990,000
1999 Capital improvements	6,493,000	96.70%	3.30%	-	Varies	2019	1,095,000
2000 Capital improvements	4,770,000	70.49%	29.51%	-	Varies	2020	1,560,000
2001 Capital improvements	4,932,000	59.29%	40.71%	-	Varies	2021	1,695,000
2003 Capital improvements	24,579,000	7.78%	49.23%	42.99%	Varies	2032	20,425,000
2004 Capital improvements	14,628,000	15.15%	80.31%	4.54%	Varies	2034	11,025,000
2005 Capital improvements	10,665,000	9.54%	90.46%	-	Varies	2034	9,500,000
2006 Capital improvements	7,014,000	80.13%	19.87%	-	Varies	2036	5,870,000
2007 Capital improvements	4,000,000	68.12%	31.88%	-	Varies	2022	3,450,000
2008 Capital improvements	8,513,000	71.97%	28.03%	-	Varies	2028	8,513,000
<b>Total</b>							<b>\$ 69,328,000</b>

The annual requirements to amortize all debt outstanding as of June 30, 2008 are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	6,103,000	2,750,561	8,853,561
2010	5,440,000	2,542,579	7,982,579
2011	5,320,000	2,329,469	7,649,469
2012	4,665,000	2,132,051	6,797,051
2013	4,465,000	1,950,605	6,415,605
2014-2018	15,700,000	7,548,601	23,248,601
2019-2023	12,300,000	4,768,041	17,068,041
2024-2028	6,685,000	2,746,261	9,431,261
2029-2033	7,210,000	1,202,750	8,412,750
2034-2037	1,440,000	58,500	1,498,500
<b>Totals</b>	<b>\$ 69,328,000</b>	<b>28,029,418</b>	<b>97,357,418</b>



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

**STATUTORY DEBT LIMIT**

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of State valuation of such municipality. A summary of the Town's legal debt margin is as follows:

	June 30, 20088 outstanding bonds	Percent of 2008 State assessed value of \$ 3.531.150.000	Amount	Margin
For school purposes	\$ 38,006,440	10.00%	353,115,000	315,108,560
For storm or sanitary sewer	9,509,800	7.50%	264,836,250	255,326,450
For municipal airport, water and special district purposes	-	3.00%	105,934,500	105,934,500
For all other purposes	21,811,760	7.50%	264,836,250	243,024,490
<b>Total</b>	<b>\$ 69,328,000</b>	<b>15.00%</b>	<b>529,672,500</b>	

**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.

**CAPITAL LEASES**

The Town of Scarborough has entered into various lease agreements as lessee for copiers, equipment, vehicles, building repairs and computer hardware and software. Those leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of its inception. The amount of assets capitalized under capital leases is \$1,509,130.

The following is a schedule of future minimum lease payments under the capital lease and the present value of the minimum lease payment at June 30, 2008:

2009	\$ 605,785
2010	490,003
2011	358,703
2012	280,165
2013	227,908
2014-thereafter	317,690
Total minimum lease payments	2,280,254
Less: amount representing interest	255,222
<b>Present value of future minimum lease payments</b>	<b>\$ 2,025,032</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**OVERLAPPING DEBT AND OTHER CONTINGENCIES**

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**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, 2008, the Town's State valuation of \$3,531,150,000 was 8.50% of the County's State valuation of \$41,557,850,000. The Town's share is 8.50% or \$534,883 of Cumberland County's \$6,295,000 long-term debt outstanding as of June 30, 2008.

The Town is also served by the Portland Water District. At June 30, 2008, the Town's share of self-supporting bonded water debt is 12.99% or \$3,485,910 of total debt of \$26,840,715.

**Contingencies**

ecomaine, formerly Regional Waste Systems, a Maine Corporation with 21 participating municipalities ("Member Municipalities"), including the Town of Scarborough, has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision, or a pledge of the full faith and credit of any political subdivision of the State of Maine. ecomaine has no taxing power. Notwithstanding the foregoing, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the solid waste produced within each such participating municipality to ecomaine for processing to make service payments and pay tipping fees for such processing in amounts which, when added to other available monies, will be at least equal to the required debt service on the bonds. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. At June 30, 2008, outstanding "Incinerator Debt" of ecomaine totaled \$28,224,000 of which the Town of Scarborough's share, based on estimated tonnage to be delivered, amounted to 8.48% or \$2,393,020.

The Town has also entered into an agreement with ecomaine as one of the 21 ecomaine Member Municipalities along with an additional six Participating Municipalities, to establish a Material Recycling Facility ("MRF") at ecomaine's demolition debris and recycling facility in Gorham. It is anticipated that the Town's share of debt incurred for this project will also be paid through service charges and user fees over the life of the project. At June 30, 2008, the Town's share is 6.30% or \$231,588 of ecomaine's outstanding MRF debt of \$3,676,000.

ecomaine operates a licensed balefill and ashfill site for which projected landfill closure and postclosure care costs approximate \$23,195,375 at June 30, 2007, the most recent date available. The Town's proportionate share of these estimated landfill closure and postclosure care costs is 8.43%, or \$1,955,968.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED**

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**Total Debt and Contingencies**

Governmental Unit	As of June 30, 2008			Total debt
	Direct debt	Overlapping debt	Contingent debt	
Town of Scarborough	\$ 71,353,032	-	-	71,353,032
Cumberland County	-	534,883	-	534,883
Portland Water District - water debt	-	3,485,910	-	3,485,910
Regional Waste Systems:				
Resource recovery system	-	-	2,393,020	2,393,020
Material recovery facility	-	-	231,588	231,588
Landfill closure/postclosure costs	-	-	1,955,968	1,955,968
<b>Totals</b>	<b>\$ 71,353,032</b>	<b>4,020,793</b>	<b>4,580,576</b>	<b>79,954,401</b>

**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, 2008, substantially all such calculations have been performed.

**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.

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**LANDFILL CLOSURE AND POSTCLOSURE COSTS**

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Under existing State law, Maine communities had until December 31, 1995 to close existing landfills under a state approved plan and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town is operating a demolition debris landfill under a waiver granted by the State. The landfill is permitted to operate in its existing capacity until 2027. The estimated total current cost of landfill closure, \$441,534, 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, 2008. Additionally, annual monitoring and maintenance costs are estimated to be \$4,050 per year. The total closure and postclosure care costs of \$441,534 have been accrued in the statement of activities. Presently, the State of Maine is providing partial funding for certain closure costs; however, future funding is based on availability of funds. The actual cost of closure and postclosure care may be higher due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**DESIGNATED FUND BALANCES**

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At June 30, 2008, portions of the General Fund fund balance were designated to future periods as follows:

	<u>2008</u>
General Fund:	
State revenue sharing	\$ 99,599
Admin – Building repairs	165
Comprehensive plan	28,278
Finance – New equipment	7,566
Finance – Employee training	5,300
Public Safety – Tactical team training	7,337
Public Safety – Night vision goggles	2,040
Police Department - 2006 QED software	9,300
Police Department – Auxiliary vehicles	700
Police Department – Electrical door access	192
Police Department – Taser cams	251
Police Department – Portable Radios	396
Police Department – Traffic sign boards	(27,067)
Police Department – MRO Outboard Motor #4	(17,217)
Police Department – Traffic light pre-emptive	12,966
Fire Department – Rescue mobile data	29,036
Fire Department – Station 3 drainage/paving	30,000
Fire Department – Municipal holding tank	65,384
Fire Department – Replace Chief's vehicle	4,338
Fire Dept – ADA/Energy improvements	24,163
Public Works – Bucket truck	40,496
Public Works – Paving	17,444
Public Works – Employee training	2,720
Library – Roof replacement	6,375
Library – Building envelope	107,000
Library system efficiency/safety	166,632
Library HVAC	(20,794)
Library equipment	63,993
Child care revenues	28,630
Cable franchise fees	28,618
Summer recreation	57,294
29 Black Point Road	1,325
Marine Resource Office – Inventory Management	7,760
Town-wide ADA projects	10,282
Town-wide computer purchases	91,159
Encumbered purchase orders	241,536
<u>Reserve for accrued sick pay</u>	<u>1,001,036</u>
<b><u>Total General Fund designated fund balance</u></b>	<b><u>\$ 2,134,233</u></b>

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**RESERVED FUND EQUITY**

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At June 30, 2008, the Special Revenue fund balance for Haigis Parkway included a reserve for the non-current portion of the notes receivable in the amount of \$2,823,793 and the School Lunch Program included a reserve for inventory on hand of \$23,419. Fund balance has been reserved in the permanent funds for nonexpendable principal of \$117,178 and expendable income of \$82,331. The total reserved fund balance for other governmental funds on Statement 3 was \$222,928. As of June 30, 2008, the General Fund fund balance was reserved in the amount of \$617,834, reflecting the non-current portion of the interfund loan receivable from the Municipal Building Fund in the amount of \$519,909, the Boat Launch Fund deficit of \$41,631, and the Recreation Development Fund amount of \$56,294.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONSOLIDATED RETIREMENT PENSION PLAN**

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**Description of the Plan** - The Town contributes to the Maine Public Employees Retirement System Consolidated Plan formerly known as the Maine State Retirement System Consolidated Plan. The Consolidated Plan is a cost sharing multiple-employer retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine State Retirement, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

**Funding Policy** - Plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. These rates are designed to accumulate sufficient assets to pay benefits, when due. Normal cost employer contributions are calculated using the entry age normal actuarial cost method. Additionally, upon entering the Consolidated Retirement Plan, the Town had its separate, individual existing unfunded actuarial liability calculated, which the Town fully funded in 2007. The current rate is 2.8% of annual covered payroll for School employees participating in the District Plan, 2.8% for Town employees and 4.0% for Police. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employees Retirement Board of Trustees. The Town's contributions to the MPERS Consolidated Plan for the year ended June 30, 2008, 2007 and 2006 were \$88,773, \$85,274, and \$63,658 respectively, and this is 100% of the amount required, that the town paid.

**Teacher Group** - All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine State Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

**Funding Policy** - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$3,183,593 (18.71%) for the fiscal year 2008. This amount has been reported as an intergovernmental revenue and retirement expenditure in the GAAP basis financial statements (Statement 2 and Statement 4).

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**DEFINED CONTRIBUTION PENSION PLAN**

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

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 municipal employees of the Town have the option of participating in the plan or the Maine Public Employees Retirement System. Contributions made by the employer 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 or 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 24% 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 \$360,599, which was 6% of the participating employees and 24% of the Town Manager's current year covered payroll. The covered payroll amounted to \$5,671,098, while the Town's total payroll was \$9,925,483.

Employee's required contributions amounted to \$333,457, 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 offers all its 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 employees contributions amounted to \$389,990 and the Town contributions amounted to \$264,439. The Town contributes a match up to 4%.

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, were removed from the Town's financial statements.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**TAX INCREMENT FINANCING DISTRICTS**

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The Town has established four Tax Increment Financing Districts under the terms of applicable State laws. The districts have been established to finance certain development programs located in the Town. The expenditures from these development programs will be recouped in future years via an incremental tax levied upon the Town's so-called "captured assessed value". The tax increment will be held in the form of a sinking fund which will be used expressly for the repayment of principal and interest on any indebtedness created to fund the expenditures of the development programs.

The status of the various Tax Increment Financing Districts is summarized below:

Scarborough Town Center Development District:	
Original assessed value	\$ 6,915,000
Maximum authorized captured value	6,900,000
Amount captured as of June 30, 2008	6,900,000
Scarborough Eight Corners Development District:	
Original assessed value	4,522,700
Maximum authorized captured value	39,000,000
Amount captured as of June 30, 2008	39,000,000
Enterprise Business Park TIF:	
Original assessed value	544,800
Amount captured as of June 30, 2008	8,003,700
Haigis Parkway:	
Original assessed value	8,563,500
Amount captured as of June 30, 2008	7,556,000

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**RISK MANAGEMENT**

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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 purchases, the Town is not aware of any material actual or potential claims liabilities which should be recorded at June 30, 2008. 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.

**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

**NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net assets 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 assets invested in capital assets, net of related debt was calculated as follows at June 30, 2008:

	<u>Governmental Activities</u>
Capital assets	\$ 124,285,970
Accumulated depreciation	(26,480,581)
Bonds payable	(60,128,000)
Capital leases payable	<u>(2,025,032)</u>
<b><u>Total invested in capital assets net of related debt \$ 35,652,357</u></b>	

Bonds payable excludes \$9,200,000 of bonds payable related to the Haigis Parkway project for which the Town did not retain ownership of the improvements.

**PRIOR PERIOD ADJUSTMENT TO NET ASSETS/FUND BALANCE**

Restatements were made to beginning net assets and beginning fund balance as follows

Net Assets

Beginning of year as previously stated	\$56,102,181
Add: Component unit not previously reported – SEDCO	11,767
Less: Capital assets not owned by Town – Haigis Parkway	(9,697,721)
Less: Adjustment to accumulated depreciation	(2,216,226)
Less: Other capital asset adjustments	<u>(1,229,734)</u>
End of year as restated	<u>\$42,970,267</u>

Fund Balance – General Fund

Beginning of year as previously stated	\$8,692,691
Less: Accrued vacation maturing in the next year	<u>(375,383)</u>
End of year as restated	<u>\$8,317,308</u>

Other governmental fund balance was increased by \$11,767 for inclusion of a component unit not previously reported – SEDCO.



**TOWN OF SCARBOROUGH, MAINE**  
**Notes to Financial Statements, Continued**

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**RECENT ACCOUNTING PRONOUNCEMENT**

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Recently issued Government Accounting Standards Board No. 45, *Accounting and financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, may be applicable to the Town for the year ending June 30, 2009. Town employees are eligible to retire under the Maine Municipal Employee's Health Trust if they have met the minimum service requirements.

As defined by the Maine Municipal Employee's Health Trust, an employee shall be an individual who is enrolled for benefits under the health insurance provided the individual is:

1. a regular employee averaging 20 or more hours per week on a year-round basis;
2. an elected official of the town whose term of office is at least one year's duration working an average of less than 20 hours each week and;
3. a retired employee provided:
  - The Retiree enrolls when first eligible and continues the coverage without interruption thereafter. Any Retiree who does not enroll when first eligible or who terminates coverage for any reason shall not be eligible for subsequent enrollment and;
  - Except in the case of a group transfer into the Plan, the town is a participating employer at the time of retirement, and the Retiree was covered under the town's plan immediately prior to retirement and;
  - Such individual is receiving retirement benefits, other than Social Security benefits, from the town's retirement plans and;
  - If the employee has waived their right to participate in the town sponsored retirement plan, the Employee was employed by the town for at least five consecutive years prior to retirement, and is at least 55 years of age on the date of retirement.

The definition of employee will also cover the surviving spouse of a deceased employee, provided the spouse was a covered dependent at the time of the Employee's death.

All full time employees (excluding school department employees) are eligible to participate in the Maine Municipal Employee's Health Trust for Health Insurance Benefits. The town currently has 150 full time employees eligible to participate in the health insurance plan.

Retirees are obligated to contribute 100% of the premium costs under this plan. The current number of retirees eligible to receive health insurance benefits is 20. An actuary has been retained by the Maine Municipal Association to determine the amount of the liability, if any. Because retirees are obligated to contribute 100% of their health insurance premium costs, it is anticipated that the liability, if any, will be based on an implied subsidy. It is not known at this time the amount of the potential liability or its potential impact on these financial statements.

## **GENERAL FUND**

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

**TOWN OF SCARBOROUGH, MAINE**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2008 and 2007**

	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,972,040	7,916,097
Investments	7,724,325	3,019,928
Receivables:		
Taxes receivable	132,608	103,975
Tax liens	456,920	363,401
Accounts receivable	487,613	606,045
Interfund loans receivable	877,117	483,340
Tax acquired property	7,231	7,231
<b>Total assets</b>	<b>\$ 13,657,854</b>	<b>12,500,017</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and payroll withholdings	1,005,571	806,517
Accrued payroll and other related liabilities	3,189,200	2,974,913
Accrued compensated absence (current)	65,218	
Taxes collected in advance	15,003	31,279
Deferred tax revenues	408,370	370,000
<b>Total liabilities</b>	<b>4,683,362</b>	<b>4,182,709</b>
Fund balance:		
Reserved	617,834	674,006
Unreserved:		
Designated - Town	2,134,233	1,996,947
Undesignated - Education	1,004,054	672,761
Undesignated - Town	5,218,371	4,973,594
<b>Total fund balance</b>	<b>8,974,492</b>	<b>8,317,308</b>
<b>Total liabilities and fund balance</b>	<b>\$ 13,657,854</b>	<b>12,500,017</b>

**TOWN OF SCARBOROUGH, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the year ended June 30, 2008**  
**(with comparative totals for June 30, 2007)**

	2008					
	2007 carryforward	Budget	Total Available	Actual	Variance positive (negative)	2007 Actual
<b>Revenues:</b>						
<b>Taxes:</b>						
Property taxes	\$ -	39,887,316	39,887,316	40,038,475	151,159	38,021,985
Change in deferred property tax revenue	-	-	-	(38,370)	(38,370)	12,000
Excise taxes	-	4,507,000	4,507,000	4,318,420	(188,580)	4,442,571
Cable franchise tax	-	167,500	167,500	172,545	5,045	155,998
Interest and costs on taxes	-	54,800	54,800	90,105	35,305	79,599
<b>Total taxes</b>	-	<b>44,616,616</b>	<b>44,616,616</b>	<b>44,581,175</b>	<b>(35,441)</b>	<b>42,712,153</b>
<b>Licenses and permits:</b>						
Plumbing fees	-	22,000	22,000	25,818	3,818	17,785
Fees and Permits	-	135,408	135,408	158,615	23,207	162,675
Building permits	-	530,000	530,000	501,879	(28,121)	465,942
Electrical permits	-	20,000	20,000	25,345	5,345	19,685
Zoning Board of Appeals	-	8,000	8,000	12,601	4,601	16,575
License plate fees	-	66,300	66,300	61,564	(4,736)	63,364
Subdivision fees	-	10,000	10,000	32,025	22,025	7,000
<b>Total licenses and permits</b>	-	<b>791,708</b>	<b>791,708</b>	<b>817,847</b>	<b>26,139</b>	<b>753,026</b>
<b>Intergovernmental:</b>						
Education state subsidies	-	6,567,679	6,567,679	6,567,679	-	6,423,999
FEMA reimbursement	-	-	-	-	-	188,903
State Revenue Sharing	-	1,386,000	1,386,000	1,409,156	23,156	1,397,648
Homestead exemption	-	325,253	325,253	325,653	400	317,821
URIP (D.O.T. block grant)	-	364,500	364,500	369,892	5,392	364,540
ecomaine payment in lieu of taxes	-	77,148	77,148	71,697	(5,451)	71,450
Adult education State subsidies	-	30,000	30,000	25,835	(4,165)	29,264
General assistance reimbursement	-	5,462	5,462	11,637	6,175	3,634
Federal HIDTA revenues	-	95,000	95,000	92,829	(2,171)	97,326
Medicaid	-	125,000	125,000	177,965	52,965	169,780
Other Federal and State revenues - School	-	385,000	385,000	309,086	(75,914)	277,910
Other Federal and State revenues - Town	-	11,900	11,900	60,783	48,883	27,323
<b>Total intergovernmental</b>	-	<b>9,372,942</b>	<b>9,372,942</b>	<b>9,422,212</b>	<b>49,270</b>	<b>9,369,598</b>
Interest earned	-	227,000	227,000	344,371	117,371	404,622
<b>Unclassified:</b>						
School Department miscellaneous	-	68,500	68,500	66,452	(2,048)	58,488
Adult education	-	17,500	17,500	6,869	(10,631)	9,118
Community services	-	1,385,406	1,385,406	1,516,217	130,811	1,426,176
Police court time	-	6,000	6,000	9,642	3,642	16,918
Snow plowing service	-	10,767	10,767	10,768	1	10,768
Insurance reimbursements	-	20,000	20,000	39,301	19,301	66,734
Public Violations	-	33,500	33,500	43,512	10,012	44,009
Special duty police/fire	-	111,000	111,000	134,673	23,673	120,561
Inspection/review fees	-	140,000	140,000	219,271	79,271	252,075
Rescue donations	-	500,000	500,000	500,000	-	475,000
Rental income	-	67,568	67,568	66,600	(968)	51,793
Sale of Town-owned property	-	113,452	113,452	112,751	(701)	162,305
Salary reimbursement	-	448,994	448,994	498,510	49,516	420,739
Vehicle fuel reimbursement	-	394,957	394,957	537,302	142,345	355,621
Vehicle maintenance reimbursement	-	270,250	270,250	396,278	126,028	296,495
Lease revenue	-	829,053	829,053	1,909,208	1,080,155	72,097
Miscellaneous	-	89,978	89,978	129,828	39,850	116,276
<b>Total unclassified</b>	-	<b>4,506,925</b>	<b>4,506,925</b>	<b>6,197,182</b>	<b>1,690,257</b>	<b>3,955,173</b>
<b>Total revenues</b>	-	<b>59,515,191</b>	<b>59,515,191</b>	<b>61,362,787</b>	<b>1,847,596</b>	<b>57,194,572</b>

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

	2007 carryforward	2008		2007 Actual	Variance positive (negative)	2007 Actual
		Budget	Total available			
<b>Expenditures:</b>						
<b>Current:</b>						
<b>General government:</b>						
Town Council	\$ -	11,573	11,573	10,765	808	11,572
Administration	3,816	241,230	245,046	249,138	(4,092)	234,569
Town Clerk	1,425	197,022	198,447	180,714	17,733	174,568
Planning	37,422	792,217	829,639	773,878	55,761	766,989
Assessing	5,000	235,936	240,936	233,162	7,774	212,970
Human resources	1,102	189,950	191,052	195,498	(4,446)	174,683
Personnel benefits	-	37,380	37,380	159,550	(122,170)	255,407
Management information systems	9,829	520,629	530,458	530,353	105	546,438
Municipal building	14,375	280,967	295,342	295,177	165	257,186
General government	-	80,370	80,370	74,035	6,335	78,515
Finance	22,157	368,214	390,371	359,124	31,247	344,853
Purchasing	-	108,062	108,062	106,742	1,320	77,422
Taxation/Treasury	789	424,171	424,960	442,653	(17,693)	407,472
Legal	-	84,000	84,000	119,261	(35,261)	122,360
Risk management	-	479,500	479,500	521,684	(42,184)	480,898
Public information	-	7,000	7,000	5,894	1,106	5,825
Engineering	-	77,500	77,500	173,035	(95,535)	211,799
Outside agencies	-	74,640	74,640	52,015	22,625	62,532
<b>Total general government</b>	<b>95,915</b>	<b>4,210,361</b>	<b>4,306,276</b>	<b>4,482,678</b>	<b>(176,402)</b>	<b>4,426,058</b>
<b>Public services:</b>						
Library	-	719,634	719,634	719,634	-	695,299
Public health and welfare	-	12,325	12,325	17,818	(5,493)	12,163
Enterprise Park tax rebate	-	94,444	94,444	94,444	-	61,934
Economic Development Corporation	-	212,773	212,773	211,686	1,087	204,885
Community services	1,209	1,979,625	1,980,834	2,058,966	(78,132)	2,095,757
<b>Total public services</b>	<b>1,209</b>	<b>3,018,801</b>	<b>3,020,010</b>	<b>3,102,548</b>	<b>(82,538)</b>	<b>3,070,038</b>
<b>Public safety:</b>						
Fire Department	8,762	1,652,965	1,661,727	1,646,822	14,905	1,566,381
Police Department	105,678	4,050,154	4,155,832	4,073,164	82,668	3,881,578
Emergency Management	950	34,850	35,800	33,461	2,339	31,361
Marine resources	6,770	87,341	94,111	83,645	10,466	83,144
Emergency Medical Services	-	1,170,267	1,170,267	1,149,338	20,929	1,079,509
<b>Total public safety</b>	<b>122,160</b>	<b>6,995,577</b>	<b>7,117,737</b>	<b>6,986,430</b>	<b>131,307</b>	<b>6,641,973</b>
<b>Public works:</b>						
Public Works Department	43,287	2,442,713	2,486,000	2,590,754	(104,754)	2,223,908
Vehicle maintenance	-	1,383,882	1,383,882	1,688,418	(304,536)	1,351,183
Water charges	-	172,093	172,093	161,671	10,422	159,756
Street lighting	-	138,020	138,020	163,962	(25,942)	158,198
Traffic signals	-	122,224	122,224	105,485	16,739	97,019
Cemetery care	-	38,959	38,959	27,213	11,746	31,685
Memorials	-	9,401	9,401	11,137	(1,736)	10,570
Shade trees	400	25,092	25,492	10,548	14,944	16,920
Engineering services	16,632	111,196	127,828	120,809	7,019	90,597
Solid waste program	-	1,862,220	1,862,220	1,885,231	(23,011)	1,706,220
<b>Total public works</b>	<b>60,319</b>	<b>6,305,800</b>	<b>6,366,119</b>	<b>6,765,228</b>	<b>(399,109)</b>	<b>5,846,056</b>
<b>Education:</b>						
Regular instruction	-	18,724,259	18,724,259	18,512,336	211,923	17,313,651
Improvement of instruction	-	552,670	552,670	520,647	32,023	298,661
Special services	-	2,383,774	2,383,774	2,354,774	29,000	2,218,692
General & special administration	-	206,903	206,903	206,769	134	319,976
Board of education	-	47,675	47,675	33,182	14,493	34,156
Office of the superintendent	-	722,027	722,027	612,609	109,418	636,731
Business administration	-	1,217,689	1,217,689	1,229,095	(11,406)	1,121,783
Transportation	-	1,491,533	1,491,533	1,478,530	13,003	1,360,166
Operation and maintenance of plant	-	3,728,430	3,728,430	3,498,313	230,117	3,339,160
Debt service	-	4,414,655	4,414,655	4,418,850	(4,195)	4,457,690
<b>Total education</b>	<b>-</b>	<b>33,489,615</b>	<b>33,489,615</b>	<b>32,865,105</b>	<b>624,510</b>	<b>31,100,666</b>

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

	2008					
	2007 carryforward	Budget	Total available	Actual	Variance positive (negative)	2007 Actual
Expenditures, continued:						
Current, continued:						
County tax	\$ -	1,735,302	1,735,302	1,735,302	-	1,614,651
Debt service (excluding education):						
Principal	-	3,232,170	3,232,170	3,232,386	(216)	3,219,135
Interest and other costs	-	1,485,597	1,485,597	1,488,234	(2,637)	1,176,872
Total debt service	-	4,717,767	4,717,767	4,720,620	(2,853)	4,396,007
Capital improvements	522,500	1,878,746	2,401,246	2,665,445	(264,199)	1,419,445
Total expenditures	802,103	62,351,969	63,154,072	63,323,356	(169,284)	58,514,894
Excess (deficiency) of revenues over (under) expenditures	(802,103)	(2,836,778)	(3,638,881)	(1,960,569)	1,678,312	(1,320,322)
Other financing sources (uses):						
Transfers in	-	2,123,566	2,123,566	2,782,635	659,069	1,855,084
Transfers out	-	(644,293)	(644,293)	(886,474)	(242,181)	(602,222)
General obligation bonds	-	917,193	917,193	786,810	(130,383)	634,750
Utilization of prior year surplus and carryforward balance	802,103	540,000	1,342,103	-	(1,342,103)	-
Overlay	-	(99,688)	(99,688)	-	99,688	-
Total other financing sources (uses)	802,103	2,836,778	3,638,881	2,682,971	(955,910)	1,887,612
Net change in fund balances - budgetary basis	-	-	-	722,402	722,402	567,290
Reconciliation to GAAP basis:						
Current portion of accrued compensated absences				(65,218)		(126,257)
Fund balances, beginning of year restated				8,317,308		7,876,275
Fund balances, end of year				\$ 8,974,492		8,317,308

**OTHER GOVERNMENTAL FUNDS**

**TOWN OF SCARBOROUGH, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2008**

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 250,603	296,725	-	547,328
Investments	4,694,303	2,020,929	198,183	6,913,415
Accounts receivable	63,380	-	-	63,380
Due from State of Maine	-	-	-	-
Interfund loans	801,450	-	2,400	803,850
Inventory	23,419	-	-	23,419
Notes receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 5,833,155</b>	<b>2,317,654</b>	<b>200,583</b>	<b>8,351,392</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	287,911	459,449	-	747,360
Interfund loans	437,050	519,909	1,074	958,033
<b>Total liabilities</b>	<b>724,961</b>	<b>979,358</b>	<b>1,074</b>	<b>1,705,393</b>
Fund balances (deficit):				
Reserved for:				
Inventory	23,419	-	-	23,419
Nonexpendable trust principal	-	-	117,178	117,178
Expendable trust - income portion	-	-	82,331	82,331
Long-term notes receivable	-	-	-	-
Unreserved, undesignated	5,084,775	1,338,296	-	6,423,071
<b>Total fund balances (deficit)</b>	<b>5,108,194</b>	<b>1,338,296</b>	<b>199,509</b>	<b>6,645,999</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,833,155</b>	<b>2,317,654</b>	<b>200,583</b>	<b>8,351,392</b>



**TOWN OF SCARBOROUGH, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2008**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 1,405,344	31,413	-	1,436,757
Contributions	114,820	-	-	114,820
Assessments and impact fees	194,018	-	-	194,018
Sale of lots	2,400	-	2,400	4,800
Other revenue	2,770,790	-	-	2,770,790
Interest revenue	183,409	50,380	5,131	238,920
Total revenues	4,670,781	81,793	7,531	4,760,105
Expenditures:				
Current:				
Capital expenditures	183,640	1,738,492	-	1,922,132
Other	3,186,380	-	1,074	3,187,454
Total expenditures	3,370,020	1,738,492	1,074	5,109,586
Excess of revenues over (under) expenditures	1,300,761	(1,656,699)	6,457	(349,481)
Other financing sources (uses):				
Transfers in	520,873	90,204	-	611,077
Transfers out	(1,495,370)	(196,615)	-	(1,691,985)
General Obligation Bonds	-	2,385,890	-	2,385,890
Total other financing sources (uses)	(974,497)	2,279,479	-	1,304,982
Net change in fund balances	326,264	622,780	6,457	955,501
Fund balances, beginning of year	4,781,930	715,516	193,052	5,690,498
Fund balances, end of year	\$ 5,108,194	1,338,296	199,509	6,645,999

# 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:

## **Unemployment Compensation**

The Unemployment Compensation fund represents money set aside to be expended for unemployment compensation coverage (reimbursed to the State of Maine, Department of Manpower Affairs) for all municipal and school employees.

## **Ferry Beach/Hurd Park**

To account for all fees collected from the sale of resident and non-resident parking stickers, and day-to-day parking fees at Ferry Beach and Hurd Park at Pine Point Beach. The funds are used for the maintenance and improvement of the beach parking areas.

## **Recreation Development**

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

## **Sewer Expansion**

The purpose of this fund is to collect user and impact fees as well as tax increment financing district revenues to fund the related debt service.

## **New England Expedition Credit Enhancement Agreement**

This is a credit enhancement agreement set up between the Town and NE Expedition. 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. The credit enhancement agreement is for a ten year period not to exceed \$8,250,000.

## **Boat Launch Facility**

To account for all resident and non-resident fees collected from the use of the boat launch facility. The funds are to be used for the improvement of the boat launch facility at Pine Point.

## **Scarborough Memorial Cemetery Improvement**

To account for 50% of the funds accumulated by the sale of lots in the Scarborough Memorial Cemetery. These funds are used to maintain the grounds of the Cemetery.

## **Dunstan Cemetery Improvement**

To account for funds accumulated by the sale of lots in the Dunstan Cemetery. These funds are used to maintain the grounds.

## **Route 1 Sawyer Road Improvements**

To account for bond funds to improve the intersection of Route One and Sawyer Road in connection with the Orion Center project.

# NONMAJOR SPECIAL REVENUE FUNDS, CONTINUED

## Industrial Park

To account for the sale of property lots in the Scarborough Industrial Park.

## 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/Prout's 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.

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

**School Development Impact Fees** to help fund the improvements to the Scarborough High School.

**Dunstan Corner Impact Fee** to help fund the improvements to the Dunstan Corner area of town. Route One, Pine Point Road, Payne Road and Broadturn Road all connect at Dunstan Corner.

## 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)).

## Hunnewell House

To account for monies spent in the upkeep of the plot of land on the corner of the Black Point and Winnocks Neck roads, which was purchased by the Town on May 2, 1973. The Hunnewell House (built in 1638) was set on the plot and is used as a Town Park. Donations and appropriations are also accounted for in this fund.

## 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.

## **NONMAJOR SPECIAL REVENUE FUNDS, CONTINUED**

### **Departmental Grants and Programs**

To account for various federal and state grants and non-budget programs.

### **Friends of the Scarborough Marsh**

The Friends of the Scarborough Marsh is a coalition of private citizens dedicated to conserve, protect, restore and enhance the Scarborough Marsh watershed. In an agreement with the Scarborough Planning Board and the Friends of the Scarborough Marsh, \$10,000 was donated to the Town and dedicated for Water Quality Improvement Projects. Use of the funds will require approval, by majority vote, of the Board of Directors of the Friends of the Scarborough Marsh and by the Town Manager. Approved, June 29, 2004.

### **Pleasant Hill Area Drainage**

This fund accounts for monies received to improve the drainage in the Pleasant Hill area of the Town of Scarborough.

### **School Categorical Programs**

This fund accounts for various federal, states, and other programs administrated by the School Department.

### **School Lunch Program**

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

### **Computer Replacement Fund**

This fund is used for the replacement of municipal computers.

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2008**

	Unemploy- ment Compen- sation	Hurd Park and Ferry Beach	Recrea- tional Develop- ment	Sewer Expansion	New England Expedition Credit Agreement	Boat Launch	Cemetery Improve- ment	Rte 1 Sawyer Road Improve	Industrial Park	Prouts Landing Conserva- tion	Payne Road Improvements
<b>ASSETS</b>											
Cash and cash equivalents	\$ -	-	128,201	-	-	-	-	-	-	-	-
Investments	185,242	418,309	-	-	42,312	-	62,941	-	492,389	24,202	68,828
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Due from State of Maine	-	-	-	-	-	-	-	-	-	-	-
Interfund loans receivable	2,284	7,271	-	217,168	-	-	-	86,515	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 187,526</b>	<b>425,580</b>	<b>128,201</b>	<b>217,168</b>	<b>42,312</b>	<b>-</b>	<b>62,941</b>	<b>86,515</b>	<b>492,389</b>	<b>24,202</b>	<b>68,828</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities:</b>											
Accounts payable	-	7,685	-	-	-	-	-	-	-	-	-
Interfund loans payable	-	-	184,495	-	-	41,631	15,600	-	50,000	-	-
<b>Total liabilities</b>	<b>-</b>	<b>7,685</b>	<b>184,495</b>	<b>-</b>	<b>-</b>	<b>41,631</b>	<b>15,600</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>											
Reserved	-	-	-	-	-	-	-	-	-	-	-
Unreserved:											
Undesignated	187,526	417,895	(56,294)	217,168	42,312	(41,631)	47,341	86,515	442,389	24,202	68,828
<b>Total fund balances (deficit)</b>	<b>187,526</b>	<b>417,895</b>	<b>(56,294)</b>	<b>217,168</b>	<b>42,312</b>	<b>(41,631)</b>	<b>47,341</b>	<b>86,515</b>	<b>442,389</b>	<b>24,202</b>	<b>68,828</b>
<b>Total liabilities and fund balances</b>	<b>\$ 187,526</b>	<b>425,580</b>	<b>128,201</b>	<b>217,168</b>	<b>42,312</b>	<b>-</b>	<b>62,941</b>	<b>86,515</b>	<b>492,389</b>	<b>24,202</b>	<b>68,828</b>

TOWN OF SCARBOROUGH, MAINE  
 Nonmajor Special Revenue Funds, Continued  
 Combining Balance Sheet

Payne Road Impact Fees	Other Impact Fees	Police Asset Forfeiture	Hunnewell House	Rescue Equipment	Fire Department	Scarborough Economic Development Corporation	Departmental Grants & Programs	Friends of the Scarborough Marsh	Pleasant Hill Area Drainage	School Categorical Programs	School Lunch Program	Computer Replacement Fund	Totals
-	-	-	-	-	-	22,412	81,859	-	16,655	82,706	(81,230)	-	250,603
1,875,731	759,250	105,187	1,766	444,022	10,056	-	144,386	775	-	-	-	58,907	4,694,303
-	-	-	-	-	-	-	2,701	-	-	46,247	14,432	-	63,380
433,284	18,762	29,876	2,010	-	4,280	-	-	-	-	-	-	-	801,450
-	-	-	-	-	-	-	-	-	-	-	23,419	-	23,419
<b>2,309,015</b>	<b>778,012</b>	<b>135,063</b>	<b>3,776</b>	<b>444,022</b>	<b>14,336</b>	<b>22,412</b>	<b>228,946</b>	<b>775</b>	<b>16,655</b>	<b>128,953</b>	<b>(43,379)</b>	<b>58,907</b>	<b>5,833,155</b>
205,131	-	-	-	-	-	12,445	2,863	-	-	16,270	43,517	-	287,911
-	-	-	-	34,312	-	-	111,012	-	-	-	-	-	437,050
205,131	-	-	-	34,312	-	12,445	113,875	-	-	16,270	43,517	-	724,961
-	-	-	-	-	-	-	-	-	-	-	23,419	-	23,419
2,103,884	778,012	135,063	3,776	409,710	14,336	9,967	115,071	775	16,655	112,683	(110,315)	58,907	5,084,775
2,103,884	778,012	135,063	3,776	409,710	14,336	9,967	115,071	775	16,655	112,683	(86,896)	58,907	5,108,194
<b>2,309,015</b>	<b>778,012</b>	<b>135,063</b>	<b>3,776</b>	<b>444,022</b>	<b>14,336</b>	<b>22,412</b>	<b>228,946</b>	<b>775</b>	<b>16,655</b>	<b>128,953</b>	<b>(43,379)</b>	<b>58,907</b>	<b>5,833,155</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2008**

	Unemploy- ment Compen- sation	Hurd Park and Ferry Beach	Recrea- tional Develop- ment	Sewer Expansion	New England Expedition Credit Agreement	Boat Launch	Cemetery Improve- ment	Rte 1 Sawyer Road Improve	Industrial Park	Prouts Landing Conserva- tion	Payne Road Improvements
<b>Revenues:</b>											
Intergovernmental	\$ -	-	-	-	-	-	-	-	-	-	-
Interest earned	7,907	13,014	-	-	634	-	3,261	-	24,374	1,030	3,733
Contributions	4,000	54,634	-	-	-	3,980	-	-	-	-	-
Sale of Lots/Land/Equip	-	-	-	-	-	-	2,400	-	-	-	-
Other	-	-	-	-	-	-	-	86,515	-	-	-
Assessments and impact fees	-	-	10,025	183,993	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>11,907</b>	<b>67,648</b>	<b>10,025</b>	<b>183,993</b>	<b>634</b>	<b>3,980</b>	<b>5,661</b>	<b>86,515</b>	<b>24,374</b>	<b>1,030</b>	<b>3,733</b>
<b>Expenditures:</b>											
Construction and acquisitions	-	52,218	-	-	-	4,744	-	-	-	-	-
Benefits paid	1,716	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,716</b>	<b>52,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>10,191</b>	<b>15,430</b>	<b>10,025</b>	<b>183,993</b>	<b>634</b>	<b>(764)</b>	<b>5,661</b>	<b>86,515</b>	<b>24,374</b>	<b>1,030</b>	<b>3,733</b>
<b>Other financing sources (uses):</b>											
Transfers in	-	-	-	472,000	41,678	-	-	-	-	-	-
Transfers out	-	-	(15,614)	(985,545)	-	(5,719)	(18,000)	-	(50,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(15,614)</b>	<b>(513,545)</b>	<b>41,678</b>	<b>(5,719)</b>	<b>(18,000)</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>10,191</b>	<b>15,430</b>	<b>(5,589)</b>	<b>(329,552)</b>	<b>42,312</b>	<b>(6,483)</b>	<b>(12,339)</b>	<b>86,515</b>	<b>(25,626)</b>	<b>1,030</b>	<b>3,733</b>
<b>Fund balances (deficit), beginning of year</b>	<b>177,335</b>	<b>402,465</b>	<b>(50,705)</b>	<b>546,720</b>	<b>-</b>	<b>(35,148)</b>	<b>59,680</b>	<b>-</b>	<b>468,015</b>	<b>23,172</b>	<b>65,095</b>
<b>Fund balances (deficit), end of year</b>	<b>\$ 187,526</b>	<b>417,895</b>	<b>(56,294)</b>	<b>217,168</b>	<b>42,312</b>	<b>(41,631)</b>	<b>47,341</b>	<b>86,515</b>	<b>442,389</b>	<b>24,202</b>	<b>68,828</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued**

Payne Road Impact Fees	Other Impact Fees	Police Asset Forfeiture	Hunnewell House	Rescue Equipment	Fire Department	Scarborough Economic Development Corporation	Departmental Grants & Programs	Friends of the Scarborough Marsh	Pleasant Hill Area Drainage	School Categorical Programs	School Lunch Program	Computer Replacement Fund	Totals
-	-	52,381	-	-	-	214,686	23,821	-	-	909,544	204,912	-	1,405,344
73,212	25,792	787	44	21,773	181	-	4,623	21	-	-	-	3,023	183,409
-	-	-	-	-	8,870	3,336	40,000	-	-	-	-	-	114,820
-	-	-	-	-	-	-	-	-	-	-	-	-	2,400
228,153	423,103	-	2,020	657,905	-	47	235,160	-	-	69,797	1,068,090	-	2,770,790
-	-	-	-	-	-	-	-	-	-	-	-	-	194,018
301,365	448,895	53,168	2,064	679,678	9,051	218,069	303,604	21	-	979,341	1,273,002	3,023	4,670,781
-	355	30,000	-	-	5,000	-	91,323	-	-	-	-	-	183,640
-	-	-	-	-	-	-	-	-	-	-	-	-	1,716
-	-	-	-	625,243	-	219,869	50,931	-	-	929,110	1,359,511	-	3,184,664
-	355	30,000	-	625,243	5,000	219,869	142,254	-	-	929,110	1,359,511	-	3,370,020
301,365	448,540	23,168	2,064	54,435	4,051	(1,800)	161,350	21	-	50,231	(86,509)	3,023	1,300,761
-	-	-	-	-	-	-	7,195	-	-	-	-	-	520,873
-	(341,180)	-	-	(79,312)	-	-	-	-	-	-	-	-	(1,495,370)
-	(341,180)	-	-	(79,312)	-	-	7,195	-	-	-	-	-	(974,497)
301,365	107,360	23,168	2,064	(24,877)	4,051	(1,800)	168,545	21	-	50,231	(86,509)	3,023	326,264
1,802,519	670,652	111,895	1,712	434,587	10,285	11,767	(53,474)	754	16,655	62,452	(387)	55,884	4,781,930
2,103,884	778,012	135,063	3,776	409,710	14,336	9,967	115,071	775	16,655	112,683	(86,896)	58,907	5,108,194



**TOWN OF SCARBOROUGH, MAINE**  
**School Categorical Funds - Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2008**

	Fund balances beginning of year	Revenues		Program expenditures	Fund balances end of year
		Grants	Other		
Federal education grant programs:					
NCLB/Title IA	\$ 3,795	125,899	-	142,977	(13,283)
NCLB/Title IIA	(6,592)	71,802	-	28,530	36,680
NCLB/Title IID	4,018	-	-	180	3,838
NCLB/Title IVA	4,505	10,481	-	9,615	5,371
NCLB/Title VA	12,960	5,378	-	16,201	2,137
Refugee Resettlement	5,111	7,250	-	1,046	11,315
Local Entitlement	8,774	630,661	-	600,541	38,894
Preschool handicapped	-	6,404	-	-	6,404
Goals 2000	48	-	-	-	48
<b>Total federal education grant programs</b>	<b>32,619</b>	<b>857,875</b>	<b>-</b>	<b>799,090</b>	<b>91,404</b>
Other State grant programs:					
State Agency Clients	15,197	51,669	-	66,865	1
Professional Development Grant	9,050	-	-	757	8,293
<b>Total other state grant programs</b>	<b>24,247</b>	<b>51,669</b>	<b>-</b>	<b>67,622</b>	<b>8,294</b>
Co-curricular programs:					
Red Storm Football	-	-	-	-	-
Ice Hockey	-	-	-	-	-
HS Girls Ice Hockey	-	-	-	-	-
HS Lacrosse	(2,445)	-	4,729	2,284	-
Girl's Lacrosse	(2,799)	-	2,799	-	-
Gym Dandies	410	-	21,888	21,814	484
MS Baseball	(1,769)	-	-	1,550	(3,319)
Freshman Baseball	(92)	-	-	-	(92)
Softball Expansion	1,221	-	-	-	1,221
High/Middle school swim	1,500	-	6,143	7,107	536
HS / MS Field Hockey	1,374	-	-	-	1,374
Foreign Language Club	(59)	-	-	-	(59)
HS Volleyball	(193)	-	193	-	-
HS Wrestling	1,176	-	-	-	1,176
Maine Nutrition Program	500	-	-	-	500
Community Services transportation	-	-	22,516	22,298	218
Community Foundation Grant	157	-	-	-	157
Beacon Learning Center	6,745	-	-	382	6,363
Band	(204)	-	204	-	-
Math	2	-	-	-	2
Wal-Mart	1,000	-	-	-	1,000
MS Health Grant/other	(1,516)	-	-	-	(1,516)
<b>Total co-curricular programs</b>	<b>5,008</b>	<b>-</b>	<b>58,472</b>	<b>55,435</b>	<b>8,045</b>
Other special programs:					
Wellness Activities	46	-	-	-	46
Winslow Homer Auditorium	532	-	11,325	6,963	4,894
<b>Total other special programs</b>	<b>578</b>	<b>-</b>	<b>11,325</b>	<b>6,963</b>	<b>4,940</b>
<b>Total school categorical programs</b>	<b>\$ 62,452</b>	<b>909,544</b>	<b>69,797</b>	<b>929,110</b>	<b>112,683</b>

## **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:

### **Municipal Building Fund**

To account for grants, awards, and money appropriated by the Town Council for a study, development, and the related tax increment financing district for the construction of new Town center improvements.

### **School General Improvements**

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

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Capital Project Fund**  
**Balance Sheet**  
**June 30, 2008**

	General School Improvements	Municipal Building Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 296,725		296,725
Investments	2,020,929	-	2,020,929
<b>Total assets</b>	<b>\$ 2,317,654</b>	<b>-</b>	<b>2,317,654</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts Payable	459,449	-	459,449
Interfund loans payable	-	519,909	519,909
<b>Total liabilities</b>	<b>459,449</b>	<b>519,909</b>	<b>979,358</b>
Fund balance (deficit):			
Unreserved:			
Undesignated	1,858,205	(519,909)	1,338,296
<b>Total fund deficit</b>	<b>1,858,205</b>	<b>(519,909)</b>	<b>1,338,296</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,317,654</b>	<b>-</b>	<b>2,317,654</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Capital Project Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2008**

	General School Improvements	Municipal Building Fund	Totals
Revenues:			
Intergovernmental	\$ 31,413	-	31,413
Interest earned	50,380	-	50,380
Total revenues	81,793	-	81,793
Expenditures:			
Capital Improvements	1,738,492	-	1,738,492
Total expenditures	1,738,492	-	1,738,492
Excess (deficiency) of revenues over (under) expenditures	(1,656,699)	-	(1,656,699)
Other financing sources (uses):			
Transfers in	20,584	69,620	90,204
Transfers out	(141,765)	(54,850)	(196,615)
Proceeds of general obligation bonds	2,385,890	-	2,385,890
Total other financing sources (uses)	2,264,709	14,770	2,279,479
Net change in fund balances	608,010	14,770	622,780
Fund deficit, beginning of year	1,250,195	(534,679)	715,516
<b>Fund deficit, end of year</b>	<b>\$ 1,858,205</b>	<b>(519,909)</b>	<b>1,338,296</b>

## **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 split between this trust and the Scarborough Memorial Improvement Fund (a Special Revenue Fund).

### **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 selectmen 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**  
**Nonmajor Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2008**

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
<b>ASSETS</b>				
Investments	\$ 169,419	25,899	2,865	198,183
Interfund loans receivable	2,400	-	-	2,400
<b>Total assets</b>	<b>\$ 171,819</b>	<b>25,899</b>	<b>2,865</b>	<b>200,583</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Interfund loans payable	-	1,074	-	1,074
<b>Total liabilities</b>	<b>-</b>	<b>1,074</b>	<b>-</b>	<b>1,074</b>
Fund balances:				
Principal	103,311	13,367	500	117,178
Unexpended income	68,508	11,458	2,365	82,331
<b>Total fund balances</b>	<b>171,819</b>	<b>24,825</b>	<b>2,865</b>	<b>199,509</b>
<b>Total liabilities and fund balances</b>	<b>\$ 171,819</b>	<b>25,899</b>	<b>2,865</b>	<b>200,583</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2008**

	Scarborough Memorial Cemetery	Dunstan Perpetual Care	Mary A. Tucker Fund	Totals
Revenues:				
Interest and dividends	\$ 4,034	1,074	23	5,131
Sale of lots/perpetual care deposits	2,400	-	-	2,400
Total revenues	6,434	1,074	23	7,531
Expenditures:				
Earnings retained by General Fund	-	1,074	-	1,074
Other	-	-	-	-
Total expenditures	-	1,074	-	1,074
Net change in fund balances	6,434	-	23	6,457
Fund balances, beginning of year	165,385	24,825	2,842	193,052
<b>Fund balances, end of year</b>	<b>\$ 171,819</b>	<b>24,825</b>	<b>2,865</b>	<b>199,509</b>

# PRIVATE-PURPOSE TRUST FUNDS

## **Shirley Grover Fund**

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

## **Mary Campbell Peterson Fund**

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

## **Edith Warga Art Scholarship**

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

## **Packy McFarland Scholarship Fund**

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

## **Roy Nelson Scholarship Fund**

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

## **Daniel Tranchemontagne Scholarship Fund**

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

## **Virginia Jackson Scholarship Fund**

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



## PRIVATE-PURPOSE TRUST FUNDS, CONTINUED

### **Evelyn J. Chaddon Memorial Scholarship Fund**

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

### **S. Dwight Howard Memorial Scholarship Fund**

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

### **Bertha Libby-Lary Scholarship Fund**

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

### **Academic Decathlon Scholarship Fund**

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

### **Kathy Pearson Scholarship Fund**

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

TOWN OF SCARBOROUGH, MAINE  
Private-purpose Trust Funds  
Combining Statement of Fiduciary Net Assets  
June 30, 2008

	Shirley Grover Fund	Mary Campbell Pederson Fund	Edith Warga Art Scholarship	Packy McFarland Scholarship Fund	Roy Nelson Scholarship Fund	Daniel Tranchemontagne Scholarship Fund	Virginia Jackson Scholarship Fund	Evelyn J. Chaddon Mem. Scholarship Fund	S. Dwight Howard Mem. Scholarship Fund	Bertha Libby-Lary Scholarship Fund	Academic Decathlon Scholarship Fund	Kathy Pearson Scholarship Fund	Totals
<b>ASSETS</b>													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	\$ 1,568	98,545	109,561	4,042	12	76	23,815	304	3,259	12,251	1,199	4,377	259,009
Interfund loans	-	-	-	25	-	1,000	1,500	-	-	-	-	-	2,525
<b>Total assets</b>	<b>\$ 1,568</b>	<b>98,545</b>	<b>109,561</b>	<b>4,067</b>	<b>12</b>	<b>1,076</b>	<b>25,315</b>	<b>304</b>	<b>3,259</b>	<b>12,251</b>	<b>1,199</b>	<b>4,377</b>	<b>261,534</b>
<b>LIABILITIES AND NET ASSETS</b>													
<b>Liabilities:</b>													
Interfund loans	-	1,000	-	-	-	-	-	-	-	-	-	-	1,000
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
<b>Net assets:</b>													
Principal	1,240	87,680	100,000	-	-	-	-	500	2,026	3,500	-	3,810	198,756
Undesignated	328	9,865	9,561	4,067	12	1,076	25,315	(196)	1,233	8,751	1,199	567	61,778
<b>Total net assets</b>	<b>1,568</b>	<b>97,545</b>	<b>109,561</b>	<b>4,067</b>	<b>12</b>	<b>1,076</b>	<b>25,315</b>	<b>304</b>	<b>3,259</b>	<b>12,251</b>	<b>1,199</b>	<b>4,377</b>	<b>260,534</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,568</b>	<b>98,545</b>	<b>109,561</b>	<b>4,067</b>	<b>12</b>	<b>1,076</b>	<b>25,315</b>	<b>304</b>	<b>3,259</b>	<b>12,251</b>	<b>1,199</b>	<b>4,377</b>	<b>261,534</b>

TOWN OF SCARBOROUGH, MAINE  
Private-purpose Trust Funds  
Combining Statement of Changes in Fiduciary Net Assets  
For the year ended June 30, 2008

	Shirley Grover Fund	Mary Campbell Pederson Fund	Edith Warga Art Scholarship	Packy McFarland Scholarship Fund	Roy Nelson Scholarship Fund	Daniel Tranchemontagne Scholarship Fund	Virginia Jackson Scholarship Fund	Evelyn J. Chaddon Mem. Scholarship Fund	S. Dwight Howard Mem. Scholarship Fund	Bertha Libby-Lary Scholarship Fund	Academic Decathlon Scholarship Fund	Kathy Pearson Scholarship Fund	Totals
<b>Additions</b>													
Donations	\$ -	-	-	600	-	-	89	200	-	1,500	-	250	2,639
Interest and dividends	56	3,844	4,123	159	-	-	1,108	12	85	137	59	128	9,711
<b>Total additions</b>	<b>56</b>	<b>3,844</b>	<b>4,123</b>	<b>759</b>	<b>-</b>	<b>-</b>	<b>1,197</b>	<b>212</b>	<b>85</b>	<b>1,637</b>	<b>59</b>	<b>378</b>	<b>12,350</b>
<b>Deductions:</b>													
School scholarships	-	3,000	-	800	-	-	1,500	-	-	-	-	-	5,300
<b>Total deductions</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,300</b>
<b>Changes in net assets</b>	<b>56</b>	<b>844</b>	<b>4,123</b>	<b>(41)</b>	<b>-</b>	<b>-</b>	<b>(303)</b>	<b>212</b>	<b>85</b>	<b>1,637</b>	<b>59</b>	<b>378</b>	<b>7,050</b>
<b>Net assets, beginning of year</b>	<b>1,512</b>	<b>96,701</b>	<b>105,438</b>	<b>4,108</b>	<b>12</b>	<b>1,076</b>	<b>25,618</b>	<b>92</b>	<b>3,174</b>	<b>10,614</b>	<b>1,140</b>	<b>3,999</b>	<b>253,184</b>
<b>Net assets, end of year</b>	<b>\$ 1,568</b>	<b>97,545</b>	<b>109,561</b>	<b>4,067</b>	<b>12</b>	<b>1,076</b>	<b>25,315</b>	<b>304</b>	<b>3,259</b>	<b>12,251</b>	<b>1,199</b>	<b>4,377</b>	<b>260,534</b>

**TOWN OF SCARBOROUGH, MAINE**  
**Agency Funds**  
**Statement of Changes in Assets and Liabilities**  
**For the year ended June 30, 2008**

	Balance			Balance
	July 1, 2007	Additions	Deletions	June 30, 2008
<b>STUDENT ACTIVITIES:</b>				
<b>ASSETS</b>				
Cash	\$ 198,330	524,393	506,993	215,730
<b>LIABILITIES</b>				
Payable to student groups	\$ 198,330	524,393	506,993	215,730

**GENERAL LONG-TERM DEBT**

**TOWN OF SCARBOROUGH, MAINE**  
**Statement of Changes in Long-term Debt**  
**For the year ended June 30, 2008**

	Interest rate	Final maturity date	Annual principal payments	Balance beginning of year	Current Year		Balance end of year
					Issued	Retired	
<u>General Obligation Bonds</u>							
1987 Capital Improvements	8.60%	2008	\$ 125,000 to 2008	125,000		125,000	-
1988 Capital Improvements	7.65%	2009	275,000 to 2009	550,000		275,000	275,000
1989 Capital Improvements	6.75%	2009	110,000 to 2008 100,000 in 2009	210,000		110,000	100,000
1990 Capital Improvements	7.10%	2011	325,000 to 2011	1,300,000		325,000	975,000
1993 Capital Improvements	5.70%	2013	25,000 to 2013	150,000		25,000	125,000
1994 Capital Improvements	Varies	2015	230,000 to 2015	1,840,000		230,000	1,610,000
1995 Capital Improvements	Varies	2016	265,000 to 2016	2,385,000		265,000	2,120,000
1997 Capital Improvements	Varies	2017	110,000 to 2017	1,100,000		110,000	990,000
1998 Capital Improvements	Varies	2008	85,000 in 2008	85,000		85,000	-
1999 Capital Improvements	Varies	2019	395,000 to 2009 70,000 to 2019	1,490,000		395,000	1,095,000
2000 Capital Improvements	Varies	2020	210,000 to 2008 205,000 to 2010 115,000 to 2020	1,770,000		210,000	1,560,000
2001 Capital Improvements	Varies	2021	190,000 in 2007 180,000 to 2011 120,000 in 2012 115,000 to 2021	1,875,000		180,000	1,695,000
2003 Capital Improvements	Varies	2033	995,000 in 2008 655,000 in 2009 685,000 in 2010 750,000 in 2011 840,000 in 2012 925,000 in 2013 595,000 in 2014 685,000 in 2015 780,000 in 2016 885,000 in 2017 1,005,000 in 2018 1,135,000 in 2019 1,280,000 in 2020 1,435,000 in 2021 1,610,000 in 2022 1,800,000 in 2023 430,000 in 2024 450,000 in 2025 475,000 in 2026 495,000 in 2027 520,000 in 2028 545,000 in 2029 570,000 in 2030 595,000 in 2031 625,000 in 2032				
2004 Capital Improvements	2.250%	2034	655,000 in 2033 975,000 to 2008 985,000 in 2009 665,000 in 2010 680,000 to 2012 690,000 in 2013 555,000 in 2014 215,000 in 2015 225,000 in 2016 235,000 in 2017 245,000 in 2018 255,000 in 2019 265,000 in 2020 280,000 in 2021 290,000 in 2022 305,000 in 2023 320,000 in 2024 335,000 in 2025 350,000 in 2026 365,000 in 2027 385,000 in 2028 400,000 in 2029 420,000 in 2030	21,420,000		995,000	20,425,000

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

	Interest rate	Final maturity date	Annual principal payments	Balance beginning of year	Current Year		Balance end of year
					Issued	Retired	
<u>General Obligation Bonds</u>							
2004 Capital Improvements	con'td	2034	440,000 in 2031 460,000 in 2032 480,000 in 2033 500,000 in 2034	12,000,000	-	975,000	11,025,000
2005 Capital Improvements	Varies	2034	510,000 in 2008 520,000 in 2009 525,000 in 2010 385,000 in 2011 390,000 in 2012 395,000 in 2013 305,000 in 2014 315,000 in 2015 250,000 in 2016 230,000 in 2017 240,000 in 2018 250,000 in 2019 260,000 in 2020 270,000 in 2021 280,000 in 2022 290,000 in 2023 300,000 in 2024 315,000 in 2025 325,000 in 2026 340,000 in 2027 355,000 in 2028 370,000 in 2029 385,000 in 2030 405,000 in 2031 420,000 in 2032 440,000 in 2033 460,000 in 2034				
2006 Capital Improvements	Varies	2021	480,000 in 2035 479,000 in 2007 665,000 in 2008 690,000 in 2009 805,000 in 2010 835,000 in 2011 480,000 in 2012 510,000 in 2013 515,000 in 2014 530,000 in 2015 505,000 in 2016 185,000 in 2017 190,000 in 2018 195,000 in 2019 210,000 in 2020 220,000 in 2021 550,000 to 2012 225,000 to 2017 25,000 to 2022	10,010,000	-	510,000	9,500,000
2007 Capital Improvements	4.00%	2023	593,000 in 2009 800,000 to 2011 790,000 to 2013 595,000 in 2014 580,000 in 2015 570,000 to 2017 575,000 in 2018 185,000 to 2028	6,535,000		665,000	5,870,000
2008 Capital Improvements	3.00%	2028		4,000,000	-	550,000	3,450,000
					8,513,000		8,513,000
<b>Total bonds</b>				<b>66,845,000</b>	<b>8,513,000</b>	<b>6,030,000</b>	<b>69,328,000</b>
<b>Total long-term debt</b>		<b>\$</b>		<b>66,845,000</b>	<b>8,513,000</b>	<b>6,030,000</b>	<b>69,328,000</b>

# STATISTICAL SECTION



HIGGINS ~ MILLER ~ FROST ~ RING ~ HARRISON ~ BURROWS ~ KING ~ MULLOOL ~ COLTRANE ~ WESTBROOK ~ JANE

MACHAS ~ SNOW ~ PINE ~ WINNOCK ~ BAILEY ~ SQUAND ~ HUSHWELL ~ FOGG ~ SWETT ~ LEMRAGE ~ SOUTHEAST



## STATISTICAL SECTION

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

### Contents

	<u>Table</u>
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>	1-6
Revenue Capacity <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	7-11
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>	12-14
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>	15-17
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>	18-20

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

Table 1

**TOWN OF SCARBOROUGH, MAINE**  
**Net Assets by Component**  
**Last Six Fiscal Years (1)**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2003	2004	2005	2006	2007	2008
<b>Governmental activities:</b>						
Invested in capital assets, net of related debt	\$ 6893	\$ 6689	\$ 29885	\$ 36,323	44,077	35,652
Restricted	21040	19332	7629	4,210	3,053	5,111
Unrestricted	10187	9709	9874	13,952	8,971	5,179
<b>Total governmental activities net assets</b>	<b>\$ 38,120</b>	<b>\$ 35,730</b>	<b>\$ 47,388</b>	<b>\$ 54,485</b>	<b>56,101</b>	<b>45,942</b>

(1) Fiscal Year 2003 was the initial year of implementation of GASB Statement No. 34.

Table 2

**TOWN OF SCARBOROUGH, MAINE**  
**Changes in Net Assets**  
**Last Six Fiscal Years (1)**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services						
General government	\$ 203	\$ 1,554	\$ 1,727	\$ 2,314	\$ 1,632	\$ 1,621
Public services	1,143	1,297	1,386	1,425	1,506	1,590
Public safety	481	677	1,490	1,374	1,667	1,649
Public works	531	491	605	655	1,755	2,024
Education	202	1,344	1,280	1,256	1,198	1,211
Interest on debt services	168	-	-	-	-	-
Operating grants and activities	6,992	8,744	9,297	10,706	11,403	12,374
Capital grants and contributions	312	-	-	4,681	(559)	113
<b>General revenues:</b>						
Property and excise taxes, levies for general purposes	34,472	37,182	40,075	41,406	42,772	44,691
Grants and contributions not restricted to specific programs	6,667	2,096	1,952	2,062	1,931	3,835
Unrestricted investment earnings	209	105	159	261	404	344
<b>Total revenues</b>	<b>51,380</b>	<b>53,490</b>	<b>57,971</b>	<b>66,140</b>	<b>63,709</b>	<b>69,452</b>
<b>Expenses:</b>						
General government	9,902	8,622	9,996	8,783	12,641	12,740
Public services	2,701	2,597	2,658	2,871	3,092	3,133
Public safety	5,552	6,127	6,153	6,552	7,080	7,425
Public works	5,175	5,266	5,882	6,276	6,425	7,494
Education	23,444	25,442	28,695	33,491	31,531	32,951
Interest on debt service	895	2,610	1,168	1,069	1,142	2,737
<b>Total expenses</b>	<b>47,669</b>	<b>50,664</b>	<b>54,552</b>	<b>59,042</b>	<b>61,911</b>	<b>66,480</b>
<b>Change in Net Assets</b>	<b>\$ 3,711</b>	<b>\$ 2,826</b>	<b>\$ 3,419</b>	<b>\$ 7,098</b>	<b>\$ 1,798</b>	<b>\$ 2,972</b>

(1) Fiscal Year 2003 was the initial year of implementation of GASB Statement No. 34.

Table 3

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 991	\$ 936	\$ 889	\$ 800	\$ 752	\$ 710	\$ 697	\$ 771	\$ 674	\$ 618
Unreserved	1,735	2,778	3,669	5,753	6,211	5,919	7,063	7,455	8,019	8,357
<b>Total general fund</b>	<b>\$ 2,726</b>	<b>\$ 3,714</b>	<b>\$ 4,558</b>	<b>\$ 6,553</b>	<b>\$ 6,963</b>	<b>\$ 6,629</b>	<b>\$ 7,760</b>	<b>\$ 8,226</b>	<b>\$ 8,693</b>	<b>\$ 8,975</b>
<b>All Other Governmental Funds</b>										
Reserved	374	469	753	140	132	123	117	125	127	3,047
Unreserved, reported in:										
Special revenue funds	1,878	3,040	3,756	4,288	5,010	5,011	4,403	8,180	7,523	4,589
Capital projects funds	(201)	207	864	239	20,278	18,611	6,963	4,085	2,926	4,912
Permanent funds	47	50	54	67	68	69	70	73	78	-
<b>Total all other governmental funds</b>	<b>\$ 2,098</b>	<b>\$ 3,766</b>	<b>\$ 5,427</b>	<b>\$ 4,734</b>	<b>\$ 25,488</b>	<b>\$ 23,814</b>	<b>\$ 11,553</b>	<b>\$ 12,463</b>	<b>\$ 10,654</b>	<b>\$ 12,548</b>

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

	Fiscal Years Ending									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 25,260	\$ 27,560	\$ 29,311	\$ 32,380	\$ 34,582	\$ 37,191	\$ 40,066	\$ 41,377	\$ 42,712	\$ 44,581
Licenses and permits	419	653	433	413	429	480	567	611	753	818
Intergovernmental	8,700	10,186	11,006	11,212	11,600	10,823	11,219	12,604	13,204	14,042
Interest earned	327	392	533	272	209	348	442	644	805	684
Other	3,031	3,310	3,266	3,640	4,877	4,648	5,677	10,921	6,247	9,288
<b>Total revenues</b>	<b>37,737</b>	<b>42,101</b>	<b>44,549</b>	<b>47,917</b>	<b>51,697</b>	<b>53,490</b>	<b>57,971</b>	<b>66,157</b>	<b>63,721</b>	<b>69,413</b>
<b>Expenditures</b>										
General government	2,538	2,756	2,923	3,041	3,425	3,568	3,727	4,340	4,401	4,483
Public services	1,996	2,305	2,504	2,325	2,653	2,572	2,643	2,849	3,070	3,103
Public safety	3,850	4,271	4,465	4,706	5,275	5,934	5,962	6,180	6,642	6,986
Public works	3,642	3,585	4,103	4,108	4,767	4,877	5,370	5,702	5,846	6,765
Education (Excludes School Debt)	16,938	18,340	19,885	21,639	23,446	25,009	26,647	28,064	29,194	31,695
Education Debt (Prin & Int)	2,530	2,790	3,016	3,452	3,434	3,853	4,272	4,728	4,458	4,419
County tax	902	842	933	1,062	1,307	1,442	1,520	1,584	1,615	1,742
Debt service (Principal-Town Only)	1,711	2,023	2,171	2,206	2,423	3,918	3,176	2,957	3,219	3,232
Debt service (Interest-Town Only)	741	796	875	834	769	1,128	1,128	1,108	1,177	1,488
Capital improvements	5,797	4,882	4,256	4,643	983	1,402	1,770	1,773	3,621	3,066
Capital Outlays	-	-	-	-	3,925	14,418	21,604	9,694	4,378	6,239
Other	2,051	1,631	1,857	2,612	2,704	2,003	2,323	2,816	2,641	3,188
<b>Total expenditures</b>	<b>42,696</b>	<b>44,221</b>	<b>46,988</b>	<b>50,628</b>	<b>55,111</b>	<b>70,124</b>	<b>80,142</b>	<b>71,795</b>	<b>70,262</b>	<b>76,399</b>
Excess (deficiency) of revenues over (under) expenditures	(4,959)	(2,120)	(2,439)	(2,711)	(3,414)	(16,634)	(22,171)	(5,638)	(6,541)	(6,986)
<b>Other financing sources (uses)</b>										
Transfers in	1,711	2,144	2,040	2,402	1,538	2,115	2,923	2,780	2,794	3,695
Transfers out	(1,711)	(2,144)	(2,040)	(2,402)	(1,538)	(2,115)	(2,923)	(2,780)	(2,794)	(3,695)
Capital Lease proceeds	-	-	-	-	-	-	-	-	1,200	1,010
General obligation bonds and capital leases	6,493	4,770	4,932	4,000	24,579	14,628	10,665	7,014	4,000	8,513
<b>Total other financing sources (uses)</b>	<b>6,493</b>	<b>4,770</b>	<b>4,932</b>	<b>4,000</b>	<b>24,579</b>	<b>14,628</b>	<b>10,665</b>	<b>7,014</b>	<b>5,200</b>	<b>9,523</b>
<b>Net change in fund balances</b>	<b>\$ 1,534</b>	<b>\$ 2,650</b>	<b>\$ 2,493</b>	<b>\$ 1,289</b>	<b>\$ 21,165</b>	<b>\$ (2,006)</b>	<b>\$ (11,506)</b>	<b>\$ 1,376</b>	<b>\$ (1,341)</b>	<b>\$ 2,537</b>
<b>Debt Service as a percentage of non-capital expenditures</b>	<b>13.50%</b>	<b>14.26%</b>	<b>14.19%</b>	<b>14.12%</b>	<b>12.95%</b>	<b>15.98%</b>	<b>7.35%</b>	<b>6.55%</b>	<b>6.67%</b>	<b>6.73%</b>

Capital Outlay amounts available from 2003 on with the implementation of GASB 34.

Table 5

**TOWN OF SCARBOROUGH, MAINE**  
**General Governmental Expenditures by Function**  
**Last Ten Fiscal Years**

Years ended	General government	Public service	Public safety	Public works	Education	County tax	Debt service	Other	Capital expenditures	Total
1999	\$ 2,538	\$ 1,996	\$ 3,850	\$ 3,642	\$ 17,403	\$ 902	\$ 2,452	\$ 47	\$ -	\$ 32,830
2000	2,756	2,305	4,271	3,585	19,138	842	2,819	50	-	35,766
2001	2,923	2,504	4,465	4,103	20,721	933	3,046	57	-	38,752
2002**	3,041	2,325	4,706	4,108	22,688	1,062	3,040	102	1,234	42,306
2003	3,425	2,653	5,275	4,767	24,172	1,307	3,192	148	1,209	46,148
2004	3,568	2,572	5,934	4,877	26,281	1,442	5,046	-	653	50,373
2005	3,727	2,643	5,962	5,370	28,288	1,520	4,304	-	1,120	52,934
2006	4,340	2,849	6,180	5,702	30,348	1,584	4,065	280	835	56,183
2007	4,401	3,070	6,642	5,846	31,101	1,615	4,396	-	1,419	58,490
2008	4,483	3,103	6,986	6,765	32,865	1,735	4,721	-	2,666	63,324

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

\*\* Effective June 30, 2002, the Town is accounting for Capital Equipment expenditures in the General Fund. Prior to that, these expenditures were reported in a budgeted capital project fund.

Table 6

**TOWN OF SCARBOROUGH, MAINE**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(dollar amounts expressed in thousands)**

Fiscal Year	Property tax	Interest and Costs on taxes	Vehicle Excise tax	Boat Excise tax	Franchise tax fees	Total
1999	\$ 22,184	\$ 120	\$ 2,929	\$ 27	\$ -	\$ 25,260
2000	24,145	120	3,269	26	-	27,560
2001	25,778	102	3,412	19	-	29,311
2002	28,611	105	3,637	27	-	32,380
2003	30,547	179	3,828	27	-	34,581
2004	32,862	72	4,143	27	-	37,104
2005	35,549	58	4,228	26	143	40,004
2006	36,700	61	4,409	29	146	41,345
2007	38,034	80	4,416	26	156	42,712
2008	40,000	90	4,291	27	173	44,581

Table 7

**TOWN OF SCARBOROUGH, MAINE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Real property		Personal property		Totals		Ratio of total assessed value to total estimated actual value
	Assessed property	Estimated actual value	Assessed property	Estimated actual value	Assessed property	Estimated actual value	
1999	\$ 1,138,292	\$ 1,138,292	\$ 67,852	\$ 67,852	\$ 1,206,144	\$ 1,206,144	100%
2000	1,180,279	1,180,279	79,051	79,051	1,259,330	1,259,330	100%
2001	1,230,378	1,230,378	83,306	83,306	1,313,684	1,313,684	100%
2002	1,764,041	1,764,041	94,304	94,304	1,858,345	1,858,345	100%
2003	1,831,117	1,831,117	99,459	99,459	1,930,576	1,930,576	100%
2004	1,903,869	1,903,869	99,118	99,118	2,002,987	2,002,987	100%
2005	1,951,952	1,951,952	105,637	105,637	2,057,589	2,057,589	100%
2006	3,143,853	3,143,853	112,989	112,989	3,256,842	3,256,842	100%
2007	3,207,720	3,207,720	109,778	109,778	3,317,498	3,317,498	100%
2008	3,272,789	3,272,789	124,442	124,442	3,397,231	3,397,231	100%



Table 8

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

<b>Fiscal Year</b>	<b>Town</b>	<b>School</b>	<b>Community Services</b>	<b>County Tax</b>	<b>Tax Increment Financing District</b>	<b>Overlay</b>	<b>State Revenue Sharing (1)</b>	<b>Total Property Tax Rates by Year</b>
1999	6.826	11.107	0.349	0.748	0.702	0.103	(1.435)	18.40
2000	7.169	11.640	0.356	0.668	0.701	0.141	(1.476)	19.20
2001	7.250	12.168	0.327	0.710	0.686	0.106	(1.649)	19.60
2002	5.507	9.393	0.231	0.571	0.378	0.210	(0.991)	15.30
2003	5.487	9.871	0.201	0.677	0.373	0.051	(0.960)	15.70
2004	5.501	10.522	0.133	0.720	0.377	0.060	(0.853)	16.46
2005	5.535	11.332	0.110	0.739	0.387	0.036	(0.798)	17.34
2006	3.618	7.366	0.065	0.486	0.181	0.113	(0.529)	11.30
2007	3.835	7.392	0.077	0.487	0.192	0.031	(0.533)	11.48
2008	3.802	7.643	0.112	0.511	0.206	0.029	(0.504)	11.80

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

## TOWN OF SCARBOROUGH, MAINE

Principal Property Taxpayers  
Current Year and Ten Years Ago  
(amounts expressed in thousands)

	1998			2008			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
<u>Taxpayer</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Taxpayer</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>
James McBrady	\$ 19,964,200	1	1.68%	Maine Life Care	\$ 61,147,700	1	1.80%
Wal-Mart	15,619,000	2	1.32%	Hannaford Brothers	34,147,400	2	1.01%
Hannaford Brothers	13,612,400	3	1.15%	Wal-Mart/Sam's Club	29,455,600	3	0.87%
Konica Quality Photo	9,927,600	4	0.84%	Shaws Supermarket	18,593,200	4	0.55%
Gavin Ruotolo	9,698,100	5	0.82%	RPI Partners, LLC	16,939,300	5	0.50%
Shaw's Supermarket	7,415,100	6	0.63%	Gavin Ruotolo	16,096,000	6	0.47%
Central Maine Power	6,684,200	7	0.56%	MMC Realty	16,074,000	7	0.47%
Ram Trust 2 & 3	6,077,900	8	0.51%	Scarborough Gallery	15,025,600	8	0.44%
Davric Maine Corp.	5,462,000	9	0.46%	ERP Operating LP	11,922,700	9	0.35%
Black Point Inn	4,508,300	10	0.38%	Davric Maine Corp.	10,047,500	10	0.30%
Total Principal Taxpayers	<u>98,968,800</u>		<u>8.34%</u>		<u>229,449,000</u>		<u>6.75%</u>
Total Assessed Value:	<u>\$ 1,186,155,300</u>				<u>\$ 3,397,230,200</u>		

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collections Within Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 22,202,538	\$ 21,745,877	97.9%	\$ 453,909	\$ 22,199,786	100.0%
2000	24,185,214	23,716,155	98.1%	466,189	24,182,344	100.0%
2001	25,765,523	25,339,458	98.3%	423,111	25,762,569	100.0%
2002	28,450,220	28,120,508	98.8%	324,293	28,444,801	100.0%
2003	30,348,015	30,103,820	99.2%	238,970	30,342,790	100.0%
2004	32,969,169	32,747,993	99.3%	211,751	32,959,744	100.0%
2005	35,735,569	35,422,791	99.1%	304,768	35,727,559	100.0%
2006	36,824,648	36,527,411	99.2%	281,761	36,809,172	100.0%
2007	38,139,961	37,852,666	99.2%	193,601	38,046,267	99.8%
2008	40,183,201	39,784,997	99.0%	-	39,784,997	99.0%

**TOWN OF SCARBOROUGH, MAINE**  
**Assessed Valuations and Tax Levies**  
**Last Ten Fiscal Years**  
(dollar amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Real Estate Valuation</u>	<u>Personal Property Valuation</u>	<u>Total Assessed Valuation</u>	<u>Tax Rate</u>	<u>Tax Levy</u>
1999	\$ 1,138,292	\$ 67,851	\$ 1,206,143	\$ 18.40	\$ 22,193
2000	1,180,279	79,051	1,259,330	19.20	24,179
2001	1,230,378	83,306	1,313,684	19.60	25,748
2002	1,764,013	94,303	1,858,316	15.30	28,433
2003	1,831,117	99,459	1,930,576	15.70	30,310
2004	1,903,869	99,118	2,002,987	16.46	32,969
2005	1,951,952	105,637	2,057,589	17.34	35,679
2006	3,143,853	112,989	3,256,842	11.30	36,802
2007	3,207,720	109,778	3,317,498	11.48	38,085
2008	3,272,789	124,442	3,397,231	11.80	40,087

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Assessed Value</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Population*</u>	<u>Ratio of debt service to personal income</u>	<u>Debt Per Capita</u>
1999	\$34,071,571	\$1,206,143,900	2.82%	12,518	15.25%	2,722
2000	35,059,806	1,259,330,100	2.78%	16,970	11.57%	2,066
2001	35,787,515	1,313,684,200	2.72%	16,970	11.82%	2,109
2002	35,095,667	1,858,344,800	1.89%	16,970	11.59%	2,068
2003	54,759,228	1,930,576,300	2.84%	16,970	12.26%	3,227
2004	62,952,163	2,002,987,200	3.14%	16,970	14.09%	3,710
2005	67,737,433	2,057,589,000	3.29%	18,812	13.68%	3,601
2006	68,844,000	3,256,841,900	2.11%	18,812	13.90%	3,660
2007	66,845,000	3,317,497,800	2.01%	18,812	13.50%	3,553
2008	69,328,000	3,397,230,200	2.04%	18,812	13.95%	3,685

Table 12A

**TOWN OF SCARBOROUGH, MAINE**  
**Ratios of Capital Leases Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Capital Leases</u>	<u>Assessed Value</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Population*</u>	<u>Ratio of debt service to personal income</u>	<u>Debt Per Capita</u>
1999	40,603	\$1,206,143,900	0.00%	12,518	0.02%	3
2000	321,863	1,259,330,100	0.03%	16,970	0.11%	19
2001	271,790	1,313,684,200	0.02%	16,970	0.09%	16
2002	331,372	1,858,344,800	0.02%	16,970	0.11%	20
2003	277,222	1,930,576,300	0.01%	16,970	0.06%	16
2004	208,444	2,002,987,200	0.01%	16,970	0.05%	12
2005	141,974	2,057,589,000	0.01%	18,812	0.03%	8
2006	72,541	3,256,841,900	0.00%	18,812	0.01%	4
2007	1,370,408	3,317,497,800	0.04%	18,812	0.28%	73
2008	2,025,032	3,397,230,200	0.06%	18,812	0.41%	108

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 schedule 15 for personal income and population data.

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

**TOWN OF SCARBOROUGH, MAINE**  
**Ratio of Annual Debt Service Expenditures**  
**for General Obligation Bonded Debt**  
**to Total General Governmental Expenditures**  
**Last Ten Fiscal Years**  
**(dollar amounts expressed in thousands)**

Fiscal year	Principal	Interest	Total debt service	Total general fund expenditures	Ratio of debt service to general fund expenditures
1999	\$ 3,203	\$ 1,927	\$ 5,130	\$ 32,829	15.63%
2000	3,782	1,905	5,687	35,766	15.90%
2001	4,204	1,858	6,062	38,752	15.64%
2002	4,692	1,895	6,587	42,305	15.57%
2003	4,915	1,634	6,549	46,463	14.10%
2004	6,435	2,358	8,793	50,373	17.46%
2005	5,880	2,634	8,514	52,934	16.08%
2006	5,907	2,846	8,753	56,185	15.58%
2007	5,999	2,821	8,820	59,017	14.94%
2008	6,030	2,739	8,769	64,806	13.53%

Table 14

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 173,295	\$ 188,018	\$ 206,243	\$ 235,755	\$ 279,720	\$ 323,745	\$ 380,820	\$ 430,980	\$ 488,370	\$ 529,673
Total net debt applicable to limit	34,072	35,060	35,788	35,096	54,759	62,952	67,737	68,844	66,845	69,328
Legal debt margin	139,223	152,958	170,455	200,659	224,961	260,793	313,083	362,136	421,525	460,345
Total net debt applicable to the limit as a percentage of debt limit	19.66%	18.65%	17.35%	14.89%	19.58%	19.44%	17.79%	15.97%	13.69%	13.09%

Note: Under state finance law, the Town of Scarborough's outstanding general obligation debt should not exceed 15 percent of total assessed property value.  
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 15

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

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (a)</u>	<u>Median Age (a)</u>	<u>School Enrollment (c)</u>	<u>Unemployment Rate (d)</u>
1999	12,518	\$ 223,433,782	\$ 17,849	35.20	2,785	1.80%
2000	16,970	302,897,530	17,849	35.20	2,893	1.40%
2001	16,970	302,897,530	17,849	35.20	3,037	1.80%
2002	16,970	302,897,530	17,849	35.20	3,137	2.00%
2003	16,970	446,667,370	26,321	38.80	3,210	2.20%
2004	16,970	446,667,370	26,321	38.80	3,234	2.90%
2005	18,812	495,150,652	26,321	38.80	3,308	3.00%
2006	18,812	495,150,652	26,321	38.80	3,324	3.00%
2007	18,812	495,150,652	26,321	38.80	3,361	3.40%
2008	18,880	496,940,480	26,321	38.80	3,347	4.00%

(a) For years 1999 through 2000, 1990 Census, U.S. Department of Commerce, Bureau of Census and for years 2001 through 2008, 2000 Census, U.S. Department of Commerce, Bureau of Census.

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

(c) State of Maine Department of Education, April 1 Census, 2006 data is from October 1, 2005 Census data.

(d) State of Maine Department of Labor, Division of Economic Analysis and Research.



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

1998			2008			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees *</u>	<u>Rank</u>	<u>Percentage of total Town Employment</u>
Town of Scarborough	1,139	1	Town of Scarborough	1,346	1	9.58%
Hannaford Brothers	790	2	Hannaford Brothers	1,169	2	8.32%
Konica Quality Photo	300	3	Postal Service Distribution Ctr	632	3	4.50%
UNUM	180	4	Cabela's	292	4	2.08%
Wal-Mart	161	5	NorDX	256	5	1.82%
Humpty Dumpty	155	6	Johnson & Jordan	250	6	1.78%
Sam's Wholesale Club	135	7	Wal-Mart	223	7	1.59%
RTS Packaging	110	8	Sam's Wholesale Club	173	8	1.23%
Rich Tool & Die Co.	105	9	Piper Shores	150	9	1.07%
R.C. Moore Trucking	103	10	Scarborough Downs	150	10	1.07%

\* Source: Scarborough Economic Development Corporation

Note: 1998 employment data unavailable

2008 Total town employment estimate: 14,054

**TOWN OF SCARBOROUGH, MAINE**  
**Unemployment Data**  
**Last Nine Fiscal Years**

Fiscal Year ending June 30,	Portland Metropolitan Statistical Area (PMSA)*	State of Maine
2000	2.3%	3.0%
2001	2.7%	3.5%
2002	3.3%	4.2%
2003	3.7%	4.9%
2004	3.4%	4.3%
2005	3.6%	4.6%
2006	3.5%	4.4%
2007	3.4%	4.2%
2008	4.0%	5.0%

\* The Maine Department of Labor provides unemployment data for various regions of the State of Maine. While data is not specifically provided for the Town of Scarborough, we are included in the region known as the Portland Metropolitan Statistical Area (PMSA).

Data can be found at: [www.state.me.us/labor/lmis/laus.html](http://www.state.me.us/labor/lmis/laus.html)

**TOWN OF SCARBOROUGH, MAINE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Function:										
General Govt:										
Town Clerk										
Certified Copies	1,063	1,063	1,063	1,565	1,750	1,462	1,185	1,462	1,187	2,098
Licenses & Permits	3,614	3,707	3,724	4,045	3,937	2,524	360	296	365	432
Passports Applications							379	548	882	792
Tax Office										
Beach Passes	2,189	2,277	2,512	1,999	2,282	2,714	1,886	2,003	2,192	3,436
Licenses & Permits							1,847	1,643	1,298	1,166
Planning:										
Permits	1,704	1,682	1,728	1,688	1,576	1,649	1,501	1,561	1,438	1,346
Certificates of Occupancy	302	342	287	302	309	321	340	353	242	207
Public Safety:										
Police:										
Physical arrests	273	349	429	587	634	401	332	822	719	906
Traffic violations	1,754	2,892	2,263	2,637	2,455	1,976	1,077	1,337	975	792
Fire:										
Number of calls answered	1,890	1,836	1,894	2,035	2,200	2,251	2,450	2,356	2,300	1,303
Number of Inspections		364	392	388	455	445	472	642	884	1,825
Rescue:										
Number of calls answered	1,652	1,665	1,796	1,962	2,159	2,407	2,506	2,247	2,673	2,069
Public Works:										
Street resurfacing (miles)	4.02	4.71	3.37	3.71	4.19	1.94	5.26	6.03	7.32	3.90
Pot holes repaired (qty used in tons)	21	20	22	19	30	43	82	71	61	42
No. times plows dispatched	45	46	51	42	20	19	24	53	15	33

Source: Town of Scarborough

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

Division	Department	Function	Division	Department	Function
<b>General Government:</b>	<b>Legislative Administration:</b>	Town Council	<b>Public Works:</b>	<b>Public Works:</b>	Road/Highway Maint.
		Administration			Vehicle Maint.
		Town Clerk			Traffic Signals
		Elections			Engineering/GIS
		Human Resources			Solid Waste
		Legal			Water Charges
		Municipal Insurance			Street Lighting
		Municipal Building			Cemetery Care
		Public Information			Memorials
		Outside Agency Requests			Shade Trees
	<b>Finance:</b>	Accounting	<b>Education:</b>	Kindergarten	
		Tax/Treasury		Elementary	
		Purchasing		Secondary	
		Assessing		Instruction Improvement	
		Planning:		Special Services	
	<b>Information Syst.</b>	Planning	General & Special Administration		
		Code Enforcement	Board of Education		
		Zoning & Planning Boards	Office of the Superintendent		
	<b>Public Service:</b>	<b>Community Serv:</b>	Recreation	Business Administration	
			Senior's Programs	Transportation	
Parks			Operation & Maintenance of Plant		
Child Care			Debt Service		
Beach Care					
<b>Public Assistance</b>		Grounds Maintenance			
		Local Access Cable TV			
		Welfare/Health Assist.			
		Economic Develop.			
		Library			
<b>Public Safety:</b>	<b>Fire:</b>	Fire Suppression			
		Fire Prevention			
		Rescue			
		Emergency Preparedness			
	<b>Police:</b>	Patrol			
		Dispatch			
		Marine Resources			

Source: Town of Scarborough

Table 20

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

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Govt:										
Full time					34	35	35	35	37	37
Pt Time					47	52	36	58	19	59
Public Services:										
Full time					13	13	13	14	14	15
Pt Time					106	89	77	99	103	130
Public Safety:										
Police										
Full time					46	46	47	48	51	52
Pt Time					37	35	28	33	27	27
Fire										
Full time					4	4	4	4	4	4
Pt Time					177	155	159	144	152	167
Rescue										
Full time					9	9	9	9	12	12
Pt Time					14	21	16	18	15	14
Public Works:										
Full time	32	30	30	31	31	32	32	32	33	36
Pt Time	0	0	0	0	2	1	3	2	2	3
Education:					N/A	886	881	891	842	824
Total:					520	1378	1340	1387	1311	1380

Source: Town of Scarborough

Comment: Not All data for Fiscal Years 1999 through 2002 available.