

TOWN OF KENNEBUNKPORT, MAINE



Comprehensive Annual Financial Report

*For Fiscal Year Ending
June 30, 2015*

TOWN OF KENNEBUNKPORT, MAINE
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2015

Prepared by:
The Administration and Finance Department

TOWN OF KENNEBUNKPORT, MAINE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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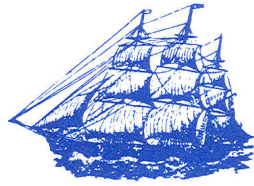
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INTRODUCTORY SECTION



TOWN OF KENNEBUNKPORT, MAINE

– INCORPORATED 1653 –

MAINE'S FINEST RESORT

October 23, 2015

To the Board of Selectmen and Citizens of the Town of Kennebunkport:

State of Maine statutes require that every general purpose local government issue annually a financial report audited in accordance with auditing standards generally accepted in the United States of America. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Runyon Kersteen Ouellette, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Kennebunkport's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The Town was incorporated in 1653 as Cape Porpus, reincorporated in 1717 as Arundel and then changed its name February 19, 1821 to its current name – Town of Kennebunkport. The Town is located in the southeastern part of the state and is located 25 miles south of Portland. It currently occupies 49.35 square miles and has a year round population of 3,474. The Town of Kennebunkport continues to be a key area within the state for summer tourism. The Town of Kennebunkport is empowered to levy a property tax on real and personal property located within its boundaries.

The Town of Kennebunkport operates under the Town Manager – Board of Selectmen form of government. Policy-making and legislative authority are vested in the governing Board consisting of the chairman and four other members, all of whom are elected at large. Board members serve three years each, with staggering terms. The Board of Selectmen appoints the Town Manager. The Town Manager is responsible for carrying out the policies and ordinances of the Board of Selectmen, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments, some with Board of Selectmen confirmation.

The Town of Kennebunkport provides a full range of services, including police and fire protection, solid waste collection, the construction and maintenance of roads, health and welfare, recreation, general administration, sewer treatment plant, pier and parking lot.

The Town is required to adopt an annual budget for the fiscal year beginning on July 1. This annual budget serves as the foundation for the Town of Kennebunkport's financial planning and control. Budgets are prepared by fund, function and department. Department heads present their proposed budgets to the Town Manager and Treasurer in December. The Board of Selectmen and Budget Board review the proposed budgets in March and April, and make recommendation for the annual Town Meeting in June. Registered voters of the Town adopt the annual budget in June.

Local economy

The Town of Kennebunkport is a residential coastal town, whose local economy is somewhat seasonal and tourism based, peaking in the summer. The local economy also includes an active fishing industry and agriculture.

Unemployment had been relatively stable until the effect of the current recession was felt in 2009. During the last decade, the unemployment rate has seen a low of 3.6% in 2006 and a high of 7.7% in 2009. The Town of Kennebunkport's unemployment rate as of June 2015 was 3.9% compared to 5.3% nationally.

Median household incomes within the Town of Kennebunkport are \$67,679, which is higher than the state as a whole. According to the 2010 census, the median family income for the county was \$55,008 while the state was \$48,219. The Town's population was 3,474 as of 2010 census. The median price of a single family home in the Town of Kennebunkport is \$559,156.

Long-term financial planning and major initiatives

The Town has contracted with H.M. Payson to manage its Trust accounts and maximize the return on investment.

As part of its Comprehensive Plan, the Town envisions preserving Kennebunkport as a residential town, with a significant seasonal population, an active fishing industry, and a strong tourism economy. To achieve this, it has proposed to establish standards for new commercial growth and improve communications with the public. The Town will pursue policies that support measured commercial and residential growth.

The Town also wishes to preserve the distinct character of Kennebunkport and its districts. This would be accomplished by maintaining neighborhoods, water dependent activities, preserve Goose Rocks Beach for public use, provide seasonal toilet facilities for the public, preserve waterfront views, protect the conservation property in Town including the lighthouse, and managing the spirit and atmosphere of community.

Managing and supporting the Town's largest economic factor by developing parking and traffic policies and ensuring the safety and enjoyment of residents and visitors.

The Town will support the fishing industry by continuing to support Government Wharf and the Cape Porpoise Pier.

The Board of Selectmen has adopted a five-year capital plan to maintain and invest wisely in equipment and infrastructure while stabilizing the impact on the tax rate.

The Town has begun to provide pedestrian and bicycle expansion on our roads while maintaining our winding tree lined roads. This process will continue as long as taxpayers provide the funding.

The Board of Selectmen has adopted a fund balance policy to ensure a stable financial foundation while also reserving excess funds for future capital needs.

Currently, the Town is part of Regional School Unit (RSU) #21, which is comprised of the Towns of Kennebunkport, Kennebunk and Arundel.

Acknowledgements

We wish to thank all government departments for their assistance in providing the data necessary to prepare this report.

Respectfully submitted,

Laurie A. Smith

Jennifer L. Lord

Laurie A. Smith, Town Manager

Jennifer L. Lord, Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

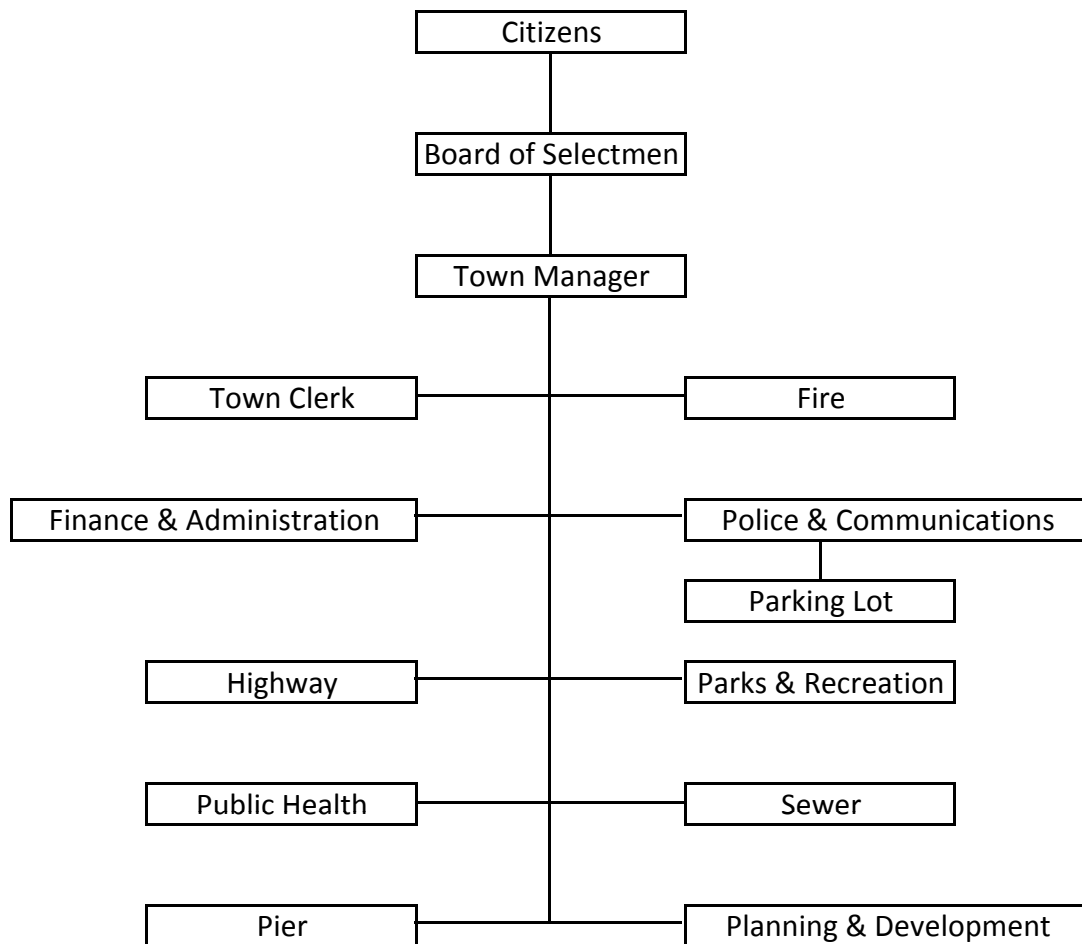
**Town of Kennebunkport
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

TOWN OF KENNEBUNKPORT, MAINE
Organizational Chart



TOWN OF KENNEBUNKPORT, MAINE
List of Elected and Appointed Officials
June 30, 2015

Elected Officials

Chairman, Board of Selectmen	Allen A. Dagget
Vice-Chair, Board of Selectmen	Sheila W. Matthews-Bull
Board of Selectmen	Stuart E. Barwise
Board of Selectmen	Patrick A. Briggs
Board of Selectmen	Edward W. Hutchins II

Appointed Officials

Town Manager	Laurie A. Smith
Town Clerk	April R. Dufoe
Treasurer	Jennifer L. Lord
Fire Chief & Sewer Superintendent	Allan K. Moir
Police Chief	Craig A. Sanford
Highway Superintendent	Michael W. Claus
Town Nurse & General Assistance Director	Judith A. Barrett
Recreation Director	Carol G. Cook
Cape Porpoise Pier Manager	Lee F. McCurdy

FINANCIAL SECTION

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Independent Auditor's Report

Board of Selectmen
Town of Kennebunkport, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunkport, Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

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

Town of Kennebunkport, Maine
Board of Selectmen

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunkport, Maine, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of Town's proportionate share of the net pension liability, and the schedule of Town contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kennebunkport, Maine's basic financial statements. The introductory section, the combining and individual fund financial statements, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Town of Kennebunkport, Maine
Board of Selectmen

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2015, on our consideration of the Town of Kennebunkport, 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* in considering the Town of Kennebunkport, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Ryan Kuster Ouellette". The signature is written in a cursive style with a large, stylized 'R' at the beginning.

October 23, 2015
South Portland, Maine

TOWN OF KENNEBUNKPORT, MAINE
Management's Discussion and Analysis
June 30, 2015

As management of the Town of Kennebunkport, Maine, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The Town experienced an increase in overall financial position in fiscal year 2015.
- The Town's total net position increased by \$1,347,359 to \$27,619,921 (Statement 2).
- Net capital assets decreased by \$131,296 (pages 41 and 42).
- General revenues of governmental activities accounted for \$15,762,208 in revenue, or 96% of all revenues. Program specific revenues of governmental activities consisting of charges for services and grants and contributions accounted for \$933,455 in revenue, or 4% of \$16,695,663 in total revenues (statement 2).
- At the end of the current fiscal year, the fund balance for the general fund was \$4,664,473, of which \$10,122 was nonspendable, \$1,439,949 was committed, \$368,924 was assigned and \$2,845,478 was unassigned. (See notes to the financial statements and Statement 3.)

Overview of the Financial Statements

Below is a brief discussion of the basic financial statements, including the relationships of the statements to each other and the significant differences in the information they provide. The Town's basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements

This report also contains required supplementary information, supplementary information and other information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements include two main basic financial statements in accordance with Statement No. 34 of the Governmental Accounting Standards Board (GASB). The first is the *Statement of Net Position*, and the second is the *Statement of Activities*. These two statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Both report information about the Town as a whole and about its activities during the fiscal year using the accrual basis of accounting used by most private-sector companies.

- Governmental Activities - Most of the Town's basic services are reported here, including public safety, public works, health and welfare, recreation and culture, education and general government. Property taxes and excise taxes finance most of these activities.
- Business-type Activities - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Sewer Department, the Cape Porpoise Pier and the Dock Square Parking Lot are reported here.

TOWN OF KENNEBUNKPORT, MAINE
Management's Discussion and Analysis, Continued

The *Statement of Net Position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Infrastructure (roads, bridges, etc.) are Town assets if constructed and owned by the Town or maintained by the Town. The increase or decrease in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other factors also need to be considered as well, such as changes in the Town's property tax base and the condition of the Town's infrastructure.

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement shows the net cost of departmental services (i.e., the cost of departmental services less the revenues generated by those departments), that are funded by tax revenues, State aid, and other unrestricted revenues.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Within the basic financial statements, fund financial statements focus on the Town's funds, rather than the Town as a whole.

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 *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 statements, 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 Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The General Fund is the Town's only major fund within the governmental funds.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the Town as a Whole

The Statement of Net Position provides the perspective of the Town as a whole.

The Town's net position at fiscal year-end is \$27,619,921. This includes current assets (primarily cash, investments and taxes receivable), the cost (less accumulated depreciation) of all buildings, equipment and land owned by the Town (valued at historical cost, or an estimate thereof), deferred outflows of resources, less current and long-term liabilities, and deferred inflows of resources. Changes in net position from year-to-year may be observed to analyze changing financial positions of the Town as a whole.

TOWN OF KENNEBUNKPORT, MAINE
Management's Discussion and Analysis, Continued

The following table is presented in thousands (Statement 1).

	Governmental Activities		Business-type Activities		Primary Government Total	
	2015	2014*	2015	2014*	2015	2014*
Current assets	\$ 7,709	6,806	1,980	1,985	9,689	8,791
Capital assets:						
Land	2,715	2,715	950	950	3,665	3,665
Construction in progress	460	430	19	10	479	440
Buildings and improvements	2,519	2,519	8,170	8,170	10,689	10,689
Land improvements	239	239	30	30	269	269
Furniture & fixtures	47	47	-	-	47	47
Equipment & vehicles	4,830	4,734	3,257	3,195	8,087	7,929
Infrastructure	7,362	7,001	7,809	7,798	15,171	14,799
Less: accumulated depreciation	(6,678)	(6,426)	(10,978)	(10,531)	(17,656)	(16,957)
Total assets	\$ 19,203	18,065	11,237	11,607	30,440	29,672
Deferred outflows of resources						
Related to pensions	247	148	34	21	281	169
Total deferred outflows of resources	247	148	34	21	281	169
Current liabilities	637	261	125	61	762	322
Long-term liabilities	1,079	2,476	533	771	1,612	3,247
Total liabilities	1,716	2,737	658	832	2,374	3,569
Deferred inflows of resources						
Related to pensions	638	-	89	-	727	-
Total deferred inflows of resources	638	-	89	-	727	-
Net position:						
Net investment in capital assets	10,896	10,254	8,770	9,086	19,666	19,340
Restricted	1,185	1,122	-	-	1,185	1,122
Unrestricted	5,014	4,100	1,754	1,710	6,768	5,810
Total net position	\$ 17,095	15,476	10,524	10,796	27,619	26,272

* 2014 balances have been restated to include the effects of the implementation of GASB No. 68

The largest portion of the Town's net position reflects investments in capital assets (i.e., buildings, vehicles and land); less any related debt used to acquire those assets that is still outstanding. Currently, the Town only owes debt related to the road reconstruction, salt/sand shed and sewer upgrades. The Town uses these capital assets to provide services to its citizens; consequently, those assets are not available for future spending. The resources needed to repay this debt must be provided from other sources, primarily tax dollars, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to its creditors.

TOWN OF KENNEBUNKPORT, MAINE
Management's Discussion and Analysis, Continued

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position 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 the statement for some items that will only result in cash flows in future periods such as uncollected taxes and earned but unused compensated absences. The following summarizes the changes in net position in thousands (Statement 2). The business-type activities details can be found on pages 29-31.

	Governmental Activities		Business-type Activities		Primary Government Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 616	624	1,658	1,698	2,274	2,322
Operating grants & cont.	301	508	-	-	301	508
Capital grants & cont.	17	-	-	-	17	-
General revenues:						
Property taxes	14,326	14,035	-	-	14,326	14,035
Motor vehicle excise taxes	896	846	-	-	896	846
Grants and contributions	299	262	-	-	299	262
Unrestricted investment earnings	34	30	9	3	43	33
Miscellaneous	77	142	20	8	97	150
Total revenues	16,566	16,447	1,687	1,709	18,253	18,156
Expenses:						
Program expenses:						
General government	1,325	978	-	-	1,325	978
Public safety	2,255	2,427	-	-	2,255	2,427
Highways, streets & bridges	1,203	1,139	-	-	1,203	1,139
Health and welfare	652	667	-	-	652	667
Recreation & culture	514	492	-	-	514	492
Education	7,838	7,522	-	-	7,838	7,522
County tax	1,125	1,099	-	-	1,125	1,099
Unclassified	-	174	-	-	-	174
Loss on disposal of assets	89	-	10	-	99	-
Interest on debt service	22	32	-	-	22	32
Capital maintenance expense	144	-	-	-	144	-
Cape Porpoise Pier	-	-	297	337	297	337
Dock Square Parking Lot	-	-	60	77	60	77
Sewer	-	-	1,372	1,350	1,372	1,350
Total expenses	15,167	14,530	1,739	1,764	16,906	16,294
Increase (decrease) in net position	1,399	1,917	(52)	(55)	1,347	1,862
Transfers in (out)	220	258	(220)	(258)	-	-
Net position, beginning of year, as restated	15,476	14,623	10,796	11,293	26,272	25,916
Net position, end of year	\$ 17,095	16,798	10,524	10,980	27,619	27,778

*The 2014 columns of this table have not been restated for the effects of implementation of GASB 68 as the information is not available.

TOWN OF KENNEBUNKPORT, MAINE
Management's Discussion and Analysis, Continued

The table below presents the total cost, for fiscal years 2015 and 2014, of each of the Town's largest programs: general government, public safety, public works, education and county tax, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions (Statement 2).

Governmental Activities (in thousands)								
	2015				2014			
	Total		Net		Total		Net	
General govt.	\$ 1,325	8.7%	959	6.6%	978	6.7%	944	6.7%
Public safety	2,255	14.9%	2,099	14.5%	2,427	16.7%	2,298	16.4%
Public works	1,203	7.9%	1,042	7.2%	1,139	7.8%	1,094	7.8%
Education	7,838	51.7%	7,838	54.3%	7,522	51.8%	7,521	53.7%
County tax	1,125	7.4%	1,125	7.8%	1,099	7.6%	1,098	7.8%
Totals	\$ 13,746	90.6%	13,063	90.5%	13,165	90.6%	12,955	92.5%

The Town's Funds

The Town has one major fund – the General Fund. Detailed information regarding this fund can be found on pages 25-26 of these financial statements. More funding has been designated for the committed fund balances and therefore unassigned decreased. The change in the fund balance of this fund is as follows (Statement 3 and 4):

Major Fund	Balance June 30, 2015	Balance June 30, 2014	\$ Change	% Change
General Fund	\$ 4,664,473	4,676,477	(12,004)	-0.26%
	\$ 4,664,473	4,676,477	(12,004)	-0.26%

Expenditures

The table below shows the Town's original and adjusted budgets for various departments and functions for the year ended June 30, 2015. The table also shows actual expenditures for each department and function as well as the variance between the adjusted budget and the actual expenditures for each category. The Town considers a variance to be significant if it exceeds \$20,000 and 20% of its adjusted budget (Statement 6).

General Fund Department/Function Expenditures	Original Budget	Adjusted Budget	Expenditures	Variance	
				Amount	%
General government	\$ 1,630,791	1,630,791	1,341,726	289,065	17.73%
Public safety	2,340,400	2,340,400	2,196,148	144,252	6.16%
Public works	1,039,052	1,039,052	1,031,478	7,574	0.73%
Health and welfare	672,796	672,796	661,460	11,336	1.68%
Recreation and culture	489,340	590,323	488,199	102,124	17.30%
County tax	1,124,614	1,124,614	1,124,614	-	0.00%
Education	7,837,533	7,837,533	7,837,533	-	0.00%
Debt service	279,180	279,180	279,180	-	0.00%
Capital improvements and reserves	1,260,391	1,682,747	837,389	845,358	50.24%
Total expenditures	\$ 16,674,097	17,197,436	15,797,727	1,399,709	8.14%

TOWN OF KENNEBUNKPORT, MAINE
Management's Discussion and Analysis, Continued

All of the department/function expenditures of the Town came in at or under budget with the exception of the Highway (\$50,106), and General Assistance Donations (\$16,342). The only significant variances were in capital improvements and reserves. Capital improvements and reserves include several uncompleted projects that have been carried forward as assigned fund balances as listed on page 48 of the financial statements.

The highway over expenditure variance was offset by the mechanic account being under budget due to personnel changes. The general assistance donations variance offset by the designated carry forward for that account.

Revenues

The table below shows the Town's final budget and actual revenues from various resources for the year ended June 30, 2015. The table also shows the variance between these figures for each category. The Town considers a variance to be significant if it exceeds \$20,000 and 10% of the final budget (Exhibit A-2).

General Fund Revenues	Final Budget	Actual Revenues	Variance	
			Amount	%
Property taxes	\$ 14,296,357	14,305,370	9,013	0.06%
Excise taxes	813,500	895,501	82,001	10.08%
Interest on taxes	24,000	29,728	5,728	23.87%
Licenses and permits	178,660	208,239	29,579	16.56%
Charges for services	330,169	396,588	66,419	20.12%
Intergovernmental revenue	283,276	321,750	38,474	13.58%
Investment income	35,000	34,383	(617)	-1.76%
Other revenues	242,172	295,638	53,466	22.08%
Total revenues	\$ 16,203,134	16,487,197	284,063	1.75%

Property taxes are shown as adjusted for the unavailable tax revenue activity.

Excise taxes are difficult to budget as actual collections depend upon a variety of factors unknown at the time the budget is prepared, particularly economic conditions six to eighteen months after budget preparation. The actual amount exceeded expectations.

Interest on taxes varies from year to year depending on when payments for taxes are made.

Licenses and permits came in over budget due to building permits and plumbing permits being higher than anticipated.

Intergovernmental revenues were over budget due to miscellaneous grants, tree growth, and RSU COPS share all exceeding estimates.

Charges for services were over budget primarily due to Goose Rocks Beach parking permits, and parking violations coming in higher than anticipated.

Investment income came in lower than expected due to lower interest rates, but were 41% or \$10,048 higher than the previous year.

Other revenues came in higher due to the generous general assistance donations.

TOWN OF KENNEBUNKPORT, MAINE
Management's Discussion and Analysis, Continued

Capital Assets

As of June 30, 2015, the Town had approximately \$20,751,033 invested in capital assets, net of accumulated depreciation, consisting of land, buildings and equipment. (As previously noted, the Town is not required under GASB 34 to report infrastructure built or otherwise acquired prior to July 1, 2003.) This amount represents a net decrease (including additions, deletions, and less this year's depreciation) of approximately \$131,296, or 0.63% under last year. For additional information, see the Capital Assets section in the notes, pages 41 and 42.

This year's major additions/deletions included:

- Road repairs, extension and construction
- New vehicles for the fire and police departments.
- New equipment for the highway and sewer departments.

All of the above were paid for with General Fund resources, except that the sewer equipment was paid for with sewer user fees and using existing net position.

The Town's fiscal year 2016 budget, as approved at the annual Town Meeting held on June 9th and 13th, includes approximately \$1,336,500 for various capital improvements, including upgrades to the town office building, one police vehicle, reserves for the upgrades at the police station, a new plow truck for the highway department, road and sidewalk improvement/construction, and fire apparatus reserve funding.

Debt

The Town of Kennebunkport had \$1,060,000 in bonds outstanding at fiscal year-end, compared to \$1,359,738 last year. Additionally, the Town had \$24,698 in capital leases outstanding at fiscal year-end for the purchase of copy machines (page 46). State law limits the Town's debt in the aggregate to 15% of its stated assessed valuation. The Town's outstanding debt at June 30, 2015 was within this statutory limit. For additional information, see the Long-term Debt section in the notes, pages 45 and 46.

Economic Factors and Next Year's Budget

The fiscal 2016 budget has been prepared and already approved at the June 9th and 13th annual town meeting. The municipal portion of the budget increased by approximately \$164,043 from last year. This was due to increases in overall operating costs, and additional funding for capital improvements.

Southern Maine and the Town of Kennebunkport witnessed signs of a rebounding economy, namely through the amount of building and development activity. There was an increase in building permits issued from 317 in 2014 to 373 in 2015, the construction valuation for the past two years was \$44,592,534 and average increase of \$4,649,415 over 2013's total of \$17,646,852. York County also experienced a decrease in the unemployment rate from 5.6% in 2014 to 3.9% in 2015.

Request for Information

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need financial information, contact the Town Manager or Treasurer, PO Box 566, Kennebunkport, Maine 04046.

BASIC FINANCIAL STATEMENTS

TOWN OF KENNEBUNKPORT, MAINE
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,256,042	200	3,256,242
Investments	4,318,827	1,321,035	5,639,862
Receivables:			
Accounts, net of allowance	199,634	310,093	509,727
Taxes receivable - current year	166,220	-	166,220
Taxes receivable - prior year	3,189	-	3,189
Tax and sewer liens	86,522	12,677	99,199
Internal balances	(331,643)	331,643	-
Inventory	5,052	4,717	9,769
Prepays	5,070	-	5,070
Nondepreciable capital assets	3,175,003	969,642	4,144,645
Depreciable capital assets, net	8,319,143	8,287,245	16,606,388
Total assets	19,203,059	11,237,252	30,440,311
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	247,237	34,386	281,623
Total deferred outflows of resources	247,237	34,386	281,623
LIABILITIES			
Accounts payable and payroll withholdings	129,046	26,195	155,241
Accrued wages	83,891	16,132	100,023
Other liabilities	57,252	4,500	61,752
Accrued interest	2,209	2,317	4,526
Noncurrent liabilities:			
Due within one year	364,480	75,757	440,237
Due in more than one year	1,079,637	533,365	1,613,002
Total liabilities	1,716,515	658,266	2,374,781
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	638,437	88,795	727,232
Total deferred inflows of resources	638,437	88,795	727,232
NET POSITION			
Net investment in capital assets	10,895,837	8,770,498	19,666,335
Restricted for:			
General capital projects	33,033	-	33,033
Permanent funds	9,501	-	9,501
Nonexpendable principal of permanent funds	1,142,297	-	1,142,297
Unassigned	5,014,676	1,754,079	6,768,755
Total net position	\$ 17,095,344	10,524,577	27,619,921

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Statement of Activities
For the year ended June 30, 2015

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 1,325,180	365,872	-	-	(959,308)	-	(959,308)
Public safety	2,254,694	57,101	98,878	-	(2,098,715)	-	(2,098,715)
Public works	1,203,491	-	144,833	16,529	(1,042,129)	-	(1,042,129)
Health and welfare	651,857	1,759	47,523	-	(602,575)	-	(602,575)
Recreation and culture	513,427	191,035	9,925	-	(312,467)	-	(312,467)
Education	7,837,533	-	-	-	(7,837,533)	-	(7,837,533)
County tax	1,124,614	-	-	-	(1,124,614)	-	(1,124,614)
Capital Improvements	143,621	-	-	-	(143,621)	-	(143,621)
Interest on debt service	22,346	-	-	-	(22,346)	-	(22,346)
Total governmental activities	15,076,763	615,767	301,159	16,529	(14,143,308)	-	(14,143,308)
Business-type activities:							
Sewer	1,372,338	1,031,914	-	-	-	(340,424)	(340,424)
Cape Porpoise Pier	296,655	289,053	-	-	-	(7,602)	(7,602)
Dock Square Parking Lot	60,580	337,738	-	-	-	277,158	277,158
Total business-type activities	1,729,573	1,658,705	-	-	-	(70,868)	(70,868)
Total primary government	\$ 16,806,336	2,274,472	301,159	16,529	(14,143,308)	(70,868)	(14,214,176)
General revenues:							
Property taxes, levied for general purposes					14,296,357	-	14,296,357
Interest and costs on taxes					29,728	-	29,728
Motor vehicle excise taxes					895,501	-	895,501
Grants and contributions not restricted to specific programs:							
Homestead exemption					30,531	-	30,531
State Revenue Sharing					56,615	-	56,615
Veterans reimbursement					2,250	-	2,250
Snowmobile reimbursement					391	-	391
Unrestricted investment earnings					34,339	9,750	44,089
Miscellaneous revenues					285,306	19,702	305,008
Loss on sale of assets					(88,975)	(9,960)	(98,935)
Transfers					220,165	(220,165)	-
Total general revenues, loss on sale, and transfers					15,762,208	(200,673)	15,561,535
Change in net position					1,618,900	(271,541)	1,347,359
Net position - beginning, as restated					15,476,444	10,796,118	26,272,562
Net position - ending					\$ 17,095,344	10,524,577	27,619,921

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Balance Sheet
Governmental Funds
June 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,255,727	315	3,256,042
Investments	3,173,133	1,145,694	4,318,827
Receivables:			
Accounts, net of allowance	199,634	-	199,634
Taxes receivable - current year	166,220	-	166,220
Taxes receivable - prior year	3,189	-	3,189
Tax liens receivable	86,522	-	86,522
Prepays	5,070	-	5,070
Inventory	5,052	-	5,052
Interfund loans receivable	-	1,490,839	1,490,839
Total assets	\$ 6,894,547	2,636,848	9,531,395
LIABILITIES			
Accounts payable and payroll withholdings	128,761	285	129,046
Accrued wages	83,891	-	83,891
Other liabilities	57,252	-	57,252
Interfund loans payable	1,821,484	998	1,822,482
Total liabilities	2,091,388	1,283	2,092,671
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	138,686	-	138,686
Total deferred inflows of resources	138,686	-	138,686
FUND BALANCES			
Nonspendable	10,122	1,142,297	1,152,419
Restricted	-	42,534	42,534
Committed	1,439,949	951,781	2,391,730
Assigned	368,924	501,962	870,886
Unassigned	2,845,478	(3,009)	2,842,469
Total fund balances	4,664,473	2,635,565	7,300,038
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,894,547	2,636,848	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			11,494,146
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenue in the funds.			138,686
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.			(573,611)
Bonds payable			(24,698)
Capital leases			(1,070,441)
Net pension liability, including related deferred inflows and outflows of resources			(2,209)
Accrued interest			(166,567)
Accrued compensated absences			
Net position of governmental activities		\$	17,095,344

TOWN OF KENNEBUNKPORT, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 15,230,599	-	15,230,599
Intergovernmental	321,750	-	321,750
Licenses and permits	208,239	-	208,239
Charges for services	396,588	-	396,588
Investment income (loss)	34,383	(44)	34,339
Contributions	-	85,725	85,725
Other revenues	295,638	608	296,246
Total revenues	16,487,197	86,289	16,573,486
Expenditures:			
Current:			
General government	1,326,809	-	1,326,809
Public safety	2,206,727	7,488	2,214,215
Public works	1,023,042	-	1,023,042
Health and welfare	657,735	6,878	664,613
Recreation and culture	486,599	25,403	512,002
Education	7,837,533	-	7,837,533
County tax	1,124,614	-	1,124,614
Debt service	279,180	-	279,180
Capital improvements	865,972	45,356	911,328
Total expenditures	15,808,211	85,125	15,893,336
Excess of revenues over expenditures	678,986	1,164	680,150
Other financing sources (uses):			
Transfers from other funds	256,800	911,955	1,168,755
Transfers to other funds	(947,790)	(800)	(948,590)
Total other financing sources (uses)	(690,990)	911,155	220,165
Net change in fund balances	(12,004)	912,319	900,315
Fund balances, beginning of year	4,676,477	1,723,246	6,399,723
Fund balances, end of year	\$ 4,664,473	2,635,565	7,300,038

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, 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, 2015

Net change in fund balances - total governmental funds (from Statement 4)	\$ 900,315
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

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.

This is the amount by which capital outlays (\$767,707) exceeded the book value of disposed capital assets (\$88,975) and depreciation (\$444,508).

234,224

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

(9,013)

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 the governmental funds. This is the amount by which the change in accrued interest (\$1,122) and the change in the net pension liability with related deferred inflows and outflows (\$251,115) exceeded the change in accrued compensated absences (\$14,575).

237,662

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

Repayment of bonds and capital leases

255,712

Change in net position of governmental activities (see Statement 2)	\$ 1,618,900
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See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2015

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,133,857	15,133,857	15,230,599	96,742
Intergovernmental	283,276	283,276	321,750	38,474
Licenses and permits	178,660	178,660	208,239	29,579
Charges for services	330,169	330,169	396,588	66,419
Interest earned	35,000	35,000	34,383	(617)
Other revenue	242,172	242,172	295,638	53,466
Total revenues	16,203,134	16,203,134	16,487,197	284,063
Expenditures:				
Current:				
General government	1,630,791	1,630,791	1,341,726	289,065
Public safety	2,340,400	2,340,400	2,196,148	144,252
Public works	1,039,052	1,039,052	1,031,478	7,574
Health and welfare	672,796	672,796	661,460	11,336
Recreation and culture	489,340	590,323	488,199	102,124
Education	7,837,533	7,837,533	7,837,533	-
County tax	1,124,614	1,124,614	1,124,614	-
Debt service	279,180	279,180	279,180	-
Capital improvements	1,260,391	1,682,747	837,389	845,358
Total expenditures	16,674,097	17,197,436	15,797,727	1,399,709
Excess (deficiency) of revenues over (under) expenditures	(470,963)	(994,302)	689,470	1,683,772
Other financing sources (uses):				
Transfers from other funds	256,800	256,800	256,800	-
Transfers to other funds	(285,837)	(285,837)	(947,790)	(661,953)
Utilization of unassigned fund balance	500,000	500,000	-	(500,000)
Utilization of assigned fund balance	-	523,339	-	(523,339)
Total other financing sources (uses)	470,963	994,302	(690,990)	(1,685,292)
Net change in fund balance - budgetary basis	-	-	(1,520)	(1,520)
Reconciliation to GAAP basis				
Change in encumbrance balance			(10,484)	
Total reconciliation to GAAP basis			(10,484)	
Net change in fund balance - GAAP basis			(12,004)	
Fund balance, beginning of year			4,676,477	
Fund balance, end of year	\$		4,664,473	

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2015

Business-type Activities - Enterprise Funds				
	Sewer Department	Cape Porpoise Pier	Dock Square Parking Lot	Total
ASSETS				
Current assets:				
Cash	\$ 100	100	-	200
Investments	1,321,035	-	-	1,321,035
Accounts receivable, net of allowance	274,845	33,005	2,243	310,093
Sewer liens	12,677	-	-	12,677
Inventory	-	4,717	-	4,717
Interfund loans receivable	116,318	42,875	172,450	331,643
Total current assets	1,724,975	80,697	174,693	1,980,365
Noncurrent assets:				
Property, plant, and equipment	18,560,446	1,443,885	231,512	20,235,843
Less accumulated depreciation	(10,345,006)	(577,061)	(56,889)	(10,978,956)
Total noncurrent assets	8,215,440	866,824	174,623	9,256,887
Total assets	9,940,415	947,521	349,316	11,237,252
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	34,386	-	-	34,386
Total deferred outflows of resources	34,386	-	-	34,386
LIABILITIES				
Current liabilities:				
Accounts payable and payroll withholdings	17,206	7,019	1,970	26,195
Accrued wages	13,251	2,433	448	16,132
Other liabilities	2,000	2,500	-	4,500
Accrued interest	2,317	-	-	2,317
Accrued compensated absences	24,606	548	-	25,154
Noncurrent liabilities, current portion	50,603	-	-	50,603
Total current liabilities	109,983	12,500	2,418	124,901
Noncurrent liabilities, long-term portion	533,365	-	-	533,365
Total liabilities	643,348	12,500	2,418	658,266
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	88,795	-	-	88,795
Total deferred inflows of resources	88,795	-	-	88,795
NET POSITION				
Net investment in capital assets	7,729,051	866,824	174,623	8,770,498
Unrestricted	1,513,607	68,197	172,275	1,754,079
Total net position	\$ 9,242,658	935,021	346,898	10,524,577

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2015

Business-type Activities - Enterprise Funds				
	Sewer Department	Cape Porpoise Pier	Dock Square Parking Lot	Total
Operating revenues:				
Lease income	\$ -	40,000	-	40,000
Fuel sales	-	198,488	-	198,488
Dues	-	43,515	-	43,515
Fees	1,031,914	7,050	337,738	1,376,702
Other income	18,261	691	750	19,702
Total operating revenues	1,050,175	289,744	338,488	1,678,407
Operating expenses:				
Wages and benefits	583,638	72,266	27,771	683,675
Supplies	103,615	180,814	15,362	299,791
Repairs and maintenance	20,253	4,195	45	24,493
Insurance	24,431	2,671	9,627	36,729
Utilities	102,476	10,145	2,953	115,574
Contracted services	20,228	3,468	-	23,696
Equipment	52,991	327	-	53,318
Other operating expenses	1,611	3,291	-	4,902
Depreciation	453,172	19,478	4,822	477,472
Total operating expenses	1,362,415	296,655	60,580	1,719,650
Operating income (loss)	(312,240)	(6,911)	277,908	(41,243)
Nonoperating revenue (expenses):				
Interest income	9,750	-	-	9,750
Gain (loss) on disposal of capital assets	-	-	(9,960)	(9,960)
Interest expense	(9,923)	-	-	(9,923)
Total nonoperating revenue (expenses)	(173)	-	(9,960)	(10,133)
Net income (loss) before transfers	(312,413)	(6,911)	267,948	(51,376)
Transfers:				
Transfer (to) from other funds	15,835	-	(236,000)	(220,165)
Total transfers	15,835	-	(236,000)	(220,165)
Change in net position	(296,578)	(6,911)	31,948	(271,541)
Total net position, beginning of year, restated	9,539,236	941,932	314,950	10,796,118
Total net position, end of year	\$ 9,242,658	935,021	346,898	10,524,577

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2015

Business-type Activities - Enterprise Funds				
	Sewer Department	Cape Porpoise Pier	Dock Square Parking Lot	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 919,412	294,750	370,878	1,585,040
Payments to suppliers	(228,002)	(210,424)	(26,323)	(464,749)
Payments to employees	(619,584)	(72,934)	(29,468)	(721,986)
Net cash provided by operating activities	71,826	11,392	315,087	398,305
Cash flows from non-capital financing activities:				
Transfers (to) from other funds	15,835	-	(236,000)	(220,165)
Net cash provided by (used in) non-capital financing activities	15,835	-	(236,000)	(220,165)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(29,633)	(11,392)	(80,887)	(121,912)
Bond principal payments	(49,803)	-	-	(49,803)
Interest payments	(10,127)	-	-	(10,127)
Net cash provided by (used in) capital and related financing activities	(89,563)	(11,392)	(80,887)	(181,842)
Cash flows from investing activities:				
(Purchase) sale of investments	(7,848)	-	-	(7,848)
Investment income	9,750	-	-	9,750
Net cash provided by investing activities	1,902	-	-	1,902
Increase (decrease) in cash	-	-	(1,800)	(1,800)
Cash, beginning of year	100	100	1,800	2,000
Cash, end of year	\$ 100	100	-	200
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (312,240)	(6,911)	277,908	(41,243)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	453,172	19,478	4,822	477,472
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(129,569)	5,006	305	(124,258)
(Increase) decrease in sewer liens	(1,194)	-	-	(1,194)
(Increase) decrease in inventory	-	5,462	-	5,462
(Increase) decrease in interfund loans receivable	105,953	(6,925)	32,085	131,113
Increase (decrease) in accounts payable	(10,350)	(4,050)	1,664	(12,736)
Increase (decrease) in accrued wages	579	(645)	(1,697)	(1,763)
Increase (decrease) in other liabilities	2,000	-	-	2,000
Increase (decrease) in net pension liability with related deferred outflows and deferred inflows of resources	(34,926)	-	-	(34,926)
Increase (decrease) in accrued compensated absences	(1,599)	(23)	-	(1,622)
Net cash provided by operating activities	\$ 71,826	11,392	315,087	398,305

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Kennebunkport was incorporated under the laws of the State of Maine. The Town operates under the selectmen-manager form of government and provides the following services: general government services, public safety, public works, health and welfare, education and recreation.

The accounting policies of the Town of Kennebunkport, Maine 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:

The Reporting Entity

In evaluating how to define the reporting entity, for financial statement purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP which 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 upon the application of these criteria, there were no potential component units required to be included in this report.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 proprietary funds. 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 for property taxes and one year for all other revenues. 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 fund:

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 Town reports the following major proprietary funds:

Sewer Department Fund accounts for revenues earned and expenses incurred in the operation of the sewer department.

Cape Porpoise Pier Fund accounts for revenues earned and expenses incurred in the operation of the Pier.

Dock Square Parking Lot Fund accounts for revenues earned and expenses incurred in the operation of the parking lot.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the Town's sewer department fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Investments - Cash includes amounts in demand deposits and savings accounts. State 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.

Investments are reported at fair value. For the purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Short-term Interfund Receivables/Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund loans on the balance sheet.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. This amount is based on a percentage of amounts older than one year.

Inventories - Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are generally recorded as expenditures when consumed rather than when purchased. The costs of business fund-type inventories are generally recorded as assets when purchased and expensed when consumed.

Prepaid Items - Payments made to vendors for services that will benefit periods beyond June 30, 2015 are recorded as prepaid items.

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 or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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. Interest incurred during the construction phase of capital assets of business-type activities, if material to the basic financial statements, is included as part of the capitalized value of the assets constructed.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the assets' estimated useful lives as shown in following table by asset type:

<u>Useful Life</u>	<u>Asset Type</u>
3-15 years	Land improvements
30-50 years	Buildings
5-50 years	Building improvements
5-50 years	Machinery and equipment
5-10 years	Furniture and fixtures
10-40 years	Vehicles
10-50 years	Infrastructure

Compensated Absences - Under terms of personnel policies and union contracts, vacation and sick leave is granted in varying amounts according to length of service and is accrued ratably over the year. Regular part-time employees receive vacation and sick leave on a pro-rated basis. Vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for vacation only is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Governmental Fund Fund Balance - Is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be assigned for subsequent year expenditures and some non-lapsing accounts, which are carried forward to the next fiscal year upon approval of the voters.

The responsibility for committing fund balance amounts rests with the voters and likewise would be required to modify or rescind those commitments. The Town Manager has been given the authority to assign fund balance amounts at the end of the fiscal year. The Town does have a formal fund balance policy.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

When both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

It is the policy of the Town of Kennebunkport to maintain unassigned fund balance in the general fund at two months of general fund expenditures (or 16%) measured on a GAAP basis. In the event that the unassigned fund balance drops below this level, the Town will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of five (5) years or less. As of June 30, 2015, the Town was in compliance with its policy.

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

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

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.

Deferred Inflows and Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows that relate to the net pension liability, which include the Town's contributions subsequent to the measurement date, is recognized as a reduction of the net pension liability in the subsequent year. They also include differences between expected and actual experience, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources on the balance sheet relate to unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflows of resources on the statement of net position relate to the net pension liability, which include changes in proportion and differences between Town contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. For reporting under accounting principles generally accepted in the United States of America, encumbrances outstanding at year end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted for the General Fund only and are adopted using the budgetary basis of accounting, which includes encumbrances as expenditures. The level of control (level at which expenditures may not exceed budget) is the warrant article level. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be assigned for subsequent year expenditure and some non-lapsing accounts which are carried forward to the next fiscal year.

The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

B. Revised Budget

The revised budget presented for the General Fund in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Statement 6), includes various adjustments as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources (uses)</u>
2015 budget as originally adopted	\$ 16,203,134	(16,674,097)	470,963
Designated carryforward balances	-	(523,339)	523,339
Totals	\$ 16,203,134	(17,197,436)	994,302

C. Excess of Expenditures over Appropriations

The following expenditures (at the warrant article level) were over appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
Within departments:			
Highway department	\$ 725,040	775,146	(50,106)
General assistance donations	-	16,342	(16,342)

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 to it. The Town does not have a policy regarding custodial credit risk. As of June 30, 2015, the Town reported deposits of \$3,256,242 with a bank balance of \$3,429,575. Of the Town's bank balances of \$3,429,575, none was exposed to custodial credit risk because all of the bank balance 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	\$ 3,256,042
Reported in proprietary funds	200
Total deposits	\$ 3,256,242

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

At June 30, 2015, the Town had the following investments and maturities:

	<u>Fair value</u>	<u>N/A</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Cash and equivalents	\$ 119,912	119,912	-	-	-
Corporate bonds	174,447	-	174,447	-	-
Equities	851,335	851,335	-	-	-
Certificates of deposits	4,494,168	498,000	3,996,168	-	-
Total investments	\$ 5,639,862	1,469,247	4,170,615	-	-

Investments have been reported as follows:

Reported in governmental funds	\$ 4,318,827
<u>Reported in proprietary funds</u>	<u>1,321,035</u>
Total investments	\$ 5,639,862

Interest Rate Risk: It is the Town's policy that interest rate risk will be mitigated by structuring the Town's portfolio so that the securities mature to meet the Town's cash demands for ongoing operations, thereby precluding the need to sell securities on the open market prior to their maturity and by investing primarily in shorter-term securities.

Credit Risk: It is the Town's policy that credit risk will be mitigated by limiting investments to the types of securities authorized by the Town's policy, using financial institutions which have been evaluated and qualified by the Treasurer using key quantitative and qualitative factors as outlined in the Town's investment policy, and diversifying the investment portfolio.

At June 30, 2015, the Town's investment in debt securities and the corresponding credit ratings were as follows:

Corporate Bonds	\$174,447	AA
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Custodial Credit Risk-Town's Investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$4,494,168 investment in certificates of deposit, \$1,498,001 was covered by the F.D.I.C. or collateralized by underlying securities held by the related bank, which were in the Town's name, the remaining balance was uncollateralized. Prior to issuance of these financial statements, the Town obtained collateralization of the remaining investment balance by underlying securities held by the related bank, in the Town's name.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX

Property taxes for the current period were committed on July 30, 2014, on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Payment of taxes was due in equal installments on September 15, 2014 and March 10, 2015. Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after this date. Assessed values are periodically established by the Assessor's agent at 100% of assumed market value. The last revaluation was completed for the list of April 1, 2009. The 2014 assessed value of \$1,873,703,330 was 100% of the estimated market value and 102.30% of the 2015 state valuation of \$1,831,600,000.

The Town is permitted by the laws of the State of Maine to levy taxes 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 \$117,727 for the period ended June 30, 2015.

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 tax liens and associated costs remain unpaid.

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

The following summarizes the periods ended June 30, 2015 and 2014 levies:

	<u>2015</u>	<u>2014</u>
Assessed value	\$1,873,703,330	1,860,358,340
Tax rate (per \$1,000)	7.63	7.53
Commitment	14,296,357	14,008,498
Supplemental taxes assessed	-	-
	14,296,357	14,008,498
Less:		
Collections and abatements	14,130,137	13,817,018
Receivable at June 30	\$166,220	191,480
Collection rate	98.84%	98.63%

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance June 30, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 430,280	29,542	-	459,822
Land	2,715,181	-	-	2,715,181
<u>Total capital assets, not being depreciated</u>	<u>3,145,461</u>	<u>29,542</u>	<u>-</u>	<u>3,175,003</u>
Capital assets, being depreciated:				
Land improvements	239,492	-	-	239,492
Buildings	1,876,443	-	-	1,876,443
Buildings improvements	642,512	-	-	642,512
Machinery and equipment	1,645,139	10,695	-	1,655,834
Furniture and fixtures	47,258	-	-	47,258
Vehicles	3,088,471	366,889	281,232	3,174,128
Infrastructure	7,001,292	360,581	-	7,361,873
<u>Total capital assets, being depreciated</u>	<u>14,540,607</u>	<u>738,165</u>	<u>281,232</u>	<u>14,997,540</u>
Less accumulated depreciation for:				
Land improvements	133,370	7,728	-	141,098
Buildings	773,749	42,192	-	815,941
Building improvements	248,047	25,854	-	273,901
Machinery and equipment	1,014,201	70,562	-	1,084,763
Furniture and fixtures	47,128	43	-	47,171
Vehicles	1,590,104	156,185	192,257	1,554,032
Infrastructure	2,619,547	141,944	-	2,761,491
<u>Total accumulated depreciation</u>	<u>6,426,146</u>	<u>444,508</u>	<u>192,257</u>	<u>6,678,397</u>
<u>Total capital assets being depreciated, net</u>	<u>8,114,461</u>	<u>293,657</u>	<u>88,975</u>	<u>8,319,143</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 11,259,922</u>	<u>323,199</u>	<u>88,975</u>	<u>11,494,146</u>

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

	Balance June 30, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2015</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 10,025	9,189	-	19,214
Land	950,428	-	-	950,428
Total capital assets, not being depreciated	960,453	9,189	-	969,642
Capital assets, being depreciated:				
Land improvements	29,600	-	-	29,600
Buildings	4,936,200	-	-	4,936,200
Building improvements	3,234,174	-	-	3,234,174
Machinery and equipment	3,113,518	101,331	40,458	3,174,391
Infrastructure	7,798,239	11,392	-	7,809,631
Vehicles	82,205	-	-	82,205
Total capital assets, being depreciated	19,193,936	112,723	40,458	19,266,201
Less accumulated depreciation for:				
Land improvements	29,600	-	-	29,600
Buildings	2,806,732	97,849	-	2,904,581
Building improvements	922,757	93,474	-	1,016,231
Machinery and equipment	2,063,719	113,472	30,498	2,146,693
Infrastructure	4,659,857	168,588	-	4,828,445
Vehicles	49,317	4,089	-	53,406
Total accumulated depreciation	10,531,982	477,472	30,498	10,978,956
Total capital assets being depreciated, net	8,661,954	(364,749)	9,960	8,287,245
Business-type activities capital assets, net	\$ 9,622,407	(355,560)	9,960	9,256,887

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

Governmental activities:

General government	\$ 60,605
Public safety	157,206
Public works	214,171
Health and welfare	43
Recreation and culture	12,483

Total depreciation expense - governmental activities **\$ 444,508**

Business-type activities:

Sewer Department	\$ 453,172
Cape Porpoise Pier	19,478
Dock Square Parking Lot	4,822

Total depreciation expense - business-type activities **\$ 477,472**

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND LOAN BALANCES

Individual interfund loan receivable and payable balances at the year ended June 30, 2015 were as follows:

	Interfund loans <u>receivable</u>	Interfund loans <u>payable</u>
General Fund	\$ -	1,821,484
Proprietary funds:		
Sewer Department	116,318	-
Cape Porpoise Pier	42,875	-
Dock Square Parking Lot	172,450	-
Total proprietary funds	331,643	-
Nonmajor special revenue funds:		
Piers, Rivers & Harbors	311,530	-
350 th Anniversary	873	-
Revaluation	3,041	-
DEA Drug Forfeiture	106	-
Maine Drug Forfeiture	1,010	-
Dredge	184,880	-
Total nonmajor special revenue funds	501,440	-
Nonmajor capital projects funds:		
General Capital Projects	33,272	-
Port Village Fire Station	522	-
Fire Apparatus	299,046	-
Highway Vehicles	109,270	-
Garage Roof	13,263	-
S Brook Drainage	13,645	-
Communications Building	189,740	-
Town Office Building	12,007	-
Fire Equipment	31,521	-
Sidewalk	126,011	-
Road Improvement	157,278	-
Total nonmajor capital projects funds	985,575	-
Nonmajor permanent funds:		
Macomber Trust	3,824	-
Picavet Trust	-	998
Total nonmajor permanent funds	3,824	998
Total interfund loan receivables and payables	\$1,822,482	1,822,482

The purpose of interfund loans is to charge revenues and expenditures/expenses 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.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND TRANSFERS

Individual fund transfers for the year ended June 30, 2015 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 256,800	947,790
Proprietary funds:		
Sewer Department	15,835	-
Dock Square Parking Lot	-	236,000
Total proprietary funds	15,835	236,000
Nonmajor special revenue funds:		
Piers, Rivers & Harbors	50,000	-
Dredge	200,000	-
Total nonmajor special revenue funds	250,000	-
Nonmajor capital projects funds:		
Fire Apparatus	130,000	-
Highway Vehicle	105,138	-
Communications Building	100,000	-
Town Office	12,007	-
Fire Equipment	31,521	-
Sidewalks	126,011	-
Road Improvement	157,278	-
Total nonmajor capital projects funds	661,955	-
Nonmajor permanent funds:		
Macomber Trust	-	800
Total nonmajor permanent funds	-	800
Totals	\$ 1,184,590	1,184,590

Transfers are utilized to fund certain activities. Most are authorized as part of the General Fund budget process.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 823,546	-	249,935	573,611	253,611
Net pension liability	1,469,687	-	790,446	679,241	-
Capital leases	30,475	-	5,777	24,698	5,932
Compensated absences	151,992	177,363	162,788	166,567	104,937
Governmental activity long-term liabilities	\$ 2,475,700	177,363	1,208,946	1,444,117	364,480

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES, CONTINUED

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Business-type activities:					
General obligations bonds	\$ 536,192	-	49,803	486,389	50,603
Net pension liability	204,407	-	109,937	94,470	-
Compensated absences	29,885	45,781	47,403	28,263	25,154
Business-type activity long-term liabilities	\$ 770,484	45,781	207,143	609,122	75,757

LONG-TERM DEBT

Bonds payable and capital leases at June 30, 2015 are comprised of the following:

Bonds Payable

	<u>Amount issued</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
<u>Governmental activities:</u>					
Road bond	\$ 1,600,000	8/1/08	2018	4.24%	480,000
Salt/Sand Shed bond	796,000	9/28/05	2016	3.7-3.9%	93,611
Total governmental activities bonds payable					573,611
<u>Business-type activities:</u>					
Sewer expansion bonds	\$ 1,000,000	11/13/03	2024	2.25%	486,389
Total business-type activities bonds payable					486,389
Total governmental activities and business-type activities bonds payable					\$ 1,060,000

All governmental activities long-term debt service requirements are paid by the General Fund. Business-type debt service is paid by the sewer enterprise fund.

Capital Leases

The Town has entered into lease agreements for copiers. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date. Gross amounts of equipment recorded under capital leases equal \$30,475.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual debt service requirements to amortize bonds payable and capital leases are as follows:

Governmental Activities

	<u>Bonds</u>			<u>Capital Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 253,611	18,974	272,585	5,932	662	6,594
2017	160,000	10,459	170,459	6,091	503	6,594
2018	160,000	3,674	163,674	6,254	340	6,594
2019	-	-	-	6,421	173	6,594
Totals	\$ 573,611	33,107	606,718	\$ 24,698	1,678	26,376

Business-type Activities

	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 50,603	9,105	59,708
2017	51,443	8,222	59,665
2018	52,321	7,322	59,643
2019	53,240	6,219	59,459
2020	54,201	5,200	59,401
2021-2024	224,581	11,998	236,579
Totals	\$ 486,389	48,066	534,455

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2015, the Town's outstanding debt did not exceed these limits.

OPERATING LEASES

The Town leases buildings to provide facilities for the Fire Department. Total costs for the leases were \$40,645 for the year ended June 30, 2015. The future minimum lease payments for these leases are as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Goose Rocks</u> <u>Beach Fire Co</u>	<u>Atlantic Volunteer</u> <u>Engine Co</u>	<u>Total</u>
2016	\$ 22,430	18,535	40,965
Total	\$ 22,430	18,535	40,965

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

OVERLAPPING DEBT

The Town's proportionate share of debt of all local government units which provide services within the Town's boundaries, and which must be borne by properties in the Town, is summarized as follows:

<u>Units</u>	<u>Net debt outstanding June 30, 2015</u>	<u>Percentage applicable to the Town</u>	<u>Town's proportionate share of debt</u>
York County	\$6,900,000	5.3%	365,700
Regional School Unit #21	17,159,261	38.38%	6,585,229

The Town's proportionate share of the County and RSU #21 debt is paid through annual assessments by the respective units.

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in public entity risk pools, or is effectively self-insured. Currently, the Town participates in several public entity and self insured risk pools sponsored by the Maine Municipal Association (MMA).

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2015. There have been no significant reductions in commercial insurance coverage from the prior year and no settlements have exceeded commercial insurance coverage in any of the past three years.

NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's net investment in capital assets was calculated as follows at June 30, 2015:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 18,172,543	20,235,843
Accumulated depreciation	(6,678,397)	(10,978,956)
Bonds payable	(573,611)	(486,389)
Capital leases	(24,698)	-
<u>Total net investment in capital assets</u>	<u>\$ 10,895,837</u>	<u>8,770,498</u>

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCE

The General Fund unassigned fund balance total of \$2,845,478 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

As of June 30, 2015, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Reserved for inventory	\$ 5,052	-	-	-
Prepaid expenditures	5,070	-	-	-
Carryforward balances	-	-	1,439,949	-
Subsequent year's expenditures	-	-	-	300,000
Encumbrances	-	-	-	68,924
Total general fund	10,122	-	1,439,949	368,924
Other Governmental Funds:				
Special Revenue Funds:				
Piers, Rivers & Harbors	-	-	-	311,530
350 th Anniversary	-	-	-	873
Revaluation	-	-	-	3,041
DEA Drug Forfeiture	-	-	-	106
Maine DEA Drug Forfeiture	-	-	-	1,010
Dredge	-	-	-	184,880
Capital Projects Funds:				
General Capital Projects	-	33,033	-	-
Port Village Fire	-	-	-	522
Fire Apparatus	-	-	299,046	-
Highway Vehicles	-	-	109,270	-
Garage Roof	-	-	13,263	-
S-Brook Drainage	-	-	13,645	-
Communications Building	-	-	189,740	-
Town Office Building	-	-	12,007	-
Fire Equipment	-	-	31,521	-
Sidewalks	-	-	126,011	-
Road Improvement	-	-	157,278	-
Permanent Funds:				
Principal	1,142,297	-	-	-
Unexpended income:				
Picavet Trust	-	-	-	-
Macomber Trust	-	9,501	-	-
Total other governmental funds	1,142,297	42,534	951,781	501,962
Grand totals	\$ 1,152,419	42,534	2,391,730	870,886

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCE, CONTINUED

At June 30, 2015 and 2014, fund balances were committed to future periods as follows:

	<u>2015</u>	<u>2014</u>
General Fund:		
Capital reserve account	\$ 686,893	-
Bridge repairs	49,542	49,542
Street lights	5,000	5,000
Silas Perkins Park	-	364
Salt shed	19,626	21,899
Pier Road	-	1,518
General Assistance donations	55,510	23,556
Employee separation	46,006	26,006
Downtown projects	173	173
Cemetery	300	300
Voting equipment	7,332	8,666
Local Circuit Breaker Program	26,368	28,861
Recreation - capital	15,820	43,195
Parsons Way bench	4,875	2,622
Police donations	1,250	200
General Assistance – heating account	-	6,432
Legal	212,589	132,621
Goose Rocks Beach Advisory Committee	100,087	-
Police	5,000	-
Administration	35,152	25,000
Fire building maintenance	20,000	20,000
School Street land	136,633	266,633
Land acquisition	11,793	11,793
Total General Fund committed fund balance	\$ 1,439,949	674,381

Encumbrances at year end were \$68,924 for the General Fund, and \$1,990 for the Enterprise Fund – Sewer.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.mainebers.org.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Benefits Provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Employees are required to contribute 7.0% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2015, was 7.8% for the AC plan and 13.4% for the 1C plan of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$183,268 for governmental activities and \$25,489 for business type activities - sewer for the year ended June 30, 2015.

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

At June 30, 2015, the Town reported a liability of \$679,241 for governmental activities and \$94,470 for business type activities - sewer for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2014, the Town's proportion of the plan's net pension liability was 0.5028%.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

For the year ended June 30, 2015, the Town recognized a pension expense (gain) of (\$67,847) for governmental activities and (\$9,436) for business type activities - sewer. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 63,969	-	8,897	-
Net difference between projected and actual earnings on pension plan investments	-	577,118	-	80,267
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	61,319	-	8,528
Town contributions subsequent to the measurement date	183,268	-	25,489	-
Total	\$ 247,237	638,437	34,386	88,795

An amount of \$183,268 is reported as deferred outflows of resources in the governmental activities and \$25,489 is reported as deferred outflows of resources in the business type activities – sewer related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2016	\$ (143,396)	(19,944)
2017	(143,396)	(19,944)
2018	(143,396)	(19,944)
2019	(144,280)	(20,066)

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary Increases	3.5% to 9.5% per year
Investment return	7.25% per annum, compounded annually
Cost of living benefit increases	3.12% per annum

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Town's proportionate share of the net pension liability	\$ 2,413,752	\$ 773,711	\$ (597,158)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2015.

457 RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, through the International City Management Association (ICMA). The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Assets of the plan are automatically placed in trust for the exclusive benefit of participants and their beneficiaries by ICMA. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements.

NEW PRONOUNCEMENTS AND RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2015, the Town has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the Town has restated beginning net position for the government activities and business-type activities to account for the addition of the Town's proportionate share of the net pension liability of \$1,469,687 for government activities and \$204,407 for business-type activities, and deferred outflows for the Town's contributions subsequent to the measurement date of \$148,131 for government activities and \$20,602 for business-type activities, which effectively decreased the Town's net position as of July 1, 2014 by \$1,321,556 for government activities and \$183,805 for business-type activities.

TOWN OF KENNEBUNKPORT, MAINE
Required Supplementary Information

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years**

2015*

Town's proportion of the net pension liability	0.5028%
Town's proportionate share of the net pension liability	\$ 773,711
Town's covered-employee payroll	\$ 2,349,396
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	32.93%
Plan fiduciary net position as a percentage of of the total pension liability	94.10%

** The amounts presented for each fiscal year were determined as of the prior fiscal year.*

*** Only one year of information available.*

TOWN OF KENNEBUNKPORT, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 208,757	168,733
Contributions in relation to the contractually required contribution	(208,757)	(168,733)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>-</u>
Town's covered-employee payroll	\$ 2,349,396	2,234,398
Contributions as a percentage of covered- Employee payroll	8.89%	7.55%

* Only two years of information available.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Required Supplementary Information

Changes of Benefit Terms - None

Changes of Assumptions - None

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. The fund pays general operating expenditures, fixed charges, and capital improvement costs which are not paid through other funds.

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Comparative Balance Sheets
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 3,255,727	2,447,408
Investments	3,173,133	3,658,765
Receivables:		
Accounts, net of allowance	199,634	42,745
Due from other governments	-	37,667
Taxes receivable - current year	166,220	191,480
Taxes receivable - prior year	3,189	2,833
Tax liens receivable	86,522	49,534
Prepays	5,070	5,070
Inventory	5,052	10,139
Total assets	\$ 6,894,547	6,445,641
LIABILITIES		
Accounts payable and payroll withholdings	128,761	129,505
Accrued wages	83,891	71,219
Other liabilities	57,252	51,639
Interfund loans payable	1,821,484	1,369,102
Total liabilities	2,091,388	1,621,465
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	138,686	147,699
Total deferred inflows of resources	138,686	147,699
FUND BALANCES		
Nonspendable	10,122	15,209
Committed	1,439,949	674,381
Assigned	368,924	579,408
Unassigned	2,845,478	3,407,479
Total fund balances	4,664,473	4,676,477
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,894,547	6,445,641

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2015

		2014	2015		Variance positive (negative)
			Original budget	Total available	
		Carryforward balance		Actual	
Revenues:					
Taxes:					
Property taxes	\$	-	14,296,357	14,296,357	-
Change in unavailable revenue		-	-	9,013	9,013
Excise taxes		-	813,500	895,501	82,001
Interest and costs on taxes		-	24,000	29,728	5,728
Total taxes		-	15,133,857	15,230,599	96,742
Intergovernmental:					
State Revenue Sharing		-	52,366	56,615	4,249
Homestead reimbursement		-	30,406	30,406	-
State road assistance		-	41,000	41,960	960
Tree growth		-	5,000	6,189	1,189
Snowmobile reimbursement		-	-	391	391
Veterans reimbursement		-	2,000	2,250	250
General assistance		-	2,000	1,344	(656)
BETE reimbursement		-	114	125	11
FEMA grants		-	-	16,529	16,529
Rachel Carson		-	4,000	3,736	(264)
RSU COPS share		-	53,340	59,332	5,992
Miscellaneous		-	93,050	102,873	9,823
Total intergovernmental		-	283,276	321,750	38,474
Licenses and permits:					
Town clerk fees		-	9,850	9,034	(816)
Plumbing fees		-	11,000	18,220	7,220
Building permits		-	149,060	172,520	23,460
Liquor license		-	3,975	4,075	100
Victualers license		-	3,050	3,250	200
Shellfish license		-	1,725	1,140	(585)
Total licenses and permits		-	178,660	208,239	29,579

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual, Continued

		2015				
		2014	Original	Total	Variance	
		Carryforward	Budget	available	positive	
		balance		Actual	(negative)	
Revenues, continued:						
Charges for services:						
Dogs fees	\$	-	4,769	4,769	4,695	(74)
Agent fees		-	11,500	11,500	11,256	(244)
Land use ordinance		-	100	100	-	(100)
Planning board/appeals board		-	10,300	10,300	23,400	13,100
Parking tickets		-	30,000	30,000	44,429	14,429
Police other		-	11,000	11,000	12,672	1,672
Goose Rocks		-	90,000	90,000	108,282	18,282
Nurses fees		-	2,500	2,500	1,241	(1,259)
Parks and recreation revenue		-	170,000	170,000	190,095	20,095
Miscellaneous		-	-	-	518	518
Total charges for services		-	330,169	330,169	396,588	66,419
Interest earned		-	35,000	35,000	34,383	(617)
Other revenues:						
Donations		-	-	-	49,754	49,754
Maine PERS credit		-	212,672	212,672	208,785	(3,887)
Recreation		-	2,000	2,000	940	(1,060)
Conservation		-	10,000	10,000	10,000	-
Miscellaneous		-	17,500	17,500	26,159	8,659
Total other revenues		-	242,172	242,172	295,638	53,466
Total revenues		-	16,203,134	16,203,134	16,487,197	284,063

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual, Continued

		2015				
		2014				Variance
		Carryforward	Original	Total	Actual	positive
		balance	budget	available		(negative)
<hr/>						
Expenditures:						
Current:						
General government:						
Administration	\$	-	781,804	781,804	760,111	21,693
Planning and development		-	350,811	350,811	318,560	32,251
Boards and committees		-	1,750	1,750	1,487	263
Growth planning		-	3,450	3,450	2,500	950
Legal fees		-	160,000	160,000	80,033	79,967
Insurance		-	130,707	130,707	122,612	8,095
Contingency		-	60,000	60,000	28,270	31,730
Overlay/abatements		-	117,727	117,727	7,827	109,900
Community development		-	24,542	24,542	20,326	4,216
Total general government		-	1,630,791	1,630,791	1,341,726	289,065
<hr/>						
Public safety:						
Police department		-	1,387,357	1,387,357	1,311,707	75,650
Communications		-	417,105	417,105	392,190	24,915
Fire department		-	385,687	385,687	342,988	42,699
KEMS		-	116,500	116,500	116,500	-
EMA		-	750	750	25	725
Special enforcement		-	33,001	33,001	32,738	263
Total public safety		-	2,340,400	2,340,400	2,196,148	144,252
<hr/>						
Public works:						
Highway department		-	725,040	725,040	775,146	(50,106)
Mechanic		-	103,889	103,889	51,311	52,578
Utilities		-	163,445	163,445	162,611	834
Shade tree		-	32,538	32,538	30,151	2,387
Cemetery		-	14,140	14,140	12,259	1,881
Total public works		-	1,039,052	1,039,052	1,031,478	7,574

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual, Continued

		2014 Carryforward balance	2015			Variance positive (negative)
			Original budget	Total available	Actual	
Expenditures, continued						
Current, continued:						
Health and welfare:						
Solid waste	\$	-	444,037	444,037	423,750	20,287
Health and welfare		-	160,479	160,479	160,479	-
Welfare		-	4,275	4,275	2,949	1,326
Social services		-	26,200	26,200	26,200	-
Other services		-	37,805	37,805	31,740	6,065
General assistance donations		-	-	-	16,342	(16,342)
Total health and welfare		-	672,796	672,796	661,460	11,336
Recreation and culture:						
Recreation		-	322,687	322,687	322,245	442
Graves library		-	115,000	115,000	115,000	-
Cape Porpoise		-	11,175	11,175	11,175	-
Parsons Way		-	3,200	3,200	1,780	1,420
Miscellaneous agencies		-	7,278	7,278	7,103	175
Goose Rocks Beach Committee		100,983	30,000	130,983	30,896	100,087
Total recreation and culture		100,983	489,340	590,323	488,199	102,124
Education		-	7,837,533	7,837,533	7,837,533	-
County tax		-	1,124,614	1,124,614	1,124,614	-
Debt service:						
Principal		-	249,935	249,935	249,935	-
Interest		-	29,245	29,245	29,245	-
Total debt service		-	279,180	279,180	279,180	-

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual, Continued

	2014 Carryforward balance	2015			Variance positive (negative)
		Original budget	Total available	Actual	
Expenditures, continued:					
Capital improvements and reserves:					
Capital outlay:					
Administration	\$ -	25,000	25,000	12,993	12,007
Police	-	39,500	39,500	39,500	-
Communications	-	100,000	100,000	-	100,000
Fire	-	233,700	233,700	72,179	161,521
Road improvement	-	524,850	524,850	367,572	157,278
Highway	-	174,141	174,141	129,003	45,138
Sidewalk construction	-	138,200	138,200	12,189	126,011
Recreation	-	25,000	25,000	25,000	-
Committed:					
Downtown projects	173	-	173	-	173
School Street Land	266,633	-	266,633	130,000	136,633
Land acquisition	11,793	-	11,793	-	11,793
Local Circuit Breaker	28,861	-	28,861	2,493	26,368
Heating Account	6,432	-	6,432	2,256	4,176
Pier Road	1,518	-	1,518	1,518	-
Parsons Way Bench	2,622	-	2,622	1,491	1,131
Salt shed	21,899	-	21,899	2,273	19,626
Police	5,200	-	5,200	-	5,200
Recreation capital	43,195	-	43,195	27,376	15,819
Administration	25,000	-	25,000	9,848	15,152
Silas Perkins	364	-	364	364	-
Voting equipment	8,666	-	8,666	1,334	7,332
Total capital improvements and reserves	422,356	1,260,391	1,682,747	837,389	845,358
Total expenditures	523,339	16,674,097	17,197,436	15,797,727	1,399,709
Excess (deficiency) of revenues over (under) expenditures	(523,339)	(470,963)	(994,302)	689,470	1,683,772

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual, Continued

	2014 Carryforward balance	2015			Variance positive (negative)
		Original budget	Total available	Actual	
Other financing sources (uses):					
Transfers to other funds:					
Fire apparatus	\$ -	-	-	(130,000)	(130,000)
Town office building	-	-	-	(12,007)	(12,007)
Communications building	-	-	-	(100,000)	(100,000)
Road improvement	-	-	-	(157,278)	(157,278)
Fire equipment	-	-	-	(31,521)	(31,521)
Sidewalk	-	-	-	(126,011)	(126,011)
Highway vehicle	-	-	-	(105,138)	(105,138)
Piers	-	(50,000)	(50,000)	(50,000)	-
Dredge	-	(200,000)	(200,000)	(200,000)	-
Sewer debt (principal & interest)	-	(35,837)	(35,837)	(35,835)	2
Transfers from other funds:					
Dock Square parking lot	-	210,000	210,000	210,000	-
Dock Square restrooms	-	26,000	26,000	26,000	-
Sewer	-	20,000	20,000	20,000	-
Macomber	-	800	800	800	-
Utilization of unassigned fund balance	-	500,000	500,000	-	(500,000)
Utilization of committed fund balance	523,339	-	523,339	-	(523,339)
Total other financing sources (uses)	523,339	470,963	994,302	(690,990)	(1,685,292)
Net change in fund balance - budgetary basis	-	-	-	(1,520)	(1,520)
Reconciliation to GAAP basis:					
Change in encumbrance balance				(10,484)	
Net change in fund balance - GAAP basis				(12,004)	
Fund balance, beginning of year				4,676,477	
Fund balance, end of year	\$			4,664,473	

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF KENNEBUNKPORT, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	-	315	315
Investments	-	-	1,145,694	1,145,694
Interfund loans receivable	501,440	985,575	3,824	1,490,839
Total assets	\$ 501,440	985,575	1,149,833	2,636,848
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	239	46	285
Interfund loans payable	-	-	998	998
Total liabilities	-	239	1,044	1,283
Fund balances:				
Nonspendable	-	-	1,142,297	1,142,297
Restricted	-	33,033	9,501	42,534
Committed	-	951,781	-	951,781
Assigned	501,440	522	-	501,962
Unassigned	-	-	(3,009)	(3,009)
Total fund balances	501,440	985,336	1,148,789	2,635,565
Total liabilities and fund balances	\$ 501,440	985,575	1,149,833	2,636,848

TOWN OF KENNEBUNKPORT, MAINE
All Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Contributions	\$ -	-	85,725	85,725
Other revenues	18	590	-	608
Investment income (loss)	-	-	(44)	(44)
Total revenues	18	590	85,681	86,289
Expenditures:				
Current:				
Public safety	-	-	7,488	7,488
Health and welfare	-	-	6,878	6,878
Recreation and culture	18,491	-	6,912	25,403
Capital improvements	-	45,356	-	45,356
Total expenditures	18,491	45,356	21,278	85,125
Excess (deficiency) of revenues over (under) expenditures	(18,473)	(44,766)	64,403	1,164
Other financing sources (uses):				
Transfer from other funds	250,000	661,955	-	911,955
Transfer to other funds	-	-	(800)	(800)
Total other financing sources (uses)	250,000	661,955	(800)	911,155
Net change in fund balances	231,527	617,189	63,603	912,319
Fund balances, beginning of year	269,913	368,147	1,085,186	1,723,246
Fund balances, end of year	\$ 501,440	985,336	1,148,789	2,635,565

NONMAJOR SPECIAL REVENUE FUNDS

TOWN OF KENNEBUNKPORT, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2015

		Piers, Rivers & Harbors	350th Anniversary	Revaluation	DEA Drug Forfeiture	Maine Drug Forfeiture	Dredge	Totals
ASSETS								
Interfund loans receivable	\$	311,530	873	3,041	106	1,010	184,880	501,440
Total assets	\$	311,530	873	3,041	106	1,010	184,880	501,440
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		-	-	-	-	-	-	-
Total liabilities		-	-	-	-	-	-	-
Fund balances:								
Assigned		311,530	873	3,041	106	1,010	184,880	501,440
Total fund balances		311,530	873	3,041	106	1,010	184,880	501,440
Total liabilities and fund balances	\$	311,530	873	3,041	106	1,010	184,880	501,440

TOWN OF KENNEBUNKPORT, MAINE
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2015

	Piers, Rivers & Harbors	350th Anniversary	Revaluation	DEA Drug Forfeiture	Maine Drug Forfeiture	Dredge	Totals
Revenues:							
Other revenues	\$ -	18	-	-	-	-	18
Total revenues	-	18	-	-	-	-	18
Expenditures:							
Current:							
Recreation and culture	307	1	3,063	-	-	15,120	18,491
Total expenditures	307	1	3,063	-	-	15,120	18,491
Excess (deficiency) of revenues over (under) expenditures	(307)	17	(3,063)	-	-	(15,120)	(18,473)
Other financing sources:							
Transfer from other funds	50,000	-	-	-	-	200,000	250,000
Total other financing sources	50,000	-	-	-	-	200,000	250,000
Net change in fund balances	49,693	17	(3,063)	-	-	184,880	231,527
Fund balances, beginning of year	261,837	856	6,104	106	1,010	-	269,913
Fund balances, end of year	\$ 311,530	873	3,041	106	1,010	184,880	501,440

NONMAJOR CAPITAL PROJECTS FUNDS

TOWN OF KENNEBUNKPORT, MAINE
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2015

	General Capital Projects	Port Village Fire Station	Fire Apparatus	Highway Vehicles	Garage Roof	S Brook Drainage	Communications Building	Town Office Building	Fire Equipment	Sidewalks	Road Improvement	Totals
ASSETS												
Interfund loans receivable	33,272	522	299,046	109,270	13,263	13,645	189,740	12,007	31,521	126,011	157,278	985,575
Total assets	\$ 33,272	522	299,046	109,270	13,263	13,645	189,740	12,007	31,521	126,011	157,278	985,575
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	239	-	-	-	-	-	-	-	-	-	-	239
Total liabilities	239	-	-	-	-	-	-	-	-	-	-	239
Fund balances:												
Restricted	33,033	-	-	-	-	-	-	-	-	-	-	33,033
Committed	-	-	299,046	109,270	13,263	13,645	189,740	12,007	31,521	126,011	157,278	951,781
Assigned	-	522	-	-	-	-	-	-	-	-	-	522
Total fund balances	33,033	522	299,046	109,270	13,263	13,645	189,740	12,007	31,521	126,011	157,278	985,336
Total liabilities and fund balances	\$ 33,272	522	299,046	109,270	13,263	13,645	189,740	12,007	31,521	126,011	157,278	985,575

TOWN OF KENNEBUNKPORT, MAINE
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2015

	General Capital Projects	Port Village Fire Station	Fire Apparatus	Highway Vehicle	Garage Roof	S Brook Drainage	Communications Building	Town Office Building	Fire Equipment	Sidewalks	Road Improvement	Totals
Revenues:												
Other revenues	\$ 590	-	-	-	-	-	-	-	-	-	-	590
Total revenues	590	-	-	-	-	-	-	-	-	-	-	590
Expenditures:												
Capital outlay	4,229	-	-	-	1,612	39,515	-	-	-	-	-	45,356
Total expenditures	4,229	-	-	-	1,612	39,515	-	-	-	-	-	45,356
Deficiency of revenues under expenditures	(3,639)	-	-	-	(1,612)	(39,515)	-	-	-	-	-	(44,766)
Other financing sources:												
Transfer from other funds	-	-	130,000	105,138	-	-	100,000	12,007	31,521	126,011	157,278	661,955
Total other financing sources	-	-	130,000	105,138	-	-	100,000	12,007	31,521	126,011	157,278	661,955
Net change in fund balances	(3,639)	-	130,000	105,138	(1,612)	(39,515)	100,000	12,007	31,521	126,011	157,278	617,189
Fund balances, beginning of year	36,672	522	169,046	4,132	14,875	53,160	89,740	-	-	-	-	368,147
Fund balances, end of year	\$ 33,033	522	299,046	109,270	13,263	13,645	189,740	12,007	31,521	126,011	157,278	985,336

NONMAJOR PERMANENT FUNDS

TOWN OF KENNEBUNKPORT, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2015

	Kittredge Family Fire Equip. Fund	Macomber Trust	Picavet Trust	Totals
ASSETS				
Cash and cash equivalents	\$ 315	-	-	315
Investments	686,818	5,723	453,153	1,145,694
Interfund loans receivable	-	3,824	-	3,824
Total assets	\$ 687,133	9,547	453,153	1,149,833
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	46	-	46
Interfund loans payable	-	-	998	998
Total liabilities	-	46	998	1,044
Fund balances:				
Nonspendable	688,206	-	454,091	1,142,297
Restricted	-	9,501	-	9,501
Unassigned	(1,073)	-	(1,936)	(3,009)
Total fund balances	687,133	9,501	452,155	1,148,789
Total liabilities and fund balances	\$ 687,133	9,547	453,153	1,149,833

TOWN OF KENNEBUNKPORT, MAINE
Nonmajor Permanent Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2015

	Kittredge Family Fire Equip. Fund	Macomber Trust	Picavet Trust	Totals
Revenues:				
Contributions	\$ -	6,634	79,091	85,725
Investment income (loss)	1,964	(72)	(1,936)	(44)
Total revenues	1,964	6,562	77,155	85,681
Expenditures:				
Public safety	7,488	-	-	7,488
Health and welfare	-	6,878	-	6,878
Recreation and culture	6,912	-	-	6,912
Total expenditures	14,400	6,878	-	21,278
Excess (deficiency) of revenues over (under) expenditures	(12,436)	(316)	77,155	64,403
Other financing uses:				
Transfer to other funds	-	(800)	-	(800)
Total other financing uses	-	(800)	-	(800)
Net change in fund balances	(12,436)	(1,116)	77,155	63,603
Fund balances, beginning of year	699,569	10,617	375,000	1,085,186
Fund balances, end of year	\$ 687,133	9,501	452,155	1,148,789

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	85-90
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	91-94
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.	95-98
Demographic and Economic Information These schedule contain information to help the reader understand the environment within which the government's financial activities take place.	99-100
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities its performs.	101-103

Table 1

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	\$ 10,895,837	\$ 10,406,901	\$ 8,525,583	\$ 7,635,751	\$ 7,201,659	\$ 7,050,126	\$ 7,054,872	\$ 7,222,584	\$ 8,637,838	\$ 8,414,196
Restricted	1,184,831	1,121,858	63,271	-	-	-	1,862,131	2,366,569	1,983,872	2,025,510
Unrestricted	5,014,676	5,269,241	6,033,674	5,820,492	5,950,155	5,857,101	4,003,339	3,511,995	3,830,108	3,660,968
Total governmental activities net position	<u>\$ 17,095,344</u>	<u>\$ 16,798,000</u>	<u>\$ 14,622,528</u>	<u>\$ 13,456,243</u>	<u>\$ 13,151,814</u>	<u>\$ 12,907,227</u>	<u>\$ 12,920,342</u>	<u>\$ 13,101,148</u>	<u>\$ 14,451,818</u>	<u>\$ 14,100,674</u>
Business-type activities										
Net investment in capital assets	\$ 8,770,498	\$ 9,086,215	\$ 9,479,328	\$ 9,735,337	\$ 9,739,191	\$ 8,089,806	\$ 8,303,078	\$ 8,336,157	\$ 8,232,673	\$ 8,428,634
Restricted	-	-	-	-	-	-	-	-	15,000	-
Unrestricted	1,754,079	1,893,708	1,814,493	1,724,121	1,858,758	3,555,581	3,369,535	3,389,399	3,301,650	3,126,443
Total business-type activities net position	<u>\$ 10,524,577</u>	<u>\$ 10,979,923</u>	<u>\$ 11,293,821</u>	<u>\$ 11,459,458</u>	<u>\$ 11,597,949</u>	<u>\$ 11,645,387</u>	<u>\$ 11,672,613</u>	<u>\$ 11,725,556</u>	<u>\$ 11,549,323</u>	<u>\$ 11,555,077</u>
Primary Government										
Net investment in capital assets	\$ 19,666,335	\$ 19,493,116	\$ 18,004,911	\$ 17,371,088	\$ 16,940,850	\$ 15,139,932	\$ 15,357,950	\$ 15,558,741	\$ 16,870,511	\$ 16,842,830
Restricted	1,184,831	1,121,858	63,271	-	-	-	1,862,131	2,366,569	1,998,872	2,025,510
Unrestricted	6,768,755	7,162,949	7,848,167	7,544,613	7,808,913	9,412,682	7,372,874	6,901,394	7,131,758	6,787,411
Total primary government net position	<u>\$ 27,619,921</u>	<u>\$ 27,777,923</u>	<u>\$ 25,916,349</u>	<u>\$ 24,915,701</u>	<u>\$ 24,749,763</u>	<u>\$ 24,552,614</u>	<u>\$ 24,592,955</u>	<u>\$ 24,826,704</u>	<u>\$ 26,001,141</u>	<u>\$ 25,655,751</u>

Table 2

TOWN OF KENNEBUNKPORT, MAINE											
Changes in Net Position											
Last Ten Fiscal Years											
(accrual basis of accounting)											
	Fiscal Year										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
Expenses											
Governmental Activities:											
General government	\$ 1,325,180	\$ 978,110	\$ 1,519,159	\$ 1,472,065	\$ 1,444,313	\$ 1,206,052	\$ 1,110,339	\$ 1,169,086	\$ 859,138	\$ 1,063,712	
Public safety	2,254,694	2,426,584	2,033,767	2,197,301	2,164,400	2,026,344	1,989,426	1,812,920	1,670,564	1,615,419	
Public works	1,203,491	1,139,185	234,112	451,582	1,038,587	1,027,429	1,144,346	357,981	858,086	(206,146)	
Health and welfare	651,857	666,919	664,135	663,494	625,338	644,745	601,034	574,822	574,896	519,187	
Recreation and culture	513,427	492,139	417,031	433,953	442,834	397,389	370,438	372,782	332,066	311,713	
Grants (a)	-	-	2,000	1,300	41,464	-	-	-	-	-	
Education	7,837,533	7,521,509	6,677,507	6,107,804	6,260,773	6,618,663	6,766,103	6,944,899	7,225,123	7,593,771	
County tax	1,124,614	1,098,632	975,744	1,015,041	975,559	853,785	860,180	808,784	749,856	759,218	
Outside agencies (b)	-	-	-	-	-	-	14,845	14,806	5,970	5,850	
Unclassified	-	174,881	435,612	447,213	90,131	152,085	40,426	22,754	35,847	31,703	
Unallocated depreciation (c)	-	-	-	-	-	-	38,044	35,115	29,925	29,099	
Loss on disposal of assets	-	-	9,261	108,006	10,661	470,770	-	-	-	-	
Interest on debt service	22,346	32,594	42,842	53,092	6,134	81,091	81,716	26,648	30,910	18,094	
Capital maintenance expenses	143,621	-	675,434	367,945	44,853	(70,408)	699,958	746,622	411,228	96,455	
Special projects	-	-	-	-	-	-	265,351	99,160	312,247	76,126	
Total Governmental Activities	15,076,763	14,530,553	13,686,604	13,318,796	13,145,047	13,407,945	13,982,206	12,986,379	13,095,856	11,914,201	
Business-type Activities:											
Sewer	1,372,338	1,350,407	1,308,439	1,241,477	1,201,108	1,234,580	1,237,022	1,173,956	1,173,234	1,025,906	
Cape Porpoise Pier	296,655	336,978	363,784	395,556	324,965	277,219	240,403	327,405	263,973	262,116	
Dock Square Parking Lot	60,580	77,341	61,426	74,254	61,348	49,887	49,767	52,835	45,054	44,710	
Total Business-type Activities	1,729,573	1,764,726	1,733,649	1,711,287	1,587,421	1,561,686	1,527,192	1,554,196	1,482,261	1,332,732	
Total Expenses	\$ 16,806,336	\$ 16,295,279	\$ 15,420,253	\$ 15,030,083	\$ 14,732,468	\$ 14,969,631	\$ 15,509,398	\$ 14,540,575	\$ 14,578,117	\$ 13,246,933	
Program Revenues											
Governmental Activities:											
Charges for services:											
General government	\$ 365,872	\$ 33,841	\$ 182,336	\$ 197,129	\$ 168,138	\$ 146,981	\$ 147,265	\$ 164,883	\$ 276,306	\$ 186,293	
Public safety	57,101	56,941	54,812	32,412	43,063	39,979	28,925	28,692	37,659	99,802	
Public works	-	-	-	-	-	-	-	-	100	-	
Health and welfare	1,759	3,984	3,466	1,663	7,224	10,428	5,945	8,751	7,595	-	
Recreation and culture	191,035	178,322	171,270	163,595	163,854	162,942	160,092	159,596	134,567	123,613	
Solid Waste	-	-	56	22	6	-	-	-	-	-	
Unclassified	-	124,210	279,491	242,612	199,355	168,350	9,247	10,500	59,194	-	
Operating grants and contributions	301,159	133,314	140,758	143,663	138,557	112,671	52,356	52,356	52,356	60,283	
Capital grants and contributions	16,529	-	21,098	14,421	15,745	34,027	-	-	-	-	
Total Governmental Activities	933,455	530,612	853,287	795,517	735,942	675,378	403,830	424,778	567,777	469,991	
Business-type Activities:											
Charges for services:											
Sewer	1,031,914	1,035,261	1,025,064	1,010,152	958,187	1,029,649	952,409	959,204	1,045,943	1,578,555	
Cape Porpoise Pier	289,053	314,235	329,444	364,236	306,390	259,889	301,274	282,311	235,926	247,164	
Dock Square Parking Lot	337,738	347,888	342,873	326,100	320,297	312,230	302,620	291,981	277,382	281,009	
Total Business-type Activities	1,658,705	1,697,384	1,697,381	1,700,488	1,584,874	1,601,768	1,556,303	1,533,496	1,559,251	2,106,728	
Total Program Revenues	\$ 2,592,160	\$ 2,227,996	\$ 2,550,668	\$ 2,496,005	\$ 2,320,816	\$ 2,277,146	\$ 1,960,133	\$ 1,958,274	\$ 2,127,028	\$ 2,576,719	

(a) Prior to 2011, grants were classified within the corresponding function

(b) In 2010 and beyond the Outside Agencies are combined with Unclassified

(c) In 2010 and beyond, Unallocated depreciation is allocated by function

Table 2, Continued

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue:										
Governmental Activities	\$ (14,143,308)	\$ (13,999,941)	\$ (12,833,317)	\$ (12,523,279)	\$ (12,409,105)	\$ (12,732,567)	\$ (13,578,376)	\$ (12,561,601)	\$ (12,528,079)	\$ (11,444,209)
Business-type Activities	(70,868)	(67,342)	(36,268)	(10,799)	(2,547)	40,082	29,111	(20,700)	76,990	773,996
Total Net Expense	\$ (14,214,176)	\$ (14,067,283)	\$ (12,869,585)	\$ (12,534,078)	\$ (12,411,652)	\$ (12,692,485)	\$ (13,549,265)	\$ (12,582,301)	\$ (12,451,089)	\$ (10,670,213)
General Revenues										
Governmental activities:										
Property taxes, general purposes	\$ 14,296,357	\$ 14,008,501	\$ 12,722,329	\$ 11,584,210	\$ 11,516,613	\$ 11,447,762	\$ 11,592,045	\$ 11,357,674	\$ 11,174,635	\$ 11,281,162
Interest and costs on taxes (d)	29,728	26,398	25,491	28,572	34,827	30,014	-	-	-	-
Motor vehicle excise tax	895,501	846,486	803,924	804,186	779,097	811,325	838,937	846,462	901,323	875,074
Licenses and permits	-	226,870	-	-	-	-	-	-	-	-
Grants and contr. not restricted (b)							355,120	233,085	223,791	268,112
Homestead exemption	30,531	32,869	31,109	29,282	30,285	39,273	-	-	-	-
State Revenue Sharing	56,615	58,061	92,272	104,511	107,786	124,884	-	-	-	-
Maine PERS	208,785	168,732	-	-	-	-	-	-	-	-
Veterans reimbursement	2,250	2,269	2,167	2,300	2,082	2,447	-	-	-	-
Snowmobile reimbursement	391	410	298	549	536	576	-	-	-	-
Unrestricted investment earnings	34,339	30,426	46,214	60,800	80,260	113,493	167,926	233,373	273,078	190,722
Contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous (e)	76,521	557,691	132,701	53,763	34,743	25,287	263,557	395,803	229,510	190,461
Gain/Loss on sale of assets	(88,975)	(41,256)	-	-	-	-	-	-	-	-
Special Item (a)	-	-	-	-	-	50,210	-	-	-	796,000
Transfers in/out	220,165	257,956	143,097	159,535	124,462	124,391	163,701	28,648	76,886	83,409
Total general revenues, transfers and special items	15,762,208	16,175,413	13,999,602	12,827,708	12,710,691	12,769,662	13,381,286	13,095,045	12,879,223	13,684,940
Business-type Activities:										
Unrestricted investment earnings	9,750	2,778	7,228	12,419	37,152	54,123	94,068	150,256	165,068	130,872
Miscellaneous	19,702	8,622	6,500	19,425	11,043	2,960	18,266	8,916	44,280	24,329
Special Item	-	-	-	-	-	(50,210)	-	54,249	15,736	23,653
Gain/Loss on sale of assets	(9,960)	-	-	-	-	-	-	-	-	-
Transfers in/out	(220,165)	(257,956)	(143,097)	(159,535)	(124,462)	(124,391)	(163,701)	(28,648)	(76,886)	(83,409)
Total Business-type Activities	(200,673)	(246,556)	(129,369)	(127,691)	(76,267)	(117,518)	(51,367)	184,773	148,198	95,445
Total primary government	\$ 15,561,535	\$ 15,928,857	\$ 13,870,233	\$ 12,700,017	\$ 12,634,424	\$ 12,652,144	\$ 13,329,919	\$ 13,279,818	\$ 13,027,421	\$ 13,780,385
Change in Net Position										
Governmental Activities	\$ 1,618,900	\$ 2,175,472	\$ 1,166,285	\$ 304,429	\$ 301,586	\$ 37,095	\$ (197,090)	\$ 533,444	\$ 351,144	\$ 2,240,731
Business-type Activities	(271,541)	(313,898)	(165,637)	(138,490)	(78,814)	(77,436)	(22,256)	164,073	225,188	869,441
Total Change in Net Position	1,347,359	1,861,574	1,000,648	165,939	222,772	(40,341)	(219,346)	697,517	576,332	3,110,172
Restatement of Net Position										
Governmental Activities (c)	-	(1,321,556)	-	-	-	-	-	(1,871,953)	-	-
Business-type Activities (f)	-	(183,805)	-	-	-	-	-	-	(230,942)	-
Total adjusted Net Position	\$ -	\$ 356,213	\$ 1,000,648	\$ 165,939	\$ 222,772	\$ (40,341)	\$ (219,346)	\$ (1,174,436)	\$ 345,390	\$ 3,110,172

(a) 2010 - transfers of capital assets

(b) Prior to 2010, the grants and contributions not restricted were all combined

(c) to reflect prior year adjustment for accumulated depreciation on fixed assets in 2008 and the net pension liability in 2014

(d) Prior to 2010, Interest and costs on taxes were combined with the Property taxes, levied for general purposes

(e) Includes a new permanent fund in FY 14

(f) to reflect the net pension liability in 2014 and accumulated depreciation adjustment in 2007 and 2008

Table 3

TOWN OF KENNEBUNKPORT, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 10,122	\$ 15,209	\$ 11,308	\$ 10,753	\$ 7,628	\$ 7,202	\$ 3,630	\$ 8,207	\$ 7,076	\$ -
Committed	1,439,949	674,381	237,917	181,630	220,324	154,534	253,619	204,659	188,532	303,453
Assigned	368,924	79,408	112,290	-	-	-	-	-	-	-
Unassigned	2,845,478	3,907,479	4,050,541	3,833,702	4,207,006	4,199,792	3,784,866	3,569,698	3,976,083	3,689,477
Total general fund	<u>\$ 4,664,473</u>	<u>\$ 4,676,477</u>	<u>\$ 4,412,056</u>	<u>\$ 4,026,085</u>	<u>\$ 4,434,958</u>	<u>\$ 4,361,528</u>	<u>\$ 4,042,115</u>	<u>\$ 3,782,564</u>	<u>\$ 4,171,691</u>	<u>\$ 3,992,930</u>
All other governmental funds										
Nonspendable	\$ 1,142,297	\$ 1,063,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206
Restricted	42,534	58,652	63,271	105,117	427,075	601,465	960,763	1,067,201	949,866	884,318
Committed	951,781	330,953	748,269	887,747	260,000	120,000	-	-	-	-
Assigned	501,962	270,435	225,286	178,414	168,215	109,193	213,162	401,967	37,931	149,533
Unassigned	(3,009)	-	-	-	-	-	-	-	-	-
Total all other governments	<u>\$ 2,635,565</u>	<u>\$ 1,723,246</u>	<u>\$ 1,725,032</u>	<u>\$ 1,859,484</u>	<u>\$ 1,543,496</u>	<u>\$ 1,518,864</u>	<u>\$ 1,862,131</u>	<u>\$ 2,157,374</u>	<u>\$ 1,676,003</u>	<u>\$ 1,722,057</u>

Beginning with the year ended June 30, 2011, the Town reported governmental fund balances in accordance with the categories defined in GASB Statement No. 54. Prior years have been restated to reflect the GASB 54 categorization.

Table 4

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	\$ 15,230,599	\$ 14,836,386	\$ 13,542,910	\$ 12,465,866	\$ 12,347,796	\$ 12,264,718	\$ 12,396,494	\$ 12,234,108	\$ 12,079,534	\$ 12,168,047
Intergovernmental	321,750	226,923	287,702	294,726	294,991	308,074	407,476	285,441	276,147	328,395
Licenses and permits (a)	208,239	226,870	152,683	151,761	133,588	120,040	-	-	-	-
Charges for services	396,588	385,694	368,756	348,761	333,283	317,382	351,474	372,422	515,421	409,708
Investment income	34,339	30,426	46,214	60,800	80,260	113,493	135,887	199,380	240,486	167,127
Contributions	85,725	-	-	-	-	-	-	-	-	-
Other (c)	296,246	738,027	302,693	190,674	149,512	122,349	295,595	429,796	262,102	214,056
Total Revenues	16,573,486	16,444,326	14,700,958	13,512,588	13,339,430	13,246,056	13,586,926	13,521,147	13,373,690	13,287,333
Expenditures										
Current:										
General government	\$ 1,326,809	\$ 1,303,593	\$ 1,488,566	\$ 1,426,088	\$ 1,412,743	\$ 1,144,321	\$ 1,171,511	\$ 1,139,016	\$ 1,084,555	\$ 1,048,528
Public safety	2,214,215	2,172,603	2,038,277	2,071,128	1,966,710	1,828,017	1,889,403	1,765,485	1,706,098	1,601,869
Public works	1,023,042	960,209	951,950	891,669	897,794	830,743	832,232	817,655	756,379	707,250
Health and welfare	664,613	665,382	662,648	678,251	635,347	644,098	600,387	573,965	574,896	519,187
Recreation and culture	512,002	462,452	422,310	437,643	427,285	386,038	382,568	367,772	333,176	317,113
Grants	-	-	2,000	1,300	41,464	18,129	22,363	-	-	14,292
Education	7,837,533	7,521,509	6,677,507	6,107,804	6,260,773	6,618,663	6,766,103	6,944,899	7,225,123	7,593,771
County tax	1,124,614	1,098,632	975,744	1,015,041	975,559	853,785	860,180	808,784	749,856	759,218
Unclassified	-	585,187	435,612	447,213	65,202	466,396	39,788	37,560	41,817	82,418
Debt service										
Principal	249,935	246,624	243,436	240,266	237,403	234,928	232,442	95,850	91,584	23,362
Interest	29,245	39,471	49,527	59,503	69,326	79,074	81,716	26,648	30,910	18,094
Capital improvement and reserves	911,328	1,383,985	675,434	389,102	376,225	239,899	1,807,668	879,917	723,475	1,072,581
Total Expenditures	15,893,336	16,439,647	14,623,011	13,765,008	13,365,831	13,344,091	14,686,361	13,457,551	13,317,869	13,757,683
Excess (Deficiency) of Revenues over Expenditures	680,150	4,679	77,947	(252,420)	(26,401)	(98,035)	(1,099,435)	63,596	55,821	(470,350)

Table 4, Continued

TOWN OF KENNEBUNKPORT, MAINE
Changes in Fund Balance of Governmental Funds (continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other Financing Sources (Uses)										
Capital lease proceeds	\$ -	\$ -	\$ 30,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	1,168,755	846,551	735,163	1,062,305	439,500	392,484	303,719	700,973	260,000	332,000
Transfers out	(948,590)	(588,595)	(592,066)	(902,770)	(315,038)	(268,093)	(839,976)	(672,325)	(183,114)	(248,591)
Total Other Financing Sources (Uses)	220,165	257,956	173,572	159,535	124,462	124,391	(536,257)	28,648	76,886	83,409
Net Change in fund balances	900,315	262,635	251,519	(92,885)	98,061	26,356	(1,635,692)	92,244	132,707	(386,941)
Special item (b)	-	-	-	-	-	-	1,600,000	-	-	796,000
Net change in fund balances	\$ 900,315	\$ 262,635	\$ 251,519	\$ (92,885)	\$ 98,061	\$ 26,356	\$ (35,692)	\$ 92,244	\$ 132,707	\$ 409,059
Debt service as a percentage of noncapital expenditures	1.90%	1.94%	2.10%	2.24%	2.36%	2.40%	2.44%	0.97%	0.97%	0.33%

(a) Prior to fiscal year 2010, Licenses and permits were classified with Other revenues

(b) 2009 & 2006 proceeds from bond

(c) Includes a new permanent fund in FY 14

Table 5

TOWN OF KENNEBUNKPORT, MAINE Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years						
Fiscal Year	Direct			Overlapping		Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total Direct Rate	County Tax Rate	School Tax Rate	
2015	2.68	0.17	2.85	0.60	4.18	7.63
2014	2.74	0.15	2.89	0.59	4.05	7.53
2013	2.48	0.21	2.69	0.55	3.66	6.90
2012	2.16	0.25	2.41	0.57	3.36	6.34
2011	1.71	0.25	1.97	0.57	3.80	6.34
2010 (a)	2.03	0.25	2.28	0.44	3.61	6.34
2009	4.85	0.65	5.49	1.13	9.53	16.15
2008	4.68	0.48	5.17	1.13	9.85	16.15
2007	4.23	0.49	4.71	0.98	10.56	16.25
2006	4.03	0.34	4.37	1.18	11.26	16.80

(a) Town-wide revaluation for Fiscal Year 2010

Table 6

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

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value (a)	Total Direct Tax Rate	State Equalized Value (b)	Assessed Value as a Percentage of Equalized Value
	Residential	Commercial						
2015	\$ 1,750,049,655	\$ 127,226,145	\$ 5,307,530	\$ 72,039,700	\$ 1,873,703,330	2.85	\$ 1,831,600,000	102.30%
2014	1,791,793,555	126,202,045	5,214,340	62,851,600	1,860,358,340	2.89	1,832,450,000	101.52%
2013	1,776,999,755	123,920,345	5,169,910	62,356,700	1,843,733,310	2.69	1,810,500,000	101.84%
2012	1,771,835,555	123,920,345	3,438,640	72,042,100	1,827,152,440	2.41	1,801,850,000	101.40%
2011	1,763,008,055	121,777,445	3,622,630	71,058,400	1,817,349,730	1.97	1,938,250,000	93.76%
2010 (c)	1,775,525,555	120,581,445	1,527,080	73,841,600	1,823,792,480	2.28	1,923,750,000	94.80%
2009	625,779,955	122,976,645	1,095,160	33,787,240	716,064,520	5.49	1,784,950,000	40.12%
2008	660,231,600	75,863,600	1,691,570	34,062,000	703,724,770	5.17	1,828,650,000	38.48%
2007	644,687,880	76,726,200	1,119,680	34,977,771	687,555,989	4.71	1,677,500,000	40.99%
2006	628,256,900	76,915,700	1,308,100	34,561,790	671,918,910	4.37	1,510,450,000	44.48%

(a) Kennebunkport Assessing Office

(b) State of Maine, Revenue Services

(c) Town-wide revaluation for Fiscal Year 2010

Table 7

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage		Amount	Percentage
2015	\$	14,296,356	\$ 14,130,137	98.84%	-	14,130,137	98.84%
2014		14,008,498	13,817,018	98.63%	6,621	13,823,639	98.68%
2013		12,722,328	12,704,661	99.86%	5,118	12,709,779	99.90%
2012		11,584,146	11,450,793	98.85%	127,467	11,578,260	99.95%
2011		11,519,481	11,377,220	98.77%	138,718	11,515,938	99.97%
2010		11,561,239	11,391,855	98.53%	167,584	11,559,439	99.98%
2009		11,576,136	11,394,540	98.43%	181,192	11,575,732	100.00%
2008		11,364,611	11,221,077	98.74%	143,525	11,364,602	100.00%
2007		11,164,968	11,079,393	99.23%	85,575	11,164,968	100.00%
2006		11,292,973	11,015,520	97.54%	276,986	11,292,506	100.00%

Table 8

TOWN OF KENNEBUNKPORT, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed	Rank	% of Total Taxable Assessed	Taxable Assessed	Rank	% of Total Taxable Assessed
	Value		Value	Value		Value
Boughton Hotel Corp	\$ 11,738,700	1	0.63%	\$ 7,023,800	1	1.05%
Walkers Point Family Limited Partnership	11,581,700	2	0.62%	2,349,000	6	0.35%
O'Neill, Timothy J	9,949,500	3	0.53%	3,617,100	4	0.54%
Hios Hospitality LLC	8,434,300	4	0.45%	4,573,800	3	0.68%
Seaside Hotel Associates	7,727,600	5	0.41%			
Goose Rocks Beach Holdings LLC	6,584,000	6	0.35%			
Fishing Pole Lane LLC	6,367,400	7	0.34%			
Maiuccoro, Cathiann	5,949,500	8	0.32%			
Hetz, Edwin David & Elizabeth JC Trustees	5,589,200	9	0.30%			
McCabe, Philip J Trustee	5,553,500	10	0.30%			
Seaside Hotel Associates				5,243,800	2	0.78%
Shmalo, Raymond Trustee				2,672,600	5	0.40%
M3300790 Canada Inc - Molson, Eric				2,005,600	8	0.30%
Rhumb Line Motor Lodge Inn				1,877,910	10	0.28%
J Y F Inc				1,903,400	9	0.28%
Sotir Etal Trustee				2,169,800	7	0.32%
	<u>\$ 79,475,400</u>		<u>4.24%</u>	<u>\$ 33,436,810</u>		<u>4.98%</u>

Source: Kennebunkport Assessor's Office

Table 9

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

Fiscal Year	General Obligation Bonds	Capital Leases	Sewer Bonds	Total Outstanding Debt	Percentage of Personal Income (1)	Population (2)	Debt per Capita
	<u>Governmental Activities</u>		<u>Business-type Activities</u>				
2015	\$ 573,611	\$ 24,698	\$ 486,389	1,084,698	0.73%	3,510	309
2014	823,546	30,475	536,192	1,390,213	1.06%	3,510	396
2013	1,070,170	36,251	585,226	1,691,647	1.33%	3,474	487
2012	1,313,606	11,335	758,530	2,083,471	1.64%	3,474	600
2011	1,553,872	16,686	933,902	2,504,460	1.83%	3,493	717
2010	1,791,275	21,836	1,105,839	2,918,950	2.09%	3,474	840
2009	2,026,203	27,479	1,277,719	3,331,401	2.48%	3,988	835
2008	658,645	11,995	1,447,824	2,118,464	1.40%	3,977	533
2007	728,595	40,670	1,682,829	2,452,094	1.60%	3,981	616
2006	796,000	68,910	1,917,277	2,782,187	1.87%	3,986	698

(1) Personal income is disclosed in the Demographics and Economic Statistics table

(2) United States Census Bureau

Table 10

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

Fiscal Year Ended June 30,	General Obligation Bonds (1)	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2015	\$ 1,060,000	0.06%	0.71%
2014	1,359,738	0.07%	0.91%
2013	1,655,396	0.09%	1.30%
2012	2,072,136	0.12%	1.63%
2011	2,487,774	0.13%	1.81%
2010	2,897,114	0.15%	2.08%
2009	3,303,922	0.19%	2.46%
2008	2,106,469	0.12%	1.39%
2007	2,411,424	0.14%	1.57%
2006	2,713,277	0.18%	1.83%

(1) This is the general bonded debt of both governmental and business-type activities.

(2) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property for property value

(3) Population data can be found in the Schedule of Demographic and Economic Statistics

Table 11

TOWN OF KENNEBUNKPORT, MAINE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
York County	\$ 6,900,000	5.30%	\$ 365,700
RSU #21	17,159,261	38.38%	6,585,229
Subtotal, overlapping debt			6,950,929
Town of Kennebunkport direct debt			573,611
Total direct and overlapping debt			\$ 7,524,540

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Kennebunkport. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Table 12

TOWN OF KENNEBUNKPORT, MAINE
Legal Debt Margin Information
June 30, 2015

Debt Limit by Category	Maximum Percent Allowable	Maximum Amount Allowable	Principal Amount Outstanding	Legal Debt Margin
Type of Debt				
School	10.00%	\$ 183,160,000	\$ -	\$ -
Sewer	7.50%	137,370,000	486,389	136,883,611
Municipal	7.50%	137,370,000	573,611	136,796,389
Total Maximum Debt	15.00%		<u>\$ 1,060,000</u>	

Legal Debt Margin Calculation for Fiscal Year 2015

State Valuation	<u>\$ 1,831,600,000</u>
Debt Limit - 15% of State Valuation	274,740,000
Less outstanding debt applicable to debt limit	<u>1,060,000</u>
Legal debt Margin	<u>\$ 273,680,000</u>

Last Ten Fiscal Years

Year	Constitutional Debt Limit	Outstanding Indebtedness June 30	Percentage of Net Debt Contracting Margin Available
2015	\$ 274,740,000	\$ 1,084,698	99.61%
2014	274,867,500	1,390,213	99.49%
2013	271,575,000	1,691,647	99.38%
2012	270,277,500	2,083,471	99.23%
2011	290,737,500	2,504,460	99.14%
2010	288,562,500	2,918,950	98.99%
2009	267,742,500	3,331,401	98.76%
2008	274,297,500	2,118,464	99.23%
2007	251,625,000	2,452,094	99.03%
2006	226,567,500	2,782,187	98.77%

Table 13

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

Fiscal Year	Population (1)	Median Age (1a)	York County			
			Per Capita Personal Income (2)	Personal Income (amounts expressed in thousands)	Public School Enrollment (3)	York County Unemployment Rate (4)
2015	3,510	52.2	\$ 42,595	149,508,450	419	3.90%
2014	3,510	52.2	42,137	147,900,870	409	5.60%
2013	3,474	52.3	36,526	126,891,324	433	5.90%
2012	3,474	41.9	39,481	137,156,994	425	6.10%
2011	3,474	41.9	40,124	139,390,776	433	6.40%
2010	3,474	41.9	38,700	134,443,800	446	7.20%
2009	3,988	49.8	37,955	151,364,540	459	7.70%
2008	3,977	49.8	38,565	153,373,005	474	4.40%
2007	3,981	49.8	37,337	148,638,597	479	3.70%
2006	3,986	49.8	35,615	141,961,390	524	3.60%

(1) US Census Bureau 2000 (1a) and 2010 census

(2) Bureau of Economic Analysis

(3) RSU #21 Reports & Maine Department of Education

(4) Maine Department of Labor

Table 14

TOWN OF KENNEBUNKPORT, MAINE
Principal Employers
Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	% of Total Town Employment (1)	Employees	Rank	% of Total Town Employment (1)
Nonantum Resort	163	1	8.71%	128	2	6.84%
Town of Kennebunkport	147	2	7.86%	146	1	7.80%
The Boathouse	138	3	7.38%			
Colony Hotel	121	4	6.47%	118	3	6.31%
Hidden Pond	111	5	5.93%			
Cape Arundel Inn/Old Fort Inn	69	6	3.69%			
Alisson's Restaurant	65	7	3.47%	60	4	3.21%
Arundel Wharf Restaurant	60	8	3.21%	54	5	2.89%
Tides Beach Club	59	9	3.15%			
Breakwater Hotel/Spa	55	10	2.94%			
Kennebunkport Inn				38	8	2.03%
Bradbury Brothers Market				48	6	2.57%
Consolidated School RSU 21				42	7	2.24%
Pier 77 Restaurant				30	9	1.60%
Hurricane Restaurant				30	10	1.60%
	988		52.81%	694		37.09%

(1) State of Maine, Department of Labor 1,871 base

Table 15

TOWN OF KENNEBUNKPORT, MAINE
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	10	10	10	10	10	10	11	11	11	11
Public safety:										
Police officers	13	13	13	13	13	13	13	13	13	13
Dispatchers	4	4	4	4	4	4	4	4	4	4
Firefighters and officers	1	1	1	1	1	1	1	1	1	1
Health and welfare	1	1	1	1	1	1	1	1	1	1
Public works:										
Highways	6	6	6	6	6	6	6	6	6	6
Maintenance	1	1	1	1	1	1	1	1	1	1
Recreation	3	3	3	3	3	3	3	2	2	2
Cape Porpoise Pier	1	1	1	1	1	1	1	1	1	1
Sewer	8	8	8	8	8	8	8	8	8	8
Total	48	48	48	48	48	48	49	48	48	48

Table 16

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

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Building permits issued	373	317	424	367	331	343	453	547	505	644
Police:										
Parking tickets	1,287	1,243	1,081	719	901	1,075	1,044	1,094	1,250	1,231
Traffic stops	1,643	1,469	2,296	2,763	2,249	2,802	2,356	1,941	2,504	2,600
Burglary/theft	73	57	60	69	80	68	64	78	69	61
Arrests/summons/warnings	2,268	2,033	3,148	3,623	2,970	3,628	3,142	2,620	3,445	3,396
Fire:										
Number of calls answered	218	167	147	159	156	177	190	294	225	196
Highways and streets:										
Street resurfacing (miles)	2.80	4.2	1.80	1.30	0.00	0.00	5.99	1.42	7.24	0.70
Sewer:										
Yearly sewerage treatment (in thousands of gallons)	117,212	113,875	110,748	111,810	124,206	146,939	140,869	119,540	133,713	136,609
Bio-solids (in thousands gallons)	1,401	1,319	1,229	1,177	1,632	1,247	1,529	1,293	1,261	1,645
Compost (in yards)	1,236	1,348	1,550	1,618	1,833	1,200	1,200	1,423	1,391	1,525

Table 17

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

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency units	17	15	13	11	10	7	6	6	1	1
Fire:										
Stations	4	4	4	4	4	4	4	4	4	4
Emergency units	12	12	12	12	12	12	12	12	12	12
Highway:										
Buildings	3	3	3	3	3	3	3	3	3	3
Streets (miles)	52	52	52	52	52	52	52	52	52	52
Street lights	280	280	280	280	280	280	280	279	279	279
Municipal parking lot	1	1	1	1	1	1	1	1	1	1
Recreation:										
Parks	4	4	4	4	4	4	4	4	4	4
Sewer:										
Sewer pipe (miles)	20.41	20.41	20.41	20.41	20.41	20.41	20.41	20.41	20.41	20.41
Maximum daily treatment capacity (thousands of gallons)	700	700	700	700	700	700	700	700	700	700
Piers	2	2	2	2	2	2	2	2	2	2