

**TOWN OF KENNEBUNKPORT, MAINE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended**  
**June 30, 2013**

Prepared by:  
The Administration and Finance Department



**TOWN OF KENNEBUNKPORT, MAINE**  
**Annual Financial Report**  
**For the Year Ended June 30, 2013**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Annual Financial Report**  
**For the Year Ended June 30, 2013**

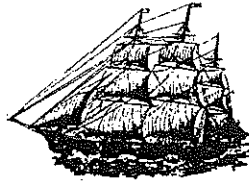
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# ***INTRODUCTORY SECTION***

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# TOWN OF KENNEBUNKPORT, MAINE

— INCORPORATED 1653 —

MAINE'S FINEST RESORT

December 9, 2013

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, 2013.

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, 2013. 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 22.0 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, York County's unemployment rate as of June 2013 was 5.9% compared to 7.6% nationally.

Median household incomes within the Town of Kennebunkport, York County are \$54,219 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 \$47,898. 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 \$495,749.

### ***Long-term financial planning and major initiatives***

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 is 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 and maintaining tax incentives for working waterfront property owners.

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.



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,

Larry S. Mead, Town Manager  
John M. Fraser, Interim Town Manager

Jennifer L. Lord, Treasurer

**TOWN OF KENNEBUNKPORT, MAINE**  
**List of Elected and Appointed Officials**  
**June 30, 2013**

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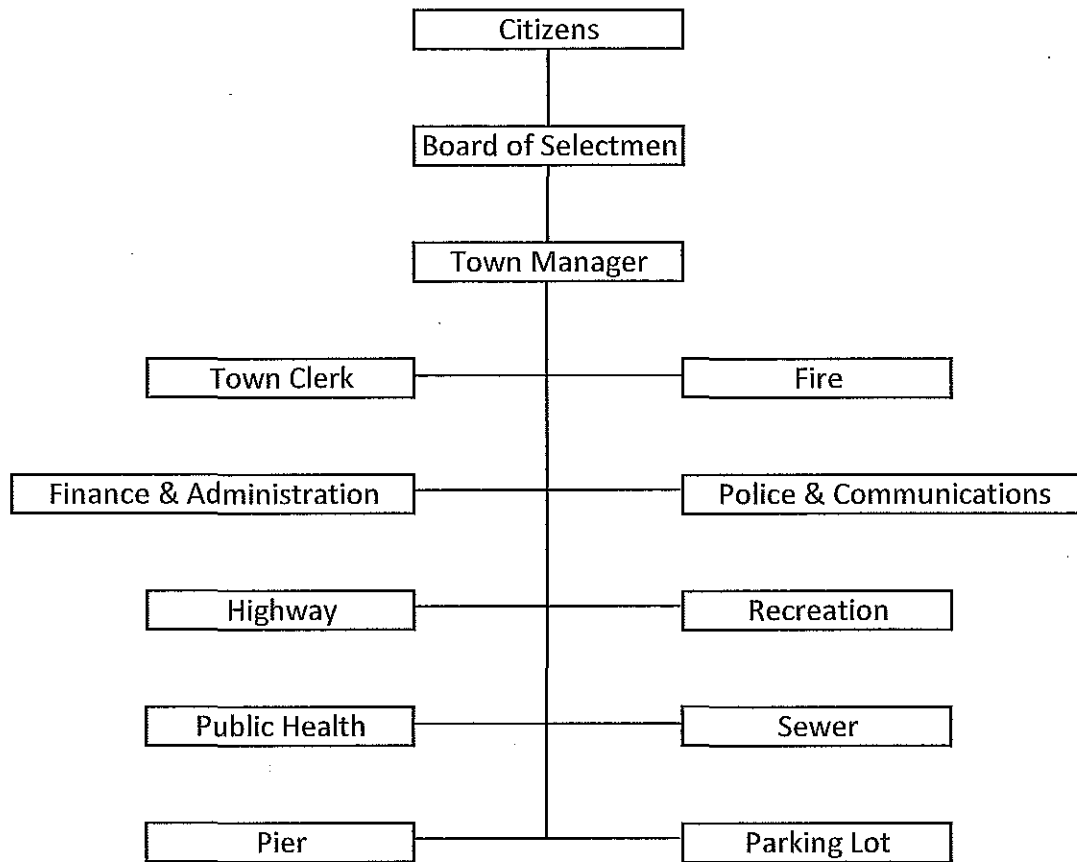
Elected Officials

Board of Selectmen	Sheila Matthews-Bull, Chair
Board of Selectmen	D. Michael Weston, Vice-chair
Board of Selectmen	Allen A. Daggett
Board of Selectmen	Mathew J. Lanigan/Edward Hutchins
Board of Selectmen	Stuart E. Barwise

Appointed Officials

Town Manager	Larry S. Mead
Town Clerk	April Dufoe
Treasurer	Jennifer L. Lord
Fire Chief & Sewer Superintendent	Allan K. Moir
Police Chief	Craig Sanford
Highway Superintendent	John Hirst
Town Nurse & General Assistance Director	Judith Barrett
Recreation Director	Carol G. Cook
Cape Porpoise Pier Manager	Lee McCurdy
Dock Square Parking Lot Manager	Anne Zeddis

**TOWN OF KENNEBUNKPORT, MAINE**  
**Organizational Chart**



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## ***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, 2013, 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 from 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 statement. 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, 2013, 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, 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 nonmajor 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 nonmajor 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.



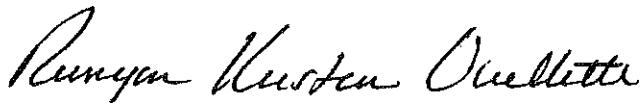
Town of Kennebunkport, Maine  
Board of Selectmen

In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section has 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 December 9, 2013, 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 "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

December 9, 2013  
South Portland, Maine

**TOWN OF KENNEBUNKPORT**  
**Management's Discussion and Analysis**  
**June 30, 2013**

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As management of the Town of Kennebunkport, 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, 2013. 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's total net assets increased by \$1,000,648 to \$25,916,349 (Statement 2).
- Net capital assets increased by \$241,999 (pages 38 and 39).
- General revenues accounted for \$13,870,233 in revenue, or 84% of all revenues. Program specific revenues consisting of charges for services and grants and contributions accounted for \$2,550,668 in revenue, or 16% of \$16,420,921 in total revenues (statement 2).
- At the end of the current fiscal year, the fund balance for the general fund was \$4,412,056, of which \$11,308 was nonspendable, \$237,917 was committed, \$112,290 was assigned and \$4,050,541 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 supplementary 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 sanitation, culture and recreation, 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**  
**Management's Discussion and Analysis, Continued**

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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.

Since the Government-wide focus includes the long-term view and the fund focus presents a shorter-term (yearly budget) view, we are required by GASB Statement No. 34 to present reconciliations between the two following each Governmental Fund statement.

**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.

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

**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 \$25,916,349. 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), less current and long-term debt. Changes in net position from year-to-year may be observed to analyze changing financial positions of the Town as a whole. The following table is presented in thousands (Statement 1).

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Primary Government Total</b>	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 6,689	6,637	1,903	1,843	8,592	8,480
Capital assets:						
Land	2,325	2,324	950	950	3,275	3,274
Construction in progress	418	51	10	-	428	51
Buildings and improvements	2,518	2,500	8,170	8,161	10,688	10,661
Land improvements	239	229	30	29	269	258
Furniture & fixtures	47	47	-	-	47	47
Equipment & vehicles	4,295	4,227	3,194	3,156	7,489	7,383
Infrastructure	5,970	5,598	7,798	7,798	13,768	13,396
Less: accumulated depreciation	(6,180)	(6,015)	(10,088)	(9,601)	(16,268)	(15,616)
<b>Total assets</b>	<b>\$ 16,321</b>	<b>15,598</b>	<b>11,967</b>	<b>12,336</b>	<b>28,288</b>	<b>27,934</b>
Current liabilities	844	1,066	138	292	982	1,358
Long-term liabilities	854	1,076	536	585	1,390	1,661
<b>Total liabilities</b>	<b>\$ 1,698</b>	<b>2,142</b>	<b>674</b>	<b>877</b>	<b>2,372</b>	<b>3,019</b>
Net position:						
Net investment in capital assets	8,526	7,636	9,479	9,735	18,005	17,371
Restricted	63	-	-	-	63	-
Unrestricted	6,034	5,820	1,814	1,724	7,848	7,544
<b>Total net position</b>	<b>\$ 14,623</b>	<b>13,456</b>	<b>11,293</b>	<b>11,459</b>	<b>25,916</b>	<b>24,915</b>

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**  
**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). Based on the information below the overall financial position has improved in the current year.

	Governmental Activities		Business-type Activities		Primary Government Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 691	637	1,697	1,700	2,388	2,337
Operating grants & cont.	141	91	-	-	141	91
Capital grants	21	14	-	-	21	14
<b>General revenues:</b>						
Property taxes	12,722	11,584	-	-	12,722	11,584
Excise taxes	804	804	-	-	804	804
Unrestricted grants and cont.	126	190	-	-	126	190
Unrestricted investment earnings	46	61	7	12	53	73
Miscellaneous	158	82	7	19	165	101
<b>Total revenues</b>	<b>14,709</b>	<b>13,463</b>	<b>1,711</b>	<b>1,731</b>	<b>16,420</b>	<b>15,194</b>
<b>Expenditures:</b>						
<b>Program expenditures:</b>						
General government	1,519	1,472	-	-	1,519	1,472
Public safety	2,034	2,197	-	-	2,034	2,197
Highways, streets & bridges	234	452	-	-	234	452
Health and welfare	233	193	-	-	233	193
Recreation & culture	417	434	-	-	417	434
Grants	2	1	-	-	2	1
Education	6,678	6,108	-	-	6,678	6,108
County tax	976	1,015	-	-	976	1,015
Solid waste	431	470	-	-	431	470
Unclassified	435	447	-	-	435	447
Loss on disposal of assets	9	108	-	-	9	108
Interest on debt service	42	53	-	-	42	53
Capital maintenance expense	675	368	-	-	675	368
Cape Porpoise Pier	-	-	364	396	364	396
Dock Square Parking Lot	-	-	61	74	61	74
Sewer	-	-	1,309	1,241	1,309	1,241
<b>Total expenditures</b>	<b>13,685</b>	<b>13,318</b>	<b>1,734</b>	<b>1,711</b>	<b>15,419</b>	<b>15,029</b>
Increase (decrease) in net position before transfers	1,024	145	(23)	20	1,001	165
Transfers in (out)	143	159	(143)	(159)	-	-
Change in net position	1,167	304	(166)	(139)	1,001	165
<b>Net position, beginning of year</b>	<b>13,456</b>	<b>13,152</b>	<b>11,459</b>	<b>11,598</b>	<b>24,915</b>	<b>24,750</b>
<b>Net position, end of year</b>	<b>\$ 14,623</b>	<b>13,456</b>	<b>11,293</b>	<b>11,459</b>	<b>25,916</b>	<b>24,915</b>

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

The table below presents the total cost, for fiscal years 2013 and 2012, 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)

		2013				2012			
		Total		Net		Total		Net	
General govt.	\$	1,336	12.3%	1,367	12.5%	1,472	13.6%	1,286	12.2%
Public safety		1,908	17.5%	1,929	17.6%	2,197	20.4%	2,156	20.4%
Education		6,678	61.3%	6,677	61.0%	6,108	56.6%	6,107	57.8%
County tax		976	8.9%	975	8.9%	1,015	9.4%	1,015	9.6%
Totals	\$	10,898	100.0%	10,948	100.0%	10,792	100.0%	10,564	100.0%

**The Town's Funds**

The Town has one major fund - the General Fund. Detailed information regarding this fund can be found on pages 23 and 24 of these financial statements. The changes in the fund balance of these funds are as follows (Statement 4):

Major Fund	Balance June 30, 2013	Balance June 30, 2012	\$ Change	% Change
General Fund	\$ 4,412,056	4,026,085	385,971	9.59%
	<b>\$ 4,412,056</b>	<b>4,026,085</b>	<b>385,971</b>	<b>9.59%</b>

Expenditures

The table below shows the Town's original and adjusted budgets for various departments and functions for the year ended June 30, 2013. 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 10% of its adjusted budget (Statement 6).

General Fund Department/Function Expenditures	Original Budget	Adjusted Budget	Expenditures	Variance	
				Amount	%
General Government	\$ 1,577,289	1,577,289	1,491,538	85,751	5.44%
Public Safety	2,254,179	2,254,179	2,083,943	170,236	7.55%
Public Works	982,447	982,447	957,450	24,997	2.54%
Health and Welfare	700,219	700,219	662,648	37,571	5.37%
Recreation and Culture	424,943	424,943	419,803	5,140	1.21%
Grants	-	-	2,000	(2,000)	N/A
Unclassified	7,800,428	7,800,428	7,712,759	87,669	1.12%
Debt service	293,007	293,007	292,963	44	0.02%
Capital improvements and reserves	731,070	755,870	695,741	60,129	7.95%
<b>Total expenditures</b>	<b>\$ 14,763,582</b>	<b>14,788,382</b>	<b>14,318,845</b>	<b>469,537</b>	<b>3.18%</b>

**TOWN OF KENNEBUNKPORT**  
**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 police grants. Police grants received expected revenues that resulted in unbudgeted expenditures. Capital improvements and reserves include several uncompleted projects that have been carried forward as assigned fund balances as listed on page 44 of the financial statements.

The planning and miscellaneous variance is costs that were greater than budgeted.

The bad debt expense variance is costs that were not budgeted.

**Revenues**

The table below shows the Town's final budget and actual revenues from various resources for the year ended June 30, 2013. 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	\$ 12,721,759	12,713,495	(8,264)	-0.06%
Excise taxes	763,500	803,924	40,424	5.29%
Interest on taxes	30,000	25,491	(4,509)	-15.03%
Licenses, permits, and fees	125,600	152,683	27,083	21.56%
Charges for services	327,700	368,756	41,056	12.53%
Intergovernmental revenue	271,360	286,102	14,742	5.43%
Investment income	40,000	33,722	(6,278)	-15.70%
Other revenues	220,257	264,880	44,623	20.26%
<b>Total revenues</b>	<b>\$ 14,500,176</b>	<b>14,649,053</b>	<b>148,877</b>	<b>1.03%</b>

Property taxes variance is due to the deferred revenue adjustment.

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.

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

Intergovernmental revenues were over budget due to grants, FEMA reimbursements, tree growth, and state revenue sharing 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.

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

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**Capital Assets**

As of June 30, 2013, the Town had approximately \$19,696,558 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 increase (including additions, deletions, and less this year's depreciation) of approximately \$242,001, or 1.2% over last year.

This year's major additions/deletions included:

- Roof and other repairs at the Town garage
- Road repairs, extension and construction
- New vehicles for the sewer, fire, police and highway departments.

All of the above were paid for with General Fund resources, except that the sewer improvements were paid for with sewer user fees and using existing fund balance.

The Town's fiscal year 2014 budget, as approved at the annual Town Meeting held on June 11<sup>th</sup> and 15<sup>th</sup>, includes approximately \$1,202,200 for various capital improvements, including one police vehicle, a new loader for the highway department, road improvement/construction, S Brook drainage-part 1 and fire apparatus reserve funding. Additional information on the Town of Kennebunkport's capital assets can be found in the notes to the financial statements.

**Debt**

The Town of Kennebunkport had \$1,655,396 in bonds outstanding at fiscal year-end, compared to \$2,072,136 last year. Additionally, the Town had \$36,251 in capital leases outstanding at fiscal year-end for the purchase of copy machines (page 42). 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, 2013 was within this statutory limit. Additional information on the Town of Kennebunkport's long-term debt can be found in the notes to the financial statements.

**Economic Factors and Next Year's Budget**

The fiscal 2014 budget has been prepared and already approved at the June 11<sup>th</sup> and 15<sup>th</sup> annual town meeting. The municipal portion of the budget increased by approximately \$414,069 from last year. This was due to increases in capital improvements, overall operating costs and personnel costs and increases to KEMS, Graves Library and County tax.

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**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Net Position**  
**June 30, 2013**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,924,569	500	1,925,069
Investments	4,869,322	1,310,409	6,179,731
Receivables:			
Accounts	45,339	201,126	246,465
Due from other governments	31,496	-	31,496
Taxes receivable - current year	146,045	-	146,045
Taxes receivable - prior year	2,422	-	2,422
Tax and sewer liens	30,180	9,529	39,709
Internal balances	(371,938)	371,938	-
Inventory	6,075	9,574	15,649
Prepays	5,233	-	5,233
Nondepreciable capital assets	2,742,266	960,453	3,702,719
Depreciable capital assets, net	6,889,738	9,104,101	15,993,839
Total assets	16,320,747	11,967,630	28,288,377
<b>LIABILITIES</b>			
Accounts payable & payroll withholdings	116,958	43,791	160,749
Accrued wages	55,034	12,835	67,869
Other liabilities	263,845	2,500	266,345
Accrued interest	4,432	2,716	7,148
Accrued compensated absences	138,411	26,741	165,152
Taxes paid in advance	13,118	-	13,118
Noncurrent liabilities:			
Due within one year	252,400	49,036	301,436
Due in more than one year	854,021	536,190	1,390,211
Total liabilities	1,698,219	673,809	2,372,028
<b>NET POSITION</b>			
Net investment in capital assets	8,525,583	9,479,328	18,004,911
Restricted for:			
General capital projects	36,672	-	36,672
Other purposes	26,599	-	26,599
Unrestricted	6,033,674	1,814,493	7,848,167
Total net position	\$ 14,622,528	11,293,821	25,916,349

*See accompanying notes to financial statements.*

TOWN OF KENNEBUNKPORT, MAINE  
Statement of Activities  
For the year ended June 30, 2013

					Net (expense) revenue and changes in net position		
		Program revenues			Primary Government		
Functions/programs	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,519,159	182,336	-	-	(1,336,823)	-	(1,336,823)
Public safety	2,033,767	54,812	70,156	-	(1,908,799)	-	(1,908,799)
Public works	234,112	-	53,956	21,098	(159,058)	-	(159,058)
Health and welfare	232,753	3,466	1,485	-	(227,802)	-	(227,802)
Recreation & culture	417,031	171,270	-	-	(245,761)	-	(245,761)
Grants	2,000	-	-	-	(2,000)	-	(2,000)
Education	6,677,507	-	-	-	(6,677,507)	-	(6,677,507)
County tax	975,744	-	-	-	(975,744)	-	(975,744)
Solid waste	431,382	56	-	-	(431,326)	-	(431,326)
Unclassified	435,612	279,491	15,161	-	(140,960)	-	(140,960)
Loss on disposal of assets	9,261	-	-	-	(9,261)	-	(9,261)
Interest on debt service	42,842	-	-	-	(42,842)	-	(42,842)
Capital maintenance expenses	675,434	-	-	-	(675,434)	-	(675,434)
Total governmental activities	13,686,604	691,431	140,758	21,098	(12,833,317)	-	(12,833,317)
Business-type activities:							
Sewer	1,308,439	1,025,064	-	-	-	(283,375)	(283,375)
Cape Porpoise Pier	363,784	329,444	-	-	-	(34,340)	(34,340)
Dock Square Parking Lot	61,426	342,873	-	-	-	281,447	281,447
Total business-type activities	1,733,649	1,697,381	-	-	-	(36,268)	(36,268)
Total primary government	\$ 15,420,253	2,388,812	140,758	21,098	(12,833,317)	(36,268)	(12,869,585)
General revenues:							
Property taxes, levied for general purposes					12,722,329	-	12,722,329
Interest and costs on taxes					25,491	-	25,491
Motor vehicle excise taxes					803,924	-	803,924
Grants and contributions not restricted to specific programs:							
Homestead exemption					31,109	-	31,109
State Revenue Sharing					92,272	-	92,272
Veterans reimbursement					2,167	-	2,167
Snowmobile reimbursement					298	-	298
Unrestricted investment earnings					46,214	7,228	53,442
Miscellaneous revenues					132,701	6,500	139,201
Transfers					143,097	(143,097)	-
Total general revenues and transfers					13,999,602	(129,369)	13,870,233
Change in net position					1,166,285	(165,637)	1,000,648
Net position - beginning					13,456,243	11,459,458	24,915,701
Net position - ending					\$ 14,622,528	11,293,821	25,916,349

See accompanying notes to financial statements.

**TOWN OF KENNEBUNKPORT, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,920,244	4,325	1,924,569
Investments	4,154,556	714,766	4,869,322
Receivables:			
Accounts	45,132	207	45,339
Due from other governments	31,496	-	31,496
Taxes receivable - current year	146,045	-	146,045
Taxes receivable - prior year	2,422	-	2,422
Tax liens receivable	30,180	-	30,180
Prepays	5,233	-	5,233
Inventory	6,075	-	6,075
Interfund loans receivable	-	1,012,305	1,012,305
<b>Total assets</b>	<b>\$ 6,341,383</b>	<b>1,731,603</b>	<b>8,072,986</b>
<b>LIABILITIES</b>			
Accounts payable and payroll withholdings	114,880	2,078	116,958
Accrued wages	55,034	-	55,034
Taxes paid in advance	13,118	-	13,118
Other liabilities	263,845	-	263,845
Interfund loans payable	1,379,750	4,493	1,384,243
<b>Total liabilities</b>	<b>1,826,627</b>	<b>6,571</b>	<b>1,833,198</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	102,700	-	102,700
<b>Total deferred inflows of resources</b>	<b>102,700</b>	<b>-</b>	<b>102,700</b>
<b>FUND BALANCES</b>			
Nonspendable	11,308	688,206	699,514
Restricted	-	63,271	63,271
Committed	237,917	748,269	986,186
Assigned	112,290	225,286	337,576
Unassigned	4,050,541	-	4,050,541
<b>Total fund balances</b>	<b>4,412,056</b>	<b>1,725,032</b>	<b>6,137,088</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,341,383</b>	<b>1,731,603</b>	
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.			9,632,004
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenue in the funds.			102,700
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.			
Bonds payable			(1,070,170)
Capital leases			(36,251)
Accrued interest			(4,432)
Accrued compensated absences			(138,411)
<b>Net position of governmental activities</b>			<b>\$ 14,622,528</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2013**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 13,542,910	-	13,542,910
Intergovernmental	286,102	1,600	287,702
Licenses and permits	152,683	-	152,683
Charges for services	368,756	-	368,756
Investment income	33,722	12,492	46,214
Other	264,880	37,813	302,693
Total revenues	14,649,053	51,905	14,700,958
<b>Expenditures:</b>			
<b>Current:</b>			
General government	1,488,566	-	1,488,566
Public safety	2,038,277	-	2,038,277
Public works	951,950	-	951,950
Health and welfare	231,266	-	231,266
Recreation and culture	419,078	3,232	422,310
Grants	2,000	-	2,000
Education	6,677,507	-	6,677,507
County tax	975,744	-	975,744
Solid waste	431,382	-	431,382
Unclassified	49,586	386,026	435,612
Debt service	292,963	-	292,963
Capital improvements and reserves	675,434	-	675,434
Total expenditures	14,233,753	389,258	14,623,011
Excess (deficiency) of revenues over (under) expenditures	415,300	(337,353)	77,947
<b>Other financing sources (uses):</b>			
Capital lease proceeds	30,475	-	30,475
Transfers from other funds	394,631	340,532	735,163
Transfers to other funds	(454,435)	(137,631)	(592,066)
Total other financing sources (uses)	(29,329)	202,901	173,572
Net change in fund balances	385,971	(134,452)	251,519
Fund balances, beginning of year	4,026,085	1,859,484	5,885,569
Fund balances, end of year	\$ 4,412,056	1,725,032	6,137,088

*See accompanying notes to 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, 2013**

Net change in fund balances - total governmental funds (from Statement 4)	\$ 251,519
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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 (\$1,080,714) exceeds loss on disposal of capital assets (\$9,261) and depreciation (\$400,141) .

671,312

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

8,834

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 change in accrued compensated absences (\$14,974) and accrued interest (\$1,126).

16,100

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/capital leases	248,995	
Issuance of bonds/capital leases	(30,475)	218,520

Change in net position of governmental activities (see Statement 2)	\$ 1,166,285
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*See accompanying notes to 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, 2013**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 13,515,259	13,515,259	13,542,910	27,651
Intergovernmental	271,360	271,360	286,102	14,742
Licenses and permits	125,600	125,600	152,683	27,083
Charges for services	327,700	327,700	368,756	41,056
Interest earned	40,000	40,000	33,722	(6,278)
Other	220,257	220,257	264,880	44,623
Total revenues	14,500,176	14,500,176	14,649,053	148,877
Expenditures:				
Current:				
General government	1,577,289	1,577,289	1,491,538	85,751
Public safety	2,254,179	2,254,179	2,083,943	170,236
Public works	982,447	982,447	957,450	24,997
Health and welfare	700,219	700,219	662,648	37,571
Recreation and culture	424,943	424,943	419,803	5,140
Grants	-	-	2,000	(2,000)
Unclassified	7,800,428	7,800,428	7,712,759	87,669
Debt service	293,007	293,007	292,963	44
Capital improvements and reserves	731,070	755,870	695,741	60,129
Total expenditures	14,763,582	14,788,382	14,318,845	469,537
Excess (deficiency) of revenues over (under) expenditures	(263,406)	(288,206)	330,208	618,414
Other financing sources (uses):				
Transfers from other funds	257,800	257,800	394,631	136,831
Transfers to other funds	(294,394)	(294,394)	(454,435)	(160,041)
Utilization of unassigned fund balance	300,000	300,000	-	(300,000)
Utilization of assigned fund balance	-	24,800	-	(24,800)
Total other financing sources (uses)	263,406	288,206	(59,804)	(348,010)
Net change in fund balance budgetary basis	-	-	270,404	270,404
Reconciliation in fund balance- budgetary basis				
Encumbrances expended in budgetary			115,567	
Unbudgeted general fund other sources-lease proceeds			30,475	
Unbudgeted general fund expenditures-capital items leased			(30,475)	
Total reconciliation in fund balance - budgetary basis			115,567	
Net change in fund balance GAAP basis			385,971	
Fund balance, beginning of year			4,026,085	
Fund balance, end of year	\$		4,412,056	

*See accompanying notes to financial statements.*



## TOWN OF KENNEBUNKPORT, MAINE

## Statement of Net Position

## Proprietary Funds

June 30, 2013

Business-type Activities - Enterprise Funds				
	Sewer Department	Cape Porpoise Pier	Dock Square Parking Lot	Total
<b>ASSETS</b>				
Current assets:				
Cash	\$ 100	100	300	500
Investments	1,310,409	-	-	1,310,409
Accounts receivable	143,437	42,539	15,150	201,126
Sewer liens	9,529	-	-	9,529
Inventory	-	9,574	-	9,574
Interfund loans receivable	134,435	34,125	203,378	371,938
Total current assets	1,597,910	86,338	218,828	1,903,076
Noncurrent assets:				
Property, plant, and equipment	18,554,667	1,432,494	165,750	20,152,911
Less accumulated depreciation	(9,497,136)	(538,256)	(52,965)	(10,088,357)
Total noncurrent assets	9,057,531	894,238	112,785	10,064,554
Total assets	10,655,441	980,576	331,613	11,967,630
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable & payroll withholdings	28,696	11,103	3,992	43,791
Accrued wages	9,266	1,851	1,718	12,835
Other liabilities	-	2,500	-	2,500
Accrued interest	2,716	-	-	2,716
Accrued compensated absences	26,294	447	-	26,741
Current portion of long-term bonds	49,036	-	-	49,036
Total current liabilities	116,008	15,901	5,710	137,619
Noncurrent liabilities:				
Long-term portion of bonds	536,190	-	-	536,190
Total liabilities	652,198	15,901	5,710	673,809
<b>NET POSITION</b>				
Net investment in capital assets	8,472,305	894,238	112,785	9,479,328
Unrestricted	1,530,938	70,437	213,118	1,814,493
Total net position	\$ 10,003,243	964,675	325,903	11,293,821

See accompanying notes to financial statements.

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2013**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Sewer Department</b>	<b>Cape Porpoise Pier</b>	<b>Dock Square Parking Lot</b>	<b>Total</b>
<b>Operating revenues:</b>				
Lease income	\$ -	40,000	-	40,000
Fuel sales	-	249,959	-	249,959
Dues	-	39,485	-	39,485
Fees	1,025,064	-	342,873	1,367,937
Other income	6,000	500	-	6,500
<b>Total operating revenues</b>	<b>1,031,064</b>	<b>329,944</b>	<b>342,873</b>	<b>1,703,881</b>
<b>Operating expenses:</b>				
Wages and benefits	574,611	68,149	42,554	685,314
Supplies	97,953	242,280	6,302	346,535
Repairs and maintenance	19,818	4,304	-	24,122
Insurance	24,977	2,482	-	27,459
Utilities	80,051	9,614	6,626	96,291
Contracted services	14,356	3,179	-	17,535
Equipment	30,026	1,160	-	31,186
Other operating expenses	-	2,584	212	2,796
Depreciation	451,588	30,032	5,732	487,352
<b>Total operating expenses</b>	<b>1,293,380</b>	<b>363,784</b>	<b>61,426</b>	<b>1,718,590</b>
<b>Operating income (loss)</b>	<b>(262,316)</b>	<b>(33,840)</b>	<b>281,447</b>	<b>(14,709)</b>
<b>Nonoperating revenue (expenses):</b>				
Interest income	7,228	-	-	7,228
Interest expense	(15,059)	-	-	(15,059)
<b>Total nonoperating revenue (expenses)</b>	<b>(7,831)</b>	<b>-</b>	<b>-</b>	<b>(7,831)</b>
<b>Net income (loss) before transfers</b>	<b>(270,147)</b>	<b>(33,840)</b>	<b>281,447</b>	<b>(22,540)</b>
<b>Transfers:</b>				
Transfer (to) from other funds	88,903	-	(232,000)	(143,097)
<b>Total transfers</b>	<b>88,903</b>	<b>-</b>	<b>(232,000)</b>	<b>(143,097)</b>
<b>Net income (loss)</b>	<b>(181,244)</b>	<b>(33,840)</b>	<b>49,447</b>	<b>(165,637)</b>
<b>Total net position, beginning of year</b>	<b>10,184,487</b>	<b>998,515</b>	<b>276,456</b>	<b>11,459,458</b>
<b>Total net position, end of year</b>	<b>\$ 10,003,243</b>	<b>964,675</b>	<b>325,903</b>	<b>11,293,821</b>

*See accompanying notes to financial statements.*

## TOWN OF KENNEBUNKPORT, MAINE

## Statement of Cash Flows

## Proprietary Funds

For the year ended June 30, 2013

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	\$ 1,006,413	329,389	332,740	1,668,542
Payments to suppliers	(288,040)	(252,022)	(58,363)	(598,425)
Payments to employees	(570,870)	(67,367)	(42,377)	(680,614)
Net cash provided by (used in) operating activities	147,503	10,000	232,000	389,503
Cash flows from non-capital financing activities:				
Transfers (to) from other funds	88,903	-	(232,000)	(143,097)
Net cash provided by (used in) non-capital financing activities	88,903	-	(232,000)	(143,097)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(48,041)	(10,000)	-	(58,041)
Bond principal payments	(173,304)	-	-	(173,304)
Interest payments	(15,059)	-	-	(15,059)
Net cash provided by (used in) capital and related financing activities	(236,404)	(10,000)	-	(246,404)
Cash flows from investing activities:				
Sale of investments	(7,230)	-	-	(7,230)
Investment income	7,228	-	-	7,228
Net cash provided by (used in) investing activities	(2)	-	-	(2)
Increase in cash	-	-	-	-
Cash, beginning of year	100	100	300	500
Cash, end of year	\$ 100	100	300	500
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (262,316)	(33,840)	281,447	(14,709)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	451,588	30,032	5,732	487,352
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	28,243	(555)	(10,133)	17,555
(Increase) decrease in liens receivable	(851)	-	-	(851)
(Increase) decrease in inventory	-	(2,246)	-	(2,246)
(Increase) decrease in interfund receivables	(25,087)	6,548	(48,689)	(67,228)
Increase (decrease) in accounts payable	5,703	9,279	3,466	18,448
Increase (decrease) in accrued wages	1,822	499	177	2,498
Increase (decrease) in accrued compensated absences	1,919	283	-	2,202
Increase (decrease) in accrued interest	(1,475)	-	-	(1,475)
Increase (decrease) in unavailable revenues	(52,043)	-	-	(52,043)
Net cash provided by (used in) operating activities	\$ 147,503	10,000	232,000	389,503

See accompanying notes to financial statements.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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 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:

**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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**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 fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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 received and expenses incurred in the operation of the sewer department.

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

*Dock Square Parking Lot Fund* accounts for revenues received 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 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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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, savings accounts and certificates of deposit. State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

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 billings during the months following the close of the fiscal 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.

**Prepaid Items** - Payments made to vendors for services that will benefit periods beyond June 30, 2013 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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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	Vehicles, equipment, and furniture
20-30 years	Heavy firefighting vehicles
40-100 years	Buildings and 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 these amounts 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 a specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that has 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.

The responsibility for committing fund balance amounts rests with the voters and likewise would be required to modify or rescind those commitments. Likewise, the voters approve assigned fund balance amounts during the budget process at Town Meeting. The Town does not have a formal fund balance policy.

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.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**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 of resources** - In addition to liabilities, the 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 government has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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 reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.



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

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**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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**A. Budgetary Information**

Budgets are adopted for the General Fund only and are adopted on a budgetary basis, 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 designated 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.

**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>
2013 budget as originally adopted	\$ 14,500,176	(14,763,582)	263,406
Utilization of assigned fund balance		(24,800)	-
Designated carryforward balances	-	-	24,800
<b>Totals</b>	<b>\$ 14,500,176</b>	<b>(14,788,382)</b>	<b>288,206</b>

**C. Excess of Expenditures over Appropriations**

The following expenditures were over there appropriations as reported in Exhibit A-2:

	<u>Budget</u>	<u>Actual</u>	<u>Over (under)</u>
Planning	\$ 62,556	63,549	993
General assistance donation	-	25,373	25,373
Parks & recreation donations	-	1,103	1,103
Police grants	-	-	2,000
Miscellaneous agencies	7,565	7,590	25
Bad debt expense	-	5,061	5,061
Capital outlay - police	56,750	58,888	2,138
Capital outlay – road improvement	250,000	371,690	121,690
Capital outlay – highway vehicle	120,000	140,352	20,352
Assigned: Silas Perkins	1,222	2,425	1,203
Assigned: North Street Parking Lot	-	750	750
Assigned: Communications	-	6,286	6,286

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

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**CASH AND INVESTMENTS**

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**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 deposit policy for custodial credit risk. As of June 30, 2013, the Town reported deposits of \$1,925,069 with a bank balance of \$2,196,794. Of the Town's bank balances of \$2,196,794, 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	\$ 1,924,569
Reported in business-type activities	500
<b>Total deposits</b>	<b>\$ 1,925,069</b>

**B. Investments**

At June 30, 2013, the Town had the following investments and maturities:

	Fair value	Less than 1 year	1-5 years	More than 5 years
Certificates of Deposits	\$ 6,179,731	-	6,179,731	-
<b>Total investments</b>	<b>\$ 6,179,731</b>	<b>-</b>	<b>6,179,731</b>	<b>-</b>

Investments have been reported as follows:

Reported in governmental funds	\$ 4,869,322
Reported in business-type activities	1,310,409
<b>Total investments</b>	<b>\$ 6,179,731</b>

*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:* Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. 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.

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

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**CASH AND INVESTMENTS, CONTINUED**

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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 \$6,179,731 investment in certificates of deposit, 100% 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.

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**PROPERTY TAX**

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Property taxes for the current period were committed on July 26, 2012, on the assessed value listed as of April 1, 2012, for all real and personal property located in the Town. Payment of taxes was due in equal installments on September 10, 2012 and March 11, 2013. 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 2012 assessed value of \$1,843,733,310 (including Homestead valuation) was 100% of the estimated market value and 101.4% of the 2013 state valuation of \$1,801,850,000.

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 \$74,612 for the period ended June 30, 2013.

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, 2013 and 2012 levies:

	<u>2013</u>	<u>2012</u>
Assessed value	\$ 1,843,733,310	1,827,152,440
Tax rate (per \$1,000)	6.90	6.34
Commitment (includes Homestead)	12,721,759	11,584,146
Supplemental taxes assessed	569	-
	12,722,328	11,584,146
Less:		
Collections and abatements	12,576,283	11,453,140
<b>Receivable at June 30</b>	<b>\$ 146,045</b>	<b>131,006</b>
Collection rate	98.85%	98.87%

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

**CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 50,594	367,191	-	417,785
Land	2,324,481	-	-	2,324,481
<b>Total capital assets, not being depreciated</b>	<b>2,375,075</b>	<b>367,191</b>	<b>-</b>	<b>2,742,266</b>
Capital assets, being depreciated:				
Land improvements	228,896	10,596	-	239,492
Buildings	1,876,443	-	-	1,876,443
Buildings improvements	623,212	19,300	-	642,512
Machinery and equipment	1,577,580	30,475	(9,036)	1,599,019
Furniture and fixtures	47,258	-	-	47,258
Vehicles	2,649,942	281,293	(235,580)	2,695,655
Infrastructure	5,597,705	371,859	-	5,969,564
<b>Total capital assets, being depreciated</b>	<b>12,601,036</b>	<b>713,523</b>	<b>(244,616)</b>	<b>13,069,943</b>
Less accumulated depreciation for:				
Land improvements	119,558	6,349	-	125,907
Buildings	689,365	42,192	-	731,557
Building improvements	196,496	25,534	-	222,030
Machinery and equipment	1,030,572	88,103	(9,036)	1,109,639
Furniture and fixtures	47,042	43	-	47,085
Vehicles	1,543,571	133,617	(226,319)	1,450,869
Infrastructure	2,388,815	104,303	-	2,493,118
<b>Total accumulated depreciation</b>	<b>6,015,419</b>	<b>400,141</b>	<b>(235,355)</b>	<b>6,180,205</b>
<b>Total capital assets being depreciated, net</b>	<b>6,585,617</b>	<b>313,382</b>	<b>(9,261)</b>	<b>6,889,738</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 8,960,692</b>	<b>680,573</b>	<b>(9,261)</b>	<b>9,632,004</b>

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

**CAPITAL ASSETS, CONTINUED**

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	10,025	-	10,025
Land	950,428	-	-	950,428
<b>Total capital assets, not being depreciated</b>	<b>950,428</b>	<b>10,025</b>	<b>-</b>	<b>960,453</b>
Capital assets, being depreciated:				
Land improvements	29,600	-	-	29,600
Buildings	4,936,200	-	-	4,936,200
Building improvements	3,224,176	9,998	-	3,234,174
Machinery and equipment	3,081,592	-	-	3,081,592
Infrastructure	7,798,239	-	-	7,798,239
Vehicles	74,637	38,016	-	112,653
<b>Total capital assets, being depreciated</b>	<b>19,144,444</b>	<b>48,014</b>	<b>-</b>	<b>19,192,458</b>
Less accumulated depreciation for:				
Land improvements	29,600	-	-	29,600
Buildings	2,611,034	97,849	-	2,708,883
Building improvements	725,259	104,024	-	829,283
Machinery and equipment	1,838,641	114,853	-	1,953,494
Infrastructure	4,322,983	168,438	-	4,491,421
Vehicles	73,488	2,188	-	75,676
<b>Total accumulated depreciation</b>	<b>9,601,005</b>	<b>487,352</b>	<b>-</b>	<b>10,088,357</b>
<b>Total capital assets being depreciated, net</b>	<b>9,543,439</b>	<b>(439,338)</b>	<b>-</b>	<b>9,104,101</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 10,493,867</b>	<b>(429,313)</b>	<b>-</b>	<b>10,064,554</b>

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

Governmental activities:

General government	\$ 60,061
Public safety	163,188
Public works	164,910
Health and welfare	44
Recreation and culture	11,938

**Total depreciation expense - governmental activities** **\$ 400,141**

Business-type activities:

Sewer Department	\$ 451,588
Cape Porpoise Pier	30,032
Dock Square Parking Lot	5,732

**Total depreciation expense - business-type activities** **\$ 487,352**

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

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**INTERFUND LOAN BALANCES**

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Individual interfund loan receivable and payable balances at the year ended June 30, 2013, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	\$ -	1,379,750
Proprietary funds:		
Sewer Department	134,435	-
Cape Porpoise Pier	34,125	-
Dock Square Parking Lot	203,378	-
<u>Total proprietary funds</u>	371,938	-
Nonmajor special revenue funds:		
Piers, Rivers & Harbors	212,829	-
350 <sup>th</sup> Anniversary	3,655	-
Revaluation	6,104	-
Maine DEA Drug Forfeiture	950	-
DEA Drug Forfeiture	496	-
<u>Total nonmajor special revenue funds</u>	224,034	-
Nonmajor capital projects funds:		
General Capital Projects	36,672	-
Port Village Fire Station	1,252	-
Fire Apparatus	420,000	-
Highway Vehicles	40,852	-
Garage Roof	29,407	-
S Brook Drainage	220,348	-
Communications building	39,740	-
<u>Total nonmajor capital projects funds</u>	788,271	-
Nonmajor permanent funds:		
Macomber Trust	-	4,493
<u>Total nonmajor permanent funds</u>	-	4,493
 <u><b>Total interfund loan receivables and payables</b></u>	 <u><b>\$ 1,384,243</b></u>	 <u><b>1,384,243</b></u>

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, 2013 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
<b>General Fund</b>	<b>\$ 394,631</b>	<b>454,435</b>
<b>Proprietary funds:</b>		
Sewer Department	88,903	-
Dock Square Parking Lot	-	232,000
<b>Total proprietary funds</b>	<b>88,903</b>	<b>232,000</b>
<b>Nonmajor special revenue funds:</b>		
Piers, Rivers & Harbors	50,000	-
<b>Total nonmajor special revenue funds</b>	<b>50,000</b>	<b>-</b>
<b>Nonmajor capital projects funds:</b>		
Fire Apparatus	130,000	-
S Brook Drainage	120,792	-
Communications building	39,740	-
09 Road Project	-	26,531
Road Improvement	-	89,948
Highway Vehicles	-	20,352
<b>Total nonmajor capital projects funds</b>	<b>290,532</b>	<b>136,831</b>
<b>Nonmajor permanent funds:</b>		
Macomber Trust	-	800
<b>Total nonmajor permanent funds</b>	<b>-</b>	<b>800</b>
<b>Totals</b>	<b>\$ 824,066</b>	<b>824,066</b>

These transfers were budgeted transfers to fund certain activities.

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,313,606	-	243,436	1,070,170	246,624
Capital leases	11,335	30,475	5,559	36,251	5,776
Compensated absences (1)	153,385	-	14,974	138,411	-
<b>Governmental activity         long-term liabilities</b>	<b>\$ 1,478,326</b>	<b>30,475</b>	<b>263,969</b>	<b>1,244,832</b>	<b>252,400</b>
<b>Business-type activities:</b>					
Bonds payable	\$ 758,530	-	173,304	585,226	49,036
Compensated absences (1)	24,539	2,202	-	26,741	-
<b>Business-type activity         long-term liabilities</b>	<b>\$ 783,069</b>	<b>2,202</b>	<b>173,304</b>	<b>611,967</b>	<b>49,036</b>

(1) Compensated absences are shown as long-term since the amount due within one year cannot be reasonably estimated.

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

**LONG-TERM DEBT**

Bonds payable and capital leases at June 30, 2013, 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>					
Bonds payable:					
Road bond	\$ 1,600,000	8/1/08	2019	4.24%	800,000
Salt/Sand Shed bond	796,000	9/28/05	2016	3.7-3.9%	270,170
Total governmental activities bonds payable					1,070,170
<u>Business-type activities:</u>					
Bonds payable:					
Sewer expansion bonds	\$ 1,000,000	11/13/03	2024	2.25%	585,226
Total business-type activities bonds payable					585,226
<b>Total governmental activities and business-type activities</b>					<b>\$ 1,655,396</b>

All governmental activities long-term debt service requirements are paid by the General Fund. Business-type debt 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 \$57,954.

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>
2014	\$ 246,624	39,470	286,094	\$ 5,776	361	6,137
2015	249,935	29,243	279,178	5,777	817	6,594
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	172	6,593
<b>Totals</b>	<b>\$ 1,070,170</b>	<b>101,820</b>	<b>1,171,990</b>	<b>\$ 36,251</b>	<b>2,855</b>	<b>39,106</b>



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

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**LONG-TERM DEBT, CONTINUED**

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**Business-type Activities**

	<u>Principal</u>	<u>Bonds Interest</u>	<u>Total</u>
2014	\$ 49,036	11,036	60,072
2015	49,802	9,924	59,726
2016	50,603	9,105	59,708
2017	51,443	8,222	59,665
2018	52,321	7,322	59,643
2019-2023	275,102	21,347	296,449
2024	56,919	2,069	58,988
<b><u>Totals</u></b>	<b><u>\$ 585,226</u></b>	<b><u>69,025</u></b>	<b><u>654,251</u></b>

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, 2013, the Town's outstanding debt did not exceed these limits.

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**OVERLAPPING DEBT**

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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, 2013</u>	<u>Percentage applicable to the Town</u>	<u>Town's proportionate share of debt</u>
York County	\$ 8,900,000	5.35%	476,150
RSU #21	17,345,523	38.01%	<u>6,593,033</u>
			7,069,183

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

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**RISK MANAGEMENT**

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The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in 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, 2013.

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

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**FUND BALANCE AND NET POSITION**

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The General Fund unassigned fund balance total of \$4,050,541 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, 2013, 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	\$ 6,075	-	-	-
Prepaid expenditures	5,233	-	-	-
Subsequent year budget	-	-	-	-
Carry forward balances	-	-	237,917	-
Encumbrances	-	-	-	112,290
Special Revenue Funds:				
Piers, Rivers & Harbors	-	-	-	212,829
350 <sup>th</sup> Anniversary	-	-	-	3,655
Revaluation	-	-	-	6,104
DEA Drug Forfeiture	-	-	-	496
Maine DEA Drug Forfeiture	-	-	-	950
Capital Projects Funds:				
General Capital Projects	-	36,672	-	-
Port Village Fire	-	-	-	1,252
Fire Apparatus	-	-	420,000	-
Highway Vehicle	-	-	40,852	-
Garage Roof	-	-	27,329	-
S Brook Drainage	-	-	220,348	-
Communications building	-	-	39,740	-
Permanent Funds:				
Principal	688,206	-	-	-
Unexpended income:				
Kittredge	-	15,409	-	-
Macomber	-	11,190	-	-
<b>Totals</b>	<b>\$ 699,514</b>	<b>63,271</b>	<b>986,186</b>	<b>337,576</b>

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

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**FUND BALANCE AND NET POSITION, CONTINUED**

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At June 30, 2013 and 2012, fund balances were committed to future periods as follows:

	<u>2013</u>	<u>2012</u>
General Fund:		
Bridge repairs	\$ 49,542	49,542
Street lights	5,000	5,000
Silas Perkins Park	3,341	5,766
Salt shed	21,899	21,899
Pier Road	1,518	1,518
No. St. parking lot	-	750
Fire equipment	10,000	10,000
GA donations	9,498	11,810
Parks & Rec Improvements	-	3,653
Admin – Building	-	2,921
Employee separation	11,006	18,465
Downtown projects	2,611	2,611
Cemetery	300	300
Voting Equipment	10,000	6,500
Beachwood Park	(187)	(361)
Local Circuit Breaker Program	8,861	3,861
Recreation - capital	24,513	9,500
Parsons Way bench	2,622	1,536
Police donations	200	2,000
Sidewalk Improvement	23,998	3,324
Communications	2,703	8,988
GA – Heating account	13,831	-
Sip Sip No Condo	493	-
Coastal Healthy Communities grant	1,500	-
Legal	22,621	-
Land acquisition	12,047	12,047
<b>Total General Fund committed fund balance</b>	<b>\$ 237,917</b>	<b>181,630</b>

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

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS)**

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**Maine PERS - Consolidated Plan**

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

**Funding Policy** - The Town's police department employees are part of the PLDs special plan #2 and are required to contribute 6.5% of their annual covered salary, while all other employees are part of the regular plan and are also required to contribute 6.5% of their annual salary. The Town is required to contribute an actuarially determined rate. The current rate is 10.2% of the special plan #2 members' covered payroll and 4.4% of the regular plan members' covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine State legislature. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2013, 2012 and 2011 were \$154,847, \$125,409, and \$96,532, respectively.

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**457 RETIREMENT PLAN**

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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.

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**NET POSITION**

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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, 2013:

	Governmental activities	Business-type activities
Capital assets	\$ 15,812,210	20,152,911
Accumulated depreciation	(6,180,206)	(10,088,357)
Bonds payable	(1,070,170)	(585,226)
Capital leases	(36,251)	-
<b>Total net investment in capital assets</b>	<b>\$ 8,525,583</b>	<b>9,479,328</b>

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## **GENERAL FUND**

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges, and capital improvement costs which are not paid through other funds.

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**TOWN OF KENNEBUNKPORT, MAINE**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2013 and 2012**

	2013	2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,920,244	541,279
Investments	4,154,556	5,423,319
Inventory	6,075	5,683
Receivables:		
Taxes receivable - current year	146,045	131,006
Taxes receivable - prior year	2,422	2,254
Tax liens receivable	30,180	34,200
Accounts receivable	45,132	71,189
Due from other governments	31,496	-
Prepaid expenditures	5,233	5,070
<b>Total assets</b>	<b>\$ 6,341,383</b>	<b>6,214,000</b>
<b>LIABILITIES</b>		
Accounts payable and payroll withholdings	114,880	311,463
Accrued wages	55,034	49,455
Other liabilities	263,845	274,958
Taxes paid in advance	13,118	6,395
Interfund loans payable	1,379,750	1,451,778
<b>Total liabilities</b>	<b>1,826,627</b>	<b>2,094,049</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred tax revenue	102,700	93,866
<b>Total deferred inflows of resources</b>	<b>102,700</b>	<b>93,866</b>
<b>FUND BALANCES</b>		
Nonspendable	11,308	10,753
Committed	237,917	181,630
Assigned	112,290	-
Unassigned	4,050,541	3,833,702
<b>Total fund balances</b>	<b>4,412,056</b>	<b>4,026,085</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,341,383</b>	<b>6,214,000</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2013**

			2013			
	2012					Variance
	Carryforward		Original	Total	Actual	positive
	balance		budget	available		(negative)
Revenues:						
Taxes:						
Property taxes	\$	-	12,721,759	12,721,759	12,704,661	(17,098)
Change in deferred property tax revenue		-	-	-	8,834	8,834
Excise taxes		-	763,500	763,500	803,924	40,424
Interest and costs on taxes		-	30,000	30,000	25,491	(4,509)
Total taxes		-	13,515,259	13,515,259	13,542,910	27,651
Intergovernmental:						
State Revenue Sharing		-	100,000	100,000	92,272	(7,728)
Homestead reimbursement		-	31,109	31,109	31,109	-
State road assistance		-	52,356	52,356	52,356	-
Tree Growth		-	-	-	7,621	7,621
Snowmobile reimbursement		-	-	-	298	298
Veterans reimbursement		-	2,000	2,000	2,167	167
General assistance		-	4,000	4,000	698	(3,302)
BETE reimbursement		-	164	164	176	12
FEMA grants		-	-	-	21,098	21,098
Wellness grant		-	1,360	1,360	787	(573)
Rachel Carson		-	4,000	4,000	4,000	-
COPS grant		-	76,371	76,371	69,980	(6,391)
Miscellaneous		-	-	-	3,540	3,540
Total intergovernmental		-	271,360	271,360	286,102	14,742
Licenses and permits:						
Town Clerk fees		-	7,000	7,000	9,018	2,018
Plumbing fees		-	8,000	8,000	13,347	5,347
Building permits		-	100,000	100,000	121,828	21,828
Liquor license		-	2,800	2,800	3,575	775
Victualers license		-	3,000	3,000	3,100	100
Shellfish license		-	4,800	4,800	1,815	(2,985)
Total licenses and permits		-	125,600	125,600	152,683	27,083



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

			2013			
	2012		Original	Total	Variance	
	Carryforward		Budget	available	positive	
	balance			Actual	(negative)	
Revenues, continued:						
Charges for services:						
Dogs fees	\$	-	3,350	3,350	4,738	1,388
Agent fees		-	11,500	11,500	11,153	(347)
Land use ordinance		-	300	300	475	175
Planning board/appeals board		-	10,800	10,800	10,677	(123)
Passport fees		-	2,250	2,250	2,250	-
Parking tickets		-	27,000	27,000	49,000	22,000
Police other		-	5,000	5,000	5,685	685
Goose Rocks		-	85,000	85,000	111,597	26,597
Nurses fees		-	2,500	2,500	3,466	966
Parks and recreation revenue		-	180,000	180,000	169,172	(10,828)
Dump/metal		-	-	-	56	56
Tree growth withdrawal penalty		-	-	-	360	360
Fire other		-	-	-	127	127
Total charges for services		-	327,700	327,700	368,756	41,056
Investment income		-	40,000	40,000	33,722	(6,278)
Total investment income		-	40,000	40,000	33,722	(6,278)
Other revenues:						
Donations		-	-	-	39,593	39,593
Maine PERS credit		-	189,257	189,257	157,894	(31,363)
Recreation		-	3,500	3,500	2,098	(1,402)
Conservation		-	10,000	10,000	10,000	-
Miscellaneous		-	17,500	17,500	55,295	37,795
Total other revenues		-	220,257	220,257	264,880	44,623
Total revenues		-	14,500,176	14,500,176	14,649,053	148,877

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

		2013				
		2012				Variance
		Carryforward	Original	Total	Actual	positive
		balance	budget	available		(negative)
Expenditures:						
Current:						
General government:						
Administration	\$	-	747,462	747,462	715,063	32,399
Assessing		-	66,137	66,137	63,374	2,763
Code enforcement		-	148,789	148,789	138,895	9,894
Planning		-	62,556	62,556	63,549	(993)
Zoning Board		-	550	550	194	356
Conservation		-	700	700	646	54
Growth planning		-	6,450	6,450	527	5,923
Legal fees		-	385,000	385,000	363,386	21,614
Insurance		-	135,298	135,298	124,362	10,936
Community Development		-	24,347	24,347	21,542	2,805
Total general government		-	1,577,289	1,577,289	1,491,538	85,751
Public safety:						
Police department		-	1,345,165	1,345,165	1,243,288	101,877
Communications		-	388,019	388,019	373,840	14,179
Fire department		-	363,348	363,348	310,451	52,897
KEMS		-	125,000	125,000	125,000	-
EMA		-	750	750	77	673
Animal control		-	14,138	14,138	13,732	406
Harbor master		-	17,759	17,759	17,555	204
Total public safety		-	2,254,179	2,254,179	2,083,943	170,236
Public works:						
Highway department		-	670,955	670,955	655,107	15,848
Mechanic		-	109,620	109,620	104,514	5,106
Utilities		-	155,489	155,489	153,796	1,693
Conservation		-	32,538	32,538	31,531	1,007
Cemetery		-	13,845	13,845	12,502	1,343
Total public works		-	982,447	982,447	957,450	24,997

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

		2013				
		2012	Original	Total	Variance	
		Carryforward	budget	available	positive	
		balance		Actual	(negative)	
Expenditures, continued						
Current, continued:						
Health and welfare:						
Solid waste	\$	-	477,403	477,403	431,382	46,021
Health		-	158,468	158,468	152,268	6,200
Welfare		-	8,200	8,200	1,792	6,408
Social services		-	22,900	22,900	22,900	-
Shellfish cons		-	2,748	2,748	2,696	52
HB-H2O Quality		-	1,000	1,000	300	700
Public restrooms		-	29,500	29,500	25,937	3,563
General assistance donation		-	-	-	25,373	(25,373)
Total health and welfare		-	700,219	700,219	662,648	37,571
Recreation and culture:						
Recreation		-	302,918	302,918	296,690	6,228
Graves library		-	105,000	105,000	105,000	-
Cape Porpoise		-	14,225	14,225	14,225	-
Parsons Way		-	2,800	2,800	2,785	15
Parks & Recreation donations		-	-	-	1,103	(1,103)
Total recreation and culture		-	424,943	424,943	419,803	5,140
Grants:						
Police		-	-	-	2,000	(2,000)
Total grants		-	-	-	2,000	(2,000)
Debt service:						
Principal		-	243,436	243,436	243,436	-
Interest		-	49,571	49,571	49,527	44
Total debt service		-	293,007	293,007	292,963	44
Unclassified:						
Circuit breaker		-	20,000	20,000	14,177	5,823
Contingency		-	45,000	45,000	18,453	26,547
Miscellaneous agencies		-	7,565	7,565	7,590	(25)
Bad debt expense		-	-	-	5,061	(5,061)
County tax		-	975,744	975,744	975,744	-
Education		-	6,677,507	6,677,507	6,677,507	-
Overlay/abatements		-	74,612	74,612	14,227	60,385
Total unclassified		-	7,800,428	7,800,428	7,712,759	87,669

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

		2013			
	2012				Variance
	Carryforward	Original	Total	Actual	positive
	balance	budget	available		(negative)
Expenditures, continued:					
Capital improvements and reserves:					
Capital outlay:					
Administration	\$ -	8,500	8,500	5,000	3,500
Police	-	56,750	56,750	58,888	(2,138)
Communications	-	50,000	50,000	10,260	39,740
Fire	-	67,820	67,820	67,397	423
Road improvement	-	250,000	250,000	371,690	(121,690)
Highway vehicle	-	120,000	120,000	140,352	(20,352)
Sidewalk con	-	25,000	25,000	4,326	20,674
Recreation	-	25,000	25,000	581	24,419
Special project-S Brook	-	125,000	125,000	4,208	120,792
CEO/Planning	-	3,000	3,000	-	3,000
Assigned:					
Park improvement	3,792	-	3,792	3,792	-
Employee separation	7,459	-	7,459	7,459	-
Town building	2,921	-	2,921	2,921	-
Recreation Capital	9,406	-	9,406	9,406	-
Silas Perkins	1,222	-	1,222	2,425	(1,203)
North Street parking lot	-	-	-	750	(750)
Communications	-	-	-	6,286	(6,286)
Total capital improvements and reserves	24,800	731,070	755,870	695,741	60,129
Total expenditures	24,800	14,763,582	14,788,382	14,318,845	469,537
Excess (deficiency) of revenues over					
(under) expenditures	(24,800)	(263,406)	(288,206)	330,208	618,414

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

		2012	2013			
		Carryforward balance	Original budget	Total available	Actual	Variance positive (negative)
Other financing sources (uses):						
Transfers to other funds:						
Fire apparatus	\$	-	(130,000)	(130,000)	(130,000)	-
Communications building		-	-	-	(39,740)	(39,740)
S Brook drainage		-	-	-	(120,792)	(120,792)
Piers		-	(50,000)	(50,000)	(50,000)	-
Sewer debt (principal & interest)		-	(114,394)	(114,394)	(113,903)	491
Transfers from other funds:						
Road Improvement		-	-	-	116,479	116,479
Dock Square Parking Lot		-	210,000	210,000	210,000	-
Dock Square Restrooms		-	22,000	22,000	22,000	-
Sewer		-	25,000	25,000	25,000	-
Macomber		-	800	800	800	-
Highway vehicle		-	-	-	20,352	20,352
Utilization of unassigned fund balance		-	300,000	300,000	-	(300,000)
Utilization of assigned fund balance		24,800	-	24,800	-	(24,800)
Total other financing sources (uses)		24,800	263,406	288,206	(59,804)	(348,010)
Net change in fund balance Budgetary Basis		-	-	-	270,404	270,404
Reconciliation in fund balance - budgetary basis:						
Encumbrances expended in budgetary					115,567	
Unbudgeted general fund other sources - lease proceeds					30,475	
Unbudgeted general fund expenditures - capital items leased					(30,475)	
Net change in fund balance - GAAP Basis					385,971	
Fund balance, beginning of year					4,026,085	
Fund balance, end of year	\$				4,412,056	

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## **ALL OTHER GOVERNMENTAL FUNDS**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**All Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	-	4,325	4,325
Investments	-	-	714,766	714,766
Accounts receivable	-	-	207	207
Interfund loans receivable	224,034	788,271	-	1,012,305
<b>Total assets</b>	<b>\$ 224,034</b>	<b>788,271</b>	<b>719,298</b>	<b>1,731,603</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	2,078	-	2,078
Interfund loans payable	-	-	4,493	4,493
<b>Total liabilities</b>	<b>-</b>	<b>2,078</b>	<b>4,493</b>	<b>6,571</b>
Fund balances:				
Nonspendable	-	-	688,206	688,206
Restricted	-	36,672	26,599	63,271
Committed	-	748,269	-	748,269
Assigned	224,034	1,252	-	225,286
<b>Total fund balances</b>	<b>224,034</b>	<b>786,193</b>	<b>714,805</b>	<b>1,725,032</b>
<b>Total liabilities and fund balances</b>	<b>\$ 224,034</b>	<b>788,271</b>	<b>719,298</b>	<b>1,731,603</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**All Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>Revenues:</b>				
Intergovernmental	\$ 1,600	-	-	1,600
Other	606	30,791	6,416	37,813
Investment income	-	193	12,299	12,492
Total revenues	2,206	30,984	18,715	51,905
<b>Expenditures:</b>				
Current:				
Services	3,232	-	-	3,232
Other	-	368,609	17,417	386,026
Total expenditures	3,232	368,609	17,417	389,258
Excess (deficiency) of revenues over (under) expenditures	(1,026)	(337,625)	1,298	(337,353)
<b>Other financing sources (uses):</b>				
Transfer from other funds	50,000	290,532	-	340,532
Transfer to other funds	-	(136,831)	(800)	(137,631)
Total other financing sources (uses)	50,000	153,701	(800)	202,901
Net change in fund balances	48,974	(183,924)	498	(134,452)
Fund balances, beginning of year	175,060	970,117	714,307	1,859,484
Fund balances, end of year	\$ 224,034	786,193	714,805	1,725,032

## **NONMAJOR SPECIAL REVENUE FUNDS**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2013**

	Piers, Rivers & Harbors	350th Anniversary	Revaluation	DEA Drug Forfeiture	Maine Drug Forfeiture	Totals
<b>ASSETS</b>						
Interfund loans receivable	\$ 212,829	3,655	6,104	496	950	224,034
<b>Total assets</b>	<b>\$ 212,829</b>	<b>3,655</b>	<b>6,104</b>	<b>496</b>	<b>950</b>	<b>224,034</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Interfund loans payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:						
Assigned	212,829	3,655	6,104	496	950	224,034
<b>Total fund balances</b>	<b>212,829</b>	<b>3,655</b>	<b>6,104</b>	<b>496</b>	<b>950</b>	<b>224,034</b>
<b>Total liabilities and fund balances</b>	<b>\$ 212,829</b>	<b>3,655</b>	<b>6,104</b>	<b>496</b>	<b>950</b>	<b>224,034</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2013**

	Piers, Rivers & Harbors	350th Anniversary	Revaluation	DEA Drug Forfeiture	Maine Drug Forfeiture	Totals
Revenues:						
Intergovernmental	\$ 1,600	-	-	-	-	1,600
Other	-	606	-	-	-	606
Total revenues	1,600	606	-	-	-	2,206
Expenditures:						
Current:						
Services	3,132	-	-	-	100	3,232
Total expenditures	3,132	-	-	-	100	3,232
Excess (deficiency) of revenues over (under) expenditures	(1,532)	606	-	-	(100)	(1,026)
Other financing sources:						
Transfer from other funds	50,000	-	-	-	-	50,000
Total other financing sources	50,000	-	-	-	-	50,000
Net change in fund balances	48,468	606	-	-	(100)	48,974
Fund balances, beginning of year	164,361	3,049	6,104	496	1,050	175,060
Fund balances, end of year	\$ 212,829	3,655	6,104	496	950	224,034

## **NONMAJOR CAPITAL PROJECTS FUNDS**

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TOWN OF KENNEBUNKPORT, MAINE  
Nonmajor Capital Projects Funds  
Combining Balance Sheet  
June 30, 2013

	General Capital Projects	09 Road Project	30 North Street	Port Village Fire Station	Town Office	Fire Apparatus	Highway Vehicles	Garage Roof	S Brook Drainage	Communications Building	Road Improvement	Totals
<b>ASSETS</b>												
Interfund loans receivable	\$ 36,672	-	-	1,252	-	420,000	40,852	29,407	220,348	39,740	-	788,271
<b>Total assets</b>	<b>\$ 36,672</b>	<b>-</b>	<b>-</b>	<b>1,252</b>	<b>-</b>	<b>420,000</b>	<b>40,852</b>	<b>29,407</b>	<b>220,348</b>	<b>39,740</b>	<b>-</b>	<b>788,271</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	-	-	-	-	-	-	-	2,078	-	-	-	2,078
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,078</b>
Fund balances:												
Restricted	36,672	-	-	-	-	-	-	-	-	-	-	36,672
Committed	-	-	-	-	-	420,000	40,852	27,329	220,348	39,740	-	748,269
Assigned	-	-	-	1,252	-	-	-	-	-	-	-	1,252
<b>Total fund balances</b>	<b>36,672</b>	<b>-</b>	<b>-</b>	<b>1,252</b>	<b>-</b>	<b>420,000</b>	<b>40,852</b>	<b>27,329</b>	<b>220,348</b>	<b>39,740</b>	<b>-</b>	<b>786,193</b>
<b>Total liabilities and fund balances</b>	<b>\$ 36,672</b>	<b>-</b>	<b>-</b>	<b>1,252</b>	<b>-</b>	<b>420,000</b>	<b>40,852</b>	<b>29,407</b>	<b>220,348</b>	<b>39,740</b>	<b>-</b>	<b>788,271</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2013**

	General Capital Projects	09 Road Project	30 North Street	Port Village Fire Station	Town Office	Fire Apparatus	Highway Vehicle	Garage Roof	S Brook Drainage	Communications Building	Road Improvement	Totals
Revenues:												
Interest income	\$ -	193	-	-	-	-	-	-	-	-	-	193
Miscellaneous	-	-	-	-	-	-	-	30,791	-	-	-	30,791
Total revenues	-	193	-	-	-	-	-	30,791	-	-	-	30,984
Expenditures:												
Capital outlay	-	16,006	115	1,820	167	-	-	350,501	-	-	-	368,609
Total expenditures	-	16,006	115	1,820	167	-	-	350,501	-	-	-	368,609
Deficiency of revenues under expenditures	-	(15,813)	(115)	(1,820)	(167)	-	-	(319,710)	-	-	-	(337,625)
Other financing sources (uses):												
Transfer from other funds	-	-	-	-	-	130,000	-	-	120,792	39,740	-	290,532
Transfer to other funds	-	(26,531)	-	-	-	-	(20,352)	-	-	-	(89,948)	(136,831)
Total other financing sources (uses)	-	(26,531)	-	-	-	130,000	(20,352)	-	120,792	39,740	(89,948)	153,701
Net change in fund balances	-	(42,344)	(115)	(1,820)	(167)	130,000	(20,352)	(319,710)	120,792	39,740	(89,948)	(183,924)
Fund balances, beginning of year	36,672	42,344	115	3,072	167	290,000	61,204	347,039	99,556	-	89,948	970,117
Fund balances, end of year	\$ 36,672	-	-	1,252	-	420,000	40,852	27,329	220,348	39,740	-	786,193

## **NONMAJOR PERMANENT FUNDS**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2013**

	<b>Kittredge Family Fire Equip. Fund</b>	<b>Macomber Trust</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,325	-	4,325
Investments	699,290	15,476	714,766
Accounts receivable	-	207	207
<b>Total assets</b>	<b>\$ 703,615</b>	<b>15,683</b>	<b>719,298</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Interfund loans payable	-	4,493	4,493
<b>Total liabilities</b>	<b>-</b>	<b>4,493</b>	<b>4,493</b>
Fund balances:			
Nonspendable	688,206	-	688,206
Restricted	15,409	11,190	26,599
<b>Total fund balances</b>	<b>703,615</b>	<b>11,190</b>	<b>714,805</b>
<b>Total liabilities and fund balances</b>	<b>\$ 703,615</b>	<b>15,683</b>	<b>719,298</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2013**

	<b>Kittredge Family Fire Equip. Fund</b>	<b>Macomber Trust</b>	<b>Totals</b>
<b>Revenues:</b>			
Investment income	\$ 12,214	85	12,299
Other	-	6,416	6,416
<b>Total revenues</b>	<b>12,214</b>	<b>6,501</b>	<b>18,715</b>
<b>Expenditures:</b>			
Village Fire Company	3,720	-	3,720
Goose Rocks	2,480	-	2,480
Wildwood Fire	1,653	-	1,653
Cape Porpoise	2,480	-	2,480
Other	-	7,084	7,084
<b>Total expenditures</b>	<b>10,333</b>	<b>7,084</b>	<b>17,417</b>
Excess (deficiency) of revenues over (under) expenditures	1,881	(583)	1,298
<b>Other financing sources (uses):</b>			
Transfer to other funds	-	(800)	(800)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(800)</b>	<b>(800)</b>
<b>Net change in fund balances</b>	<b>1,881</b>	<b>(1,383)</b>	<b>498</b>
<b>Fund balances, beginning of year</b>	<b>701,734</b>	<b>12,573</b>	<b>714,307</b>
<b>Fund balances, end of year</b>	<b>\$ 703,615</b>	<b>11,190</b>	<b>714,805</b>

# ***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.

<b>Contents</b>	<b>Page</b>
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.	75-80
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	81-84
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.	85-88
Demographic and Economic Information These schedules contain information to help the reader understand the environment within which the government's financial activities take place.	89-90
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 it performs.	91-93

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Table 1

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 8,525,583	\$ 7,635,751	\$ 7,201,659	\$ 7,050,126	\$ 7,054,872	\$ 7,222,584	\$ 8,637,838	\$ 8,414,196	\$ 6,558,600	\$ 5,913,541
Restricted	63,271	-	-	-	1,862,131	2,366,569	1,983,872	2,025,510	1,741,104	2,161,283
Unrestricted	6,033,674	5,820,492	5,950,155	5,857,101	4,003,339	3,511,995	3,830,108	3,660,968	3,560,238	3,583,463
Total governmental activities net position	\$ 14,622,528	\$ 13,456,243	\$ 13,151,814	\$ 12,907,227	\$ 12,920,342	\$ 13,101,148	\$ 14,451,818	\$ 14,100,674	\$ 11,859,942	\$ 11,658,287
Business-type activities										
Net investment in capital assets	\$ 9,479,328	\$ 9,735,337	\$ 9,739,191	\$ 8,089,806	\$ 8,303,078	\$ 8,336,157	\$ 8,232,673	\$ 8,428,634	\$ 8,396,479	\$ 8,413,984
Restricted	-	-	-	-	-	-	15,000	-	-	474,144
Unrestricted	1,814,493	1,724,121	1,858,758	3,555,581	3,369,535	3,389,399	3,301,650	3,126,443	2,289,157	1,832,382
Total business-type activities net position	\$ 11,293,821	\$ 11,459,458	\$ 11,597,949	\$ 11,645,387	\$ 11,672,613	\$ 11,725,556	\$ 11,549,323	\$ 11,555,077	\$ 10,685,636	\$ 10,720,510
Primary Government										
Net investment in capital assets	\$ 18,004,911	\$ 17,371,088	\$ 16,940,850	\$ 15,139,932	\$ 15,357,950	\$ 15,558,741	\$ 16,870,511	\$ 16,842,830	\$ 14,955,079	\$ 14,327,525
Restricted	63,271	-	-	-	1,862,131	2,366,569	1,998,872	2,025,510	1,741,104	2,635,427
Unrestricted	7,848,167	7,544,613	7,808,913	9,412,682	7,372,874	6,901,394	7,131,758	6,787,411	5,849,395	5,415,845
Total primary government net position	\$ 25,916,349	\$ 24,915,701	\$ 24,749,763	\$ 24,552,614	\$ 24,592,955	\$ 24,826,704	\$ 26,001,141	\$ 25,655,751	\$ 22,545,578	\$ 22,378,797

Table 2

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 1,519,159	\$ 1,472,065	\$ 1,444,313	\$ 1,206,052	\$ 1,110,339	\$ 1,169,086	\$ 859,138	\$ 1,063,712	\$ 1,015,187	\$ 828,993
Public safety	2,033,767	2,197,301	2,164,400	2,026,344	1,989,426	1,812,920	1,670,564	1,615,419	1,529,902	1,530,794
Highways, streets and bridges	234,112	451,582	1,038,587	1,027,429	1,144,346	357,981	858,086	(206,146)	675,737	483,405
Health and welfare (b)	232,753	193,342	203,347	259,578	601,034	574,822	574,896	519,187	540,729	496,132
Recreation and Culture	417,031	493,953	442,834	397,389	370,438	372,782	332,066	311,713	326,859	211,973
Grants (a)	2,000	1,300	41,464	-	-	-	-	-	-	-
Education	6,677,507	6,107,804	6,260,773	6,618,663	6,766,103	6,944,899	7,225,123	7,593,771	8,282,868	7,826,291
County tax	975,744	1,015,041	975,559	853,785	860,180	808,784	749,856	759,218	729,252	675,379
Solid Waste	431,382	470,152	421,991	385,167	-	-	-	-	-	-
Outside agencies (c)	-	-	-	-	14,845	14,806	5,970	5,850	6,100	158,872
Unclassified	435,612	447,213	90,131	152,085	40,426	22,754	35,847	31,703	10,000	88,328
Unallocated depreciation (d)	-	-	-	-	38,044	35,115	29,925	29,099	287,357	260,966
Loss on disposal of assets	9,261	108,006	10,661	470,770	-	-	-	-	-	-
Interest on debt service	42,842	53,092	6,134	81,091	81,716	26,648	30,910	18,094	14,094	59,235
Capital maintenance expenses	675,434	367,945	44,853	(70,408)	699,958	746,622	411,228	96,455	147,210	412,511
Special projects	-	-	-	-	265,351	99,160	312,247	76,126	162,837	-
<b>Total Governmental Activities</b>	<b>13,686,604</b>	<b>13,318,796</b>	<b>13,145,047</b>	<b>13,407,945</b>	<b>13,982,206</b>	<b>12,986,379</b>	<b>13,095,856</b>	<b>11,914,201</b>	<b>13,728,132</b>	<b>13,032,879</b>
<b>Business-type Activities:</b>										
Sewer	1,308,439	1,241,477	1,201,108	1,234,580	1,237,022	1,173,956	1,173,234	1,025,906	967,428	1,067,587
Cape Porpoise Pier	363,784	395,556	324,965	277,219	240,403	327,405	263,973	262,116	219,258	191,717
Dock Square Parking Lot	61,426	74,254	61,348	49,887	49,767	52,835	45,054	44,710	351,598	48,329
<b>Total Business-type Activities</b>	<b>1,733,649</b>	<b>1,711,287</b>	<b>1,587,421</b>	<b>1,561,686</b>	<b>1,527,192</b>	<b>1,554,196</b>	<b>1,482,261</b>	<b>1,332,732</b>	<b>1,538,284</b>	<b>1,307,633</b>
<b>Total Expenses</b>	<b>\$ 15,420,253</b>	<b>\$ 15,030,083</b>	<b>\$ 14,732,468</b>	<b>\$ 14,969,631</b>	<b>\$ 15,509,398</b>	<b>\$ 14,540,575</b>	<b>\$ 14,578,117</b>	<b>\$ 13,246,933</b>	<b>\$ 15,266,416</b>	<b>\$ 14,340,512</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services:										
General government	\$ 182,336	\$ 197,129	\$ 168,138	\$ 146,981	\$ 147,265	\$ 164,883	\$ 276,306	\$ 186,293	\$ 188,462	\$ 185,074
Public safety	54,812	32,412	43,063	39,979	28,925	28,692	37,659	99,802	35,501	48,966
Highways, streets and bridges	-	-	-	-	-	-	100	-	-	53,873
Health and welfare	3,466	1,663	7,224	10,428	5,945	8,751	7,595	-	-	-
Recreation	171,270	163,595	163,854	162,942	160,092	159,596	134,567	123,613	127,567	129,359
Solid Waste	56	22	6	-	-	-	-	-	-	-
Unclassified	279,491	242,612	199,355	168,350	9,247	10,500	59,194	-	-	-
Operating grants and contributions:										
Public safety	70,156	65,771	32,579	37,524	-	-	-	7,927	93,159	52,356
Highways, streets and bridges	53,956	63,601	54,382	55,226	52,356	52,356	52,356	52,356	-	-
Health and welfare	1,485	1,566	2,831	4,049	-	-	-	-	3,684	-
Recreation	-	-	40,702	1,482	-	-	-	-	-	-
Unclassified	15,161	12,725	8,063	14,390	-	-	-	-	-	-
Special projects	-	-	-	-	-	-	-	-	90,216	-
Capital grants and contributions:										
Highways, streets and bridges	21,098	14,421	15,745	34,027	-	-	-	-	101,650	-
<b>Total Governmental Activities</b>	<b>853,287</b>	<b>795,517</b>	<b>735,942</b>	<b>675,378</b>	<b>403,830</b>	<b>424,778</b>	<b>567,777</b>	<b>469,991</b>	<b>640,239</b>	<b>469,628</b>
<b>Business-type Activities:</b>										
Charges for services:										
Sewer	1,025,064	1,010,152	958,187	1,029,649	952,409	959,204	1,045,943	1,578,555	841,428	848,567
Cape Porpoise Pier	329,444	364,236	306,390	259,889	301,274	282,311	235,926	247,164	-	175,467
Dock Square Parking Lot	342,873	326,100	320,297	312,230	302,620	291,981	277,382	281,009	291,332	294,731
<b>Total Business-type Activities</b>	<b>1,697,381</b>	<b>1,700,488</b>	<b>1,584,874</b>	<b>1,601,768</b>	<b>1,556,303</b>	<b>1,533,496</b>	<b>1,559,251</b>	<b>2,106,728</b>	<b>1,132,760</b>	<b>1,318,765</b>
<b>Total Program Revenues</b>	<b>\$ 2,550,668</b>	<b>\$ 2,496,005</b>	<b>\$ 2,320,816</b>	<b>\$ 2,277,146</b>	<b>\$ 1,960,133</b>	<b>\$ 1,958,274</b>	<b>\$ 2,127,028</b>	<b>\$ 2,576,719</b>	<b>\$ 1,772,999</b>	<b>\$ 1,788,393</b>

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

(b) Prior to 2010, Solid waste was included in the Health and Welfare function

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

(d) 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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (Expense)/Revenue										
Governmental Activities	\$ (12,833,317)	\$ (12,523,279)	\$ (12,409,105)	\$ (12,732,567)	\$ (13,578,376)	\$ (12,561,601)	\$ (12,528,079)	\$ (11,444,209)	\$ (13,087,893)	\$ (12,563,251)
Business-type Activities	(36,268)	(10,799)	(2,547)	40,082	29,111	(20,700)	76,990	773,996	(405,524)	11,132
Total Net Expense	\$ (12,869,585)	\$ (12,534,078)	\$ (12,411,652)	\$ (12,692,485)	\$ (13,549,265)	\$ (12,582,301)	\$ (12,451,089)	\$ (10,670,213)	\$ (13,493,417)	\$ (12,552,119)
<b>General Revenues</b>										
Governmental activities:										
Property taxes, levied for general purposes	\$ 12,722,329	\$ 11,584,210	\$ 11,516,613	\$ 11,447,762	\$ 11,592,045	\$ 11,357,674	\$ 11,174,635	\$ 11,281,162	\$ 11,794,294	\$ 11,415,427
Interest and costs on taxes (d)	25,491	28,572	34,827	30,014	-	-	-	-	-	-
Motor vehicle excise tax	803,924	804,186	779,097	811,325	838,937	846,462	901,323	875,074	864,628	866,730
Grants and contributions not restricted (b)	-	-	-	-	355,120	233,085	223,791	268,112	287,635	254,630
Homestead exemption	31,109	29,282	30,285	39,273	-	-	-	-	-	-
State Revenue Sharing	92,272	104,511	107,786	124,884	-	-	-	-	-	-
Veterans reimbursement	2,167	2,300	2,082	2,447	-	-	-	-	-	-
Snowmobile reimbursement	298	549	536	576	-	-	-	-	-	-
Unrestricted investment earnings	46,214	60,800	80,260	113,493	167,926	233,373	279,078	190,722	81,081	-
Miscellaneous	132,701	53,763	34,743	25,287	263,557	395,803	229,510	190,461	144,074	479,879
Special Item (a)	-	-	-	50,210	-	-	-	796,000	-	-
Transfers in/out	143,097	159,535	124,462	124,391	163,701	28,648	76,886	83,409	117,836	224,719
Total general revenues, transfers and special items	13,999,602	12,827,708	12,710,691	12,769,662	13,381,286	13,095,045	12,879,223	13,684,940	13,289,548	13,241,385
Business-type Activities:										
Unrestricted investment earnings	7,228	12,419	37,152	54,123	94,068	150,256	165,068	130,872	66,047	-
Miscellaneous	6,500	19,425	11,043	2,960	18,266	8,916	44,280	24,329	208,274	29,971
Special Item	-	-	-	(50,210)	-	54,249	15,736	23,653	-	-
Transfers in/out	(143,097)	(159,535)	(124,462)	(124,391)	(163,701)	(28,648)	(76,886)	(83,409)	96,329	(224,719)
Total Business-type Activities	(129,369)	(127,691)	(76,267)	(117,518)	(51,367)	184,773	148,198	95,445	370,650	(194,748)
Total primary government	\$ 13,870,233	\$ 12,700,017	\$ 12,634,424	\$ 12,652,144	\$ 13,329,919	\$ 13,279,818	\$ 13,027,421	\$ 13,780,385	\$ 13,660,198	\$ 13,046,637
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,166,285	\$ 304,429	\$ 301,586	\$ 37,095	\$ (197,090)	\$ 533,444	\$ 951,144	\$ 2,240,731	\$ 201,655	\$ 678,134
Business-type Activities	(165,537)	(138,490)	(78,814)	(77,436)	(22,256)	164,073	225,188	869,441	(34,874)	(183,616)
Total Change in Net Position	1,000,648	165,939	222,772	(40,341)	(219,346)	697,517	576,332	3,110,172	166,781	494,518
<b>Restatement of Net Position</b>										
Governmental Activities (c)	-	-	-	-	-	(1,871,953)	-	-	-	-
Business-type Activities	-	-	-	-	-	-	(230,942)	-	-	-
Total adjusted Net Position	\$ 1,000,648	\$ 165,939	\$ 222,772	\$ (40,341)	\$ (219,346)	\$ (1,174,436)	\$ 345,390	\$ 3,110,172	\$ 166,781	\$ 494,518

(a) 2010 - transfers of capital assets and in 2005 BAN

(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

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

Table 3

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Nonspendable	\$ 11,308	\$ 10,753	\$ 7,628	\$ 7,202	\$ 3,630	\$ 8,207	\$ 7,076	\$ -	\$ -	\$ -
Committed	237,917	181,630	220,324	154,534	253,619	204,659	188,532	303,453	130,686	544,474
Assigned	112,290	-	-	-	-	-	-	-	-	-
Unassigned	4,050,541	3,833,702	4,207,006	4,199,792	3,784,866	3,569,698	3,976,083	3,689,477	3,564,823	3,590,755
Total general fund	\$ 4,412,056	\$ 4,026,085	\$ 4,434,958	\$ 4,361,528	\$ 4,042,115	\$ 3,782,564	\$ 4,171,691	\$ 3,992,930	\$ 3,695,509	\$ 4,135,229
All other governmental funds										
Nonspendable	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206	\$ 688,206
Restricted	63,271	105,117	427,075	601,465	960,763	1,067,201	949,866	884,318	831,180	837,832
Committed	748,269	887,747	260,000	120,000	-	-	-	-	-	-
Assigned	225,286	178,414	168,215	109,193	213,162	401,967	37,931	149,533	91,032	90,771
Total all other governments	\$ 1,725,032	\$ 1,859,484	\$ 1,543,496	\$ 1,518,864	\$ 1,862,131	\$ 2,157,374	\$ 1,676,003	\$ 1,722,057	\$ 1,610,418	\$ 1,616,809

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Taxes	\$ 13,542,910	\$ 12,465,866	\$ 12,347,796	\$ 12,264,718	\$ 12,396,494	\$ 12,234,108	\$ 12,079,534	\$ 12,168,047	\$ 12,740,340	\$ 12,054,228
Intergovernmental	287,702	294,726	294,991	308,074	407,476	285,441	276,147	328,395	450,474	306,986
Licenses and permits (a)	152,683	151,761	133,588	120,040	-	-	-	-	-	-
Charges for services	368,756	348,761	333,283	317,382	351,474	372,422	515,421	409,708	449,801	-
Investment income (b)	46,214	60,800	80,260	113,493	135,887	199,380	240,486	167,127	-	-
Other	302,693	190,674	149,512	122,349	295,595	429,796	262,102	214,056	252,754	774,975
Total Revenues	14,700,958	13,512,588	13,339,430	13,246,056	13,586,926	13,521,147	13,373,690	13,287,333	13,893,369	13,136,189
<b>Expenditures</b>										
Current:										
General government	\$ 1,488,566	\$ 1,426,088	\$ 1,412,743	\$ 1,144,321	\$ 1,171,511	\$ 1,139,016	\$ 1,084,555	\$ 1,048,528	\$ 1,032,900	\$ 842,929
Public safety	2,038,277	2,071,128	1,966,710	1,828,017	1,889,403	1,765,485	1,706,098	1,601,869	1,549,555	1,530,794
Public works	951,950	891,669	897,794	830,743	832,232	817,655	756,379	707,250	711,066	483,405
Health and welfare	231,266	208,099	213,356	258,931	209,836	206,831	218,303	172,810	552,159	639,787
Recreation and culture	422,310	437,643	427,285	386,038	382,568	367,772	333,176	317,113	326,859	211,973
Grants	2,000	1,300	41,464	18,129	22,363	-	-	14,292	-	-
Education	6,677,507	6,107,804	6,260,773	6,618,663	6,766,103	6,944,899	7,225,123	7,593,771	8,282,868	7,826,291
County tax	975,744	1,015,041	975,559	853,785	860,180	808,784	749,856	759,218	729,252	675,379
Solid waste (c)	431,382	470,152	421,991	385,167	390,551	367,134	356,593	346,377	-	-
Unclassified	435,612	447,213	65,202	466,396	39,788	37,560	41,817	82,418	16,100	97,117
Debt service										
Principal	243,436	240,266	237,403	234,928	232,442	95,850	91,584	23,362	25,304	188,646
Interest	49,527	59,503	69,326	79,074	81,716	26,648	30,910	18,094	14,094	59,235
Capital Improvement and reserves	675,434	389,102	376,225	239,899	1,807,668	879,917	723,475	1,072,581	1,217,159	576,067
Total Expenditures	14,623,011	13,765,008	13,365,831	13,344,091	14,686,361	13,457,551	13,317,869	13,757,683	14,457,316	13,131,623
Excess (Deficiency) of Revenues over Expenditures	77,947	(252,420)	(26,401)	(98,035)	(1,099,435)	63,596	55,821	(470,350)	(563,947)	4,566

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Other Financing Sources (Uses)</b>										
Capital lease proceeds	\$ 30,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	735,163	1,062,305	439,500	392,484	303,719	700,973	260,000	332,000	313,402	519,787
Transfers out	(592,066)	(902,770)	(315,038)	(268,093)	(839,976)	(672,325)	(183,114)	(248,591)	(195,566)	(396,518)
Total Other Financing Sources (Uses)	173,572	159,535	124,462	124,391	(536,257)	28,648	76,886	83,409	117,836	123,269
Net Change in fund balances	251,519	(92,885)	98,061	26,356	(1,635,692)	92,244	132,707	(386,941)	(446,111)	127,835
Special item (d)	-	-	-	-	1,600,000	-	-	796,000	-	304,497
Net change in fund balances	\$ 251,519	\$ (92,885)	\$ 98,061	\$ 26,356	\$ (35,692)	\$ 92,244	\$ 132,707	\$ 409,059	\$ (446,111)	\$ 432,332
Debt service as a percentage of noncapital expenditures	2.10%	2.24%	2.36%	2.40%	2.44%	0.97%	0.97%	0.33%	0.30%	1.97%

- (a) Prior to fiscal year 2010, Licenses and permits were classified with Other revenues  
(b) Prior to fiscal year 2006, Investment income was classified with Other revenues  
(c) Prior to fiscal year 2006, Solid Waste was classified with Health and Welfare  
(d) 2009 & 2006 proceeds from bond - 2004 sale of Town building

Table 5

TOWN OF KENNEBUNKPORT, MAINE Property Tax Rates Direct and Overlapping <sup>1</sup> 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	
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
2005	3.92	0.36	4.28	1.07	12.49	17.84
2004	3.83	0.35	4.18	1.04	12.18	17.40

(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						
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%
2005	611,832,100	77,966,900	1,376,760	28,959,210	662,216,550	4.28	1,371,800,000	48.27%
2004	594,502,265	78,135,000	1,658,810	29,080,475	645,215,600	4.18	1,237,500,000	52.14%

(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
2013	\$ 12,722,328	\$ 12,704,661	99.86%	-	\$ 12,704,661	99.86%
2012	11,584,146	11,450,793	98.85%	104,478	11,555,271	99.75%
2011	11,519,481	11,377,220	98.77%	138,648	11,515,868	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%
2005	11,875,712	11,657,320	98.16%	218,372	11,875,692	100.00%
2004	11,187,498	10,847,468	96.96%	339,618	11,187,086	100.00%

Table 8

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

Taxpayer	2013			2004		
	Taxable	Rank	% of Total	Taxable	Rank	% of Total
	Assessed Value		Assessed Value	Assessed Value		Assessed Value
Boughton Hotel Corp	\$ 11,873,100	1	0.64%	\$ 7,023,800	1	1.09%
Walkers Point Family Limited Partnership	11,472,400	2	0.62%	3,449,500	5	0.53%
O'Neill, Timothy J	9,949,500	3	0.54%	3,741,700	3	0.58%
Hios Hospitality LLC	9,488,800	4	0.51%			0.00%
Seaside Hotel Associates	7,976,300	5	0.43%	5,243,800	2	0.81%
Maluccoro, Cathiann	7,034,000	6	0.38%			0.00%
Goose Rocks Beach Holdings LLC	6,584,000	7	0.36%			0.00%
Fishing Pole Lane LLC	6,367,400	8	0.35%			0.00%
Wellesley Group LLC	6,325,300	9	0.34%			0.00%
Hetz, Edwin David & Elizabeth JC Trustees	5,589,200	10	0.30%			0.00%
Shmalo, Raymond Trustee				3,479,700	4	0.54%
M3300790 Canada Inc - Molson, Eric				2,005,600	7	0.31%
Rhumb Line Motor Lodge Inn				1,917,680	9	0.30%
J Y F Inc				1,903,400	10	0.30%
Jenkins, David & Diane				1,976,200	8	0.31%
Sotir Etal Trustee				2,169,800	6	0.34%
	<u>\$ 82,660,000</u>		<u>4.47%</u>	<u>\$ 32,911,180</u>		<u>5.11%</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
	Governmental Activities		Business-type Activities				
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	1.52%	3,474	600
2011	1,553,872	16,686	933,902	2,504,460	1.80%	3,493	717
2010	1,791,275	21,836	1,105,839	2,918,950	2.17%	3,474	840
2009	2,026,203	27,479	1,277,719	3,331,401	2.20%	3,988	835
2008	658,645	11,995	1,447,824	2,118,464	1.38%	3,977	533
2007	728,595	40,670	1,682,829	2,452,094	1.65%	3,981	616
2006	796,000	68,910	1,917,277	2,782,187	1.96%	3,986	698
2005	-	78,367	2,151,192	2,229,559	1.67%	4,000	557
2004	-	103,671	2,384,599	2,488,270	1.91%	3,986	624

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

(2) United States Census Bureau

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

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds (1)</b>	<b>Percentage of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
2013	\$ 1,655,396	0.09%	1.30%
2012	2,072,136	0.12%	1.51%
2011	2,487,774	0.13%	1.78%
2010	2,897,114	0.15%	2.15%
2009	3,303,922	0.19%	2.18%
2008	2,106,469	0.12%	1.37%
2007	2,411,424	0.14%	1.62%
2006	2,713,277	0.18%	1.91%
2005	2,151,192	0.16%	1.61%
2004	2,384,599	0.19%	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, 2013**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to Primary Government</b>
York County	\$ 8,900,000	5.35%	\$ 476,150
RSU #21	17,345,523	38.01%	6,593,033
Subtotal, overlapping debt			7,069,183
Town of Kennebunkport direct debt			1,070,170
Total direct and overlapping debt			\$ 8,139,353

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.

**TOWN OF KENNEBUNKPORT, MAINE**  
**Legal Debt Margin Information**  
**June 30, 2013**

<b>Debt Limit by Category</b>	<b>Maximum Percent Allowable</b>	<b>Maximum Amount Allowable</b>	<b>Principal Amount Outstanding</b>	<b>Legal Debt Margin</b>
<b>Type of Debt</b>				
School	10.00%	\$ 181,050,000	\$ -	\$ 181,050,000
Sewer	7.50%	135,787,500	585,226	135,202,274
Municipal	7.50%	135,787,500	1,070,170	134,717,330
<b>Total Maximum Debt</b>	<b>15.00%</b>		<u><u>\$ 1,655,396</u></u>	

**Legal Debt Margin Calculation for Fiscal Year 2013**

State Valuation	\$ 1,810,500,000
Debt Limit - 15% of State Valuation	271,575,000
Less outstanding debt applicable to debt limit	<u>1,691,647</u>
Legal debt Margin	<u><u>\$ 269,883,353</u></u>

**Last Ten Fiscal Years**

<b>Year</b>	<b>Constitutional Debt Limit</b>	<b>Outstanding Indebtness June 30</b>	<b>Percentage of Net debt Contracting Margin Available</b>
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%
2005	205,770,000	2,229,559	98.92%
2004	185,625,000	2,488,270	98.66%

Table 13

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

Fiscal Year	Population (1)	Median Age (1a)	York County		Personal Income (amounts expressed in thousands)	Public School Enrollment (3)	York County Unemployment Rate (4)
			Per Capita Personal Income (2)				
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%
2005	4,000	49.8	33,442		133,768,000	500	3.80%
2004	3,986	49.8	32,740		130,501,640	504	3.70%

Table 14

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

Employer	2013			2004		
	Employees	Rank	% of Total Town Employment (1)	Employees	Rank	% of Total Town Employment (1)
Nonantum Resort	168	1	10.18%	155	2	9.39%
Town of Kennebunkport	156	2	9.45%	177	1	10.72%
Colony Hotel	138	3	8.36%	118	3	7.15%
The Boathouse	135	4	8.18%			0.00%
Hidden Pond	115	5	6.97%			0.00%
Kennebunkport Inn	76	6	4.60%	28	7	1.70%
Alisson's Restaurant	65	7	3.94%	60	4	3.63%
Bradbury Brothers Market	50	8	3.03%	30	5	1.82%
Consolidated School/RSU 21	49	9	2.97%			0.00%
Hurricane Restaurant	45	10	2.73%	30	6	1.82%
Nunan's Lobster Hut				25	8	1.51%
Pier 77 Restaurant				20	9	1.21%
Port Lobster Company				19	10	1.15%
	997		60.41%	662		40.10%

(1) State of Maine, Department of Labor 1,651 base



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

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	10	10	10	10	11	11	11	11	11	10
Public safety										
Police Officers	13	13	13	13	13	13	13	13	13	12
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	2	2	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	7	7
<b>Total</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>49</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>47</b>	<b>45</b>

Table 16

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

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Building permits issued	424	367	331	343	453	547	505	644	526	526
Police										
Parking Tickets	1,081	719	901	1,075	1,044	1,094	1,250	1,231	1,167	1,054
Traffic stops	2,296	2,763	2,249	2,802	2,356	1,941	2,504	2,600	1,185	4,999
Burglary/Theft	60	69	80	68	64	78	69	61	33	79
Arrests/Summons/Warnings	3,148	3,623	2,970	3,628	3,142	2,620	3,445	3,396	1,567	5,538
Fire										
Number of calls answered	147	159	156	177	190	294	225	196	199	156
Highways and streets										
Street resurfacing (miles)	1.80	1.30	0.00	0.00	5.99	1.42	7.24	0.70	5.11	0.80
Sewer										
Yearly sewerage treatment (in thousands of gallons)	110,748	111,810	124,206	146,939	140,869	119,540	133,713	136,609	114,349	111,853
Bio-solids (in thousands of gallons)	1,229	1,177	1,632	1,247	1,529	1,293	1,261	1,645	1,389	1,472
Compost (in yards)	1,550	1,618	1,833	1,200	1,200	1,423	1,391	1,525	1,650	1,214

Table 17

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

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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
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	279	279	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

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