

# **TOWN OF KENNEBUNKPORT, MAINE**



## **Annual Comprehensive Financial Report**

***For Fiscal Year Ending  
June 30, 2021***

**TOWN OF KENNEBUNKPORT, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended**  
**June 30, 2021**

Prepared by:  
The Administration and Finance Department



**TOWN OF KENNEBUNKPORT, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2021**

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## ***INTRODUCTORY SECTION***

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# TOWN OF KENNEBUNKPORT, MAINE

– INCORPORATED 1653 –

MAINE'S FINEST RESORT

November 30, 2021

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, 2021.

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, 2021. 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 3,548. 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 chairperson 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, piers, 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 January. 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 last recession was felt in 2010 and the effects from the COVID 19 pandemic. During the last decade, the unemployment rate has seen a low of 2.4% in 2018 and 2019 and a high of 9.5% in April 2020. York County's unemployment rate as of June 2021 was 4.9% compared to 6.1% nationally.

Median household incomes within the Town of Kennebunkport, York County are \$82,597, which is higher than the state as a whole. According to the 2021 Maine Home Town Locator, the median family income for the County was \$66,064 while the State was \$58,006. The Town's population was 3,548 as of 2019 census American community survey. The median price of a single-family home in the Town of Kennebunkport is \$475,092.

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

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

As part of its Comprehensive Plan, the Town envisions preserving Kennebunkport as a residential town, with a significant seasonal population, an active fishing industry, and a strong tourism economy. To achieve this, it 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. As the affordability of housing is stifling the available year-round population, the Town is establishing a housing trust to undertake affordable housing projects. The Town recently passed a short-term rental ordinance that requires properties to become licensed to undertake rentals under 30 days. The desire is to limit the impact of short-term rentals on neighborhoods as well as the year-round housing market.

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. In fiscal year 2021, the Town's plans for capital investments in the Cape Porpoise Pier were continued.

The Board of Selectmen have adopted a five-year capital plan to maintain and invest wisely in equipment and infrastructure while stabilizing the impact on the tax rate. In 2021, the Town finished the Ocean Ave- Seawall reconstruction project, as well as began planning for capital investment in the wastewater treatment plant and collection system.

The Town has continued to provide pedestrian and bicycle expansion on our roads while maintaining our winding tree lined roads.

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

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

### ***Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Kennebunkport for its annual comprehensive financial report for the year ended June 30, 2020. The certificate recognizes that Kennebunkport published an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe this year's comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for a certificate.

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

Respectfully submitted,

**Laurie A. Smith**

Laurie A. Smith, Town Manager

**Jennifer L. Lord**

Jennifer L. Lord, Treasurer

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Government Finance Officers Association

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

Presented to

**Town of Kennebunkport  
Maine**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

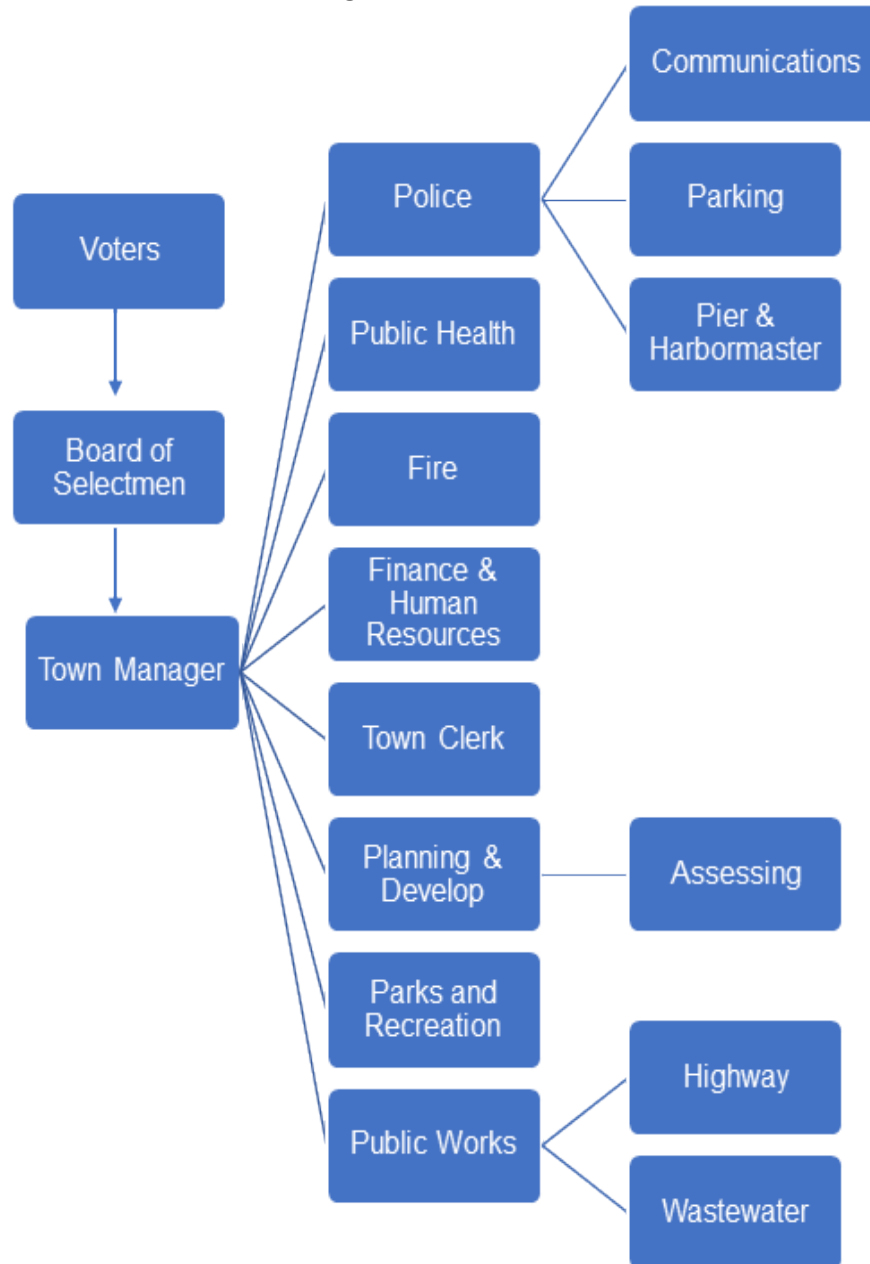
June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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**TOWN OF KENNEBUNKPORT**  
**Organizational Chart**



**TOWN OF KENNEBUNKPORT, MAINE**  
**List of Elected and Appointed Officials**  
**June 30, 2021**

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Elected Officials

Board of Selectmen



From left to right – Vice-Chairman Sheila W. Matthews-Bull, Edward W. Hutchins II,  
Chairman Allen Daggett, Patrick A Briggs, and D. Michael Weston

Appointed Officials

Town Manager  
Town Clerk  
Treasurer  
Fire Chief  
Police Chief  
Public Works Director  
Town Nurse & General Assistance Director  
Recreation Director  
  
Director of Planning & Development  
Cape Porpoise Pier Manager

Laurie A. Smith  
Tracey L. O’Roak/Jamie L. Mitchell  
Jennifer L. Lord  
John C. Everett  
Craig A. Sanford  
Michael W. Claus  
Alison Z. Kenneway  
Carol G. Cook/Interim Jonah  
Reagle/Stephanie Simpson  
Werner D. Gilliam  
Christopher H. Mayo

## ***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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Town of Kennebunkport, Maine  
Board of Selectmen

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunkport, Maine, as of June 30, 2021, 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, and the schedules pertaining to the net pension and total OPEB liabilities, 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, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Town of Kennebunkport, Maine  
Board of Selectmen

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Kennebunkport, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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.

November 30, 2021  
South Portland, Maine

**TOWN OF KENNEBUNKPORT, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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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, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

### **Financial Highlights**

- The Town experienced an increase in overall financial position in fiscal year 2021.
- The Town's total net position increased by \$2,093,092 to \$33,611,151 (Statement 2).
- Net capital assets increased by \$62,610 (pages 40 and 41).
- General revenues accounted for \$21,032,698 in revenue, or 85.35% of all revenues. Program specific revenues consisting of charges for services and grants and contributions accounted for \$3,611,058 in revenue, or 14.65% of \$24,643,756 in total revenues (statement 2).
- At the end of the current fiscal year, the fund balance for the general fund was \$6,139,397 of which \$7,610 was nonspendable, \$737,613 was committed, \$225,000 was assigned, and \$5,169,174 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 welfare, recreation and culture, 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, Dock Square Parking Lot, and the Government Wharf are reported here.

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

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The *Statement of Net Position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items 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 financial 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, MAINE**  
**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 \$33,611,151. 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 liabilities 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>	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 11,404	9,764	2,911	2,492	14,315	12,256
Capital assets:						
Land	12,738	12,738	950	950	13,688	13,688
Construction in progress	1,756	1,531	803	477	2,559	2,008
Buildings and improvements	4,489	4,489	7,958	7,958	12,447	12,447
Land improvements	288	288	30	30	318	318
Furniture & fixtures	20	20	-	-	20	20
Equipment & vehicles	4,921	5,111	2,727	2,727	7,648	7,838
Infrastructure	11,118	10,708	8,181	8,091	19,299	18,799
Less: accumulated depreciation	(8,184)	(7,846)	(12,113)	(11,653)	(20,297)	(19,499)
<b>Total assets</b>	<b>38,550</b>	<b>36,803</b>	<b>11,447</b>	<b>11,072</b>	<b>49,997</b>	<b>47,875</b>
Deferred outflows of resources						
related to pensions	512	568	64	62	576	630
related to OPEB	118	100	-	-	118	100
<b>Total deferred outflows of resources</b>	<b>630</b>	<b>668</b>	<b>64</b>	<b>62</b>	<b>694</b>	<b>730</b>
Current liabilities	723	1,219	63	1,695	786	2,914
Long-term liabilities	13,851	13,418	2,442	346	16,293	13,764
<b>Total liabilities</b>	<b>14,574</b>	<b>14,637</b>	<b>2,505</b>	<b>2,041</b>	<b>17,079</b>	<b>16,678</b>
Deferred inflows of resources						
related to pensions	-	366	-	44	-	410
related to OPEB	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>366</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>410</b>
Net investment in capital assets	15,998	15,264	6,826	6,793	22,824	22,057
Restricted	1,846	1,465	-	-	1,846	1,465
Unrestricted	6,762	5,739	2,180	2,256	8,942	7,995
<b>Total net position</b>	<b>\$ 24,606</b>	<b>22,468</b>	<b>9,006</b>	<b>9,049</b>	<b>33,612</b>	<b>31,517</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 owes debt related to the police station addition, parks and recreation building, sewer upgrades, land purchase, and seawall upgrades. The Town uses these capital assets to provide services to its citizens; consequently, those assets are not available for future spending. The resources needed to repay this debt must be provided from other sources, primarily tax dollars, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to its creditors.

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods such as uncollected taxes and earned but unused compensated absences. The following summarizes the changes in net position in thousands (Statement 2). Details on the overall general fund operational results can be found following the expenditure and revenue tables on pages 18 and 19. The business-type activities details can be found starting on page 29.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Primary Government Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenues:						
Program revenues:						
Charges for services	\$ 1,198	\$ 875	1,997	1,867	3,195	2,742
Operating grants & cont.	395	301	-	-	395	301
Capital grants	-	265	22	-	22	265
General revenues:						
Property taxes	19,052	18,789	-	-	19,052	18,789
Excise taxes	1,170	1,098	-	-	1,170	1,098
Grants & cont.	289	211	-	-	289	211
Unrestricted investment earnings	484	264	10	-	494	264
Miscellaneous	29	10	-	24	29	34
Total revenues	22,617	21,813	2,029	1,891	24,646	23,704
Expenses:						
Program expenses:						
General government	2,090	2,147	-	-	2,090	2,147
Public safety	2,911	3,026	-	-	2,911	3,026
Public works	1,452	1,474	-	-	1,452	1,474
Health and welfare	655	668	-	-	655	668
Recreation and culture	570	653	-	-	570	653
Education	11,448	11,249	-	-	11,448	11,249
County tax	1,151	1,143	-	-	1,151	1,143
Interest on debt service	296	320	-	-	296	320
Capital improvements	65	23	-	-	65	23
Sewer	-	-	1,515	1,410	1,515	1,410
Cape Porpoise Pier	-	-	314	364	314	364
Dock Square Parking Lot	-	-	76	86	76	86
Government Wharf	-	-	8	8	8	8
Total expenses	20,638	20,703	1,913	1,868	22,551	22,571
Increase (decrease) in net position	1,979	1,110	116	23	2,095	1,133
Transfers in (out)	159	249	(159)	(249)	-	-
<b>Net position, beg. of year</b>	<b>22,468</b>	<b>21,109</b>	<b>9,049</b>	<b>9,275</b>	<b>31,517</b>	<b>30,384</b>
<b>Net position, end of year</b>	<b>\$ 24,606</b>	<b>22,468</b>	<b>9,006</b>	<b>9,049</b>	<b>33,612</b>	<b>31,517</b>



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

The table below presents the total cost, for fiscal years 2021 and 2020, 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)

	2021				2020			
	Total		Net		Total		Net	
General govt.	\$ 2,090	10.1%	1,451	7.6%	2,147	10.4%	1,686	8.8%
Public safety	2,910	14.1%	2,637	13.8%	3,026	14.6%	2,735	14.2%
Public works	1,452	7.0%	1,390	7.3%	1,474	7.1%	1,166	6.1%
Education	11,448	55.5%	11,448	60.1%	11,249	54.3%	11,249	58.4%
County tax	1,151	5.6%	1,151	6.0%	1,143	5.5%	1,143	5.9%
<b>Totals</b>	<b>\$ 19,051</b>	<b>92.3%</b>	<b>18,077</b>	<b>94.9%</b>	<b>19,039</b>	<b>91.9%</b>	<b>17,979</b>	<b>93.3%</b>

**The Town's Funds**

The Town has one major fund – the General Fund. Detailed information regarding this fund can be found on pages 25 and 26 of these financial statements. Less funding has been assigned for use of fund balance and therefore unassigned increased. The changes in the fund balance of these funds are as follows (Statement 3):

Major Fund	Balance	Balance	\$ Change	% Change
	June 30, 2021	June 30, 2020		
General Fund	\$ 6,139,397	\$ 5,191,297	948,100	18.26%

Expenditures

The table below shows the Town's original and adjusted budgets for various departments and functions for the year ended June 30, 2021. 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	\$ 2,061,680	2,116,958	1,901,836	215,122	10.16%
Public Safety	2,956,727	2,975,067	2,707,668	267,399	8.99%
Public Works	1,217,949	1,252,337	1,114,851	137,486	10.98%
Health and Welfare	736,753	748,911	654,210	94,701	12.65%
Recreation and Culture	521,114	528,814	470,602	58,212	11.01%
County Tax	1,150,725	1,150,725	1,150,725	-	0.00%
Education	11,447,719	11,447,719	11,447,719	-	0.00%
Debt Service	941,939	941,939	941,464	475	0.05%
Capital Improvements and Reserves	-	509,044	41,309	467,735	91.88%
<b>Total expenditures</b>	<b>\$ 21,034,606</b>	<b>21,671,514</b>	<b>20,430,384</b>	<b>1,241,130</b>	<b>5.73%</b>

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

All of the Department/Function expenditures of the Town came in at or under budget. Capital improvements and reserves include several completed projects that had funds carried forward as assigned fund balances.

Revenues

The table below shows the Town's final budget and actual revenues from various resources for the year ended June 30, 2021. 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).

<b>General Fund Revenues</b>	<b>Final Budget</b>	<b>Actual Revenues</b>	<b>Variance</b>	
			<b>Amount</b>	<b>%</b>
Property taxes	\$ 19,004,109	19,058,567	54,458	0.29%
Excise taxes	962,600	1,169,421	206,821	21.49%
Interest on taxes	35,000	43,433	8,433	24.09%
Licenses, permits, and fees	284,350	585,742	301,392	105.99%
Charges for services	174,400	336,310	161,910	92.84%
Intergovernmental revenue	484,088	653,163	169,075	34.93%
Investment income	30,000	70,344	40,344	134.48%
Other revenues	22,500	54,340	31,840	141.51%
<b>Total revenues</b>	<b>\$ 20,997,047</b>	<b>21,971,320</b>	<b>974,273</b>	<b>4.64%</b>

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

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

Licenses, permits, and fees came in over budget due to the high volume of building permits issued during the fiscal year.

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

Intergovernmental revenues were over budget due to receiving FEMA and COVID grants in fiscal year 2021. The Town also received higher than expected State Revenue Sharing.

Investment income came in higher than expected due to higher interest rates on negotiated accounts.

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

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

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**Capital Assets**

As of June 30, 2021, the Town had \$35,682,515 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 \$62,610, or 0.2% over last year. For additional information, see the Capital Assets section in the notes, pages 40 and 41.

This year's major additions/deletions included:

- Ongoing sewer upgrades
- Pier upgrades
- Road repairs, extension, and construction
- New vehicles for the police department
- Continued improvements to the pier and sewer system

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

The Town's fiscal year 2022 budget, as approved at the annual Town Meeting held on June 8<sup>th</sup> and June 12<sup>th</sup>, includes approximately \$1,398,800 for various capital improvements, including a new Public Works vehicle, one hybrid police vehicle, road and sidewalk improvement/construction, and fire apparatus reserve, communications reserve, funding for the Climate Change Master Plan and Cape Porpoise Pier construction funding.

**Debt**

The Town of Kennebunkport had \$13,020,978 in bonds and notes outstanding at fiscal year-end, compared to \$11,652,663 last year (page 43). 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, 2021 was within this statutory limit. For additional information, see the long-term debt section in the notes, pages 43 through 45.

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

The fiscal 2022 budget has been prepared and already approved at the June 8<sup>th</sup> and 12<sup>th</sup> annual Town meeting. The municipal portion of the budget increased by approximately \$820,211 from last year. This was due to increases in overall operating costs.

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, 2021**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,297,999	1,444,008	11,742,007
Investments	1,667,412	-	1,667,412
Cash held at Maine Municipal Bond Bank	-	436,074	436,074
Receivables:			
Accounts	120,730	117,231	237,961
Due from other governments	34,061	-	34,061
Taxes receivable - current year	132,093	-	132,093
Taxes receivable - prior year	4,424	-	4,424
Tax and sewer liens	38,608	10,324	48,932
Internal balances	(898,792)	898,792	-
Inventory	6,335	3,477	9,812
Prepays	1,275	-	1,275
Nondepreciable capital assets	14,494,681	1,753,383	16,248,064
Depreciable capital assets, net	12,650,663	6,783,788	19,434,451
Total assets	38,549,489	11,447,077	49,996,566
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	511,949	63,508	575,457
Deferred outflows of resources related to OPEB	117,874	-	117,874
Total deferred outflows of resources	629,823	63,508	693,331
<b>LIABILITIES</b>			
Accounts payable and payroll withholdings	87,025	23,885	110,910
Accrued wages	116,848	26,071	142,919
Other liabilities	418,968	12,500	431,468
Accrued interest	100,098	852	100,950
Noncurrent liabilities:			
Due within one year	824,775	196,937	1,021,712
Due in more than one year	13,026,195	2,244,592	15,270,787
Total liabilities	14,573,909	2,504,837	17,078,746
<b>NET POSITION</b>			
Net investment in capital assets	15,998,294	6,826,176	22,824,470
Restricted for:			
Permanent funds	703,187	-	703,187
Nonexpendable principal of permanent funds	1,142,297	-	1,142,297
Unrestricted	6,761,625	2,179,572	8,941,197
Total net position	\$ 24,605,403	9,005,748	33,611,151

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2021**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 2,090,233	638,830	-	-	(1,451,403)	-	(1,451,403)
Public safety	2,910,734	61,392	211,943	-	(2,637,399)	-	(2,637,399)
Public works	1,452,020	-	61,994	-	(1,390,026)	-	(1,390,026)
Health and welfare	654,579	3,840	104,410	-	(546,329)	-	(546,329)
Recreation and culture	570,168	493,253	16,767	-	(60,148)	-	(60,148)
Education	11,447,719	-	-	-	(11,447,719)	-	(11,447,719)
County tax	1,150,725	-	-	-	(1,150,725)	-	(1,150,725)
Capital improvements	65,222	-	-	-	(65,222)	-	(65,222)
Interest on debt service	296,339	-	-	-	(296,339)	-	(296,339)
Total governmental activities	20,637,739	1,197,315	395,114	-	(19,045,310)	-	(19,045,310)
Business-type activities:							
Sewer	1,514,811	1,276,004	-	22,304	-	(216,503)	(216,503)
Cape Porpoise Pier	313,767	291,698	-	-	-	(22,069)	(22,069)
Dock Square Parking Lot	75,928	420,223	-	-	-	344,295	344,295
Government Wharf	8,419	8,400	-	-	-	(19)	(19)
Total business-type activities	1,912,925	1,996,325	-	22,304	-	105,704	105,704
Total primary government	\$ 22,550,664	3,193,640	395,114	22,304	(19,045,310)	105,704	(18,939,606)
General revenues:							
Property taxes, levied for general purposes					19,007,944	-	19,007,944
Interest and costs on taxes					43,433	-	43,433
Motor vehicle excise taxes					1,169,421	-	1,169,421
Grants and contributions not restricted to specific programs:							
Homestead and BETE exemption					130,927	-	130,927
State Revenue Sharing					149,009	-	149,009
Other State aid					8,566	-	8,566
Unrestricted investment earnings					484,380	10,334	494,714
Miscellaneous revenues					28,684	-	28,684
Transfers					159,473	(159,473)	-
Total general revenues and transfers					21,181,837	(149,139)	21,032,698
Change in net position					2,136,527	(43,435)	2,093,092
Net position - beginning					22,468,876	9,049,183	31,518,059
Net position - ending					\$ 24,605,403	9,005,748	33,611,151

*See accompanying notes to basic financial statements.*

## TOWN OF KENNEBUNKPORT, MAINE

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,130,488	167,511	10,297,999
Investments	-	1,667,412	1,667,412
Receivables:			
Accounts	114,080	6,650	120,730
Due from other governments	34,061	-	34,061
Taxes receivable - current year	132,093	-	132,093
Taxes receivable - prior year	4,424	-	4,424
Tax liens receivable	38,608	-	38,608
Prepays	1,275	-	1,275
Inventory	6,335	-	6,335
Interfund loans receivable	-	2,678,555	2,678,555
<b>Total assets</b>	<b>10,461,364</b>	<b>4,520,128</b>	<b>14,981,492</b>
<b>LIABILITIES</b>			
Accounts payable and payroll withholdings	81,601	5,424	87,025
Accrued wages	108,051	8,797	116,848
Other liabilities	418,968	-	418,968
Interfund loans payable	3,577,347	-	3,577,347
<b>Total liabilities</b>	<b>4,185,967</b>	<b>14,221</b>	<b>4,200,188</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	136,000	-	136,000
<b>Total deferred inflows of resources</b>	<b>136,000</b>	<b>-</b>	<b>136,000</b>
<b>FUND BALANCES</b>			
Nonspendable	7,610	1,142,297	1,149,907
Restricted	-	703,187	703,187
Committed	737,613	2,660,423	3,398,036
Assigned	225,000	-	225,000
Unassigned	5,169,174	-	5,169,174
<b>Total fund balances</b>	<b>6,139,397</b>	<b>4,505,907</b>	<b>10,645,304</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 10,461,364</b>	<b>4,520,128</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.			27,145,344
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenue in the funds.			136,000
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			(10,855,742)
Premium on bonds			(374,086)
Notes payable			(18,167)
Net pension liability, including related deferred inflows and outflows of resources			(1,323,091)
Total OPEB liability, including related deferred inflows and outflows of resources			(369,801)
Accrued interest			(100,098)
Accrued compensated absences			(280,260)
<b>Net position of governmental activities</b>			<b>\$ 24,605,403</b>



**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2021**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 20,271,421	-	20,271,421
Intergovernmental	653,163	-	653,163
Licenses and permits	585,742	-	585,742
Charges for services	336,310	267,134	603,444
Investment income (loss)	70,344	414,036	484,380
Other revenues	54,340	12,926	67,266
Total revenues	21,971,320	694,096	22,665,416
Expenditures:			
Current:			
General government	1,901,836	-	1,901,836
Public safety	2,707,668	33,951	2,741,619
Public works	1,114,851	-	1,114,851
Health and welfare	654,210	-	654,210
Recreation and culture	470,602	74,599	545,201
Education	11,447,719	-	11,447,719
County tax	1,150,725	-	1,150,725
Debt service	941,464	-	941,464
Capital improvements and other	61,149	730,351	791,500
Total expenditures	20,450,224	838,901	21,289,125
Excess (deficiency) of revenues over (under) expenditures	1,521,096	(144,805)	1,376,291
Other financing sources (uses):			
Transfers from other funds	670,000	1,057,469	1,727,469
Transfers to other funds	(1,242,996)	(325,000)	(1,567,996)
Total other financing sources (uses)	(572,996)	732,469	159,473
Net change in fund balances	948,100	587,664	1,535,764
Fund balances, beginning of year	5,191,297	3,918,243	9,109,540
Fund balances, end of year	\$ 6,139,397	4,505,907	10,645,304

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2021**

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Net change in fund balances - total governmental funds (from Statement 4)	\$	1,535,764
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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 of:

Capital outlays	726,278
Book value of disposed capital assets	(14,812)
Depreciation expense	(604,874)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(50,623)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the amount of the change in:

Net pension liability with related deferred inflows and outflows	(65,597)
Total OPEB liability with related deferred inflows and outflows	(39,378)
Accrued compensated absences	(957)
Accrued interest	7,922

The issuance of long-term debt (e.g. bonds, notes) 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 is the amount of:

Note repayments	5,601
Bond repayments	548,573
Premium amortization	88,630

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<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>2,136,527</b>
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*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2021**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 20,001,709	20,001,709	20,271,421	269,712
Intergovernmental	484,088	484,088	653,163	169,075
Licenses and permits	284,350	284,350	585,742	301,392
Charges for services	174,400	174,400	336,310	161,910
Interest earned	30,000	30,000	70,344	40,344
Other revenue	22,500	22,500	54,340	31,840
Total revenues	20,997,047	20,997,047	21,971,320	974,273
Expenditures:				
Current:				
General government	2,061,680	2,116,958	1,901,836	215,122
Public safety	2,956,727	2,975,067	2,707,668	267,399
Public works	1,217,949	1,252,337	1,114,851	137,486
Health and welfare	736,753	748,911	654,210	94,701
Recreation and culture	521,114	528,814	470,602	58,212
Education	11,447,719	11,447,719	11,447,719	-
County tax	1,150,725	1,150,725	1,150,725	-
Debt service	941,939	941,939	941,464	475
Capital improvements and other	-	509,044	41,309	467,735
Total expenditures	21,034,606	21,671,514	20,430,384	1,241,130
Excess (deficiency) of revenues over (under) expenditures	(37,559)	(674,467)	1,540,936	2,215,403
Other financing sources (uses):				
Transfers from other funds	670,000	670,000	670,000	-
Transfers to other funds	(1,232,441)	(1,242,996)	(1,242,996)	-
Utilization of unassigned fund balance	600,000	610,555	-	(610,555)
Utilization of committed fund balance	-	636,908	-	(636,908)
Total other financing sources (uses)	37,559	674,467	(572,996)	(1,247,463)
Net change in fund balance - budgetary basis	-	-	967,940	967,940
Reconciliation to GAAP basis:				
Change in encumbrance balance			(19,840)	
Total reconciliation to GAAP basis			(19,840)	
Net change in fund balance - GAAP basis			948,100	
Fund balance, beginning of year			5,191,297	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>6,139,397</b>	

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Department</b>	<b>Nonmajor Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,442,208	1,800	1,444,008
Cash held at Maine Municipal Bond Bank	436,074	-	436,074
Accounts receivable	87,386	29,845	117,231
Sewer liens	10,324	-	10,324
Inventory	-	3,477	3,477
Interfund loans receivable	423,884	501,050	924,934
Total current assets	2,399,876	536,172	2,936,048
Noncurrent assets:			
Property, plant, and equipment	18,916,259	1,734,310	20,650,569
Less accumulated depreciation	(11,403,069)	(710,329)	(12,113,398)
Total noncurrent assets	7,513,190	1,023,981	8,537,171
Total assets	9,913,066	1,560,153	11,473,219
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	50,380	13,128	63,508
Total deferred outflows of resources	50,380	13,128	63,508
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and payroll withholdings	21,891	1,994	23,885
Accrued wages	19,297	6,774	26,071
Other liabilities	-	12,500	12,500
Accrued interest	852	-	852
Interfund loans payable	-	26,142	26,142
Accrued compensated absences	38,766	3,303	42,069
Noncurrent liabilities, current portion	154,868	-	154,868
Total current liabilities	235,674	50,713	286,387
Noncurrent liabilities, long-term portion	2,192,197	52,395	2,244,592
Total liabilities	2,427,871	103,108	2,530,979
<b>NET POSITION</b>			
Net investment in capital assets	5,802,195	1,023,981	6,826,176
Unrestricted	1,733,380	446,192	2,179,572
Total net position	\$ 7,535,575	1,470,173	9,005,748

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Department</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Operating revenues:			
Fees	\$ 1,191,410	428,023	1,619,433
Lease income	-	40,000	40,000
Fuel sales	-	199,321	199,321
Dues	-	51,396	51,396
Other income	84,594	1,581	86,175
Total operating revenues	1,276,004	720,321	1,996,325
Operating expenses:			
Wages and benefits	752,887	125,874	878,761
Utilities	92,460	22,687	115,147
Contracted services	28,394	23,316	51,710
Insurance	33,341	5,627	38,968
Supplies and equipment	94,574	174,959	269,533
Repairs and maintenance	25,472	7,776	33,248
Miscellaneous	-	2,224	2,224
Capital related expenses	16,759	4,199	20,958
Depreciation	428,636	31,452	460,088
Total operating expenses	1,472,523	398,114	1,870,637
Operating income (loss)	(196,519)	322,207	125,688
Nonoperating revenue (expenses):			
Interest income	10,334	-	10,334
Forgiveness of debt	22,304	-	22,304
Interest expense	(42,288)	-	(42,288)
Total nonoperating revenue (expenses)	(9,650)	-	(9,650)
Net income (loss) before transfers	(206,169)	322,207	116,038
Transfers:			
Transfer (to) from other funds	5,527	(165,000)	(159,473)
Total transfers	5,527	(165,000)	(159,473)
Change in net position	(200,642)	157,207	(43,435)
Total net position, beginning of year	7,736,217	1,312,966	9,049,183
<b>Total net position, end of year</b>	<b>\$ 7,535,575</b>	<b>1,470,173</b>	<b>9,005,748</b>

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Department</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Cash flows from operating activities:			
Receipts from customers and users	\$ 1,721,485	717,962	2,439,447
Payments to suppliers	(272,748)	(233,092)	(505,840)
Payments to employees	(723,970)	(118,037)	(842,007)
Net cash provided by (used in) operating activities	724,767	366,833	1,091,600
Cash flows from non-capital financing activities:			
(Increase) decrease in interfund loans receivable	(306,432)	(112,033)	(418,465)
Transfers (to) from other funds	5,527	(165,000)	(159,473)
Net cash provided by (used in) non-capital financing activities	(300,905)	(277,033)	(577,938)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(326,106)	(90,000)	(416,106)
Bond anticipation notes principal payments	(1,563,926)	-	(1,563,926)
Proceeds from issuance of notes	1,563,926	-	1,563,926
Note principal payments	(55,207)	-	(55,207)
Interest payments	(42,547)	-	(42,547)
Net cash provided by (used in) capital and related financing activities	(423,860)	(90,000)	(513,860)
Cash flows from investing activities:			
Investment income	10,334	-	10,334
Net cash provided by investing activities	10,334	-	10,334
Increase (decrease) in cash	10,336	(200)	10,136
Cash and cash equivalents, beginning of year	1,431,872	2,000	1,433,872
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,442,208</b>	<b>1,800</b>	<b>1,444,008</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (196,519)	322,207	125,688
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	428,636	31,452	460,088
Change in operating assets and liabilities:			
(Increase) decrease in accounts receivable	446,292	(2,359)	443,933
(Increase) decrease in sewer liens	(811)	-	(811)
(Increase) decrease in inventory	-	3,142	3,142
Increase (decrease) in accounts payable	18,252	(5,446)	12,806
Increase (decrease) in accrued wages	4,094	3,043	7,137
Increase (decrease) in other liabilities	-	10,000	10,000
Increase (decrease) in net pension liability with related deferred outflows and deferred inflows of resources	25,079	4,397	29,476
Increase (decrease) in accrued compensated absences	(256)	397	141
<b>Net cash provided by (used in)         operating activities</b>	<b>\$ 724,767</b>	<b>366,833</b>	<b>1,091,600</b>
Schedule of non-cash capital and related financing activities:			
Forgiveness of debt	\$ 22,304	-	22,304

*See accompanying notes to basic 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, Maine conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

**The Reporting Entity**

In evaluating how to define the reporting entity, for financial statement purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

**Government-wide and Fund Financial Statements**

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

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

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

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary funds:

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.



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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

**Cash and Investments** - Cash includes amounts in demand deposits and savings accounts. State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds.

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

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

**Receivables** - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town currently does not have any receivables that have a portion that is considered uncollectible.

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

**Prepaid Items** - Payments made to vendors for services that will benefit periods beyond June 30, 2021 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 acquisition 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.

**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	Land improvements
30-50 years	Buildings
5-50 years	Building improvements
5-50 years	Machinery and equipment
5-10 years	Furniture and fixtures
10-40 years	Vehicles
10-50 years	Infrastructure

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

**Governmental Fund Balance** - 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. The passage of an ordinance is used to commit fund balance.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

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

It is the policy of the Town of Kennebunkport to maintain unassigned fund balance in the general fund at two months of general fund expenditures (or 18%) measured on a GAAP basis. In the event that the unassigned fund balance drops below this level, the Town will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of five (5) years or less. As of June 30, 2021, the Town was in compliance with its policy.

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

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**Comparative Data/Reclassifications** - Comparative data for the prior year has 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.

**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 assign that portion of the applicable appropriation - is utilized in the governmental funds. For reporting under accounting principles generally accepted in the United States of America, encumbrances outstanding at year end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Deferred Inflows and Outflows of Resources** - In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which are recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

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

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

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

**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>
2021 budget as originally adopted	\$ 20,997,047	21,034,606	37,559
<u>Assigned carryforward balances &amp; adjustments</u>	-	636,908	636,908
<b>Totals</b>	<b>\$ 20,997,047</b>	<b>21,671,514</b>	<b>674,467</b>

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**DEPOSITS 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 policy regarding custodial credit risk. As of June 30, 2021, \$132 of the Town's bank balance of \$11,587,143 was exposed to custodial credit risk because it was uninsured and uncollateralized. The remaining 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.

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

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**DEPOSITS AND INVESTMENTS, CONTINUED**

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**B. Investments**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments are considered Level 1 according to the fair value hierarchy. At June 30, 2021, the Town had the following investments:

	<u>Fair value</u>	<u>N/A</u>	<u>Less than 1 year</u>	<u>1 – 5 years</u>	<u>Credit ratings</u>
Exchange traded funds	\$ 176,651	176,651	-	-	A-
Corporate bonds	208,836	-	21,083	187,753	A- to BBB-
Mutual funds	236,591	236,591	-	-	A-
Equities	1,045,334	1,045,334	-	-	N/A
<b><u>Total investments</u></b>	<b><u>\$ 1,667,412</u></b>	<b><u>1,458,576</u></b>	<b><u>21,083</u></b>	<b><u>187,753</u></b>	

*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.

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

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

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

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**PROPERTY TAX**

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Property taxes for the current period were committed on July 23, 2020, on the assessed value listed as of April 1, 2020, for all real and personal property located in the Town. Payment of taxes was due in equal installments on September 10, 2020 and March 10, 2021. Interest at the rate of 5% 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 2021 assessed value of \$2,011,016,700 was 90% of the estimated market value and 79% of the 2021 state valuation of \$2,544,500,000.

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 \$114,638 for the period ended June 30, 2021.

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, 2021 and 2020 levies:

	<u>2021</u>	<u>2020</u>
Assessed value	\$ 2,011,016,700	1,983,600,020
Tax rate (per \$1,000)	9.45	9.45
Commitment	19,004,109	18,745,020
Supplemental taxes assessed	3,828	-
	19,007,937	18,745,020
Less: Collections and abatements	18,875,844	18,550,328
<b>Receivable at June 30</b>	<b>\$ 132,093</b>	<b>194,692</b>
Collection rate	99.30%	98.96%

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

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**CAPITAL ASSETS**

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Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2021</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,531,554	518,129	293,509	1,756,174
Land	12,738,507	-	-	12,738,507
<u>Total capital assets, not being depreciated</u>	<u>14,270,061</u>	<u>518,129</u>	<u>293,509</u>	<u>14,494,681</u>
Capital assets, being depreciated:				
Land improvements	287,970	-	-	287,970
Buildings	3,434,125	-	-	3,434,125
Building improvements	1,054,696	-	-	1,054,696
Machinery and equipment	1,348,394	25,771	-	1,374,165
Furniture and fixtures	19,623	-	-	19,623
Vehicles	3,763,161	65,171	281,932	3,546,400
Infrastructure	10,707,448	410,716	-	11,118,164
<u>Total capital assets, being depreciated</u>	<u>20,615,417</u>	<u>501,658</u>	<u>281,932</u>	<u>20,835,143</u>
Less accumulated depreciation for:				
Land improvements	158,854	9,691	-	168,545
Buildings	1,083,949	81,522	-	1,165,471
Building improvements	442,682	43,451	-	486,133
Machinery and equipment	679,516	66,498	-	746,014
Furniture and fixtures	19,623	-	-	19,623
Vehicles	2,132,191	160,135	267,120	2,025,206
Infrastructure	3,329,911	243,577	-	3,573,488
<u>Total accumulated depreciation</u>	<u>7,846,726</u>	<u>604,874</u>	<u>267,120</u>	<u>8,184,480</u>
<u>Total capital assets being depreciated, net</u>	<u>12,768,691</u>	<u>(103,216)</u>	<u>14,812</u>	<u>12,650,663</u>
<b><u>Governmental activities capital assets, net</u></b>	<b><u>\$ 27,038,752</u></b>	<b><u>414,913</u></b>	<b><u>308,321</u></b>	<b><u>27,145,344</u></b>

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

<b>Governmental activities:</b>	
General government	\$ 88,761
Public safety	147,610
Public works	333,669
Recreation and culture	34,834
<b><u>Total depreciation expense - governmental activities</u></b>	<b><u>\$ 604,874</u></b>



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

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**CAPITAL ASSETS, CONTINUED**

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	Balance June 30, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2021</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 476,849	326,106	-	802,955
Land	950,428	-	-	950,428
Total capital assets, not being depreciated	1,427,277	326,106	-	1,753,383
Capital assets, being depreciated:				
Land improvements	29,600	-	-	29,600
Buildings	4,936,200	-	-	4,936,200
Building improvements	3,022,475	-	-	3,022,475
Machinery and equipment	2,618,787	-	-	2,618,787
Infrastructure	8,091,123	90,000	-	8,181,123
Vehicles	109,001	-	-	109,001
Total capital assets, being depreciated	18,807,186	90,000	-	18,897,186
Less accumulated depreciation for:				
Land improvements	29,600	-	-	29,600
Buildings	3,393,826	97,849	-	3,491,675
Building improvements	1,340,063	78,489	-	1,418,552
Machinery and equipment	1,838,913	95,523	-	1,934,436
Infrastructure	4,999,687	177,328	-	5,177,015
Vehicles	51,221	10,899	-	62,120
Total accumulated depreciation	11,653,310	460,088		12,113,398
Total capital assets being depreciated, net	7,153,876	(370,088)	-	6,783,788
<b>Business-type activities capital assets, net</b>	<b>\$ 8,581,153</b>	<b>(43,982)</b>	<b>-</b>	<b>8,537,171</b>

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

Business-type activities:

Sewer Department	\$ 428,636
Cape Porpoise Pier	16,760
Dock Square Parking Lot	14,692

**Total depreciation expense - business-type activities** **\$ 460,088**

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**INTERFUND LOAN BALANCES AND TRANSFERS**

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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**

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**INTERFUND LOAN BALANCES AND TRANSFERS, CONTINUED**

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Individual interfund loan receivable and payable balances at the year ended June 30, 2021 were as follows:

	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
<u>General Fund</u>	\$ -	3,577,347
Proprietary Funds:		
Sewer Department	423,884	-
Cape Porpoise Pier	-	26,142
Dock Square Parking Lot	496,414	-
Government Wharf	4,636	-
<u>Total proprietary funds</u>	<u>924,934</u>	<u>26,142</u>
All Other Governmental Funds:		
Special revenue funds	769,670	-
Capital projects funds	1,898,324	-
Permanent funds	10,561	-
<u>Total all other governmental funds</u>	<u>2,678,555</u>	<u>-</u>
<b><u>Total interfund loans receivable and payable</u></b>	<b><u>\$ 3,603,489</u></b>	<b><u>3,603,489</u></b>

Individual fund transfers for the year ended June 30, 2021 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
<u>General Fund</u>	\$ 670,000	1,242,996
Proprietary Funds:		
Sewer Department	35,527	30,000
Cape Porpoise Pier	90,000	-
Dock Square Parking Lot	-	255,000
<u>Total proprietary funds</u>	<u>125,527</u>	<u>285,000</u>
All Other Governmental Funds:		
Special revenue funds	210,000	80,000
Capital projects funds	927,469	325,000
<u>Total all other governmental funds</u>	<u>1,137,469</u>	<u>405,000</u>
<b><u>Total interfund loans receivable and payable</u></b>	<b><u>\$ 1,932,996</u></b>	<b><u>1,932,996</u></b>

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

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

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**SHORT-TERM DEBT**

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The Town issued two clean water state revolving fund bond anticipation notes for interim financing until long-term bonds are issued. The bond anticipation notes were for \$1,700,000 and \$300,000 with an interest rate of 1.00% and were due on January 4, 2021. Bond anticipation note activity for the year ended June 30, 2021 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Bond anticipation notes:				
Clean water (sewer)	\$ 1,308,284	-	1,308,284	-
Clean water (sewer)	255,642	-	255,642	-
<b>Bond anticipation note</b>	<b>\$ 1,563,926</b>	<b>-</b>	<b>1,563,926</b>	<b>-</b>

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**CHANGES IN LONG-TERM LIABILITIES**

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Long-term liability activity for the year ended June 30, 2021 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	\$ 11,404,315	-	548,573	10,855,742	559,471
Premium on bonds	462,716	-	88,630	374,086	83,257
Notes from direct borrowing	23,768	-	5,601	18,167	5,823
Net pension liability	1,460,386	374,654	-	1,835,040	-
Total OPEB liability	430,387	57,288	-	487,675	-
Compensated absences	279,303	293,083	292,126	280,260	176,224
<b>Governmental activity long-term liabilities</b>	<b>\$ 14,060,875</b>	<b>725,025</b>	<b>934,930</b>	<b>13,850,970</b>	<b>824,775</b>
<b>Business-type activities:</b>					
Notes from direct borrowing	\$ 224,580	2,000,000	77,511	2,147,069	154,868
Net pension liability	177,102	75,289	-	252,391	-
Compensated absences	41,928	116,327	116,186	42,069	42,069
<b>Business-type activity long-term liabilities</b>	<b>\$ 443,610</b>	<b>2,191,616</b>	<b>193,697</b>	<b>2,441,529</b>	<b>196,937</b>

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All governmental activities long-term liability requirements are paid by the General Fund. Business-type long-term liabilities paid by the Sewer Department, Cape Porpoise Pier, and Dock Square Parking Lot Funds.

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

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**LONG-TERM DEBT**

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Bonds payable and notes from direct borrowing at June 30, 2021 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>					
Police station addition	\$ 400,000	9/2/16	2027	2.25%	250,742
Recreation building	450,000	6/20/18	2028	3.27%	315,000
Seawall and village parcel	2,255,000	5/1/19	2040	3.00-5.00%	2,080,000
Village parcel	8,500,000	5/1/19	2025	3.25-4.00%	8,210,000
<b>Total governmental activities bonds payable</b>					<b>10,855,742</b>

**Notes from Direct Borrowings**

<u>Governmental activities:</u>					
Copiers	\$ 32,701	7/1/19	2024	3.95%	18,167
<b>Total governmental activities notes payable</b>					<b>18,167</b>

<u>Business-type activities:</u>					
Sewer expansion	1,000,000	11/13/03	2024	2.25%	169,373
Sewer upgrades	1,700,000	1/4/21	2041	1.00%	1,700,000
Sewer upgrades	300,000	1/4/21	2041	1.00%	277,696
<b>Total business-type activities notes payable</b>					<b>2,147,069</b>

<b>Total governmental and business-type activities notes payable</b>	<b>\$ 2,165,236</b>
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The annual debt service requirements to amortize bonds payable are as follows:

		<u>Governmental Activities</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$	559,471	369,869	929,340
2023		565,372	346,648	912,020
2024		576,293	323,131	899,424
2025		7,537,226	187,501	7,724,727
2026		258,197	60,477	318,674
2027-2031		774,183	147,906	922,089
2032-2036		325,000	63,375	388,375
2037-2040		260,000	15,600	275,600
<b>Totals</b>	<b>\$</b>	<b>10,855,742</b>	<b>1,514,507</b>	<b>12,370,249</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, 2021, the Town's outstanding debt did not exceed these limits.

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

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**LONG-TERM DEBT, CONTINUED**

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The annual debt service requirements to amortize notes from direct borrowing are as follows:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,823	717	6,540	154,868	33,461	188,329
2023	6,052	488	6,540	155,355	26,826	182,181
2024	6,292	249	6,541	155,804	25,184	180,988
2025	-	-	-	98,885	22,076	120,961
2026	-	-	-	98,885	21,038	119,923
2027-2031	-	-	-	494,424	89,614	584,038
2032-2036	-	-	-	494,424	63,657	558,081
2037-2041	-	-	-	494,424	37,700	532,124
<b>Totals</b>	<b>\$ 18,167</b>	<b>1,454</b>	<b>19,621</b>	<b>2,147,069</b>	<b>319,556</b>	<b>2,466,625</b>

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**OPERATING LEASES**

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The Town leases buildings to provide facilities for the Fire Department. Total costs for the leases were \$25,309 for the year ended June 30, 2021. The lease term is through June 30, 2024. The first year of the lease, through June 30, 2022 is \$25,309 and will increase by a percentage equal to the consumer price index, but not to exceed 3%, for the two subsequent fiscal years. The future minimum lease payments for this lease is as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Goose Rocks</u> <u>Beach Fire Co.</u>
2022	\$ 25,309
2023	26,068
2024	26,850
<b>Total</b>	<b>\$ 78,227</b>

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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</u> <u>outstanding</u> <u>June 30, 2021</u>	<u>Percentage</u> <u>applicable</u> <u>to the Town</u>	<u>Town's</u> <u>proportionate</u> <u>share of debt</u>
York County	\$ 900,000	6.40%	57,600
Regional School Unit #21	46,458,500	25.67%	11,925,897

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

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

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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, 2021. There have been no significant reductions in commercial insurance coverage from the prior year and no settlements have exceeded commercial insurance coverage in any of the past three years.

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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, 2021:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 35,329,824	20,650,569
Accumulated depreciation	(8,184,480)	(12,113,398)
Bonds and notes payable	(10,855,742)	(2,147,069)
Premium on bonds	(374,086)	-
Unspent proceeds	82,778	436,074
<b>Total net investment in capital assets</b>	<b>\$ 15,998,294</b>	<b>6,826,176</b>

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**FUND BALANCE**

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The General Fund unassigned fund balance total of \$5,169,174 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, 2021, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Inventory and prepaid	\$ 7,610	-	-	-
Carryforward balances	-	-	737,613	-
Subsequent year's expenditures	-	-	-	225,000
<b>Total general fund</b>	<b>7,610</b>	<b>-</b>	<b>737,613</b>	<b>225,000</b>

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

**FUND BALANCE, CONTINUED**

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Other Governmental Funds:				
Special Revenue Funds:				
Piers, Rivers, & Harbors	\$ -	-	453,012	-
350 <sup>th</sup> Anniversary	-	-	245	-
Reserve Open Space	-	-	99,205	-
Revaluation	-	-	52,678	-
Drug Forfeiture	-	-	412	-
Recreation and Special Events	-	-	138,435	-
Scholarships	-	-	20,668	-
Capital Projects Funds:				
Ocean Ave Seawall	-	-	10,809	-
Fire PPE	-	-	21,225	-
Fire Radios	-	-	30,786	-
Fire Vehicle	-	-	19,452	-
Fire Equipment	-	-	101,470	-
Sidewalks	-	-	9,743	-
General Capital Projects	-	-	6,988	-
Fire Port Village	-	-	14,500	-
Highway Vehicles and Equipment	-	-	112,960	-
Administrative Projects	-	-	50,274	-
Fire Apparatus	-	-	578,642	-
Garage Roof	-	-	202	-
S-Brook Drainage	-	-	740	-
Road Improvement	-	-	47,614	-
General Capital Improvements	-	-	469,266	-
Communications Radios	-	-	250,000	-
Village Parcel	-	-	102,778	-
Recreation Capital	-	-	68,319	-
Permanent Funds:				
Kittredge Trust	688,206	364,726	-	-
Picavet Trust	454,091	338,461	-	-
Total other governmental funds	1,142,297	703,187	2,660,423	-
<b>Grand totals</b>	<b>\$ 1,149,907</b>	<b>703,187</b>	<b>3,398,036</b>	<b>225,000</b>

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

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**FUND BALANCE, CONTINUED**

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At June 30, 2021 and 2020, fund balances were committed to future periods as follows:

	<u>2021</u>	<u>2020</u>
General Fund:		
Administration	\$ 50,155	11,748
Town clerk	1,200	-
Planning	400	3,530
Police	46,696	16,500
Communications	11,300	-
Fire	9,615	1,840
Public health	13,838	10,614
Shade tree	10,880	13,218
Public works	20,700	21,170
Solid waste	-	1,544
Recreation	-	7,700
Contingency	64,000	40,000
Legal	47,696	68,854
EMA	5,610	4,110
Public works equipment	-	5,000
General assistance donations	19,832	15,314
General assistance fuel	95,182	92,848
General assistance food	18,044	11,544
Nurse general donation	23,092	8,277
Employee separation	84,594	84,937
Cemetery	300	300
Local circuit breaker program	10,086	13,867
Parsons Way bench	9,729	9,729
Police donations	500	-
Goose Rocks Beach Advisory Committee	129,220	118,010
Debt recreation	9,188	9,188
Debt police	45,192	45,192
Community development	10,564	21,874
<b>Total General Fund committed fund balance</b>	<b>\$ 737,613</b>	<b>636,908</b>



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

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**NET PENSION LIABILITY**

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***General Information about the Pension Plan***

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

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

**Contributions** - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Employees are required to contribute 7.35% to 8.8% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2021, was 10.1% for the AC plan and 16.0% for the 1C plan of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$298,001 for governmental activities and \$34,083 for business type activities for the year ended June 30, 2021.

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

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**NET PENSION LIABILITY, CONTINUED**

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

At June 30, 2021, the Town reported a liability of \$1,835,040 for governmental activities and \$252,391 for business type activities for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2020, the Town's proportion of the plan's net pension liability was 0.5254%.

For the year ended June 30, 2021, the Town recognized a pension expense of \$363,598 for governmental activities and a pension expense of \$63,558 for business type activities. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 89,942	-	12,370	-
Changes in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	119,409	-	16,423	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	4,597	-	632	-
Town contributions subsequent to the measurement date	298,001	-	34,083	-
<b>Total</b>	<b>\$ 511,949</b>	<b>-</b>	<b>63,508</b>	<b>-</b>

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

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**NET PENSION LIABILITY, CONTINUED**

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An amount of \$298,001 is reported as deferred outflows of resources in the governmental activities and \$34,083 is reported as deferred outflows of resources in the business type activities related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2022	\$ (58,937)	(8,107)
2023	69,811	9,602
2024	101,425	13,950
2025	101,649	13,980

**Actuarial Assumptions** - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75% + merit
Investment return	6.75% per annum, compounded annually
Cost of living benefit increases	1.91% per annum

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
U.S. Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

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

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**NET PENSION LIABILITY, CONTINUED**

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**Discount Rate** - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of the net pension liability	\$ 4,386,937	2,087,431	205,116

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

**Payables to the Pension Plan** - None as of June 30, 2021.

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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. The Town's contributions to the plan for the year ended June 30, 2021 were \$91,485.

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

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**OTHER POSTEMPLOYMENT BENEFITS**

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***General Information about the OPEB Plans***

**Plan Description** - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Board of Selectmen have the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided** - MMEHT provides healthcare and life insurance benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

*Employees Covered by Benefit Terms* – At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employee entitled to but not yet receiving benefits	-
Active employees	42
Total	<u>45</u>

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The Town's total OPEB liability of \$430,387 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 1, 2020.

***Changes in the Total OPEB Liability***

Balance at June 30, 2020	\$ 430,387
Changes for the year:	
Service cost	21,812
Interest	12,298
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	29,982
Benefit payments	<u>(6,804)</u>
Net changes	<u>57,288</u>
Balance at June 30, 2021	<u>\$ 487,675</u>

Change in assumptions reflects a change in the discount rate from 2.74% to 2.12%.

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

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**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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For the year ended June 30, 2021, the Town recognized OPEB expense of \$38,724. At June 30, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,115	-
Changes of assumption or other inputs	83,917	-
Contributions subsequent to the measurement date	10,842	-
Total	\$ 117,874	-

An amount of \$10,842 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 22,914
2023	22,914
2024	22,910
2025	8,266
2026	13,139
Thereafter	16,889

**Actuarial Assumptions** - The total OPEB liability in the January 1, 2020 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per year
Salary increases	2.75% per year
Discount rate	2.12% per annum
Healthcare cost trend rates	8.55% for 2020, decreasing to 3.28% for 2040
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females.

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

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**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**Discount Rate** - The rate used to measure the total OPEB liability was 2.12% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the Town's total OPEB liability calculated using the discount rate of 2.12%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 568,046	487,675	422,294

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the Town's total OPEB liability calculated using the healthcare cost trend rates, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 417,197	487,675	576,554

**TOWN OF KENNEBUNKPORT, MAINE**  
**Required Supplementary Information**

**Schedule of Town's Proportionate Share of the Net Pension Liability**  
**Maine Public Employees Retirement System Consolidated Plan**  
Last 10 Fiscal Years\*

		<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Town's proportion of the net pension liability	\$	0.5254%	0.5357%	0.5169%	0.5372%	0.5392%	0.5108%	0.5028%
Town's proportionate share of the net pension liability		2,087,431	1,637,488	1,414,759	2,199,652	2,864,701	1,629,598	773,711
Town's covered payroll		2,823,852	2,717,875	2,517,366	2,530,699	2,451,768	2,349,396	2,234,398
Town's proportionate share of the net pension liability as a percentage of its covered payroll		73.92%	60.25%	56.20%	86.92%	116.84%	69.36%	34.63%
Plan fiduciary net position as a percentage of the total pension liability		88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%

\* Only seven years of information available.

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

**Schedule of Town Contributions**  
**Maine Public Employees Retirement System Consolidated Plan**  
Last 10 Fiscal Years\*

		<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$	332,084	339,371	327,098	287,653	275,390	252,997	208,757	168,733
Contributions in relation to the contractually required contribution		(332,084)	(339,371)	(327,098)	(287,653)	(275,390)	(252,997)	(208,757)	(168,733)
<b>Contribution deficiency (excess)</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Town's covered payroll	\$	2,796,737	2,823,852	2,717,875	2,517,366	2,530,699	2,451,768	2,349,396	2,234,398
Contributions as a percentage of covered payroll		11.87%	12.02%	12.04%	11.43%	10.88%	10.32%	8.89%	7.55%

\* Only eight years of information available.



**TOWN OF KENNEBUNKPORT, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of Changes in the Town's Total OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*

		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$	21,812	13,635	15,238	13,077
Interest		12,298	14,550	12,840	9,543
Changes of benefit terms		-	(8,627)	-	-
Differences between expected and actual experience		-	(10,207)	-	71,798
Changes of assumptions or other inputs		29,982	85,339	(34,099)	30,720
Benefit payments		(6,804)	(10,980)	(10,558)	(2,493)
Net change in total OPEB Liability		57,288	83,710	(16,579)	122,645
Total OPEB liability - beginning		430,387	346,677	363,256	240,611
<b>Total OPEB liability - ending</b>	<b>\$</b>	<b>487,675</b>	<b>430,387</b>	<b>346,677</b>	<b>363,256</b>
Covered-employee payroll	\$	2,652,321	2,652,321	2,130,553	2,130,553
Total OPEB liability as a percent of covered-employee payroll		18.4%	16.2%	16.3%	17.0%

\*Only four years of information available.

**TOWN OF KENNEBUNKPORT, MAINE**  
**Notes to Required Supplementary Information**

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**Net Pension Liability**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the valuations:

	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.75%	6.75%	6.875%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases	2.75% + merit	2.75% - 9.0%	2.75% - 9.0%	3.5% - 13.5%	3.5% - 13.5%
Cost of living increases	1.91%	1.91%	2.20%	2.55%	3.12%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

**Total OPEB Liability**

**Changes of Benefit Terms** -In the 2020 valuation, the elimination of the ACA's Cadillac tax shows up in changes of benefits.

**Changes of Assumptions** - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.12%	2.74%	4.10%	3.44%	3.78%

Additionally, the valuation method was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

*\* This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

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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, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,130,488	8,337,786
Receivables:		
Accounts, net of allowance of \$0 and \$4,845, respectively	114,080	69,704
Due from other governments	34,061	85,089
Taxes receivable - current year	132,093	194,692
Taxes receivable - prior year	4,424	2,343
Tax liens receivable	38,608	62,514
Prepays	1,275	214
Inventory	6,335	2,392
<b>Total assets</b>	<b>10,461,364</b>	<b>8,754,734</b>
<b>LIABILITIES</b>		
Accounts payable and payroll withholdings	81,601	101,807
Accrued wages	108,051	102,025
Other liabilities	418,968	104,245
Interfund loans payable	3,577,347	3,068,737
<b>Total liabilities</b>	<b>4,185,967</b>	<b>3,376,814</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	136,000	186,623
<b>Total deferred inflows of resources</b>	<b>136,000</b>	<b>186,623</b>
<b>FUND BALANCES</b>		
Nonspendable	7,610	2,606
Committed	737,613	636,908
Assigned	225,000	631,480
Unassigned	5,169,174	3,920,303
<b>Total fund balances</b>	<b>6,139,397</b>	<b>5,191,297</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 10,461,364</b>	<b>8,754,734</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, 2021**

(with comparative actual amounts for the year ended June 30, 2020)

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 19,004,109	19,007,944	3,835	18,745,020
Change in unavailable revenue	-	50,623	50,623	(46,874)
Excise taxes	962,600	1,169,421	206,821	1,098,012
Interest and costs on taxes	35,000	43,433	8,433	44,668
Total taxes	20,001,709	20,271,421	269,712	19,840,826
Intergovernmental:				
State Revenue Sharing	75,000	149,009	74,009	107,002
Homestead reimbursement	123,386	123,462	76	89,303
State road assistance	42,000	40,528	(1,472)	43,376
Tree growth	6,000	6,244	244	6,468
Snowmobile reimbursement	-	457	457	510
Veterans reimbursement	2,300	2,322	22	2,461
General assistance	1,000	-	(1,000)	684
Compost grant	-	-	-	6,659
BETE reimbursement	7,417	7,465	48	6,837
MDOT grants	-	-	-	257,455
Rachel Carson	3,500	3,384	(116)	3,601
RSU COPS share	223,485	211,636	(11,849)	208,098
Covid grant	-	86,883	86,883	-
FEMA	-	21,466	21,466	-
Miscellaneous	-	307	307	63
Total intergovernmental	484,088	653,163	169,075	732,517
Licenses and permits:				
Town clerk fees	9,000	8,984	(16)	8,122
Plumbing fees	15,000	23,503	8,503	21,770
Building permits	250,000	541,930	291,930	374,546
Liquor license	4,450	4,350	(100)	6,435
Victualers license	5,000	5,700	700	6,050
Shellfish license	900	1,275	375	1,025
Total licenses and permits	284,350	585,742	301,392	417,948

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

	<b>2021</b>		<b>Variance positive (negative)</b>	<b>2020 Actual</b>
	<b>Budget</b>	<b>Actual</b>		
Revenues, continued:				
Charges for services:				
Dogs fees	\$ 4,000	2,792	(1,208)	3,044
Agent fees	13,000	15,757	2,757	13,615
Planning board/appeals board	10,700	24,539	13,839	16,504
Parking tickets	25,000	56,236	31,236	70,585
Police other	9,000	5,156	(3,844)	11,903
Goose Rocks	112,500	226,119	113,619	173,872
Nurses fees	200	3,840	3,640	27
Miscellaneous	-	1,871	1,871	190
Total charges for services	174,400	336,310	161,910	289,740
Interest earned	30,000	70,344	40,344	167,924
Total interest earned	30,000	70,344	40,344	167,924
Other revenue:				
Donations	-	17,527	17,527	16,523
Sale of Town assets	-	507	507	-
Conservation	10,000	10,000	-	10,000
Miscellaneous	12,500	26,306	13,806	10,700
Total other revenue	22,500	54,340	31,840	37,223
Total revenues	20,997,047	21,971,320	974,273	21,486,178



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

		2021						
		2020	Original	Budget	Total		Variance	2020
		Carryforward	Budget	Adjustments	Available	Actual	positive (negative)	Actual
Expenditures:								
Current:								
General government:								
Administration	\$	11,748	1,079,922	-	1,091,670	1,042,374	49,296	1,000,289
Planning and development		3,530	469,930	-	473,460	442,667	30,793	419,068
Boards and committees		-	1,975	-	1,975	516	1,459	967
Growth planning		-	2,500	-	2,500	2,958	(458)	586
Legal fees		-	68,000	-	68,000	68,000	-	110,870
Insurance		-	249,768	-	249,768	220,850	28,918	213,082
Community development		-	29,947	-	29,947	32,788	(2,841)	28,595
Contingency		40,000	45,000	-	85,000	26,370	58,630	83,122
Covid 19		-	-	-	-	61,951	(61,951)	-
Overlay/abatements		-	114,638	-	114,638	3,362	111,276	-
Total general government		55,278	2,061,680	-	2,116,958	1,901,836	215,122	1,856,579
Public safety:								
Police department		16,500	1,783,357	-	1,799,857	1,615,783	184,074	1,738,100
Communications		-	544,428	-	544,428	500,364	44,064	500,907
Fire department		1,840	409,170	-	411,010	376,732	34,278	359,332
KEMS		-	165,000	-	165,000	165,000	-	175,000
EMA		-	1,500	-	1,500	-	1,500	1,115
Special enforcement		-	53,272	-	53,272	49,789	3,483	50,373
Total public safety		18,340	2,956,727	-	2,975,067	2,707,668	267,399	2,824,827
Public works:								
Highway department		21,170	982,632	-	1,003,802	902,852	100,950	920,976
Utilities		-	146,000	-	146,000	138,774	7,226	187,350
Shade tree		13,218	39,218	-	52,436	25,298	27,138	11,477
Street Lights		-	35,500	-	35,500	34,342	1,158	-
Cemetery		-	14,599	-	14,599	13,585	1,014	10,842
Total public works		34,388	1,217,949	-	1,252,337	1,114,851	137,486	1,130,645

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

		2021			Actual	Variance positive (negative)	2020 Actual
	2020 Carryforward	Original Budget	Budget Adjustments	Total Available			
Expenditures, continued							
Current, continued:							
Health and welfare:							
Solid waste	\$ 1,544	511,823	-	513,367	462,913	50,454	453,313
Health	10,614	160,725	-	171,339	132,895	38,444	160,703
Welfare	-	3,335	-	3,335	25	3,310	1,224
Social services	-	23,868	-	23,868	23,118	750	22,400
Other services	-	37,002	-	37,002	31,585	5,417	29,660
General assistance donations	-	-	-	-	3,674	(3,674)	-
Total health and welfare	12,158	736,753	-	748,911	654,210	94,701	667,300
Recreation and culture:							
Recreation	7,700	291,401	-	299,101	256,516	42,585	274,999
Graves library	-	155,000	-	155,000	155,000	-	155,000
Cape Porpoise	-	14,550	-	14,550	14,550	-	13,950
Parsons Way	-	3,500	-	3,500	3,715	(215)	3,715
Miscellaneous agencies	-	10,663	-	10,663	6,031	4,632	10,536
Goose Rocks Beach Committee	-	46,000	-	46,000	34,790	11,210	36,958
Total recreation and culture	7,700	521,114	-	528,814	470,602	58,212	495,158
Education	-	11,447,719	-	11,447,719	11,447,719	-	11,249,250
County tax	-	1,150,725	-	1,150,725	1,150,725	-	1,143,776
Debt service:							
Principal	-	548,573	-	548,573	548,534	39	82,695
Interest	-	393,366	-	393,366	392,930	436	372,514
Total debt service	-	941,939	-	941,939	941,464	475	455,209

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

		2021						
		2020	Original	Budget	Total		Variance	2020
		Carryforward	Budget	Adjustments	Available	Actual	positive (negative)	Actual
Expenditures, continued:								
Capital improvements and reserves:								
Committed:								
Administration	\$	-	-	-	-	-	-	6,785
Cemetery		300	-	-	300	-	300	-
Community Development		21,874	-	-	21,874	11,310	10,564	105
Debt Recreation building		9,188	-	-	9,188	-	9,188	-
Debt Police building		45,192	-	-	45,192	-	45,192	-
EMA		4,110	-	-	4,110	-	4,110	-
Employee separation		84,937	-	-	84,937	-	84,937	-
FEMA maps		-	-	-	-	-	-	100
Garden Area		-	-	-	-	-	-	1,000
General assistance donations		15,314	-	-	15,314		15,314	466
General assistance food		11,544	-	-	11,544	-	11,544	177
General assistance fuel		92,848	-	-	92,848	-	92,848	4,292
Goose Rocks Beach Advisory Committee		118,010	-	-	118,010	-	118,010	-
Legal		68,854	-	-	68,854	21,158	47,696	-
Local Circuit Breaker		13,867	-	-	13,867	3,781	10,086	3,416
Nurse general donation		8,277	-	-	8,277	60	8,217	2,326
Parsons Way bench		9,729	-	-	9,729	-	9,729	-
Police donations		-	-	-	-	-	-	1,174
Public works equipment		5,000	-	-	5,000	5,000	-	-
Total capital improvements and reserves		509,044	-	-	509,044	41,309	467,735	19,841
Total expenditures		636,908	21,034,606	-	21,671,514	20,430,384	1,241,130	19,842,585
Excess (deficiency) of revenues over								
(under) expenditures		(636,908)	(37,559)	-	(674,467)	1,540,936	2,215,403	1,643,593

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

		2021						
		2020	Original	Budget	Total		Variance	2020
		Carryforward	Budget	Adjustments	Available	Actual	positive (negative)	Actual
Other financing sources (uses):								
Transfers from (to) other funds:								
Administration	\$	-	-	-	-	-	-	(130,000)
Revaluation		-	-	-	-	-	-	(67,000)
Police		-	(44,314)	-	(44,314)	(44,314)	-	(30,000)
Communications		-	(250,000)	-	(250,000)	(250,000)	-	-
Fire apparatus		-	(120,000)	-	(120,000)	(120,000)	-	(130,000)
Fire equipment		-	-	-	-	-	-	(35,000)
Fire radios		-	-	-	-	-	-	(5,000)
Fire PPE		-	-	-	-	-	-	(18,500)
Highway supplies		-	(15,000)	-	(15,000)	(15,000)	-	(6,000)
Road improvement		-	(230,100)	-	(230,100)	(230,100)	-	(587,600)
Sidewalk		-	(70,000)	-	(70,000)	(70,000)	-	(90,000)
Recreation capital		-	-	-	-	-	-	(10,000)
Piers, rivers, and harbors		-	(300,000)	-	(300,000)	(300,000)	-	(200,000)
Special projects		-	(58,500)	-	(58,500)	(58,500)	-	-
Sewer debt service		-	(35,527)	-	(35,527)	(35,527)	-	(35,642)
Highway vehicle		-	(109,000)	-	(109,000)	(109,000)	-	-
Capital projects		-	-	(10,555)	(10,555)	(10,555)	-	(500,576)
Dock Square parking lot		-	225,000	-	225,000	225,000	-	225,000
Dock Square restrooms		-	30,000	-	30,000	30,000	-	30,000
Special revenues		-	60,000	-	60,000	60,000	-	80,000
Capital projects		-	325,000	-	325,000	325,000	-	100,000
Sewer		-	30,000	-	30,000	30,000	-	30,000
Macomber		-	-	-	-	-	-	707
Utilization of unassigned fund balance		-	600,000	10,555	610,555	-	(610,555)	-
Utilization of committed fund balance		636,908	-	-	636,908	-	(636,908)	-
Total other financing sources (uses)		636,908	37,559	-	674,467	(572,996)	(1,247,463)	(1,379,611)
Net change in fund balance - budgetary basis		-	-	-	-	967,940	967,940	263,982
Reconciliation to GAAP basis:								
Change in encumbrance balance						(19,840)		(2,710)
Net change in fund balance - GAAP basis						948,100		261,272
Fund balance, beginning of year						5,191,297		4,930,025
Fund balance, end of year		\$				6,139,397		5,191,297

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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, 2021**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	-	167,511	167,511
Investments	-	-	1,667,412	1,667,412
Accounts receivable	6,650	-	-	6,650
Interfund loans receivable	769,670	1,898,324	10,561	2,678,555
<b>Total assets</b>	<b>776,320</b>	<b>1,898,324</b>	<b>1,845,484</b>	<b>4,520,128</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	2,868	2,556	-	5,424
Accrued wages	8,797	-	-	8,797
<b>Total liabilities</b>	<b>11,665</b>	<b>2,556</b>	<b>-</b>	<b>14,221</b>
Fund balances:				
Nonspendable	-	-	1,142,297	1,142,297
Restricted	-	-	703,187	703,187
Committed	764,655	1,895,768	-	2,660,423
<b>Total fund balances</b>	<b>764,655</b>	<b>1,895,768</b>	<b>1,845,484</b>	<b>4,505,907</b>
<b>Total liabilities and fund balances</b>	<b>\$ 776,320</b>	<b>1,898,324</b>	<b>1,845,484</b>	<b>4,520,128</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, 2021**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Charges for services	\$ 267,134	-	-	267,134
Other revenues	12,926	-	-	12,926
Investment income (loss)	-	-	414,036	414,036
Total revenues	280,060	-	414,036	694,096
Expenditures:				
Current:				
Public safety	-	-	33,951	33,951
Recreation and culture	74,599	-	-	74,599
Capital improvements	-	730,351	-	730,351
Total expenditures	74,599	730,351	33,951	838,901
Excess (deficiency) of revenues over (under) expenditures	205,461	(730,351)	380,085	(144,805)
Other financing sources (uses):				
Transfer from other funds	130,000	927,469	-	1,057,469
Transfer to other funds	-	(325,000)	-	(325,000)
Total other financing sources (uses)	130,000	602,469	-	732,469
Net change in fund balances	335,461	(127,882)	380,085	587,664
Fund balances, beginning of year	429,194	2,023,650	1,465,399	3,918,243
<b>Fund balances, end of year</b>	<b>\$ 764,655</b>	<b>1,895,768</b>	<b>1,845,484</b>	<b>4,505,907</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2021**

	Piers, Rivers & Harbors	350th Anniversary	Reserve Open Space	Revaluation	Maine Drug Forfeiture	Recreation	Special Events	Scholarships	Totals
<b>ASSETS</b>									
Accounts receivable	\$ -	-	-	-	-	6,650	-	-	6,650
Interfund loans receivable	453,012	245	99,205	52,678	412	129,391	14,059	20,668	769,670
<b>Total assets</b>	<b>453,012</b>	<b>245</b>	<b>99,205</b>	<b>52,678</b>	<b>412</b>	<b>136,041</b>	<b>14,059</b>	<b>20,668</b>	<b>776,320</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	-	-	-	-	-	2,868	-	-	2,868
Accrued wages	-	-	-	-	-	8,797	-	-	8,797
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,665</b>	<b>-</b>	<b>-</b>	<b>11,665</b>
Fund balances:									
Committed	453,012	245	99,205	52,678	412	124,376	14,059	20,668	764,655
<b>Total fund balances</b>	<b>453,012</b>	<b>245</b>	<b>99,205</b>	<b>52,678</b>	<b>412</b>	<b>124,376</b>	<b>14,059</b>	<b>20,668</b>	<b>764,655</b>
<b>Total liabilities and fund balances</b>	<b>\$ 453,012</b>	<b>245</b>	<b>99,205</b>	<b>52,678</b>	<b>412</b>	<b>136,041</b>	<b>14,059</b>	<b>20,668</b>	<b>776,320</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, 2021**

	Piers, Rivers & Harbors	350th Anniversary	Reserve Open Space	Revaluation	Maine Drug Forfeiture	Recreation	Special Events	Scholarships	Totals
Revenues:									
Charges for services	\$ 7,674	-	-	-	-	259,460	-	-	267,134
Other revenues	-	19	-	-	-	1,724	-	11,183	12,926
Total revenues	7,674	19	-	-	-	261,184	-	11,183	280,060
Expenditures:									
Current:									
Recreation and culture	-	-	-	-	-	74,599	-	-	74,599
Total expenditures	-	-	-	-	-	74,599	-	-	74,599
Excess (deficiency) of revenues over (under) expenditures	7,674	19	-	-	-	186,585	-	11,183	205,461
Other financing sources (uses):									
Transfer (to) from other funds	210,000	-	(20,000)		-	(60,000)	-	-	130,000
Total other financing sources (uses)	210,000	-	(20,000)	-	-	(60,000)	-	-	130,000
Net change in fund balances	217,674	19	(20,000)	-	-	126,585	-	11,183	335,461
Fund balances (deficit), beginning of year	235,338	226	119,205	52,678	412	(2,209)	14,059	9,485	429,194
Fund balances, end of year	\$ 453,012	245	99,205	52,678	412	124,376	14,059	20,668	764,655

## **NONMAJOR CAPITAL PROJECTS FUNDS**

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TOWN OF KENNEBUNKPORT, MAINE  
Nonmajor Capital Projects Funds  
Combining Balance Sheet  
June 30, 2021

	Ocean Ave Seawall	Fire PPE	Fire Radios	Fire Vehicle	Fire Equipment	Sidewalks	General Cap. Projects	Police Equipment	Fire Port Village	Street Lights	Highway Vehicles	Highway Equipment
<b>ASSETS</b>												
Interfund loans receivable	\$ 10,889	21,225	30,786	19,452	101,470	12,219	6,988	-	14,500	-	110,785	2,175
<b>Total assets</b>	<b>10,889</b>	<b>21,225</b>	<b>30,786</b>	<b>19,452</b>	<b>101,470</b>	<b>12,219</b>	<b>6,988</b>	<b>-</b>	<b>14,500</b>	<b>-</b>	<b>110,785</b>	<b>2,175</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	80	-	-	-	-	2,476	-	-	-	-	-	-
<b>Total liabilities</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:												
Committed	10,809	21,225	30,786	19,452	101,470	9,743	6,988	-	14,500	-	110,785	2,175
<b>Total fund balances</b>	<b>10,809</b>	<b>21,225</b>	<b>30,786</b>	<b>19,452</b>	<b>101,470</b>	<b>9,743</b>	<b>6,988</b>	<b>-</b>	<b>14,500</b>	<b>-</b>	<b>110,785</b>	<b>2,175</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,889</b>	<b>21,225</b>	<b>30,786</b>	<b>19,452</b>	<b>101,470</b>	<b>12,219</b>	<b>6,988</b>	<b>-</b>	<b>14,500</b>	<b>-</b>	<b>110,785</b>	<b>2,175</b>



TOWN OF KENNEBUNKPORT, MAINE  
Nonmajor Capital Projects Funds  
Combining Balance Sheet  
June 30, 2021

	Police Vehicle	Admin. Projects	Fire Apparatus	Garage Roof	S Brook Drainage	Road Improvement	Gen Capital Improvement	Communications Radios	Village Parcel	Recreation Capital	Totals
<b>ASSETS</b>											
Interfund loans receivable	\$ -	50,274	578,642	202	740	47,614	469,266	250,000	102,778	68,319	1,898,324
<b>Total assets</b>	<b>-</b>	<b>50,274</b>	<b>578,642</b>	<b>202</b>	<b>740</b>	<b>47,614</b>	<b>469,266</b>	<b>250,000</b>	<b>102,778</b>	<b>68,319</b>	<b>1,898,324</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Accounts payable	-	-	-	-	-	-	-	-	-	-	2,556
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,556</b>
Fund balances:											
Committed	-	50,274	578,642	202	740	47,614	469,266	250,000	102,778	68,319	1,895,768
<b>Total fund balances</b>	<b>-</b>	<b>50,274</b>	<b>578,642</b>	<b>202</b>	<b>740</b>	<b>47,614</b>	<b>469,266</b>	<b>250,000</b>	<b>102,778</b>	<b>68,319</b>	<b>1,895,768</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>50,274</b>	<b>578,642</b>	<b>202</b>	<b>740</b>	<b>47,614</b>	<b>469,266</b>	<b>250,000</b>	<b>102,778</b>	<b>68,319</b>	<b>1,898,324</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, 2021**

	Ocean Ave Seawall	Fire PPE	Fire Radios	Fire Vehicle	Fire Equipment	Sidewalks	General Cap. Projects	Police Equipment	Fire Port Village	Street Lights	Highway Vehicle	Highway Equipment
Revenues:												
Other revenues	\$ -	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures:												
Capital improvements	52,408	18,139	-	-	-	195,300	-	13,314	-	58,500	13,054	12,825
Total expenditures	52,408	18,139	-	-	-	195,300	-	13,314	-	58,500	13,054	12,825
Excess (deficiency) of revenues over (under) expenditures	(52,408)	(18,139)	-	-	-	(195,300)	-	(13,314)	-	(58,500)	(13,054)	(12,825)
Other financing sources (uses):												
Transfer from other funds	-	-	-	-	20,000	70,000	-	13,314	-	58,500	109,000	15,000
Transfer to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	20,000	70,000	-	13,314	-	58,500	109,000	15,000
Net change in fund balances	(52,408)	(18,139)	-	-	20,000	(125,300)	-	-	-	-	95,946	2,175
Fund balances (deficit), beginning of year	63,217	39,364	30,786	19,452	81,470	135,043	6,988	-	14,500	-	14,839	-
<b>Fund balances, end of year</b>	<b>\$ 10,809</b>	<b>21,225</b>	<b>30,786</b>	<b>19,452</b>	<b>101,470</b>	<b>9,743</b>	<b>6,988</b>	<b>-</b>	<b>14,500</b>	<b>-</b>	<b>110,785</b>	<b>2,175</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, 2021**

	Police Vehicle	Admin. Projects	Fire Apparatus	Garage Roof	S Brook Drainage	Road Improvement	Gen Capital Improvement	Communications Radios	Village Parcel	Recreation Capital	Totals
Revenues:											
Other revenues	\$ -	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures:											
Capital improvements	57,220	27,211	-	-	-	268,119	2,958	-	9,979	1,324	730,351
Total expenditures	57,220	27,211	-	-	-	268,119	2,958	-	9,979	1,324	730,351
Excess (deficiency) of revenues over (under) expenditures	(57,220)	(27,211)	-	-	-	(268,119)	(2,958)	-	(9,979)	(1,324)	(730,351)
Other financing sources (uses):											
Transfer from other funds	31,000	-	100,000	-	-	230,100	10,555	250,000	20,000	-	927,469
Transfer to other funds	-	-	-	-	-	-	(325,000)	-	-	-	(325,000)
Total other financing sources (uses)	31,000	-	100,000	-	-	230,100	(314,445)	250,000	20,000	-	602,469
Net change in fund balances	(26,220)	(27,211)	100,000	-	-	(38,019)	(317,403)	250,000	10,021	(1,324)	(127,882)
Fund balances (deficit), beginning of year	26,220	77,485	478,642	202	740	85,633	786,669	-	92,757	69,643	2,023,650
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>50,274</b>	<b>578,642</b>	<b>202</b>	<b>740</b>	<b>47,614</b>	<b>469,266</b>	<b>250,000</b>	<b>102,778</b>	<b>68,319</b>	<b>1,895,768</b>

## **NONMAJOR PERMANENT FUNDS**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2021**

	<b>Kittredge Family Fire Equip. Fund</b>	<b>Picavet Trust</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 95,701	71,810	167,511
Investments	952,610	714,802	1,667,412
Interfund loans receivable	4,621	5,940	10,561
<b>Total assets</b>	<b>1,052,932</b>	<b>792,552</b>	<b>1,845,484</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:			
Nonspendable	688,206	454,091	1,142,297
Restricted	364,726	338,461	703,187
Unassigned	-	-	-
<b>Total fund balances</b>	<b>1,052,932</b>	<b>792,552</b>	<b>1,845,484</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,052,932</b>	<b>792,552</b>	<b>1,845,484</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2021**

	<b>Kittredge Family Fire Equip. Fund</b>	<b>Picavet Trust</b>	<b>Totals</b>
Revenues:			
Investment income (loss)	\$ 238,625	175,411	414,036
Total revenues	238,625	175,411	414,036
Expenditures:			
Public safety	33,951	-	33,951
Total expenditures	33,951	-	33,951
Excess (deficiency) of revenues over (under) expenditures	204,674	175,411	380,085
Other financing uses:			
Transfer to other funds	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	204,674	175,411	380,085
Fund balances, beginning of year	848,258	617,141	1,465,399
<b>Fund balances, end of year</b>	<b>\$ 1,052,932</b>	<b>792,552</b>	<b>1,845,484</b>

## **NONMAJOR PROPRIETARY FUNDS**



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**TOWN OF KENNEBUNKPORT, MAINE**  
**Non-major Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, 2021**

	Cape Porpoise Pier	Dock Square Parking Lot	Government Wharf	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 100	1,700	-	1,800
Accounts receivable	24,286	5,559	-	29,845
Inventory	3,477	-	-	3,477
Interfund loans receivable	-	496,414	4,636	501,050
Total current assets	27,863	503,673	4,636	536,172
Noncurrent assets:				
Property, plant, and equipment	1,509,342	224,968	-	1,734,310
Less accumulated depreciation	(616,412)	(93,917)	-	(710,329)
Total noncurrent assets	892,930	131,051	-	1,023,981
Total assets	920,793	634,724	4,636	1,560,153
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	13,128	-	-	13,128
Total deferred outflows of resources	13,128	-	-	13,128
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and payroll withholdings	1,994	-	-	1,994
Accrued wages	3,360	3,414	-	6,774
Other liabilities	12,500	-	-	12,500
Interfund loans payable	26,142	-	-	26,142
Accrued compensated absences	3,141	162	-	3,303
Total current liabilities	47,137	3,576	-	50,713
Noncurrent liabilities, long-term portion	52,395	-	-	52,395
Total liabilities	99,532	3,576	-	103,108
<b>NET POSITION</b>				
Net investment in capital assets	892,930	131,051	-	1,023,981
Unrestricted	(58,541)	500,097	4,636	446,192
Total net position	\$ 834,389	631,148	4,636	1,470,173

**TOWN OF KENNEBUNKPORT, MAINE**  
**Non-major Proprietary Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the year ended June 30, 2021**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Cape Porpoise Pier</b>	<b>Dock Square Parking Lot</b>	<b>Government Wharf</b>	<b>Total</b>
Operating revenues:				
Fees	\$ 7,800	420,223	-	428,023
Lease income	40,000	-	-	40,000
Fuel sales	199,321	-	-	199,321
Dues	42,996	-	8,400	51,396
Other income	1,581	-	-	1,581
Total operating revenues	291,698	420,223	8,400	720,321
Operating expenses:				
Wages and benefits	100,477	25,397	-	125,874
Utilities	9,478	8,968	4,241	22,687
Contracted services	8,206	15,110	-	23,316
Insurance	5,627	-	-	5,627
Supplies and equipment	164,672	10,287	-	174,959
Repairs and maintenance	6,221	787	768	7,776
Miscellaneous	1,491	687	46	2,224
Capital related expenses	835	-	3,364	4,199
Depreciation	16,760	14,692	-	31,452
Total operating expenses	313,767	75,928	8,419	398,114
Operating income (loss)	(22,069)	344,295	(19)	322,207
Transfers:				
Transfer (to) from other funds	90,000	(255,000)	-	(165,000)
Total transfers	90,000	(255,000)	-	(165,000)
Change in net position	67,931	89,295	(19)	157,207
Total net position, beginning of year	766,458	541,853	4,655	1,312,966
<b>Total net position, end of year</b>	<b>\$ 834,389</b>	<b>631,148</b>	<b>4,636</b>	<b>1,470,173</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Non-major Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the year ended June 30, 2021**

	<b>Cape Porpoise Pier</b>	<b>Dock Square Parking Lot</b>	<b>Government Wharf</b>	<b>Total</b>
Cash flows from operating activities:				
Receipts from customers and users	\$ 292,662	416,560	8,740	717,962
Payments to suppliers	(188,072)	(36,559)	(8,461)	(233,092)
Payments to employees	(95,001)	(23,036)	-	(118,037)
Net cash provided by (used in) operating activities	9,589	356,965	279	366,833
Cash flows from non-capital financing activities:				
(Increase) decrease in interfund loans receivable	(9,589)	(102,165)	(279)	(112,033)
Transfers (to) from other funds	90,000	(255,000)	-	(165,000)
Net cash provided by (used in) non-capital financing activities	80,411	(357,165)	(279)	(277,033)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(90,000)	-	-	(90,000)
Net cash provided by (used in) capital and related financing activities	(90,000)	-	-	(90,000)
Increase (decrease) in cash	-	(200)	-	(200)
Cash and cash equivalents, beginning of year	100	1,900	-	2,000
<b>Cash and cash equivalents, end of year</b>	<b>\$ 100</b>	<b>1,700</b>	<b>-</b>	<b>1,800</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (22,069)	344,295	(19)	322,207
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	16,760	14,692	-	31,452
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	964	(3,663)	340	(2,359)
(Increase) decrease in inventory	3,142	-	-	3,142
Increase (decrease) in accounts payable	(4,684)	(720)	(42)	(5,446)
Increase (decrease) in accrued wages	844	2,199	-	3,043
Increase (decrease) in other liabilities	10,000	-	-	10,000
Increase (decrease) in net pension liability with related deferred outflows and deferred inflows of resources	4,397	-	-	4,397
Increase (decrease) in accrued compensated absences	235	162	-	397
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 9,589</b>	<b>356,965</b>	<b>279</b>	<b>366,833</b>

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# STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	97-102
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	103-106
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.	107-110
Demographic and Economic Information These schedule contain information to help the reader understand the environment within which the government's financial activities take place.	111-112
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities its performs.	113-115

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Table 1

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 15,998,294	\$ 15,264,478	\$ 14,852,860	\$ 14,391,488	\$ 13,086,878	\$ 11,682,992	\$ 10,895,837	\$ 10,406,901	\$ 8,525,583	\$ 7,635,751
Restricted	1,845,484	1,465,399	1,401,910	1,346,976	1,239,690	1,152,751	1,184,831	1,121,858	63,271	-
Unrestricted	6,761,625	5,738,699	4,854,508	4,035,787	4,273,671	4,850,533	5,014,676	5,269,241	6,033,674	5,820,492
Total governmental activities net position	<u>\$ 24,605,403</u>	<u>\$ 22,468,576</u>	<u>\$ 21,109,278</u>	<u>\$ 19,774,251</u>	<u>\$ 18,600,239</u>	<u>\$ 17,686,276</u>	<u>\$ 17,095,344</u>	<u>\$ 16,798,000</u>	<u>\$ 14,622,528</u>	<u>\$ 13,456,243</u>
Business-type activities										
Net investment in capital assets	\$ 6,826,176	\$ 6,792,646	\$ 6,974,698	\$ 7,905,592	\$ 8,087,000	\$ 8,356,291	\$ 8,770,498	\$ 9,086,215	\$ 9,479,328	\$ 9,735,337
Unrestricted	2,179,572	2,256,537	2,300,678	1,922,686	1,829,251	1,830,415	1,754,079	1,893,708	1,814,493	1,724,121
Total business-type activities net position	<u>\$ 9,005,748</u>	<u>\$ 9,049,183</u>	<u>\$ 9,275,376</u>	<u>\$ 9,828,278</u>	<u>\$ 9,916,251</u>	<u>\$ 10,186,706</u>	<u>\$ 10,524,577</u>	<u>\$ 10,979,923</u>	<u>\$ 11,293,821</u>	<u>\$ 11,459,458</u>
Primary Government										
Net investment in capital assets	\$ 22,824,470	\$ 22,057,124	\$ 21,827,558	\$ 22,297,080	\$ 21,173,878	\$ 20,039,283	\$ 19,666,335	\$ 19,493,116	\$ 18,004,911	\$ 17,371,088
Restricted	1,845,484	1,465,399	1,401,910	1,346,976	1,239,690	1,152,751	1,184,831	1,121,858	63,271	-
Unrestricted	8,941,197	7,995,236	7,155,186	5,958,473	6,102,922	6,680,948	6,768,755	7,162,949	7,848,167	7,544,613
Total primary government net position	<u>\$ 33,611,151</u>	<u>\$ 31,517,759</u>	<u>\$ 30,384,654</u>	<u>\$ 29,602,529</u>	<u>\$ 28,516,490</u>	<u>\$ 27,872,982</u>	<u>\$ 27,619,921</u>	<u>\$ 27,777,923</u>	<u>\$ 25,916,349</u>	<u>\$ 24,915,701</u>



Table 2

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 2,090,233	\$ 2,147,846	\$ 1,495,374	\$ 1,795,330	\$ 1,748,339	\$ 1,762,313	\$ 1,325,180	\$ 978,110	\$ 1,519,159	\$ 1,472,065
Public safety	2,910,734	3,026,372	2,919,616	2,611,173	2,539,210	2,433,783	2,254,694	2,426,584	2,033,767	2,197,301
Public works	1,452,020	1,474,116	1,719,726	1,438,053	1,390,551	1,316,170	1,203,491	1,139,185	234,112	451,582
Health and welfare	654,579	668,778	704,033	666,341	684,693	687,784	651,857	666,919	664,135	663,494
Recreation and culture	570,168	653,422	637,784	564,046	626,902	689,678	513,427	492,139	417,031	433,953
Grants	-	-	-	-	-	-	-	-	2,000	1,300
Education	11,447,719	11,249,250	10,220,198	9,939,712	9,055,448	8,015,486	7,837,533	7,521,509	6,677,507	6,107,804
County tax	1,150,725	1,143,776	1,135,299	1,203,809	1,163,270	1,115,331	1,124,614	1,098,632	975,744	1,015,041
Unclassified	-	-	-	-	-	-	-	174,881	435,612	447,213
Loss on disposal of assets	-	-	-	-	-	-	-	-	9,261	108,006
Interest on debt service	296,339	320,691	390,213	12,528	17,971	10,873	22,346	32,594	42,842	53,092
Capital maintenance expenses	65,222	23,257	43,750	155,676	442,138	132,456	143,621	-	675,434	367,945
<b>Total Governmental Activities</b>	<b>20,637,739</b>	<b>20,707,508</b>	<b>19,265,993</b>	<b>18,386,668</b>	<b>17,668,522</b>	<b>16,163,874</b>	<b>15,076,763</b>	<b>14,530,553</b>	<b>13,686,604</b>	<b>13,318,796</b>
<b>Business-type Activities:</b>										
Sewer	1,514,811	1,409,958	1,755,587	1,456,853	1,471,031	1,473,643	1,372,338	1,350,407	1,308,439	1,241,477
Cape Porpoise Pier	313,767	363,710	352,250	241,876	236,776	251,075	296,655	336,978	363,784	395,556
Dock Square Parking Lot	75,928	86,569	121,587	69,062	52,976	76,908	60,580	77,341	61,426	74,254
Government Wharf	8,419	7,944	13,075	2,534	353	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>1,912,925</b>	<b>1,868,181</b>	<b>2,242,499</b>	<b>1,770,325</b>	<b>1,761,136</b>	<b>1,801,626</b>	<b>1,729,573</b>	<b>1,764,726</b>	<b>1,733,649</b>	<b>1,711,287</b>
<b>Total Expenses</b>	<b>\$ 22,550,664</b>	<b>\$ 22,575,689</b>	<b>\$ 21,508,492</b>	<b>\$ 20,156,993</b>	<b>\$ 19,429,658</b>	<b>\$ 17,965,500</b>	<b>\$ 16,806,336</b>	<b>\$ 16,295,279</b>	<b>\$ 15,420,253</b>	<b>\$ 15,030,083</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services:</b>										
General government	\$ 638,830	\$ 461,111	\$ 351,684	\$ 295,109	\$ 366,497	\$ 457,114	\$ 365,872	\$ 33,841	\$ 182,336	\$ 197,129
Public safety	61,392	82,488	71,231	59,107	51,198	61,583	57,101	56,941	54,812	32,412
Health and welfare	3,840	27	1,170	178	1,674	4,559	1,759	3,984	3,466	1,663
Recreation and culture	493,253	332,053	383,685	348,203	332,653	204,438	191,035	178,322	171,270	163,595
Solid Waste	-	-	-	-	-	-	-	-	56	22
Unclassified	-	-	-	-	-	-	-	124,210	279,491	242,612
Operating grants and contributions	395,114	301,662	238,827	203,954	119,151	112,348	301,159	133,314	140,758	143,663
Capital grants and contributions	-	265,455	586,498	232,614	186,591	-	16,529	-	21,098	14,421
<b>Total Governmental Activities</b>	<b>1,592,429</b>	<b>1,442,796</b>	<b>1,633,095</b>	<b>1,139,165</b>	<b>1,057,764</b>	<b>840,042</b>	<b>933,455</b>	<b>530,612</b>	<b>853,287</b>	<b>795,517</b>
<b>Business-type Activities:</b>										
<b>Charges for services:</b>										
Sewer	1,276,004	1,214,999	1,211,254	1,198,345	1,122,019	1,082,146	1,031,914	1,035,261	1,025,064	1,010,152
Cape Porpoise Pier	291,698	309,545	276,910	239,517	220,690	230,312	289,053	314,235	329,444	364,236
Dock Square Parking Lot	420,223	333,004	395,738	431,347	418,523	354,795	337,738	347,888	342,873	326,100
Government Wharf	8,400	9,047	4,723	6,225	8,566	-	-	-	-	-
Capital grants and contributions	22,304	-	-	-	-	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>2,018,629</b>	<b>1,866,595</b>	<b>1,888,625</b>	<b>1,875,434</b>	<b>1,769,798</b>	<b>1,667,253</b>	<b>1,658,705</b>	<b>1,697,384</b>	<b>1,697,381</b>	<b>1,700,488</b>
<b>Total Program Revenues</b>	<b>\$ 3,611,058</b>	<b>\$ 3,309,391</b>	<b>\$ 3,521,720</b>	<b>\$ 3,014,599</b>	<b>\$ 2,827,562</b>	<b>\$ 2,507,295</b>	<b>\$ 2,592,160</b>	<b>\$ 2,227,996</b>	<b>\$ 2,550,668</b>	<b>\$ 2,496,005</b>

Table 2, Continued

TOWN OF KENNEBUNKPORT, MAINE										
Changes in Net Position (continued)										
Last Ten Fiscal Years										
(accrual basis of accounting)										
	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (Expense)/Revenue:										
Governmental Activities	\$ (19,045,310)	\$ (19,264,712)	\$ (17,632,898)	\$ (17,247,503)	\$ (16,610,758)	\$ (15,323,832)	\$ (14,143,308)	\$ (13,999,941)	\$ (12,833,317)	\$ (12,523,279)
Business-type Activities	105,704	(1,586)	(353,874)	105,109	8,662	(134,373)	(70,868)	(67,342)	(36,268)	(10,799)
Total Net Expense	\$ (18,939,606)	\$ (19,266,298)	\$ (17,986,772)	\$ (17,142,394)	\$ (16,602,096)	\$ (15,458,205)	\$ (14,214,176)	\$ (14,067,283)	\$ (12,869,585)	\$ (12,534,078)
<b>General Revenues</b>										
Governmental activities:										
Property taxes, general purposes	\$ 19,007,944	\$ 18,745,028	\$ 17,126,942	\$ 16,960,865	\$ 15,833,533	\$ 14,590,834	\$ 14,296,357	\$ 14,008,501	\$ 12,722,329	\$ 11,584,210
Interest and costs on taxes	43,433	44,668	37,149	32,282	33,735	29,498	29,728	26,398	25,491	28,572
Motor vehicle excise tax	1,169,421	1,098,012	1,068,682	1,030,267	959,646	948,096	895,501	846,486	803,924	804,186
Licenses and permits	-	-	-	-	-	-	-	226,870	-	-
Grants and contr. not restricted										
Homestead and BETE exemption	130,927	96,140	88,782	68,605	48,330	30,635	30,531	32,869	31,109	29,282
State Revenue Sharing	149,009	107,002	65,462	59,832	58,534	63,533	56,615	58,061	92,272	104,511
Maine PERS	-	-	-	-	-	-	208,785	168,732	-	-
Other State aid	8,566	8,929	2,661	5,206	2,658	2,811	2,641	2,679	2,465	2,849
Unrestricted investment earnings	484,380	263,983	305,682	272,370	233,341	20,931	34,339	30,426	46,214	60,800
Miscellaneous (b)	28,684	10,890	38,100	13,484	58,243	102,303	76,521	557,691	132,701	53,763
Gain/Loss on sale of assets	-	-	-	-	-	-	(88,975)	(41,256)	-	-
Transfers in/out	159,473	249,358	234,465	219,215	296,701	219,173	220,165	257,956	143,097	159,535
Total general revenues, transfers and special items	21,181,837	20,624,010	18,967,925	18,662,126	17,524,721	16,007,814	15,762,208	16,175,413	13,999,602	12,827,708
Business-type Activities:										
Unrestricted investment earnings	10,334	24,751	35,437	26,133	17,584	11,840	9,750	2,778	7,228	12,419
Miscellaneous	-	-	-	-	-	3,835	19,702	8,622	6,500	19,425
Gain/Loss on sale of assets	-	-	-	-	-	-	(9,960)	-	-	-
Transfers in/out	(159,473)	(249,358)	(234,465)	(219,215)	(296,701)	(219,173)	(220,165)	(257,956)	(143,097)	(159,535)
Total Business-type Activities	(149,139)	(224,607)	(199,028)	(193,082)	(279,117)	(203,498)	(200,673)	(246,556)	(129,369)	(127,691)
Total primary government	\$ 21,032,698	\$ 20,399,403	\$ 18,768,897	\$ 18,469,044	\$ 17,245,604	\$ 15,804,316	\$ 15,561,535	\$ 15,928,857	\$ 13,870,233	\$ 12,700,017
<b>Change in Net Position</b>										
Governmental Activities	\$ 2,136,527	\$ 1,359,298	\$ 1,335,027	\$ 1,414,623	\$ 913,963	\$ 683,982	\$ 1,618,900	\$ 2,175,472	\$ 1,166,285	\$ 304,429
Business-type Activities	(43,435)	(226,193)	(552,902)	(87,973)	(270,455)	(337,871)	(271,541)	(313,898)	(165,637)	(138,490)
Total Change in Net Position	2,093,092	1,133,105	782,125	1,326,650	643,508	346,111	1,347,359	1,861,574	1,000,648	165,939
<b>Restatement of Net Position</b>										
Governmental Activities (a)	-	-	-	(240,611)	-	(93,050)	-	(1,321,556)	-	-
Business-type Activities (c)	-	-	-	-	-	-	-	(183,805)	-	-
Total adjusted Change in Net Position	\$ 2,093,092	\$ 1,133,105	\$ 782,125	\$ 1,086,039	\$ 643,508	\$ 253,061	\$ 1,347,359	\$ 356,213	\$ 1,000,648	\$ 165,939

(a) To reflect prior year adjustment for the net pension liability in 2014, removal of receivable in 2016, and total OPEB liability in 2018

(b) Includes a new permanent fund in 2014

(c) To reflect the net pension liability in 2014

Table 3

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 7,610	\$ 2,606	\$ 5,802	\$ 5,212	\$ 6,333	\$ 4,417	\$ 10,122	\$ 15,209	\$ 11,308	\$ 10,753
Committed	737,613	636,908	587,350	663,394	479,475	642,748	1,439,949	674,381	237,917	181,630
Assigned	225,000	631,480	234,190	313,858	439,685	633,099	368,924	79,408	112,290	-
Unassigned	5,169,174	3,920,303	4,102,683	3,457,561	3,191,129	2,855,514	2,845,478	3,907,479	4,050,541	3,833,702
Total general fund	<u>\$ 6,139,397</u>	<u>\$ 5,191,297</u>	<u>\$ 4,930,025</u>	<u>\$ 4,440,025</u>	<u>\$ 4,116,622</u>	<u>\$ 4,135,778</u>	<u>\$ 4,664,473</u>	<u>\$ 4,676,477</u>	<u>\$ 4,412,056</u>	<u>\$ 4,026,085</u>
All other governmental funds										
Nonspendable	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,063,206	\$ 688,206	\$ 688,206
Restricted	703,187	323,102	259,613	204,679	97,393	10,454	42,534	58,652	63,271	105,117
Committed	2,660,423	2,455,053	2,435,658	1,806,529	1,764,583	1,730,736	951,781	330,953	748,269	887,747
Assigned	-	-	-	-	-	459,176	501,962	270,435	225,286	178,414
Unassigned	-	(2,209)	-	(254,047)	-	(47,002)	(3,009)	-	-	-
Total all other governments	<u>\$ 4,505,907</u>	<u>\$ 3,918,243</u>	<u>\$ 3,837,568</u>	<u>\$ 2,899,458</u>	<u>\$ 3,004,273</u>	<u>\$ 3,295,661</u>	<u>\$ 2,635,565</u>	<u>\$ 1,723,246</u>	<u>\$ 1,725,032</u>	<u>\$ 1,859,484</u>

Table 4

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 20,271,421	\$ 19,840,826	\$ 18,297,207	\$ 17,983,066	\$ 16,832,253	\$ 15,537,948	\$ 15,230,599	\$ 14,836,386	\$ 13,542,910	\$ 12,465,866
Intergovernmental	653,163	732,517	947,558	422,033	415,264	209,327	321,750	226,923	287,702	294,726
Licenses and permits	585,742	417,948	316,027	251,804	305,928	286,231	208,239	226,870	152,683	151,761
Charges for services	603,444	447,921	481,931	439,835	439,299	430,276	396,588	385,694	368,756	348,761
Investment income	484,380	263,983	305,682	272,370	233,341	20,931	34,339	30,426	46,214	60,800
Contributions	-	-	-	-	-	1,311	85,725	-	-	-
Other (a)	67,266	67,371	82,584	172,620	65,038	112,179	296,246	738,027	302,693	190,674
Total Revenues	22,665,416	21,770,566	20,430,989	19,541,728	18,291,123	16,598,203	16,573,486	16,444,326	14,700,958	13,512,588
<b>Expenditures</b>										
Current:										
General government	\$ 1,901,836	\$ 1,874,642	\$ 1,817,410	\$ 1,582,184	\$ 1,511,520	\$ 1,397,914	\$ 1,326,809	\$ 1,303,593	\$ 1,488,566	\$ 1,426,088
Public safety	2,741,619	2,856,796	2,660,161	2,423,107	2,357,515	2,211,535	2,214,215	2,172,603	2,038,277	2,071,128
Public works	1,114,851	1,130,645	1,229,881	1,146,456	1,118,410	1,062,325	1,023,042	960,209	951,950	891,669
Health and welfare	654,210	667,300	702,508	665,138	693,408	685,613	664,613	665,382	662,648	678,251
Recreation and culture	545,201	616,969	598,004	548,958	613,602	667,190	512,002	462,452	422,310	437,643
Grants	-	-	-	-	-	-	-	-	2,000	1,300
Education	11,447,719	11,249,250	10,220,198	9,939,712	9,055,448	8,015,486	7,837,533	7,521,509	6,677,507	6,107,804
County tax	1,150,725	1,143,776	1,135,299	1,203,809	1,163,270	1,115,331	1,124,614	1,098,632	975,744	1,015,041
Unclassified	-	-	-	-	-	-	-	585,187	435,612	447,213
Debt service										
Principal	548,534	82,695	81,889	196,066	160,000	253,611	249,935	246,624	243,436	240,266
Interest	392,930	372,514	321,373	12,800	10,459	18,975	29,245	39,471	49,527	59,503
Capital improvements and other	791,500	1,713,597	11,772,027	2,274,125	2,614,736	1,164,945	911,328	1,383,985	675,434	389,102
Total Expenditures	21,289,125	21,708,184	30,538,750	19,992,355	19,298,368	16,592,925	15,893,336	16,439,647	14,623,011	13,765,008
Excess (Deficiency) of Revenues over Expenditures	1,376,291	62,382	(10,107,761)	(450,627)	(1,007,245)	5,278	680,150	4,679	77,947	(252,420)

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Other Financing Sources (Uses)</b>										
Capital lease proceeds	\$ -	\$ 30,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,475	\$ -
Debt issuance and premium	-	-	11,301,406	450,000	400,000	-	-	-	-	-
Transfers in	1,727,469	2,195,383	1,932,911	1,871,493	758,721	1,348,145	1,168,755	846,551	735,163	1,062,305
Transfers out	(1,567,996)	(1,946,025)	(1,698,446)	(1,652,278)	(462,020)	(1,128,972)	(948,590)	(588,595)	(592,066)	(902,770)
Total Other Financing Sources (Uses)	159,473	279,565	11,535,871	669,215	696,701	219,173	220,165	257,956	173,572	159,535
Net change in fund balances	\$ 1,535,764	\$ 341,947	\$ 1,428,110	\$ 218,588	\$ (310,544)	\$ 224,451	\$ 900,315	\$ 262,635	\$ 251,519	\$ (92,885)
Debt service as a percentage of noncapital expenditures	4.58%	2.27%	2.14%	1.17%	1.00%	1.77%	1.85%	1.90%	2.10%	2.24%

(a) Includes a new permanent fund in FY 14

Table 5

<b>TOWN OF KENNEBUNKPORT, MAINE</b> <b>Property Tax Rates</b> <b>Direct and Overlapping Governments</b> <b>Last Ten Fiscal Years</b>						
<b>Fiscal Year</b>	<b>Direct</b>			<b>Overlapping</b>		<b>Total Direct &amp; Overlapping Rates</b>
	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total Direct Rate</b>	<b>County Tax Rate</b>	<b>School Tax Rate</b>	
2021	2.70	0.48	3.18	0.57	5.70	9.45
2020	2.88	0.32	3.20	0.58	5.67	9.45
2019	2.87	0.11	2.98	0.58	5.20	8.76
2018	2.84	0.13	2.97	0.62	5.14	8.28
2017	2.80	0.13	2.93	0.61	4.74	7.70
2016	3.45	0.13	3.58	0.50	3.62	7.63
2015	2.68	0.17	2.85	0.60	4.18	7.53
2014	2.74	0.15	2.89	0.59	4.05	6.90
2013	2.48	0.21	2.69	0.55	3.66	6.34
2012	2.16	0.25	2.41	0.57	3.36	6.34

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						
2021	\$ 1,962,948,600	\$ 129,138,400	\$ 10,629,680	\$ 91,699,980	\$ 2,011,016,700	3.18	\$ 2,544,500,000	79.03%
2020	1,912,313,800	126,928,100	10,106,220	65,748,100	1,983,600,020	2.98	2,295,400,000	86.42%
2019	1,908,970,855	125,890,945	10,021,140	82,243,460	1,962,639,480	2.98	2,198,500,000	89.27%
2018	1,879,425,315	126,952,545	9,565,570	81,476,260	1,934,467,170	2.97	2,127,950,000	90.91%
2017	1,858,129,655	120,018,545	10,124,550	76,010,300	1,912,262,450	2.93	2,018,400,000	94.74%
2016 (c)	1,834,159,895	120,671,645	10,788,630	71,737,200	1,893,882,970	3.58	1,938,350,000	97.71%
2015	1,750,049,655	127,226,145	5,307,530	72,039,700	1,810,543,630	2.85	1,831,600,000	98.85%
2014	1,791,793,555	126,202,045	5,214,340	62,851,600	1,860,358,340	2.89	1,832,450,000	101.52%
2013	1,776,999,755	123,920,345	5,169,910	62,356,700	1,843,733,310	2.69	1,810,500,000	101.84%
2012	1,771,835,555	123,920,345	3,438,640	72,042,100	1,827,152,440	2.41	1,801,850,000	101.40%

(a) Kennebunkport Assessing Office

(b) State of Maine, Revenue Services

(c) Personal Property was reevaluated by the incoming assessor's assistant

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
2021	\$ 19,004,109	\$ 18,872,015	99.30%	\$ -	\$ 18,872,015	99.30%
2020	18,745,020	18,550,328	98.96%	157,874	18,708,202	99.80%
2019	17,192,722	17,014,268	98.96%	173,571	17,187,839	99.97%
2018	16,887,898	16,664,052	98.67%	222,758	16,886,810	99.99%
2017	15,833,533	15,656,402	98.88%	177,005	15,833,407	100.00%
2016	14,590,356	14,409,972	98.76%	180,267	14,590,239	100.00%
2015	14,296,356	14,130,137	98.84%	166,219	14,296,356	100.00%
2014	14,008,498	13,817,018	98.63%	191,480	14,008,498	100.00%
2013	12,722,328	12,576,283	98.85%	146,045	12,722,328	100.00%
2012	11,584,146	11,450,793	98.85%	133,353	11,584,146	100.00%



Table 8

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

Taxpayer	2021			2012		
	Taxable Assessed		% of Total Taxable Assessed	Taxable Assessed		% of Total Taxable Assessed
	Value	Rank	Value	Value	Rank	Value
Walkers Point Family Limited Partnership	\$13,488,500	1	0.67%	\$ 11,456,100	2	0.63%
Boughton Hotel Corp	13,067,400	2	0.65%	11,878,300	1	0.65%
O'Neill, Timothy J	9,949,900	3	0.49%	9,949,500	3	0.54%
Fishing Pole Lane LLC	8,312,800	4	0.41%			
Seaside Hotel Associates	8,112,300	5	0.40%	7,976,300	5	0.44%
Central Maine Power	6,342,000	6	0.32%			
Maiuccoro, Cathiann	5,875,100	7	0.29%	5,833,100	8	0.32%
Kennebunkport Captains	5,690,000	8	0.28%			
Hetz Family Trust	5,594,300	9	0.28%	5,589,200	9	0.31%
Philip J McCabe Revocable Trust	5,553,500	10	0.28%			
Katz, Joanne				5,161,700	10	0.28%
Hios Hospitality LLC				9,488,800	4	0.52%
Goose Rocks at Kennebunkport LLC				6,584,000	6	0.36%
Wellesley Group LLC				6,325,300	7	0.35%
	<u>\$ 81,985,800</u>		<u>4.08%</u>	<u>\$ 80,242,300</u>		<u>4.39%</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	Premium	Notes	Sewer Bonds	Total Outstanding Debt	Percentage of Personal Income (1)	Population (2)	Debt per Capita
	Governmental Activities			Business-type Activities				
2021	\$ 10,855,742	\$ 374,086	\$ 18,167	\$ 2,147,069	\$ 13,395,064	7.25%	3,548	3,775
2020	11,404,315	462,716	23,768	224,580	12,115,379	6.88%	3,548	3,415
2019	11,487,045	546,406	-	278,781	12,312,232	6.99%	3,548	3,470
2018	813,934	-	6,422	332,023	1,152,379	0.70%	3,544	325
2017	560,000	-	12,677	384,344	957,021	0.61%	3,535	271
2016	320,000	-	18,767	435,786	774,553	0.51%	3,510	221
2015	573,611	-	24,698	486,389	1,084,698	0.73%	3,510	309
2014	823,546	-	30,475	536,192	1,390,213	0.94%	3,510	487
2013	1,070,170	-	36,251	585,226	1,691,647	1.33%	3,474	600
2012	1,313,606	-	11,335	758,530	2,083,471	1.52%	3,474	717

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

(2) United States Census Bureau

Table 10

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

<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>
2021	\$ 13,376,897	0.67%	3,770
2020	12,091,611	0.62%	3,408
2019	12,312,232	0.63%	3,470
2018	1,145,957	0.06%	323
2017	944,344	0.05%	267
2016	755,786	0.04%	215
2015	1,060,000	0.06%	302
2014	1,359,738	0.07%	387
2013	1,655,396	0.09%	477
2012	2,072,136	0.11%	596

(1) This is the general bonded debt and premium 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, 2021**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to Primary Government</b>
York County	\$ 900,000	6.40%	\$ 57,600
RSU #21	46,458,500	25.67%	11,925,897
Subtotal, overlapping debt			11,983,497
Town of Kennebunkport direct debt	13,395,064	100.00%	13,395,064
Total direct and overlapping debt			\$ 25,378,561

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

Table 12

**TOWN OF KENNEBUNKPORT, MAINE**  
**Legal Debt Margin Information**  
**June 30, 2021**

<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%	\$ 254,450,000	\$ -	\$ -
Sewer	7.50%	190,837,500	2,147,069	188,690,431
Municipal	7.50%	190,837,500	10,855,742	179,981,758
Total Maximum Debt	15.00%		<u>\$ 13,002,811</u>	

**Legal Debt Margin Calculation for Fiscal Year 2020**

State Valuation	\$ 2,544,500,000
Debt Limit - 15% of State Valuation	381,675,000
Less outstanding debt applicable to debt limit	<u>13,002,811</u>
Legal debt Margin	<u>\$ 368,672,189</u>

**Last Ten Fiscal Years**

<b>Year</b>	<b>Constitutional Debt Limit</b>	<b>Outstanding Indebtedness June 30</b>	<b>Percentage of Net Debt Contracting Margin Available</b>
2021	\$ 381,675,000	\$ 13,002,811	96.59%
2020	344,310,000	11,628,895	96.62%
2019	329,775,000	11,765,826	96.43%
2018	319,192,500	1,145,957	99.64%
2017	302,760,000	944,344	99.69%
2016	290,752,500	774,553	99.73%
2015	274,740,000	1,084,698	99.61%
2014	274,867,500	1,390,213	99.49%
2013	271,575,000	1,691,647	99.38%
2012	270,277,500	2,083,471	99.23%

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)					
2021	3,548	53.4	\$	54,225	\$	192,390,300	314	4.90%
2020	3,548	51.7		52,068		184,737,264	368	6.70%
2019	3,548	53.1		49,653		176,168,844	376	2.40%
2018	3,544	51.9		46,687		165,458,728	370	2.40%
2017	3,535	53.2		44,614		157,710,490	385	3.70%
2016	3,510	49.8		42,939		150,715,890	425	3.20%
2015	3,510	52.2		42,595		149,508,450	419	3.90%
2014	3,510	52.2		42,137		147,900,870	409	5.60%
2013	3,474	52.3		36,526		126,891,324	433	5.90%
2012	3,474	41.9		39,481		137,156,994	425	6.10%

(1) US Census Bureau (1a)

(2) Bureau of Economic Analysis

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

(4) Maine Department of Labor

Table 14

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

Employer	2021			2012		
	Employees	Rank	% of Total Town Employment (1)	Employees	Rank	% of Total Town Employment (1)
Nonantum Resort & Restaurant	160	1	9.08%	144	2	8.17%
Town of Kennebunkport	155	2	8.79%	179	1	10.15%
Colony Hotel	127	3	7.20%	120	3	6.81%
Hidden Pond & Earth Restaurant	106	4	6.01%	65	4	3.69%
The Boathouse	94	5	5.33%			
Arundel Wharf Restaurant	60	6	3.40%	60	6	3.40%
Alisson's Restaurant	59	7	3.35%	65	5	3.69%
Tides Beach Club	55	8	3.12%			
Cape Arundel Inn & Ocean Restau	54	9	3.06%	52	7	2.95%
Pier 77	29	10	1.64%	50	9	2.84%
Cape Arundel Golf Club						
Wayfarer Restaurant				50	8	2.84%
Hurricane Restaurant				46	10	2.61%
	899		50.99%	831		47.14%

(1) State of Maine, Department of Labor

Table 15

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

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	12	12	12	11	11	11	10	10	10	10
Public safety:										
Police officers	14	14	14	12	12	12	12	12	12	12
Administration	1	1	1	1	1	1	1	1	1	1
Dispatchers	4	4	4	4	4	4	4	4	4	4
Firefighters and officers	1	1	1	1	1	1	1	1	1	1
Health and welfare	1	1	1	1	1	1	1	1	1	1
Public works:										
Highways	6	6	6	6	6	6	6	6	6	6
Maintenance	1	1	1	1	1	1	1	1	1	1
Recreation	3	3	3	3	3	3	3	3	3	3
Cape Porpoise Pier	1	1	1	1	1	1	1	1	1	1
Sewer	7	7	6	8	8	8	8	8	8	8
Total	51	51	50	49	49	49	48	48	48	48

Source: Town's Finance Department



Table 16

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

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government:										
Building permits issued	430	401	405	420	479	448	373	317	424	367
Police:										
Parking tickets	1,711	2,141	2,114	1,404	1,050	1,400	1,287	1,243	1,081	719
Traffic stops	1,303	1,609	1,807	1,106	1,101	1,926	1,643	1,469	2,296	2,763
Burglary/theft	25	22	55	41	31	31	73	57	60	69
Arrests/summons/warnings	1,649	1,975	2,186	1,422	1,475	2,575	2,268	2,033	3,148	3,623
Fire:										
Number of calls answered	238	183	241	204	193	205	218	167	147	159
Highways and streets:										
Street resurfacing (miles)	1.10	3.40	4.32	3.40	5.10	3.00	2.80	4.20	1.80	1.30
Sewer:										
Yearly sewerage treatment (in thousands of gallons)	112,220	115,416	132,278	106,350	120,110	120,110	117,212	113,875	110,748	111,810
Bio-solids (in thousands of gallons)	1,282	1,965	2,239	2,095	1,423	1,741	1,401	1,319	1,229	1,177
Compost (in yards)	900	900	1,200	1,211	1,350	1,978	1,236	1,348	1,550	1,618

Source: Town Departments

Table 17

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

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government:										
Buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency units	8	8	8	8	10	12	12	14	13	11
Fire:										
Stations	4	4	4	4	4	4	4	4	4	4
Emergency units	12	12	12	12	12	12	12	12	12	12
Highway:										
Buildings	3	3	3	3	3	3	3	3	3	3
Streets (miles)	52	52	52	52	52	52	52	52	52	52
Street lights	280	280	280	280	280	280	280	280	280	280
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

Source: Town Departments

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