

# **TOWN OF KENNEBUNKPORT, MAINE ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For Fiscal Year Ending  
June 30, 2023**



**TOWN OF KENNEBUNKPORT, MAINE**

**Annual Comprehensive Financial Report**

**For the Fiscal Year Ended**

**June 30, 2023**

Prepared by:  
The Administration and Finance Department

**TOWN OF KENNEBUNKPORT, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2023**

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**Table of Contents**

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-3
Organizational Chart	5
List of Elected and Appointed Officials	6
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	9-12
Management's Discussion and Analysis	13-19
	<u>Statements</u>
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	1      23
Statement of Activities	2      24
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3      25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4      26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5      27
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6      28
Statement of Net Position - Proprietary Funds	7      29
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	8      30
Statement of Cash Flows - Proprietary Funds	9      31
Notes to Basic Financial Statements	32-55
Required Supplementary Information:	
Schedule of Town's Proportionate Share of the Net Pension Liability (Asset)	57
Schedule of Town Contributions	57
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios	58
Notes to Required Supplementary Information	59
	<u>Exhibits</u>
Combining and Individual Fund Financial Statements:	
General Fund:	
Comparative Balance Sheets	A-1      63
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	A-2      64-69

**TOWN OF KENNEBUNKPORT, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2023**

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**Table of Contents, Continued**

	<u>Exhibits</u>	<u>Page Number</u>
All Other Governmental Funds:		
Combining Balance Sheet	B-1	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	74
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	78
Nonmajor Capital Projects Funds:		
Combining Balance Sheet	D-1	81-82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	83-84
Nonmajor Permanent Funds:		
Combining Balance Sheet	E-1	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	88
Nonmajor Proprietary Funds:		
Combining Statement of Net Position	F-1	91
Combining Statement of Revenues, Expenses, and Changes in Net Position	F-2	92
Combining Statement of Cash Flows	F-3	93

Table

**STATISTICAL SECTION**

Financial Trends:		
Net Position by Component	1	97
Changes in Net Position	2	98-99
Fund Balances of Governmental Funds	3	100
Changes in Fund Balances of Governmental Funds	4	101-102
Revenue Capacity:		
Property Tax Rates – Direct and Overlapping Governments	5	103
Assessed Value and Estimated Actual Value of Taxable Property	6	104
Property Tax Levies and Collections	7	105
Principal Property Taxpayers	8	106
Debt Capacity:		
Ratios of Outstanding Debt by Type	9	107
Ratios of General Bonded Debt Outstanding	10	108
Direct and Overlapping Governmental Activities Debt	11	109
Legal Debt Margin Information	12	110
Demographic and Economic Information:		
Demographic and Economic Statistics	13	111
Principal Employers	14	112
Operating Information:		
Full-Time Equivalent Town Government Employees by Function	15	113
Operating Indicators by Function	16	114
Capital Asset Statistics by Function	17	115

## ***INTRODUCTORY SECTION***



# TOWN OF KENNEBUNKPORT, MAINE

– INCORPORATED 1653 –

MAINE'S FINEST RESORT

December 29, 2023

To the Selectboard 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, 2023.

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, 2023. 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 Porpoise, 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 3,695. 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 recommendations 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. The unemployment rate has seen a low of 2.2% in June of 2023, compared to 3.6% nationally. The rate has decreased annually, down from 4.8% in 2022.

Median household incomes within the Town of Kennebunkport, York County are \$81,000, which is higher than the state as a whole. According to the 2023 Maine Hometown Locator, the median family income for the County was \$88,986, while the State was \$68,251. The Town's population was 3,695. The median price of a single-family home in the Town of Kennebunkport is \$399,000.

### ***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.

In June of 2023, the Board of Selectmen approved the updated Comprehensive Plan, which will be put to voters on the November 2023 ballot. As part of the Vision statement, the Town aspires to be a community that will work collaboratively with residents, business owners, and regional partners on challenges including sea level rise, diversity, affordable housing, and others that we share in southern Maine. As the Town adapts, it will preserve its historic integrity, protect natural resources, and strengthen its unique small town character while improving economic vitality.

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

The Town manages the economic vitality of Kennebunkport by partnering with the Kennebunkport Business Association and the Chamber of Commerce on issues. The Town manages and supports the Town's largest economic factor by developing parking and traffic policies to complement the high seasonal demand on infrastructure 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 2023, 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 2023, the Town secured \$2.6 million in grant funds to raise the Pier Road causeway, which frequently floods. The Town has budgeted for an engineering design to do the same to Ocean Avenue by Wandby Beach. The Town also issued a \$1 million general obligation bond with a five-year maturity for radio communication tower upgrades.

The Town has set aside reserve funds each year towards large capital equipment replacements. The Town purchased a replacement ladder truck in 2023 along with a replacement engine, using trust and reserve funds.

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

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

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

### ***Acknowledgements***

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

Respectfully submitted,

*Laurie A. Smith*

Laurie A. Smith, Town Manager

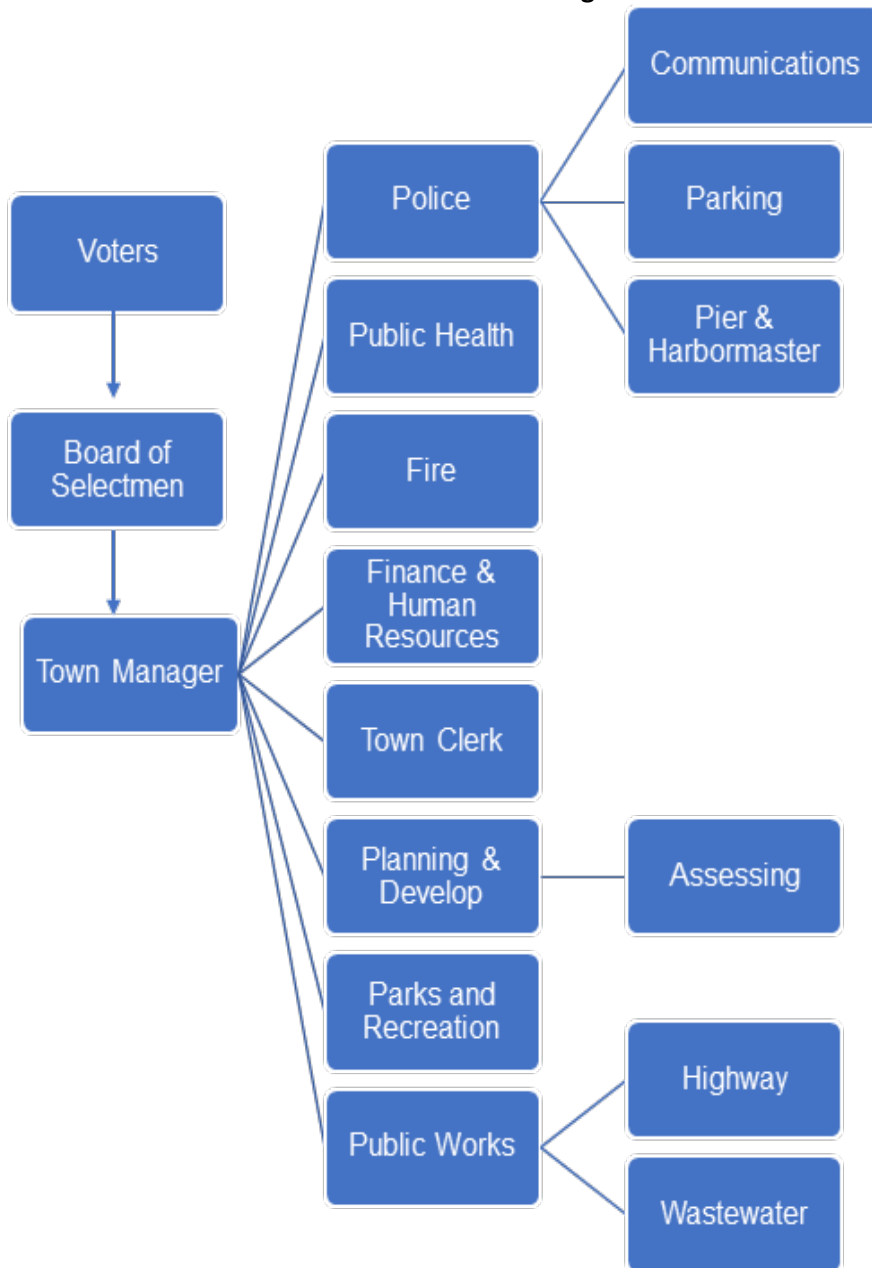
*Nicole L. Evangelista*

Nicole L. Evangelista, Treasurer



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



**TOWN OF KENNEBUNKPORT, MAINE**  
**List of Elected and Appointed**  
**Officials June 30, 2023**

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Elected Officials

Board of Selectmen



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

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  
Nicole L. Evangelista  
John C. Everett  
Craig A. Sanford  
Christopher T. Simeoni  
Alison Z. Kenneway  
Stephanie L. Simpson  
Werner D. Gilliam  
Frank Orr

## ***FINANCIAL SECTION***

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## Independent Auditors' Report

Board of Selectmen  
Town of Kennebunkport, Maine

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2023 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2023, 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.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town of Kennebunkport, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As described in the notes to the financial statements, in 2023, the Town of Kennebunkport, Maine adopted new accounting guidance GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kennebunkport, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Kennebunkport, Maine's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to the pension and OPEB liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kennebunkport, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual and combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



Board of Selectmen  
Town of Kennebunkport, Maine

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, 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.

December 29, 2023  
South Portland, Maine

**TOWN OF KENNEBUNKPORT, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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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, 2023. 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 2023.
- The Town's total net position increased by \$2,726,108 to \$38,273,092 (Statement 2).
- Net capital assets increased by \$2,945,319 (pages 41 and 42).
- General revenues accounted for \$23,083,236 in revenue, or 82.90% of all revenues. Program specific revenues consisting of charges for services and grants and contributions accounted for \$4,761,952 in revenue, or 17.10% of \$27,845,188 in total revenues (statement 2).
- At the end of the current fiscal year, the fund balance for the general fund was \$7,079,886 of which \$7,350 was nonspendable, \$680,091 was committed, \$200,000 was assigned, and \$6,192,445 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 \$38,273,092. 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>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 13,751	13,712	7,460	8,314	21,211	22,026
Capital assets:						
Land	12,739	12,739	950	950	13,689	13,689
Construction in progress	3,076	668	2,283	806	5,359	1,474
Buildings and improvements	4,512	4,489	7,969	7,969	12,481	12,458
Land improvements	305	305	30	30	335	335
Furniture & fixtures	20	20	-	-	20	20
Equipment & vehicles	5,124	5,039	2,708	2,728	7,832	7,767
Infrastructure	12,988	12,988	8,984	8,984	21,972	21,972
Less: accumulated depreciation	(9,354)	(8,732)	(12,984)	(12,578)	(22,338)	(21,310)
<b>Total assets</b>	<b>43,161</b>	<b>41,228</b>	<b>17,400</b>	<b>17,203</b>	<b>60,561</b>	<b>58,431</b>
Deferred outflows of resources						
related to pensions	776	876	101	121	877	997
related to OPEB	21	72	-	-	21	72
<b>Total deferred outflows of resources</b>	<b>797</b>	<b>948</b>	<b>101</b>	<b>121</b>	<b>898</b>	<b>1,069</b>
Current liabilities	2,002	1,227	6,432	6,117	8,434	7,344
Long-term liabilities	12,045	12,235	1,846	2,037	13,891	14,272
<b>Total liabilities</b>	<b>14,047</b>	<b>13,462</b>	<b>8,278</b>	<b>8,154</b>	<b>22,325</b>	<b>21,616</b>
Deferred inflows of resources						
related to pensions	520	1,938	68	279	588	2,217
related to OPEB	112	120	-	-	112	120
related to lease	161	-	-	-	161	-
<b>Total deferred inflows of resources</b>	<b>793</b>	<b>2,058</b>	<b>68</b>	<b>279</b>	<b>861</b>	<b>2,337</b>
Net investment in capital assets	18,018	15,929	7,343	12,349	25,361	28,278
Restricted	1,743	1,636	-	-	1,743	1,636
Unrestricted	9,357	9,091	1,812	(3,458)	11,169	5,633
<b>Total net position</b>	<b>\$ 29,118</b>	<b>26,656</b>	<b>9,155</b>	<b>8,891</b>	<b>38,273</b>	<b>35,547</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, radio tower upgrades, 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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenues:						
Program revenues:						
Charges for services	\$ 1,602	1,335	2,505	2,231	4,107	3,566
Operating grants & cont.	655	339	-	-	655	339
General revenues:						
Property taxes	20,814	19,592	-	-	20,814	19,592
Excise taxes	1,233	1,176	-	-	1,233	1,176
Grants & cont.	421	358	-	-	421	358
Unrestricted investment earnings (loss)	526	(128)	62	7	588	(121)
Miscellaneous	25	27	-	-	25	27
Total revenues	25,276	22,699	2,567	2,238	27,843	24,937
Expenses:						
Program expenses:						
General government	2,367	1,800	-	-	2,367	1,800
Public safety	3,309	3,149	-	-	3,309	3,149
Public works	1,715	1,644	-	-	1,715	1,644
Health and welfare	744	777	-	-	744	777
Recreation and culture	869	702	-	-	869	702
Education	11,350	11,264	-	-	11,350	11,264
County tax	1,303	1,200	-	-	1,303	1,200
Interest on debt service	297	296	-	-	297	296
Capital improvements	1,083	105	-	-	1,083	105
Sewer	-	-	1,480	1,521	1,480	1,521
Cape Porpoise Pier	-	-	471	424	471	424
Dock Square Parking Lot	-	-	117	109	117	109
Government Wharf	-	-	13	9	13	9
Total expenses	23,037	20,937	2,081	2,063	25,118	23,000
Increase (decrease) in net position	2,239	1,762	486	175	2,725	1,937
Transfers in (out)	222	289	(222)	(289)	-	-
<b>Net position, beg. of year</b>	26,656	24,605	8,891	9,005	35,547	33,610
<b>Net position, end of year</b>	<b>\$ 29,117</b>	<b>26,656</b>	<b>9,155</b>	<b>8,891</b>	<b>38,272</b>	<b>35,547</b>

\* 000's omitted

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

The table below presents the total cost for fiscal years 2023 and 2022 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)									
	2023					2022			
	Total		Net			Total		Net	
General govt.	\$	2,367	11.3%	1,213	5.8%	1,800	8.6%	988	5.1%
Public safety		3,309	15.8%	2,971	14.3%	3,149	15.0%	2,857	14.8%
Public works		1,715	8.2%	1,672	8.0%	1,644	7.9%	1,600	8.3%
Education		11,350	54.2%	11,349	54.6%	11,264	53.8%	11,264	58.5%
County tax		1,303	6.2%	1,303	6.3%	1,200	5.7%	1,200	6.2%
Totals	\$	20,044	95.7%	18,508	89.1%	19,057	91.0%	17,909	93.0%

\* 000's omitted

**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. The changes in the fund balance of these funds are as follows (Statement 3):

<b>Major Fund</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>\$ Change</b>	<b>% Change</b>
General Fund	\$ 7,079,886	5,690,660	1,389,226	24.41%

**Expenditures**

The table below shows the Town's original and adjusted budgets for various departments and functions for the year ended June 30, 2023. 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).

<b>General Fund Department/Function Expenditures</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Expenditures</b>	<b>Variance</b>	
				<b>Amount</b>	<b>%</b>
General Government	\$ 3,168,417	3,246,917	2,237,402	1,009,515	31.09%
Public Safety	3,211,343	3,294,743	3,072,945	221,798	6.73%
Public Works	1,426,660	1,466,060	1,325,590	140,470	9.58%
Health and Welfare	821,509	830,209	744,275	85,934	10.35%
Recreation and Culture	577,408	577,408	557,439	19,969	3.46%
County Tax	1,302,970	1,302,970	1,302,970	-	0.00%
Education	11,349,467	11,349,467	11,349,467	-	0.00%
Debt Service	1,246,931	1,246,931	982,040	264,891	21.24%
Capital Improvements and Reserves	-	524,629	5,442	519,187	98.96%
<b>Total expenditures</b>	<b>\$ 23,104,705</b>	<b>23,839,334</b>	<b>21,577,570</b>	<b>2,261,764</b>	<b>9.49%</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, 2023. The table also shows the variance between these figures for each category. The Town considers a variance to be significant if it exceeds \$20,000 and 10% of the final budget (Exhibit A-2).

General Fund Revenues	Final Budget	Actual Revenues	Variance	
			Amount	%
Property taxes	\$ 20,779,326	20,845,767	66,441	0.32%
Excise taxes	1,114,000	1,233,257	119,257	10.71%
Interest on taxes	40,000	25,604	(14,396)	-35.99%
Licenses, permits, and fees	749,900	792,665	42,765	5.70%
Charges for services	304,500	426,206	121,706	39.97%
Intergovernmental revenue	581,279	719,992	138,713	23.86%
Investment income	30,000	380,646	350,646	1168.82%
Other revenues	10,000	64,620	54,620	546.20%
<b>Total revenues</b>	<b>\$ 23,609,005</b>	<b>24,488,757</b>	<b>879,752</b>	<b>3.73%</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 Goose Rocks Beach parking permits coming in higher than anticipated.

Intergovernmental revenues were over budget due to higher than expected State Revenue Sharing and Homestead reimbursement.

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, 2023, the Town had \$39,349,727 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 \$2,945,319, or 8.0% over last year. For additional information, see the Capital Assets section in the notes, pages 41 and 42.

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 and communications upgrades were bonded.

The Town's fiscal year 2023 budget, as approved at the annual Town Meeting held on June 14<sup>th</sup> and June 18<sup>th</sup>, includes approximately \$2,180,300 for various capital improvements, including historical preservation, new Town hall design, new Public Works vehicles, two police vehicles and cruiser computer, road and sidewalk improvement/construction, communications sprinkler upgrade and HVAC replacement, firefighter PPE, and fire apparatus, vehicle and equipment reserve, parks master plan, paving at Firefighters Park, planning and engineering for the Pier Road and sidewalks project, and Cape Porpoise Pier construction funding.

### **Debt**

The Town of Kennebunkport had \$13,016,038 in bonds and notes outstanding at fiscal year-end, compared to \$13,300,816 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, 2023 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 2024 budget has been prepared and already approved at the June 13<sup>th</sup> and June 17<sup>th</sup> annual Town meeting. The municipal portion of the budget increased by approximately \$607,401 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, 2023**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,982,149	1,511,284	13,493,433
Investments	1,556,822	-	1,556,822
Cash held at Maine Municipal Bond Bank	-	5,240,694	5,240,694
Receivables:			
Accounts	67,282	311,010	378,292
Due from other governments	128,824	-	128,824
Taxes receivable - current year	165,462	-	165,462
Taxes receivable - prior year	5,385	-	5,385
Tax and sewer liens	45,708	9,491	55,199
Lease	162,731	-	162,731
Internal balances	(371,091)	371,091	-
Inventory	7,350	17,834	25,184
Nondepreciable capital assets	15,814,036	3,233,195	19,047,231
Depreciable capital assets, net	13,596,514	6,705,982	20,302,496
Total assets	43,161,172	17,400,581	60,561,753
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	776,155	100,753	876,908
Deferred outflows of resources related to OPEB	20,838	-	20,838
Total deferred outflows of resources	796,993	100,753	897,746
<b>LIABILITIES</b>			
Accounts payable and payroll withholdings	246,028	200,053	446,081
Accrued wages	70,689	13,171	83,860
Unearned revenue	241,051	-	241,051
Other liabilities	232,013	2,500	234,513
Accrued interest	103,294	35,939	139,233
Bond anticipation notes	-	6,000,000	6,000,000
Noncurrent liabilities:			
Due within one year	1,108,578	180,429	1,289,007
Due in more than one year	12,045,137	1,846,251	13,891,388
Total liabilities	14,046,790	8,278,343	22,325,133
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	520,025	67,599	587,624
Deferred inflows of resources related to OPEB	112,097	-	112,097
Deferred inflows of resources related to lease	161,553	-	161,553
Total deferred inflows of resources	793,675	67,599	861,274
<b>NET POSITION</b>			
Net investment in capital assets	18,018,378	7,343,025	25,361,403
Restricted for:			
Permanent funds	600,317	-	600,317
Nonexpendable principal of permanent funds	1,142,297	-	1,142,297
Unrestricted	9,356,708	1,812,367	11,169,075
Total net position	\$ 29,117,700	9,155,392	38,273,092

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2023**

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	\$ 2,367,146	855,260	298,611	-	(1,213,275)	-	(1,213,275)
Public safety	3,309,269	86,869	251,568	-	(2,970,832)	-	(2,970,832)
Public works	1,714,999	-	43,224	-	(1,671,775)	-	(1,671,775)
Health and welfare	744,051	1,100	49,428	-	(693,523)	-	(693,523)
Recreation and culture	869,325	658,842	12,031	-	(198,452)	-	(198,452)
Education	11,349,467	-	-	-	(11,349,467)	-	(11,349,467)
County tax	1,302,970	-	-	-	(1,302,970)	-	(1,302,970)
Capital improvements	1,082,605	-	-	-	(1,082,605)	-	(1,082,605)
Interest on debt service	297,443	-	-	-	(297,443)	-	(297,443)
Total governmental activities	23,037,275	1,602,071	654,862	-	(20,780,342)	-	(20,780,342)
Business-type activities:							
Sewer	1,480,350	1,486,645	-	-	-	6,295	6,295
Cape Porpoise Pier	470,828	462,668	-	-	-	(8,160)	(8,160)
Dock Square Parking Lot	117,132	545,490	-	-	-	428,358	428,358
Government Wharf	13,495	10,216	-	-	-	(3,279)	(3,279)
Total business-type activities	2,081,805	2,505,019	-	-	-	423,214	423,214
<b>Total primary government</b>	<b>\$ 25,119,080</b>	<b>4,107,090</b>	<b>654,862</b>	<b>-</b>	<b>(20,780,342)</b>	<b>423,214</b>	<b>(20,357,128)</b>
General revenues:							
Property taxes, levied for general purposes					20,789,173	-	20,789,173
Interest and costs on taxes					25,604	-	25,604
Motor vehicle excise taxes					1,233,257	-	1,233,257
Grants and contributions not restricted to specific programs:							
Homestead and BETE exemption					170,986	-	170,986
State Revenue Sharing					240,046	-	240,046
Other State aid					9,760	-	9,760
Unrestricted investment earnings (loss)					526,352	62,844	589,196
Miscellaneous revenues					25,214	-	25,214
Transfers					221,690	(221,690)	-
Total general revenues and transfers					23,242,082	(158,846)	23,083,236
Change in net position					2,461,740	264,368	2,726,108
Net position - beginning					26,655,960	8,891,024	35,546,984
<b>Net position - ending</b>					<b>\$ 29,117,700</b>	<b>9,155,392</b>	<b>38,273,092</b>

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,806,923	175,226	11,982,149
Investments	-	1,556,822	1,556,822
Receivables:			
Accounts	54,224	13,058	67,282
Due from other governments	128,824	-	128,824
Taxes receivable - current year	165,462	-	165,462
Taxes receivable - prior year	5,385	-	5,385
Tax liens receivable	45,708		45,708
Lease	162,731	-	162,731
Inventory	7,350	-	7,350
Interfund loans receivable	-	4,278,514	4,278,514
<b>Total assets</b>	<b>12,376,607</b>	<b>6,023,620</b>	<b>18,400,227</b>
<b>LIABILITIES</b>			
Accounts payable and payroll withholdings	178,910	67,118	246,028
Accrued wages	60,472	10,217	70,689
Unearned revenue	-	241,051	241,051
Other liabilities	232,013	-	232,013
Interfund loans payable	4,585,367	64,238	4,649,605
<b>Total liabilities</b>	<b>5,056,762</b>	<b>382,624</b>	<b>5,439,386</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	78,406	-	78,406
Deferred inflows of resources related to lease	161,553	-	161,553
<b>Total deferred inflows of resources</b>	<b>239,959</b>	<b>-</b>	<b>239,959</b>
<b>FUND BALANCES</b>			
Nonspendable	7,350	1,142,297	1,149,647
Restricted	-	600,317	600,317
Committed	680,091	3,974,727	4,654,818
Assigned	200,000	-	200,000
Unassigned	6,192,445	(76,345)	6,116,100
<b>Total fund balances</b>	<b>7,079,886</b>	<b>5,640,996</b>	<b>12,720,882</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,376,607</b>	<b>6,023,620</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.			29,410,550
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenue in the funds.			78,406
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			(10,685,900)
Premium on bonds			(212,980)
Notes payable			(493,292)
Net pension liability, including related deferred inflows and outflows of resources			(888,494)
Total OPEB liability, including related deferred inflows and outflows of resources			(442,086)
Accrued interest			(103,294)
Accrued compensated absences			(266,092)
<b>Net position of governmental activities</b>			<b>\$ 29,117,700</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2023**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 22,104,628	-	22,104,628
Intergovernmental	719,992	145,000	864,992
Licenses and permits	792,665	-	792,665
Charges for services	426,206	393,039	819,245
Investment income (loss)	380,646	145,706	526,352
Other revenues	64,620	161,417	226,037
Total revenues	24,488,757	845,162	25,333,919
Expenditures:			
Current:			
General government	2,237,402	57,308	2,294,710
Public safety	3,072,945	38,867	3,111,812
Public works	1,325,590	-	1,325,590
Health and welfare	744,275	-	744,275
Recreation and culture	557,439	274,536	831,975
Education	11,349,467	-	11,349,467
County tax	1,302,970	-	1,302,970
Debt service	982,040	-	982,040
Capital improvements and other	5,442	3,686,971	3,692,413
Total expenditures	21,577,570	4,057,682	25,635,252
Excess (deficiency) of revenues over (under) expenditures	2,911,187	(3,212,520)	(301,333)
Other financing sources (uses):			
Issuance of debt	-	487,000	487,000
Transfers from other funds	1,236,000	2,443,651	3,679,651
Transfers to other funds	(2,757,961)	(700,000)	(3,457,961)
Total other financing sources (uses)	(1,521,961)	2,230,651	708,690
Net change in fund balances	1,389,226	(981,869)	407,357
Fund balances, beginning of year	5,690,660	6,622,865	12,313,525
Fund balances, end of year	\$ 7,079,886	5,640,996	12,720,882

*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, 2023**

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Net change in fund balances - total governmental funds (from Statement 4)	\$	407,357
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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	2,609,808
Depreciation expense and loss on disposal	(715,248)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(56,594)
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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	37,802
Total OPEB liability with related deferred inflows and outflows	(30,164)
Accrued compensated absences	5,130
Accrued interest	(3,622)

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 proceeds	(487,000)
Bond repayments	610,371
Note repayments	6,052
Premium amortization	77,848

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<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>2,461,740</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, 2023**

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance with final budget positive (negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Taxes	\$ 21,933,326	21,933,326	22,104,628	171,302
Intergovernmental	581,279	581,279	719,992	138,713
Licenses and permits	749,900	749,900	792,665	42,765
Charges for services	304,500	304,500	426,206	121,706
Interest earned	30,000	30,000	380,646	350,646
Other revenue	10,000	10,000	64,620	54,620
Total revenues	23,609,005	23,609,005	24,488,757	879,752
Expenditures:				
Current:				
General government	3,168,417	3,246,917	2,237,402	1,009,515
Public safety	3,211,343	3,294,743	3,072,945	221,798
Public works	1,426,660	1,466,060	1,325,590	140,470
Health and welfare	821,509	830,209	744,275	85,934
Recreation and culture	577,408	577,408	557,439	19,969
Education	11,349,467	11,349,467	11,349,467	-
County tax	1,302,970	1,302,970	1,302,970	-
Debt service	1,246,931	1,246,931	982,040	264,891
Capital improvements and other	-	524,629	5,442	519,187
Total expenditures	23,104,705	23,839,334	21,577,570	2,261,764
Excess (deficiency) of revenues over (under) expenditures	504,300	(230,329)	2,911,187	3,141,516
Other financing sources (uses):				
Transfers from other funds	746,000	746,000	(71,661)	(817,661)
Transfers to other funds	(1,450,300)	(1,450,300)	(1,450,300)	-
Utilization of unassigned fund balance	200,000	200,000	-	(200,000)
Utilization of committed fund balance	-	734,629	-	(734,629)
Total other financing sources (uses)	(504,300)	230,329	(1,521,961)	(1,752,290)
Net change in fund balance	-	-	1,389,226	1,389,226
Fund balance, beginning of year			5,690,660	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>7,079,886</b>	

*See accompanying notes to basic financial statements.*



**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

<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	\$ 1,509,170	2,114	1,511,284
Cash held at Maine Municipal Bond Bank	5,240,694	-	5,240,694
Accounts receivable	286,879	24,131	311,010
Sewer liens	9,491	-	9,491
Inventory	-	17,834	17,834
Interfund loans receivable	-	779,344	779,344
Total current assets	7,046,234	823,423	7,869,657
Noncurrent assets:			
Property, plant, and equipment	21,189,330	1,734,310	22,923,640
Less accumulated depreciation	(12,211,057)	(773,406)	(12,984,463)
Total noncurrent assets	8,978,273	960,904	9,939,177
Total assets	16,024,507	1,784,327	17,808,834
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	87,243	13,510	100,753
Total deferred outflows of resources	87,243	13,510	100,753
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and payroll withholdings	167,014	33,039	200,053
Accrued wages	10,257	2,914	13,171
Other liabilities	-	2,500	2,500
Accrued interest	35,939	-	35,939
Interfund loans payable	373,558	34,695	408,253
Bond anticipation notes	6,000,000	-	6,000,000
Accrued compensated absences	23,265	1,360	24,625
Noncurrent liabilities, current portion	155,804	-	155,804
Total current liabilities	6,765,837	74,508	6,840,345
Noncurrent liabilities, long-term portion	1,696,552	906	1,697,458
Net pension liability	131,231	17,562	148,793
Total liabilities	8,593,620	92,976	8,686,596
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	59,620	7,979	67,599
Total deferred inflows of resources	59,620	7,979	67,599
<b>NET POSITION</b>			
Net investment in capital assets	6,382,121	960,904	7,343,025
Unrestricted	1,076,389	735,978	1,812,367
Total net position	\$ 7,458,510	1,696,882	9,155,392

29 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, 2023**

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Department</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Operating revenues:			
Fees	\$ 1,425,122	561,255	1,986,377
Lease income	-	41,250	41,250
Fuel sales	-	353,008	353,008
Dues	-	62,755	62,755
Other income	61,523	106	61,629
Total operating revenues	1,486,645	1,018,374	2,505,019
Operating expenses:			
Wages and benefits	713,084	128,698	841,782
Utilities	105,260	27,918	133,178
Contracted services	36,756	51,630	88,386
Insurance	34,355	9,004	43,359
Supplies and equipment	120,458	319,054	439,512
Repairs and maintenance	22,373	27,185	49,558
Miscellaneous	3,870	6,860	10,730
Capital related expenses	18,136	-	18,136
Depreciation	394,854	31,106	425,960
Total operating expenses	1,449,146	601,455	2,050,601
Operating income (loss)	37,499	416,919	454,418
Nonoperating revenue (expenses):			
Interest income	62,844	-	62,844
Interest expense	(31,204)	-	(31,204)
Total nonoperating revenue (expenses)	31,640	-	31,640
Net income (loss) before transfers	69,139	416,919	486,058
Transfers:			
Transfer (to) from other funds	79,310	(301,000)	(221,690)
Total transfers	79,310	(301,000)	(221,690)
Change in net position	148,449	115,919	264,368
Total net position, beginning of year	7,310,061	1,580,963	8,891,024
<b>Total net position, end of year</b>	<b>\$ 7,458,510</b>	<b>1,696,882</b>	<b>9,155,392</b>

*See accompanying notes to basic financial statements.*

**TOWN OF KENNEBUNKPORT, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2023**

<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	\$ 1,307,255	1,040,294	2,347,549	
Payments to suppliers	(194,890)	(465,898)	(660,788)	
Payments to employees	(725,883)	(139,545)	(865,428)	
Net cash provided by (used in) operating activities	386,482	434,851	821,333	
Cash flows from non-capital financing activities:				
(Increase) decrease in interfund loans receivable	979,432	(133,537)	845,895	
Transfers (to) from other funds	79,310	(301,000)	(221,690)	
Net cash provided by (used in) non-capital financing activities	1,058,742	(434,537)	624,205	
Cash flows from capital and related financing activities:				
Purchase of capital assets	(1,476,719)	-	(1,476,719)	
Proceeds from bond anticipation notes	212,080	-	212,080	
Note principal payments	(155,355)	-	(155,355)	
Interest payments	(26,828)	-	(26,828)	
Net cash provided by (used in) capital and related financing activities	(1,446,822)	-	(1,446,822)	
Cash flows from investing activities:				
Investment income	62,844	-	62,844	
Net cash provided by investing activities	62,844	-	62,844	
Increase (decrease) in cash	61,246	314	61,560	
Cash and cash equivalents, beginning of year	1,447,924	1,800	1,449,724	
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,509,170</b>	<b>2,114</b>	<b>1,511,284</b>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 37,499	416,919	454,418	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	394,854	31,106	425,960	
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(179,180)	21,920	(157,260)	
(Increase) decrease in sewer liens	(210)	-	(210)	
(Increase) decrease in inventory	-	(5,504)	(5,504)	
Increase (decrease) in accounts payable	146,318	(18,743)	127,575	
Increase (decrease) in accrued wages	2,527	307	2,834	
Change in net pension liability (asset) with related deferred outflows and deferred inflows of resources	(11,341)	(11,062)	(22,403)	
Increase (decrease) in accrued compensated absences	(3,985)	(92)	(4,077)	
<b>Net cash provided by (used in)             operating activities</b>	<b>\$ 386,482</b>	<b>434,851</b>	<b>821,333</b>	

*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, 2023 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, 2023, 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 assets 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, OPEB liabilities and lease receivables, which include the Town's contributions subsequent to the measurement date, which are recognized as a reduction (increase) of the net pension liability (asset) 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 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.

**Pensions** - For purposes of measuring the net pension liability / asset, 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.

**Leases** - The Town of Kennebunkport is a lessor for noncancellable restaurant space on the Cape Porpoise Pier. The Town recognizes lease receivables and deferred inflows of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town of Kennebunkport determines (1) the discount rate it uses to discount the expected lease receipts/payments to present value, (2) lease term, and (3) lease receipts/payments.

- The Town of Kennebunkport uses its estimated incremental borrowing rate as the discount rate for leases.
- The least term includes the noncancellable period of the lease. Lease receipts/payments included in the measurement of the lease receivable/liability is composed of fixed payments from the lease.

The Town of Kennebunkport monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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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>
2023 budget as originally adopted	\$ 23,609,005	23,104,705	(504,300)
Assigned carryforward balances and adjustments	-	734,629	734,629
<b>Totals</b>	<b>\$ 23,609,005</b>	<b>23,839,334</b>	<b>230,329</b>

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**C. Deficit Fund Equity**

The following funds had a deficit fund balance at June 30, 2023:

Capital projects – Town office	\$ 15,584
Capital projects - Communications	22,300
Capital projects – Road Improvement	38,461

These deficits are expected to be funded by future revenues or transfers from the General Fund.

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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, 2023, none of the Town's bank balance of \$13,420,891 was exposed to custodial credit risk because it was uninsured and uncollateralized. All of the bank balance was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

**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, 2023, the Town had the following investments:

	Fair value	N/A	Less than 1 year	1 – 5 years	Credit ratings
Corporate bonds	\$ 302,291	-	92,674	209,617	AA+ to BBB-
Mutual funds	411,528	411,528	-	-	N/A
Equities	843,003	843,003	-	-	N/A
<b>Total investments</b>	<b>\$ 1,556,822</b>	<b>1,254,531</b>	<b>92,674</b>	<b>209,617</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.

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

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**DEPOSITS AND INVESTMENTS, CONTINUED**

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*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.

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**PROPERTY TAX**

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Property taxes for the current period were committed on July 28, 2022, on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Payment of taxes was due in equal installments on September 12, 2022 and March 10, 2023. Interest at the rate of 4% 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 2023 assessed value of \$3,463,221,040 was 100% of the estimated market value and 103.2% of the 2023 state valuation of \$3,354,550,000.

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 \$860,774 for the period ended June 30, 2023.

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, 2023 and 2022 levies:

	<u>2023</u>	<u>2022</u>
Assessed value	\$3,463,221,040	2,038,685,040
Tax rate (per \$1,000)	6.00	9.60
Commitment	20,779,326	19,571,376
Supplemental taxes assessed	10,899	2,018
	20,790,225	19,573,394
Less: Collections and abatements	20,624,763	19,368,762
<b><u>Receivable at June 30</u></b>	<b><u>\$ 165,462</u></b>	<b><u>204,632</u></b>
Collection rate	99.20%	98.95%

**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, 2023 was as follows:

	Balance June 30, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 668,115	2,407,414	-	3,075,529
Land	12,738,507	-	-	12,738,507
Total capital assets, not being depreciated	13,406,622	2,407,414	-	15,814,036
Capital assets, being depreciated:				
Land improvements	304,820	-	-	304,820
Buildings	3,434,125	-	-	3,434,125
Building improvements	1,054,696	24,555	-	1,079,251
Machinery and equipment	1,408,227	-	-	1,408,227
Furniture and fixtures	19,623	-	-	19,623
Vehicles	3,630,941	177,839	91,997	3,716,783
Infrastructure	12,987,792	-	-	12,987,792
Total capital assets, being depreciated	22,840,224	202,394	91,997	22,950,621
Less accumulated depreciation for:				
Land improvements	179,178	10,813	-	189,991
Buildings	1,246,993	81,522	-	1,328,515
Building improvements	529,584	45,753	-	575,337
Machinery and equipment	814,342	69,801	-	884,143
Furniture and fixtures	19,623	-	-	19,623
Vehicles	2,071,102	167,398	52,762	2,185,738
Infrastructure	3,870,034	300,726	-	4,170,760
Total accumulated depreciation	8,730,856	676,013	52,762	9,354,107
Total capital assets being depreciated, net	14,109,368	(473,619)	39,235	13,596,514
<b>Governmental activities capital assets, net</b>	<b>\$ 27,515,990</b>	<b>1,933,795</b>	<b>39,235</b>	<b>29,410,550</b>

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

Governmental activities:	
General government	\$ 89,683
Public safety	159,317
Public works	389,591
Recreation and culture	37,422
<b>Total depreciation expense - governmental activities</b>	<b>\$ 676,013</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>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 806,048	1,476,719	-	2,282,767
Land	950,428	-	-	950,428
Total capital assets, not being depreciated	1,756,476	1,476,719	-	3,233,195
Capital assets, being depreciated:				
Land improvements	29,600	-	-	29,600
Buildings	4,936,200	-	-	4,936,200
Building improvements	3,032,779	-	-	3,032,779
Machinery and equipment	2,618,787	-	20,000	2,598,787
Infrastructure	8,984,078	-	-	8,984,078
Vehicles	109,001	-	-	109,001
Total capital assets, being depreciated	19,710,445	-	20,000	19,690,445
Less accumulated depreciation for:				
Land improvements	29,600	-	-	29,600
Buildings	3,589,524	97,849	-	3,687,373
Building improvements	1,497,260	78,833	-	1,576,093
Machinery and equipment	2,011,440	57,752	20,000	2,049,192
Infrastructure	5,377,659	182,527	-	5,560,186
Vehicles	73,020	8,999	-	82,019
Total accumulated depreciation	12,578,503	425,960	20,000	12,984,463
Total capital assets being depreciated, net	7,131,942	(425,960)	-	6,705,982
<b>Business-type activities capital assets, net</b>	<b>\$ 8,888,418</b>	<b>1,050,759</b>	<b>-</b>	<b>9,939,177</b>

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

Business-type activities:	
Sewer Department	\$ 394,854
Cape Porpoise Pier	16,414
Dock Square Parking Lot	14,692
<b>Total depreciation expense - business-type activities</b>	<b>\$ 425,960</b>

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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, 2023 were as follows:

	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
<u>General Fund</u>	\$ -	4,585,367
Proprietary Funds:		
Sewer Department	-	373,558
Cape Porpoise Pier	-	34,695
Dock Square Parking Lot	777,898	-
Government Wharf	1,446	-
Total proprietary funds	779,344	408,253
All Other Governmental Funds:		
Special revenue funds	1,440,990	-
Capital projects funds	2,826,958	64,238
Permanent funds	10,566	-
Total all other governmental funds	4,278,514	64,238
<b><u>Total interfund loans receivable and payable</u></b>	<b><u>\$ 5,057,858</u></b>	<b><u>5,057,858</u></b>

Individual fund transfers for the year ended June 30, 2023 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
<u>General Fund</u>	\$ -	1,521,961
Proprietary Funds:		
Sewer Department	79,310	-
Dock Square Parking Lot	-	301,000
Total proprietary funds	79,310	301,000
All Other Governmental Funds:		
Special revenue funds	-	52,000
Capital projects funds	1,795,651	-
Total all other governmental funds	1,795,651	52,000
<b><u>Total interfund loans receivable and payable</u></b>	<b><u>\$ 1,874,961</u></b>	<b><u>1,874,961</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 \$5,000,000 and \$1,000,000 with an interest rate of 1.00% and are due on December 22, 2023. Bond anticipation note activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Additions	Reductions	Ending balance
Bond anticipation notes:				
2021 Clean water (sewer) - No. R-1	\$ 5,000,000	-	-	5,000,000
2021 Clean water (sewer) - No. R-2	1,000,000	-	-	1,000,000
<b>Total bond anticipation notes</b>	<b>\$ 6,000,000</b>	<b>-</b>	<b>-</b>	<b>6,000,000</b>

\*Subsequent event: the 2021 CWSRF BANs were fully expended after June 30, 2023 but prior to issuance of the annual financial statements. There will be a Bond conversion processed during FY 2024.

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**CHANGES IN LONG-TERM LIABILITIES**

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Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 11,296,271	-	610,371	10,685,900	776,292
Premium on bonds	290,828	-	77,848	212,980	72,401
Notes from direct borrowing	12,344	487,000	6,052	493,292	100,230
Net pension liability (asset)	(136,356)	1,280,980	-	1,144,624	-
Total OPEB liability	363,831	-	13,004	350,827	-
Compensated absences	271,222	320,108	325,238	266,092	159,655
<b>Governmental activity</b>					
<b>long-term liabilities</b>	<b>\$ 12,098,140</b>	<b>2,088,088</b>	<b>1,032,513</b>	<b>13,153,715</b>	<b>1,108,578</b>
<b>Business-type activities:</b>					
Notes from direct borrowing	\$ 1,992,201	-	155,355	1,836,846	155,804
Net pension liability (asset)	(19,626)	168,419	-	148,793	-
Compensated absences	45,118	-	4,077	41,041	24,625
<b>Business-type activity</b>					
<b>long-term liabilities</b>	<b>\$ 2,017,693</b>	<b>168,419</b>	<b>159,432</b>	<b>2,026,680</b>	<b>180,429</b>

All governmental activities long-term liability requirements are paid by the General Fund. Business-type long-term liabilities are 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, 2023 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%	170,900
Recreation building	450,000	6/20/18	2028	3.27%	180,000
Seawall and village parcel	2,255,000	5/1/19	2040	3.00-5.00%	1,735,000
Village parcel	8,500,000	5/1/19	2025	3.25-4.00%	7,600,000
Radio Communications Upgrade	1,000,000	3/4/22	2027	2.57%	1,000,000
<b>Total governmental activities bonds payable</b>					<b>\$ 10,685,900</b>

**Notes from Direct Borrowings**

<u>Governmental activities:</u>					
Copiers	\$ 32,701	7/1/19	2024	3.95%	6,292
Fire Truck	487,000	10/14/22	2028	3.75%	487,000
Total governmental activities notes payable					493,292
<u>Business-type activities:</u>					
Sewer expansion	1,000,000	11/13/03	2024	2.25%	56,919
Sewer upgrades	1,700,000	1/4/21	2041	1.00%	1,530,000
Sewer upgrades	300,000	1/4/21	2041	1.00%	249,927
Total business-type activities notes payable					1,836,846
<b>Total governmental and business-type activities notes payable</b>					<b>\$ 2,330,138</b>

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>
2024	\$	776,292	346,240	1,122,532
2025		7,737,227	205,526	7,942,753
2026		458,198	73,306	531,504
2027		459,183	53,445	512,628
2028		370,000	38,049	408,049
2029-2033		430,000	97,850	527,850
2034-2038		325,000	43,875	368,875
2039-2043		130,000	3,900	133,900
<b>Totals</b>	<b>\$</b>	<b>10,685,900</b>	<b>862,191</b>	<b>11,548,091</b>

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

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**LONG-TERM DEBT, CONTINUED**

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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, 2023, the Town's outstanding debt did not exceed these limits.

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>
2024	\$ 100,230	13,958	114,188	155,804	25,184	180,988
2025	92,908	14,740	107,648	98,885	22,076	120,961
2026	96,392	11,256	107,648	98,885	21,038	119,923
2027	100,006	7,642	107,648	98,885	19,999	118,884
2028	103,756	3,891	107,647	98,885	18,961	117,846
2029-2033	-	-	-	494,424	79,232	573,656
2034-2038	-	-	-	494,424	53,274	547,698
2039-2041	-	-	-	296,654	19,505	316,159
<b>Totals</b>	<b>\$ 493,292</b>	<b>51,487</b>	<b>544,779</b>	<b>1,836,846</b>	<b>259,269</b>	<b>2,096,115</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 outstanding June 30, 2023</u>	<u>Percentage applicable to the Town</u>	<u>Town's proportionate share of debt</u>
Regional School Unit #21	\$ 57,028,990	25.67%	14,639,342

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

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**LEASES**

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During 2023, the Town entered into a leasing arrangement in which restaurant space on the Cape Porpoise Pier is rented by a local seafood restaurant. The lease is for a five-year term with annual payments of \$40,000.

During 2023, the Town recognized \$20,853 in lease revenue and \$3,147 in related interest. As of June 30, 2023, the Town's receivable for lease payments was \$162,731. Also, the Town has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$161,295.

**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, 2023. 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, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes and bond anticipation notes 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, 2023:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 38,764,657	22,923,640
Accumulated depreciation	(9,354,107)	(12,984,463)
Bonds, notes and BANs	(11,179,192)	(7,836,846)
Premium on bonds	(212,980)	-
Unspent proceeds	-	5,240,694
<b><u>Total net investment in capital assets</u></b>	<b><u>\$ 18,018,378</u></b>	<b><u>7,343,025</u></b>

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**FUND BALANCE**

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The General Fund unassigned fund balance total of \$6,192,445 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, 2023, 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	\$ 7,350	-	-	-
Carryforward balances	-	-	680,091	-
Subsequent year's expenditures	-	-	-	200,000
<b>Total general fund</b>	<b>7,350</b>	<b>-</b>	<b>680,091</b>	<b>200,000</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	\$ -	-	646,572	-
350 <sup>th</sup> Anniversary	-	-	462	-
Reserve Open Space	-	-	99,205	-
Revaluation	-	-	2,599	-
Maine Drug Forfeiture	-	-	412	-
Recreation	-	-	237,863	-
Special Events	-	-	14,059	-
Scholarships	-	-	28,320	-
Dune Restoration	-	-	22,671	-
Community Action	-	-	122,292	-
Capital Projects Funds:				
Fire PPE	-	-	21,824	-
Fire Radios	-	-	9,007	-
Fire Vehicle	-	-	71,852	-
Fire Equipment	-	-	176,606	-
Sidewalks	-	-	133,067	-
General Capital Projects	-	-	6,988	-
Police equipment	-	-	7,788	-
Fire Port Village	-	-	500	-
Highway Vehicles	-	-	254,845	-
Highway Equipment	-	-	2,175	-
Police Vehicle	-	-	11,645	-
Historic Preservation	-	-	11,500	-
Climate Change	-	-	24,816	-
Special Projects	-	-	560,765	-
Fire Apparatus	-	-	966	-
General Capital Improvements	-	-	1,177,969	-
Communications Radios	-	-	175,430	-
Village Parcel	-	-	102,778	-
Recreation Capital	-	-	49,751	-
Permanent Funds:				
Kittredge Trust	688,206	272,697	-	-
Picavet Trust	454,091	327,620	-	-
Total other governmental funds	1,142,297	600,317	3,974,727	-
<b>Grand totals</b>	<b>\$ 1,149,647</b>	<b>600,317</b>	<b>4,654,818</b>	<b>200,000</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, 2023 and 2022, fund balances were committed to future periods as follows:

	<u>2023</u>	<u>2022</u>
General Fund:		
General government	\$ 15,750	54,500
Public safety	38,400	83,400
Health and welfare	2,800	8,700
Public works	100,370	39,400
Contingency	35,000	24,000
Legal	7,567	43,008
EMA	8,610	7,110
Colony Beach repairs	36,625	-
General assistance donations	24,836	22,114
General assistance fuel	117,903	96,721
General assistance food	27,794	23,044
Nurse's foot care	5,118	1,450
Nurse general donation	44,774	33,656
Employee separation	56,594	84,594
Cemetery	300	300
Local circuit breaker program	4,515	6,015
Parsons Way bench	7,798	7,797
Goose Rocks Beach Advisory Committee	125,946	135,815
Debt recreation	5,468	9,188
Debt police	192	45,192
Community development	13,731	8,625
<b>Total General Fund committed fund balance</b>	<b>\$ 680,091</b>	<b>734,629</b>

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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 MissionSquare Retirement. 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, 2023 were \$100,953.

**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 6.85% to 9.7% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2023, was 10.2% for the AC plan and 14.7% 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 \$331,114 for governmental activities and \$42,901 for business type activities for the year ended June 30, 2023.

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

At June 30, 2023, the Town reported a liability of \$1,144,624 for governmental activities and \$148,793 for business type activities for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the Town's proportion of the plan's net pension liability was 0.4865%.

For the year ended June 30, 2023, the Town recognized a pension expense of \$211,594 for governmental activities and a pension expense of \$13,705 for business type activities. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

**NET PENSION LIABILITY, CONTINUED**

	<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	\$ 212,722	-	27,652	-
Changes in assumptions	232,319	-	30,200	-
Net difference between projected and actual earnings on pension plan investments	-	480,405	-	62,449
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	39,620	-	5,150
Town contributions subsequent to the measurement date	331,114	-	42,901	-
<b>Total</b>	<b>\$ 776,155</b>	<b>520,025</b>	<b>100,753</b>	<b>67,599</b>

An amount of \$331,114 is reported as deferred outflows of resources in the governmental activities and \$42,901 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 (increase) of the net pension liability (asset) in the year ended June 30, 2024. 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>
2024	\$ 103,749	13,487
2025	(105,920)	(13,769)
2026	(298,454)	(38,797)
2027	225,641	29,332

**Actuarial Assumptions** - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75-11.48%
Investment return	6.50%
Cost of living benefit increases	1.91%

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

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

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**NET PENSION LIABILITY, CONTINUED**

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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, 2022 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	10.0%	2.3%
Private Equity	12.5%	7.6%
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	5.0%	3.2%
Alternative Credit	10.0%	7.4%
Diversifiers	7.5%	5.9%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.50%. 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 6.50%, 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 (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Town's proportionate share of the net pension liability	\$ 3,821,121	1,293,417	(795,821)

**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, 2023.



**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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employee entitled to but not yet receiving benefits	-
Active employees	40
Total	<u>41</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 \$350,827 was measured as of January 1, 2023, and was determined by an actuarial valuation as of January 1, 2022.

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

Balance at June 30, 2022	\$ 363,831
Changes for the year:	
Service cost	26,691
Interest	8,007
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(44,019)
Benefit payments	(3,683)
Net changes	<u>(13,004)</u>
Balance at June 30, 2023	<u>\$ 350,827</u>

Change in assumptions reflects a change in the discount rate from 2.06% to 3.72%.

**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, 2023, the Town recognized OPEB expense of \$30,164. At June 30, 2023, 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	\$ -	112,097
Changes of assumption or other inputs	15,267	-
Contributions subsequent to the measurement date	5,571	-
Total	\$ 20,838	112,097

An amount of \$5,571 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, 2024. 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:	
2024	\$ 1,033
2025	(13,611)
2026	(8,738)
2027	(8,734)
2028	(18,131)
Thereafter	(48,649)

**Actuarial Assumptions** - The total OPEB liability in the January 1, 2022 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	3.00% per year
Salary increases	2.75% per year
Discount rate	3.72% per annum
Healthcare cost trend rates	7.95% Non-Medicare and 7.26% Medicare, decreasing to 4.55% by 2044
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree 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, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2016 through June 30, 2020.

**Discount Rate** - The rate used to measure the total OPEB liability was 3.72% 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 3.72%, 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 (2.72%) or 1 percentage-point higher (4.72%) than the current rate:

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB liability	\$ 410,806	350,827	302,168

**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	\$ 295,321	350,827	422,268

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

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

	<b>2023</b>	<b>2022</b>	<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 (asset)	0.4865%	0.4854%	0.5254%	0.5357%	0.5169%	0.5372%	0.5392%	0.5108%	0.5028%
Town's proportionate share of the net pension liability (asset) \$	1,293,417	(155,982)	2,087,431	1,637,488	1,414,759	2,199,652	2,864,701	1,629,598	773,711
Town's covered payroll	3,400,185	2,796,737	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 (asset) as a percentage of its covered payroll	38.04%	-5.58%	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 (asset)	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%

\* Only nine 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>2023</b>	<b>2022</b>	<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 \$	374,015	382,976	332,084	339,371	327,098	287,653	275,390	252,997	208,757	168,733
Contributions in relation to the contractually required contribution	(374,015)	(382,976)	(332,084)	(339,371)	(327,098)	(287,653)	(275,390)	(252,997)	(208,757)	(168,733)
<b>Contribution deficiency (excess)</b> \$	-	-	-	-	-	-	-	-	-	-
Town's covered payroll \$	3,465,837	3,400,185	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	10.79%	11.26%	11.87%	12.02%	12.04%	11.43%	10.88%	10.32%	8.89%	7.55%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service cost	\$	26,691	25,309	21,812	13,635	15,238	13,077
Interest		8,007	10,801	12,298	14,550	12,840	9,543
Changes of benefit terms		-	-	-	(8,627)	-	-
Differences between expected and actual experience		-	(150,750)	-	(10,207)	-	71,798
Changes of assumptions or other inputs		(44,019)	(2,128)	29,982	85,339	(34,099)	30,720
Benefit payments		(3,683)	(7,076)	(6,804)	(10,980)	(10,558)	(2,493)
Net change in total OPEB Liability		(13,004)	(123,844)	57,288	83,710	(16,579)	122,645
Total OPEB liability - beginning		363,831	487,675	430,387	346,677	363,256	240,611
<b>Total OPEB liability - ending</b>	<b>\$</b>	<b>350,827</b>	<b>363,831</b>	<b>487,675</b>	<b>430,387</b>	<b>346,677</b>	<b>363,256</b>
Covered-employee payroll	\$	2,666,511	2,666,511	2,652,321	2,652,321	2,130,553	2,130,553
Total OPEB liability as a percent of covered-employee payroll		13.2%	13.6%	18.4%	16.2%	16.3%	17.0%

\*Only six years of information available.

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

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**Net Pension Liability (Asset)**

**Changes of Benefit Terms** - None

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

	<u>2021</u>	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.50%	6.75%	6.75%	6.875%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases	2.75-11.48%	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%	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. Between 2016 and 2020, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table. Starting 2021, Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

**Total OPEB Liability**

**Changes of Benefit Terms** - None

**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>2022</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%

In 2018 through 2021, mortality rates were based on the RP2014 total data set healthy annuitant mortality table. In 2022 and later, mortality rates are based on the 2010 Public Plan General Benefits-Weighted Employee Mortality Table.

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

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.

*\* 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, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,806,923	12,718,427
Receivables:		
Accounts	54,224	30,709
Due from other governments	128,824	134,330
Taxes receivable - current year	165,462	204,632
Taxes receivable - prior year	5,385	4,980
Tax liens receivable	45,708	52,954
Lease	162,731	-
Prepays	-	175
Inventory	7,350	7,550
<b>Total assets</b>	<b>12,376,607</b>	<b>13,153,757</b>
<b>LIABILITIES</b>		
Accounts payable and payroll withholdings	178,910	156,863
Accrued wages	60,472	52,007
Other liabilities	232,013	283,649
Interfund loans payable	4,585,367	6,835,578
<b>Total liabilities</b>	<b>5,056,762</b>	<b>7,328,097</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	78,406	135,000
Deferred inflows of resources related to lease	161,553	-
<b>Total deferred inflows of resources</b>	<b>239,959</b>	<b>135,000</b>
<b>FUND BALANCES</b>		
Nonspendable	7,350	7,725
Committed	680,091	734,629
Assigned	200,000	200,000
Unassigned	6,192,445	4,748,306
<b>Total fund balances</b>	<b>7,079,886</b>	<b>5,690,660</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,376,607</b>	<b>13,153,757</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, 2023**  
**(with comparative actual amounts for the year ended June 30, 2022)**

	2023		Variance positive (negative)	2022 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 20,779,326	20,845,767	66,441	19,570,949
Change in unavailable revenue	-	-	-	1,000
Excise taxes	1,114,000	1,233,257	119,257	1,175,887
Interest and costs on taxes	40,000	25,604	(14,396)	20,768
Total taxes	21,933,326	22,104,628	171,302	20,768,604
Intergovernmental:				
State Revenue Sharing	185,000	240,046	55,046	227,181
Homestead reimbursement	90,228	166,751	76,523	114,606
State road assistance	40,000	43,224	3,224	43,460
Tree growth	6,000	8,272	2,272	8,170
Snowmobile reimbursement	-	470	470	530
Veterans reimbursement	2,300	1,488	(812)	2,095
General assistance	1,000	183	(817)	-
BETE reimbursement	4,193	4,235	42	5,890
Rachel Carson	3,500	3,755	255	-
RSU COPS share	249,058	251,568	2,510	252,243
Total intergovernmental	581,279	719,992	138,713	654,175
Licenses and permits:				
Town clerk fees	9,000	9,497	497	10,114
Plumbing fees	20,000	27,438	7,438	23,543
Building permits	550,000	568,947	18,947	544,809
Liquor license	5,000	5,525	525	4,550
Victualers license	5,000	5,700	700	5,900
Zoning requests	-	300	300	5,750
Shellfish license	900	1,405	505	1,375
Short term rental license	160,000	173,853	13,853	170,280
Total licenses and permits	749,900	792,665	42,765	766,321

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

	<b>2023</b>		<b>Variance positive (negative)</b>	<b>2022 Actual</b>
	<b>Budget</b>	<b>Actual</b>		
Revenues, continued:				
Charges for services:				
Dogs fees	\$ 2,800	3,854	1,054	4,575
Agent fees	15,000	16,298	1,298	15,756
Planning board/appeals board	15,500	32,443	16,943	15,954
Parking tickets	50,000	71,158	21,158	34,067
Police other	11,000	15,711	4,711	6,010
Goose Rocks	200,000	265,803	65,803	231,220
Nurses fees	200	1,100	900	13,049
Miscellaneous	10,000	19,839	9,839	3,448
Total charges for services	304,500	426,206	121,706	324,079
Interest earned	30,000	380,646	350,646	44,090
Total interest earned	30,000	380,646	350,646	44,090
Other revenue:				
Donations	-	49,245	49,245	28,130
Sale of Town assets	-	-	-	21,920
Conservation	10,000	10,000	-	10,000
Miscellaneous	-	5,375	5,375	1,470
Total other revenue	10,000	64,620	54,620	61,520
Total revenues	23,609,005	24,488,757	879,752	22,618,789

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

		2023					
	2022	Original	Total		Variance	2022	
	Carryforward	Budget	Available	Actual	positive (negative)	Actual	
Expenditures:							
Current:							
General government:							
Administration	\$ 29,500	1,180,039	1,209,539	1,154,139	55,400	1,069,339	
Planning and development	25,000	662,230	687,230	648,359	38,871	564,058	
Boards and committees	-	2,375	2,375	2,230	145	715	
Growth planning	-	2,500	2,500	1,353	1,147	1,638	
Legal fees	-	68,000	68,000	93,767	(25,767)	86,498	
Insurance	-	233,098	233,098	206,894	26,204	207,794	
Community development	-	44,401	44,401	29,148	15,253	33,537	
Contingency	24,000	115,000	139,000	29,627	109,373	75,148	
Overlay/abatements	-	860,774	860,774	71,885	788,889	1,336	
Total general government	78,500	3,168,417	3,246,917	2,237,402	1,009,515	2,040,063	
Public safety:							
Police department	65,000	1,914,669	1,979,669	1,844,505	135,164	1,751,333	
Communications	-	578,305	578,305	508,303	70,002	564,198	
Fire department	18,400	452,958	471,358	465,063	6,295	420,697	
KEMS	-	200,000	200,000	200,000	-	175,000	
EMA	-	1,500	1,500	-	1,500	-	
Special enforcement	-	63,911	63,911	55,074	8,837	53,350	
Total public safety	83,400	3,211,343	3,294,743	3,072,945	221,798	2,964,578	
Public works:							
Highway department	19,900	1,201,700	1,221,600	1,117,526	104,074	1,050,291	
Utilities	-	144,324	144,324	144,323	1	140,161	
Shade tree	19,500	41,681	61,181	44,175	17,006	30,007	
Street Lights	-	24,000	24,000	9,503	14,497	17,342	
Cemetery	-	14,955	14,955	10,063	4,892	13,268	
Total public works	39,400	1,426,660	1,466,060	1,325,590	140,470	1,251,069	

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

<b>2023</b>						
	<b>2022</b>	<b>Original</b>	<b>Total</b>		<b>Variance</b>	<b>2022</b>
	<b>Carryforward</b>	<b>Budget</b>	<b>Available</b>	<b>Actual</b>	<b>positive</b>	<b>Actual</b>
					<b>(negative)</b>	
Expenditures, continued						
Current, continued:						
Health and welfare:						
Solid waste	\$ -	578,436	578,436	517,454	60,982	553,354
Health	8,700	178,862	187,562	163,439	24,123	164,298
Welfare	-	2,335	2,335	195	2,140	80
Social services	-	22,707	22,707	23,207	(500)	23,118
Other services	-	39,169	39,169	34,449	4,720	33,508
General assistance donations	-	-	-	5,531	(5,531)	3,004
Total health and welfare	8,700	821,509	830,209	744,275	85,934	777,362
Recreation and culture:						
Recreation	-	341,845	341,845	311,047	30,798	306,240
Graves library	-	155,000	155,000	155,000	-	155,000
Cape Porpoise	-	14,550	14,550	14,550	-	14,550
Parsons Way	-	3,800	3,800	6,090	(2,290)	5,732
Miscellaneous agencies	-	10,475	10,475	9,144	1,331	6,289
Goose Rocks Beach Committee	-	51,738	51,738	61,608	(9,870)	42,570
Total recreation and culture	-	577,408	577,408	557,439	19,969	530,381
Education	-	11,349,467	11,349,467	11,349,467	-	11,264,352
County tax	-	1,302,970	1,302,970	1,302,970	-	1,199,996
Debt service:						
Principal	-	858,585	858,585	610,337	248,248	559,471
Interest	-	388,346	388,346	371,703	16,643	379,782
Total debt service	-	1,246,931	1,246,931	982,040	264,891	939,253

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

	2022 Carryforward	2023				2022 Actual
		Original Budget	Total Available	Actual	Variance positive (negative)	
Expenditures, continued:						
Capital improvements and reserves:						
Committed:						
Cemetery	\$ 300	-	300	-	300	-
Community Development	8,625	-	8,625	-	8,625	1,939
Debt Recreation building	9,188	-	9,188	-	9,188	-
Debt Police building	45,192	-	45,192	-	45,192	-
EMA	7,110	-	7,110	-	7,110	-
Employee separation	84,594	-	84,594	-	84,594	-
General assistance donations	22,113	-	22,113	-	22,113	-
General assistance food	23,044	-	23,044	-	23,044	-
General assistance fuel	96,721	-	96,721	-	96,721	-
Goose Rocks Beach Advisory Committee	135,815	-	135,815	-	135,815	-
Legal	43,009	-	43,009	-	43,009	-
Local Circuit Breaker	6,015	-	6,015	1,500	4,515	4,072
Nurse general donation	33,656	-	33,656	3,942	29,714	5,741
Nurses Foot Care	1,450	-	1,450	-	1,450	-
Parsons Way bench	7,797	-	7,797	-	7,797	-
Total capital improvements and reserves	524,629	-	524,629	5,442	519,187	11,752
Total expenditures	734,629	23,104,705	23,839,334	21,577,570	2,261,764	20,978,806
Excess (deficiency) of revenues over (under) expenditures	(734,629)	504,300	(230,329)	2,911,187	3,141,516	1,639,983



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

<b>2023</b>						
	<b>2022</b>	<b>Original</b>	<b>Total</b>		<b>Variance</b>	<b>2022</b>
	<b>Carryforward</b>	<b>Budget</b>	<b>Available</b>	<b>Actual</b>	<b>positive</b>	<b>Actual</b>
					<b>(negative)</b>	
Other financing sources (uses):						
Transfers from (to) other funds:						
Administration	\$ -	(406,500)	(406,500)	(406,500)	-	(5,000)
Police	-	(92,800)	(92,800)	(92,800)	-	(48,800)
Communications	-	(37,000)	(37,000)	(37,000)	-	(250,000)
Fire	-	(295,000)	(295,000)	(295,000)	-	(210,000)
Highway	-	(284,000)	(284,000)	(284,000)	-	(116,000)
Road improvement	-	(472,000)	(472,000)	(472,000)	-	(414,000)
Sidewalk	-	(80,000)	(80,000)	(80,000)	-	(105,000)
Piers, rivers, and harbors	-	(153,000)	(153,000)	(153,000)	-	(300,000)
Special projects	-	(285,000)	(285,000)	(285,000)	-	(50,000)
Recreation	-	(75,000)	(75,000)	(75,000)	-	-
Sewer debt service	-	30,000	30,000	30,000	-	30,000
Capital projects	-	700,000	700,000	700,000	-	325,000
Dock Square parking lot	-	265,000	265,000	265,000	-	265,000
Dock Square restrooms	-	36,000	36,000	36,000	-	30,000
Special revenues	-	60,000	60,000	60,000	-	60,000
Special revenues/ARPA	-	385,000	385,000	145,000	(240,000)	-
Capital projects	-	-	-	(468,351)	(468,351)	(1,264,393)
Sewer	-	-	-	(109,310)	(109,310)	(35,527)
Utilization of unassigned fund balance	-	200,000	200,000	-	(200,000)	-
Utilization of committed fund balance	734,629	-	734,629	-	(734,629)	-
Total other financing sources (uses)	734,629	(504,300)	230,329	(1,521,961)	(1,752,290)	(2,088,720)
Net change in fund balance - budgetary basis	-	-	-	1,389,226	1,389,226	(448,737)
Fund balance, beginning of year				5,690,660		6,139,397
Fund balance, end of year	\$			7,079,886		5,690,660

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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, 2023**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	-	175,226	175,226
Investments	-	-	1,556,822	1,556,822
Accounts receivable	13,058	-	-	13,058
Interfund loans receivable	1,440,990	2,826,958	10,566	4,278,514
<b>Total assets</b>	<b>1,454,048</b>	<b>2,826,958</b>	<b>1,742,614</b>	<b>6,023,620</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	28,325	38,793	-	67,118
Accrued wages	10,217	-	-	10,217
Unearned revenue	241,051	-	-	241,051
Interfund loans payable	-	64,238	-	64,238
<b>Total liabilities</b>	<b>279,593</b>	<b>103,031</b>	<b>-</b>	<b>382,624</b>
Fund balances:				
Nonspendable	-	-	1,142,297	1,142,297
Restricted	-	-	600,317	600,317
Committed	1,174,455	2,800,272	-	3,974,727
Unassigned	-	(76,345)	-	(76,345)
<b>Total fund balances</b>	<b>1,174,455</b>	<b>2,723,927</b>	<b>1,742,614</b>	<b>5,640,996</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,454,048</b>	<b>2,826,958</b>	<b>1,742,614</b>	<b>6,023,620</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, 2023**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 145,000	-	-	145,000
Charges for services	393,039	-	-	393,039
Other revenues	161,417	-	-	161,417
Investment income (loss)	-	-	145,706	145,706
Total revenues	699,456	-	145,706	845,162
Expenditures:				
Current:				
General government	57,308	-	-	57,308
Public safety	-	-	38,867	38,867
Recreation and culture	274,536	-	-	274,536
Capital improvements	131,624	3,068,347	-	3,199,971
Total expenditures	463,468	3,068,347	38,867	3,570,682
Excess (deficiency) of revenues over (under) expenditures	235,988	(3,068,347)	106,839	(2,725,520)
Other financing sources (uses):				
Transfer from other funds	(52,000)	2,495,651	-	2,443,651
Transfer to other funds	-	(700,000)	-	(700,000)
Total other financing sources (uses)	(52,000)	1,795,651	-	1,743,651
Net change in fund balances	183,988	(1,272,696)	106,839	(981,869)
Fund balances, beginning of year	990,467	3,996,623	1,635,775	6,622,865
Fund balances, end of year	\$ 1,174,455	2,723,927	1,742,614	5,640,996

## **NONMAJOR SPECIAL REVENUE FUNDS**

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TOWN OF KENNEBUNKPORT, MAINE  
Nonmajor Special Revenue Funds  
Combining Balance Sheet  
June 30, 2023

	Piers, Rivers & Harbors	350th Anniversary	Reserve Open Space	Revaluation	Maine Drug Forfeiture	Recreation	Special Events	Scholarships	ARPA	Dune Restoration	Community Action	Totals
<b>ASSETS</b>												
Accounts receivable	\$ -	-	-	-	-	13,058	-	-	-	-	-	13,058
Interfund loans receivable	663,766	462	99,205	2,599	412	244,143	14,059	28,320	241,051	24,681	122,292	1,440,990
<b>Total assets</b>	<b>663,766</b>	<b>462</b>	<b>99,205</b>	<b>2,599</b>	<b>412</b>	<b>257,201</b>	<b>14,059</b>	<b>28,320</b>	<b>241,051</b>	<b>24,681</b>	<b>122,292</b>	<b>1,454,048</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	17,194	-	-	-	-	9,121	-	-	-	2,010	-	28,325
Accrued wages	-	-	-	-	-	10,217	-	-	-	-	-	10,217
Unearned revenue	-	-	-	-	-	-	-	-	241,051	-	-	241,051
<b>Total liabilities</b>	<b>17,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,338</b>	<b>-</b>	<b>-</b>	<b>241,051</b>	<b>2,010</b>	<b>-</b>	<b>279,593</b>
Fund balances:												
Committed	646,572	462	99,205	2,599	412	237,863	14,059	28,320	-	22,671	122,292	1,174,455
<b>Total fund balances</b>	<b>646,572</b>	<b>462</b>	<b>99,205</b>	<b>2,599</b>	<b>412</b>	<b>237,863</b>	<b>14,059</b>	<b>28,320</b>	<b>-</b>	<b>22,671</b>	<b>122,292</b>	<b>1,174,455</b>
<b>Total liabilities and fund balances</b>	<b>\$ 663,766</b>	<b>462</b>	<b>99,205</b>	<b>2,599</b>	<b>412</b>	<b>257,201</b>	<b>14,059</b>	<b>28,320</b>	<b>241,051</b>	<b>24,681</b>	<b>122,292</b>	<b>1,454,048</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, 2023**

	Piers, Rivers & Harbors	350th Anniversary	Reserve Open Space	Revaluation	Maine Drug Forfeiture	Recreation	Special Events	Scholarships	ARPA	Dune Restoration	Community Action	Totals
Revenues:												
Intergovernmental	\$ -	-	-	-	-	-	-	-	145,000	-	-	145,000
Charges for services	-	-	-	-	-	393,039	-	-	-	-	-	393,039
Other revenues	-	217	-	-	-	1,377	-	6,212	-	28,611	125,000	161,417
Total revenues	-	217	-	-	-	394,416	-	6,212	145,000	28,611	125,000	699,456
Expenditures:												
Current:												
General government	35,338	-	-	11,453	-	-	-	1,869	-	5,940	2,708	57,308
Recreation and culture	-	-	-	-	-	274,536	-	-	-	-	-	274,536
Capital improvements	131,624	-	-	-	-	-	-	-	-	-	-	131,624
Total expenditures	166,962	-	-	11,453	-	274,536	-	1,869	-	5,940	2,708	463,468
Excess (deficiency) of revenues over (under) expenditures	(166,962)	217	-	(11,453)	-	119,880	-	4,343	145,000	22,671	122,292	235,988
Other financing sources (uses):												
Transfer (to) from other funds	153,000	-	-	-	-	(60,000)	-	-	(145,000)	-	-	(52,000)
Total other financing sources (uses)	153,000	-	-	-	-	(60,000)	-	-	(145,000)	-	-	(52,000)
Net change in fund balances	(13,962)	217	-	(11,453)	-	59,880	-	4,343	-	22,671	122,292	183,988
Fund balances, beginning of year	660,534	245	99,205	14,052	412	177,983	14,059	23,977	-	-	-	990,467
Fund balances, end of year	\$ 646,572	462	99,205	2,599	412	237,863	14,059	28,320	-	22,671	122,292	1,174,455

## **NONMAJOR CAPITAL PROJECTS FUNDS**

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TOWN OF KENNEBUNKPORT, MAINE  
Nonmajor Capital Projects Funds  
Combining Balance Sheet  
June 30, 2023

	Fire PPE	Fire Radios	Fire Vehicle	Fire Equipment	Sidewalks	General Cap. Projects	Police Equipment	Fire Port Village	Town Office	Highway Vehicles	Highway Equipment
<b>ASSETS</b>											
Interfund loans receivable	\$ 21,824	9,007	71,852	176,606	133,067	8,622	7,788	500	-	254,845	2,175
<b>Total assets</b>	<b>21,824</b>	<b>9,007</b>	<b>71,852</b>	<b>176,606</b>	<b>133,067</b>	<b>8,622</b>	<b>7,788</b>	<b>500</b>	<b>-</b>	<b>254,845</b>	<b>2,175</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Accounts payable	-	-	-	-	-	1,634	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-	-	-	15,584	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,634</b>	<b>-</b>	<b>-</b>	<b>15,584</b>	<b>-</b>	<b>-</b>
Fund balances:											
Committed	21,824	9,007	71,852	176,606	133,067	6,988	7,788	500	-	254,845	2,175
Unassigned	-	-	-	-	-	-	-	-	(15,584)	-	-
<b>Total fund balances</b>	<b>21,824</b>	<b>9,007</b>	<b>71,852</b>	<b>176,606</b>	<b>133,067</b>	<b>6,988</b>	<b>7,788</b>	<b>500</b>	<b>(15,584)</b>	<b>254,845</b>	<b>2,175</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,824</b>	<b>9,007</b>	<b>71,852</b>	<b>176,606</b>	<b>133,067</b>	<b>8,622</b>	<b>7,788</b>	<b>500</b>	<b>-</b>	<b>254,845</b>	<b>2,175</b>

TOWN OF KENNEBUNKPORT, MAINE  
Nonmajor Capital Projects Funds  
Combining Balance Sheet  
June 30, 2023

	Police Vehicle	Historic Preservation	Climate Change	Special Projects	Fire Apparatus	Communications	Road Improvement	Gen Capital Improvement	Communications Radios	Village Parcel	Recreation Capital	Totals
<b>ASSETS</b>												
Interfund loans receivable	\$ 11,645	11,500	24,816	560,765	966	-	-	1,177,969	200,482	102,778	49,751	2,826,958
<b>Total assets</b>	<b>11,645</b>	<b>11,500</b>	<b>24,816</b>	<b>560,765</b>	<b>966</b>	<b>-</b>	<b>-</b>	<b>1,177,969</b>	<b>200,482</b>	<b>102,778</b>	<b>49,751</b>	<b>2,826,958</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	-	-	-	-	-	-	12,107	-	25,052	-	-	38,793
Interfund loans payable	-	-	-	-	-	22,300	26,354	-	-	-	-	64,238
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,300</b>	<b>38,461</b>	<b>-</b>	<b>25,052</b>	<b>-</b>	<b>-</b>	<b>103,031</b>
Fund balances:												
Committed	11,645	11,500	24,816	560,765	966	-	-	1,177,969	175,430	102,778	49,751	2,800,272
Unassigned	-	-	-	-	-	(22,300)	(38,461)	-	-	-	-	(76,345)
<b>Total fund balances</b>	<b>11,645</b>	<b>11,500</b>	<b>24,816</b>	<b>560,765</b>	<b>966</b>	<b>(22,300)</b>	<b>(38,461)</b>	<b>1,177,969</b>	<b>175,430</b>	<b>102,778</b>	<b>49,751</b>	<b>2,723,927</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,645</b>	<b>11,500</b>	<b>24,816</b>	<b>560,765</b>	<b>966</b>	<b>-</b>	<b>-</b>	<b>1,177,969</b>	<b>200,482</b>	<b>102,778</b>	<b>49,751</b>	<b>2,826,958</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, 2023**

	Fire PPE	Fire Radios	Fire Vehicle	Fire Equipment	Sidewalks	General Cap. Projects	Police Equipment	Fire Port Village	Town Office	Highway Vehicle	Highway Equipment
Revenues:											
Other revenues	\$ -	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures:											
Capital improvements	-	11,279	12,600	-	27,164	-	-	14,000	15,584	51,399	-
Total expenditures	-	11,279	12,600	-	27,164	-	-	14,000	15,584	51,399	-
Excess (deficiency) of revenues over (under) expenditures	-	(11,279)	(12,600)	-	(27,164)	-	-	(14,000)	(15,584)	(51,399)	-
Other financing sources (uses):											
Transfer from other funds	20,000	-	65,000	35,000	80,000	-	6,800	-	-	284,000	-
Transfer to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	20,000	-	65,000	35,000	80,000	-	6,800	-	-	284,000	-
Net change in fund balances	20,000	(11,279)	52,400	35,000	52,836	-	6,800	(14,000)	(15,584)	232,601	-
Fund balances, beginning of year	1,824	20,286	19,452	141,606	80,231	6,988	988	14,500	-	22,244	2,175
<b>Fund balances (deficits), end of year</b>	<b>\$ 21,824</b>	<b>9,007</b>	<b>71,852</b>	<b>176,606</b>	<b>133,067</b>	<b>6,988</b>	<b>7,788</b>	<b>500</b>	<b>(15,584)</b>	<b>254,845</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, 2023**

	Police Vehicle	Historic Preservation	Climate Change	Special Projects	Fire Apparatus	Communications	Road Improvement	Gen Capital Improvement	Communications Radios	Village Parcel	Recreation Capital	Totals
Revenues:												
Other revenues	\$ -	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures:												
Capital improvements	116,355	-	25,184	138,783	912,676	22,300	662,252	-	1,007,738	-	51,033	3,068,347
Total expenditures	116,355	-	25,184	138,783	912,676	22,300	662,252	-	1,007,738	-	51,033	3,068,347
Excess (deficiency) of revenues over (under) expenditures	(116,355)	-	(25,184)	(138,783)	(912,676)	(22,300)	(662,252)	-	(1,007,738)	-	(51,033)	(3,068,347)
Other financing sources (uses):												
Transfer from other funds	86,000	6,500	-	685,000	175,000	-	472,000	468,351	37,000	-	75,000	2,495,651
Transfer to other funds	-	-	-	-	-	-	-	(700,000)	-	-	-	(700,000)
Total other financing sources (uses)	86,000	6,500	-	685,000	175,000	-	472,000	(231,649)	37,000	-	75,000	1,795,651
Net change in fund balances	(30,355)	6,500	(25,184)	546,217	(737,676)	(22,300)	(190,252)	(231,649)	(970,738)	-	23,967	(1,272,696)
Fund balances, beginning of year	42,000	5,000	50,000	14,548	738,642	-	151,791	1,409,618	1,146,168	102,778	25,784	3,996,623
Fund balances (deficits), end of year	\$ 11,645	11,500	24,816	560,765	966	(22,300)	(38,461)	1,177,969	175,430	102,778	49,751	2,723,927



## **NONMAJOR PERMANENT FUNDS**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2023**

	<b>Kittredge Family</b>	<b>Picavet</b>	
	<b>Fire Equip. Fund</b>	<b>Trust</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 96,745	78,481	175,226
Investments	859,537	697,285	1,556,822
Interfund loans receivable	4,621	5,945	10,566
<b>Total assets</b>	<b>960,903</b>	<b>781,711</b>	<b>1,742,614</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	272,697	327,620	600,317
<b>Total fund balances</b>	<b>960,903</b>	<b>781,711</b>	<b>1,742,614</b>
<b>Total liabilities and fund balances</b>	<b>\$ 960,903</b>	<b>781,711</b>	<b>1,742,614</b>

**TOWN OF KENNEBUNKPORT, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2023**

	<b>Kittredge Family Fire Equip. Fund</b>	<b>Picavet Trust</b>	<b>Totals</b>
Revenues:			
Investment income (loss)	\$ 81,209	64,497	145,706
Total revenues	81,209	64,497	145,706
Expenditures:			
Public safety	38,867	-	38,867
Total expenditures	38,867	-	38,867
Net change in fund balances	42,342	64,497	106,839
Fund balances, beginning of year	918,561	717,214	1,635,775
<b>Fund balances, end of year</b>	<b>\$ 960,903</b>	<b>781,711</b>	<b>1,742,614</b>

## **NONMAJOR PROPRIETARY FUNDS**

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**TOWN OF KENNEBUNKPORT, MAINE**  
**Non-major Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, 2023**

	<b>Cape Porpoise Pier</b>	<b>Dock Square Parking Lot</b>	<b>Government Wharf</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 100	2,014	-	2,114
Accounts receivable	23,856	-	275	24,131
Inventory	17,834	-	-	17,834
Interfund loans receivable	-	777,898	1,446	779,344
Total current assets	41,790	779,912	1,721	823,423
Noncurrent assets:				
Property, plant, and equipment	1,509,342	224,968	-	1,734,310
Less accumulated depreciation	(650,105)	(123,301)	-	(773,406)
Total noncurrent assets	859,237	101,667	-	960,904
Total assets	901,027	881,579	1,721	1,784,327
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	13,510	-	-	13,510
Total deferred outflows of resources	13,510	-	-	13,510
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and payroll withholdings	31,738	381	920	33,039
Accrued wages	1,349	1,565	-	2,914
Other liabilities	2,500	-	-	2,500
Interfund loans payable	34,695	-	-	34,695
Accrued compensated absences	787	573	-	1,360
Total current liabilities	71,069	2,519	920	74,508
Noncurrent liabilities, long-term portion				
Noncurrent liabilities, long-term portion	524	382	-	906
Pension liability	17,562	-	-	17,562
Total liabilities	89,155	2,901	920	92,976
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	7,979	-	-	7,979
Total deferred inflows of resources	7,979	-	-	7,979
<b>NET POSITION</b>				
Net investment in capital assets	859,237	101,667	-	960,904
Unrestricted	(41,834)	777,011	801	735,978
Total net position	\$ 817,403	878,678	801	1,696,882

**TOWN OF KENNEBUNKPORT, MAINE**  
**Non-major Proprietary Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the year ended June 30, 2023**

<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	\$ 15,765	545,490	-	561,255
Lease income	41,250	-	-	41,250
Fuel sales	353,008	-	-	353,008
Dues	52,539	-	10,216	62,755
Other income	106	-	-	106
Total operating revenues	462,668	545,490	10,216	1,018,374
Operating expenses:				
Wages and benefits	76,020	52,678	-	128,698
Utilities	9,264	6,296	12,358	27,918
Contracted services	22,473	29,157	-	51,630
Insurance	9,004	-	-	9,004
Supplies and equipment	314,336	4,718	-	319,054
Repairs and maintenance	16,611	9,591	983	27,185
Miscellaneous	6,706	-	154	6,860
Depreciation	16,414	14,692	-	31,106
Total operating expenses	470,828	117,132	13,495	601,455
Operating income (loss)	(8,160)	428,358	(3,279)	416,919
Transfers:				
Transfer (to) from other funds	-	(301,000)	-	(301,000)
Total transfers	-	(301,000)	-	(301,000)
Change in net position	(8,160)	127,358	(3,279)	115,919
Total net position, beginning of year	825,563	751,320	4,080	1,580,963
<b>Total net position, end of year</b>	<b>\$ 817,403</b>	<b>878,678</b>	<b>801</b>	<b>1,696,882</b>



**TOWN OF KENNEBUNKPORT, MAINE**  
**Non-major Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the year ended June 30, 2023**

	<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	\$ 484,627	545,726	9,941	1,040,294
Payments to suppliers	(401,812)	(50,758)	(13,328)	(465,898)
Payments to employees	(87,880)	(51,665)	-	(139,545)
Net cash provided by (used in) operating activities	(5,065)	443,303	(3,387)	434,851
Cash flows from non-capital financing activities:				
(Increase) decrease in interfund loans receivable	5,065	(141,989)	3,387	(133,537)
Transfers (to) from other funds	-	(301,000)	-	(301,000)
Net cash provided by (used in) non-capital financing activities	5,065	(442,989)	3,387	(434,537)
Increase (decrease) in cash	-	314	-	314
Cash and cash equivalents, beginning of year	100	1,700	-	1,800
<b>Cash and cash equivalents, end of year</b>	<b>\$ 100</b>	<b>2,014</b>	<b>-</b>	<b>2,114</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (8,160)	428,358	(3,279)	416,919
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	16,414	14,692	-	31,106
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	21,959	236	(275)	21,920
(Increase) decrease in inventory	(5,504)	-	-	(5,504)
Increase (decrease) in accounts payable	(17,914)	(996)	167	(18,743)
Increase (decrease) in accrued wages	249	58	-	307
Increase (decrease) in net pension liability with related deferred outflows and deferred inflows of resources	(11,062)	-	-	(11,062)
Increase (decrease) in accrued compensated absences	(1,047)	955	-	(92)
<b>Net cash provided by (used in)         operating activities</b>	<b>\$ (5,065)</b>	<b>443,303</b>	<b>(3,387)</b>	<b>434,851</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

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 18,018,378	\$ 15,928,891	\$ 15,998,294	\$ 15,264,478	\$ 14,852,860	\$ 14,391,488	\$ 13,086,878	\$ 11,682,992	\$ 10,895,837	\$ 10,406,901
Restricted	1,742,614	1,635,775	1,845,484	1,465,399	1,401,910	1,346,976	1,239,690	1,152,751	1,184,831	1,121,858
Unrestricted	9,356,708	9,091,294	6,761,625	5,738,699	4,854,508	4,035,787	4,273,671	4,850,533	5,014,676	5,269,241
Total governmental activities net position	\$ 29,117,700	\$ 26,655,960	\$ 24,605,403	\$ 22,468,576	\$ 21,109,278	\$ 19,774,251	\$ 18,600,239	\$ 17,686,276	\$ 17,095,344	\$ 16,798,000
Business-type activities										
Net investment in capital assets	\$ 7,343,025	\$ 6,348,991	\$ 6,826,176	\$ 6,792,646	\$ 6,974,698	\$ 7,905,592	\$ 8,087,000	\$ 8,356,291	\$ 8,770,498	\$ 9,086,215
Unrestricted	1,812,367	2,542,033	2,179,572	2,256,537	2,300,678	1,922,686	1,829,251	1,830,415	1,754,079	1,893,708
Total business-type activities net position	\$ 9,155,392	\$ 8,891,024	\$ 9,005,748	\$ 9,049,183	\$ 9,275,376	\$ 9,828,278	\$ 9,916,251	\$ 10,186,706	\$ 10,524,577	\$ 10,979,923
Primary Government										
Net investment in capital assets	\$ 25,361,403	\$ 28,277,882	\$ 22,824,470	\$ 22,057,124	\$ 21,827,558	\$ 22,297,080	\$ 21,173,878	\$ 20,039,283	\$ 19,666,335	\$ 19,493,116
Restricted	1,742,614	1,635,775	1,845,484	1,465,399	1,401,910	1,346,976	1,239,690	1,152,751	1,184,831	1,121,858
Unrestricted	11,169,075	5,633,327	8,941,197	7,995,236	7,155,186	5,958,473	6,102,922	6,680,948	6,768,755	7,162,949
Total primary government net position	\$ 38,273,092	\$ 35,546,984	\$ 33,611,151	\$ 31,517,759	\$ 30,384,654	\$ 29,602,529	\$ 28,516,490	\$ 27,872,982	\$ 27,619,921	\$ 27,777,923

Table 2

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 2,367,146	\$ 1,800,350	\$ 2,090,233	\$ 2,147,846	\$ 1,495,374	\$ 1,795,330	\$ 1,748,339	\$ 1,762,313	\$ 1,325,180	\$ 978,110
Public safety	3,309,269	3,149,461	2,910,734	3,026,372	2,919,616	2,611,173	2,539,210	2,433,783	2,254,694	2,426,584
Public works	1,714,999	1,643,843	1,452,020	1,474,116	1,719,726	1,438,053	1,390,551	1,316,170	1,203,491	1,139,185
Health and welfare	744,051	777,146	654,579	668,778	704,033	666,341	684,693	687,784	651,857	666,919
Recreation and culture	869,325	702,491	570,168	653,422	637,784	564,046	626,902	689,678	513,427	492,139
Education	11,349,467	11,264,352	11,447,719	11,249,250	10,220,198	9,939,712	9,055,448	8,015,486	7,837,533	7,521,509
County tax	1,302,970	1,199,996	1,150,725	1,143,776	1,135,299	1,203,809	1,163,270	1,115,331	1,124,614	1,098,632
Unclassified	-	-	-	-	-	-	-	-	-	174,881
Interest on debt service	297,443	296,098	296,339	320,691	390,213	12,528	17,971	10,873	22,346	32,594
Capital maintenance expenses	1,082,605	104,546	65,222	23,257	43,750	155,676	442,138	132,456	143,621	-
Total Governmental Activities	23,037,275	20,938,283	20,637,739	20,707,508	19,265,993	18,386,668	17,668,522	16,163,874	15,076,763	14,530,553
Business-type Activities:										
Sewer	1,480,350	1,521,043	1,514,811	1,409,958	1,755,587	1,456,853	1,471,031	1,473,643	1,372,338	1,350,407
Cape Porpoise Pier	470,828	424,445	313,767	363,710	352,250	241,876	236,776	251,075	296,655	336,978
Dock Square Parking Lot	117,132	108,757	75,928	86,569	121,587	69,062	52,976	76,908	60,580	77,341
Government Wharf	13,495	9,236	8,419	7,944	13,075	2,534	353	-	-	-
Total Business-type Activities	2,081,805	2,063,481	1,912,925	1,868,181	2,242,499	1,770,325	1,761,136	1,801,626	1,729,573	1,764,726
Total Expenses	\$ 25,119,080	\$ 23,001,764	\$ 22,550,664	\$ 22,575,689	\$ 21,508,492	\$ 20,156,993	\$ 19,429,658	\$ 17,965,500	\$ 16,806,336	\$ 16,295,279
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 855,260	\$ 812,606	\$ 638,830	\$ 461,111	\$ 351,684	\$ 295,109	\$ 366,497	\$ 457,114	\$ 365,872	\$ 33,841
Public safety	86,869	40,077	61,392	82,488	71,231	59,107	51,198	61,583	57,101	56,941
Health and welfare	1,100	13,049	3,840	27	1,170	178	1,674	4,559	1,759	3,984
Recreation and culture	658,842	469,568	493,253	332,053	383,685	348,203	332,653	204,438	191,035	178,322
Unclassified	-	-	-	-	-	-	-	-	-	124,210
Operating grants and contributions	654,862	339,267	395,114	301,662	238,827	203,954	119,151	112,348	301,159	133,314
Capital grants and contributions	-	-	-	265,455	586,498	232,614	186,591	-	16,529	-
Total Governmental Activities	2,256,933	1,674,567	1,592,429	1,442,796	1,633,095	1,139,165	1,057,764	840,042	933,455	530,612
Business-type Activities:										
Charges for services:										
Sewer	1,486,645	1,283,242	1,276,004	1,214,999	1,211,254	1,198,345	1,122,019	1,082,146	1,031,914	1,035,261
Cape Porpoise Pier	462,668	415,619	291,698	309,545	276,910	239,517	220,690	230,312	289,053	314,235
Dock Square Parking Lot	545,490	523,929	420,223	333,004	395,738	431,347	418,523	354,795	337,738	347,888
Government Wharf	10,216	8,680	8,400	9,047	4,723	6,225	8,566	-	-	-
Capital grants and contributions	-	-	22,304	-	-	-	-	-	-	-
Total Business-type Activities	2,505,019	2,231,470	2,018,629	1,866,595	1,888,625	1,875,434	1,769,798	1,667,253	1,658,705	1,697,384
Total Program Revenues	\$ 4,761,952	\$ 3,906,037	\$ 3,611,058	\$ 3,309,391	\$ 3,521,720	\$ 3,014,599	\$ 2,827,562	\$ 2,507,295	\$ 2,592,160	\$ 2,227,996

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue:										
Governmental Activities	\$ (20,780,342)	\$ (19,263,716)	\$ (19,045,310)	\$ (19,264,712)	\$ (17,632,898)	\$ (17,247,503)	\$ (16,610,758)	\$ (15,323,832)	\$ (14,143,308)	\$ (13,999,941)
Business-type Activities	423,214	167,989	105,704	(1,586)	(353,874)	105,109	8,662	(134,373)	(70,868)	(67,342)
Total Net Expense	\$ (20,357,128)	\$ (19,095,727)	\$ (18,939,606)	\$ (19,266,298)	\$ (17,986,772)	\$ (17,142,394)	\$ (16,602,096)	\$ (15,458,205)	\$ (14,214,176)	\$ (14,067,283)
<b>General Revenues</b>										
Governmental activities:										
Property taxes, general purposes	\$ 20,789,173	\$ 19,570,949	\$ 19,007,944	\$ 18,745,028	\$ 17,126,942	\$ 16,960,865	\$ 15,833,533	\$ 14,590,834	\$ 14,296,357	\$ 14,008,501
Interest and costs on taxes	25,604	20,768	43,433	44,668	37,149	32,282	33,735	29,498	29,728	26,398
Motor vehicle excise tax	1,233,257	1,175,887	1,169,421	1,098,012	1,068,682	1,030,267	959,646	948,096	895,501	846,486
Licenses and permits	-	-	-	-	-	-	-	-	-	226,870
Grants and contr. not restricted										
Homestead and BETE exemption	170,986	120,496	130,927	96,140	88,782	68,605	48,330	30,635	30,531	32,869
State Revenue Sharing	240,046	227,181	149,009	107,002	65,462	59,832	58,534	63,533	56,615	58,061
Maine PERS	-	-	-	-	-	-	-	-	208,785	168,732
Other State aid	9,760	10,265	8,566	8,929	2,661	5,206	2,658	2,811	2,641	2,679
Unrestricted investment earnings	526,352	(127,584)	484,380	263,983	305,682	272,370	233,341	20,931	34,339	30,426
Miscellaneous (b)	25,214	26,838	28,684	10,890	38,100	13,484	58,243	102,303	76,521	557,691
Gain/Loss on sale of assets	-	-	-	-	-	-	-	-	(88,975)	(41,256)
Transfers in/out	221,690	289,473	159,473	249,358	234,465	219,215	296,701	219,173	220,165	257,956
Total general revenues, transfers and special items	23,242,082	21,314,273	21,181,837	20,624,010	18,967,925	18,662,126	17,524,721	16,007,814	15,762,208	16,175,413
Business-type Activities:										
Unrestricted investment earnings	62,844	6,760	10,334	24,751	35,437	26,133	17,584	11,840	9,750	2,778
Miscellaneous	-	-	-	-	-	-	-	3,835	19,702	8,622
Gain/Loss on sale of assets	-	-	-	-	-	-	-	-	(9,960)	-
Transfers in/out	(221,690)	(289,473)	(159,473)	(249,358)	(234,465)	(219,215)	(296,701)	(219,173)	(220,165)	(257,956)
Total Business-type Activities	(158,846)	(282,713)	(149,139)	(224,607)	(199,028)	(193,082)	(279,117)	(203,498)	(200,673)	(246,556)
Total primary government	\$ 23,083,236	\$ 21,031,560	\$ 21,032,698	\$ 20,399,403	\$ 18,768,897	\$ 18,469,044	\$ 17,245,604	\$ 15,804,316	\$ 15,561,535	\$ 15,928,857
<b>Change in Net Position</b>										
Governmental Activities	\$ 2,461,740	\$ 2,050,557	\$ 2,136,527	\$ 1,359,298	\$ 1,335,027	\$ 1,414,623	\$ 913,963	\$ 683,982	\$ 1,618,900	\$ 2,175,472
Business-type Activities	264,368	(114,724)	(43,435)	(226,193)	(552,902)	(87,973)	(270,455)	(337,871)	(271,541)	(313,898)
Total Change in Net Position	2,726,108	1,935,833	2,093,092	1,133,105	782,125	1,326,650	643,508	346,111	1,347,359	1,861,574
<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	\$ 2,726,108	\$ 1,935,833	\$ 2,093,092	\$ 1,133,105	\$ 782,125	\$ 1,086,039	\$ 643,508	\$ 253,061	\$ 1,347,359	\$ 356,213

(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

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 7,350	\$ 7,725	\$ 7,610	\$ 2,606	\$ 5,802	\$ 5,212	\$ 6,333	\$ 4,417	\$ 10,122	\$ 15,209
Committed	680,091	734,629	737,613	636,908	587,350	663,394	479,475	642,748	1,439,949	674,381
Assigned	200,000	200,000	225,000	631,480	234,190	313,858	439,685	633,099	368,924	79,408
Unassigned	6,192,445	4,748,306	5,169,174	3,920,303	4,102,683	3,457,561	3,191,129	2,855,514	2,845,478	3,907,479
Total general fund	<u>\$ 7,079,886</u>	<u>\$ 5,690,660</u>	<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>
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	\$ 1,142,297	\$ 1,142,297	\$ 1,063,206
Restricted	600,317	493,478	703,187	323,102	259,613	204,679	97,393	10,454	42,534	58,652
Committed	3,974,727	4,987,090	2,660,423	2,455,053	2,435,658	1,806,529	1,764,583	1,730,736	951,781	330,953
Assigned	-	-	-	-	-	-	-	459,176	501,962	270,435
Unassigned	(76,345)	-	-	(2,209)	-	(254,047)	-	(47,002)	(3,009)	-
Total all other governments	<u>\$ 5,640,996</u>	<u>\$ 6,622,865</u>	<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>

Table 4

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues</b>										
Taxes	\$ 22,104,628	\$ 20,768,604	\$ 20,271,421	\$ 19,840,826	\$ 18,297,207	\$ 17,983,066	\$ 16,832,253	\$ 15,537,948	\$ 15,230,599	\$ 14,836,386
Intergovernmental	864,992	654,175	653,163	732,517	947,558	422,033	415,264	209,327	321,750	226,923
Licenses and permits	792,665	766,321	585,742	417,948	316,027	251,804	305,928	286,231	208,239	226,870
Charges for services	819,245	562,427	603,444	447,921	481,931	439,835	439,299	430,276	396,588	385,694
Investment income	526,352	(127,584)	484,380	263,983	305,682	272,370	233,341	20,931	34,339	30,426
Contributions	-	-	-	-	-	-	-	1,311	85,725	-
Other (a)	226,037	76,424	67,266	67,371	82,584	172,620	65,038	112,179	296,246	738,027
Total Revenues	25,333,919	22,700,367	22,665,416	21,770,566	20,430,989	19,541,728	18,291,123	16,598,203	16,573,486	16,444,326
<b>Expenditures</b>										
Current:										
General government	\$ 2,294,710	\$ 2,078,689	\$ 1,901,836	\$ 1,874,642	\$ 1,817,410	\$ 1,582,184	\$ 1,511,520	\$ 1,397,914	\$ 1,326,809	\$ 1,303,593
Public safety	3,111,812	3,002,613	2,741,619	2,856,796	2,660,161	2,423,107	2,357,515	2,211,535	2,214,215	2,172,603
Public works	1,325,590	1,251,069	1,114,851	1,130,645	1,229,881	1,146,456	1,118,410	1,062,325	1,023,042	960,209
Health and welfare	744,275	777,362	654,210	667,300	702,508	665,138	693,408	685,613	664,613	665,382
Recreation and culture	831,975	666,717	545,201	616,969	598,004	548,958	613,602	667,190	512,002	462,452
Grants	-	-	-	-	-	-	-	-	-	-
Education	11,349,467	11,264,352	11,447,719	11,249,250	10,220,198	9,939,712	9,055,448	8,015,486	7,837,533	7,521,509
County tax	1,302,970	1,199,996	1,150,725	1,143,776	1,135,299	1,203,809	1,163,270	1,115,331	1,124,614	1,098,632
Unclassified	-	-	-	-	-	-	-	-	-	585,187
Debt service										
Principal	610,337	559,471	548,534	82,695	81,889	196,066	160,000	253,611	249,935	246,624
Interest	371,703	379,782	392,930	372,514	321,373	12,800	10,459	18,975	29,245	39,471
Capital improvements and other	3,692,413	1,141,568	791,500	1,713,597	11,772,027	2,274,125	2,614,736	1,164,945	911,328	1,383,985
Total Expenditures	25,635,252	22,321,619	21,289,125	21,708,184	30,538,750	19,992,355	19,298,368	16,592,925	15,893,336	16,439,647
Excess (Deficiency) of Revenues over Expenditures	(301,333)	378,748	1,376,291	62,382	(10,107,761)	(450,627)	(1,007,245)	5,278	680,150	4,679

(a) Includes a new permanent fund in FY 14



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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Other Financing Sources (Uses)</b>										
Capital lease proceeds	\$ -	\$ -	\$ -	\$ 30,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt issuance and premium	487,000	1,000,000	-	-	11,301,406	450,000	400,000	-	-	-
Transfers in	3,679,651	3,414,152	1,727,469	2,195,383	1,932,911	1,871,493	758,721	1,348,145	1,168,755	846,551
Transfers out	(3,457,961)	(3,124,679)	(1,567,996)	(1,946,025)	(1,698,446)	(1,652,278)	(462,020)	(1,128,972)	(948,590)	(588,595)
Total Other Financing Sources (Uses)	708,690	1,289,473	159,473	279,565	11,535,871	669,215	696,701	219,173	220,165	257,956
Net change in fund balances	\$ 407,357	\$ 1,668,221	\$ 1,535,764	\$ 341,947	\$ 1,428,110	\$ 218,588	\$ (310,544)	\$ 224,451	\$ 900,315	\$ 262,635
Debt service as a percentage of noncapital expenditures	4.27%	4.41%	4.58%	2.27%	2.14%	1.17%	1.00%	1.77%	1.85%	1.90%

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>	
2023	1.74	0.60	2.34	0.38	3.28	6.00
2022	2.92	0.56	3.48	0.59	5.53	9.60
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	8.73
2017	2.80	0.13	2.93	0.61	4.74	8.28
2016	3.45	0.13	3.58	0.50	3.62	7.70
2015	2.68	0.17	2.85	0.60	4.18	7.63
2014	2.74	0.15	2.89	0.59	4.05	7.53

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						
2023	\$ 3,394,794,560	\$ 177,236,240	\$ 9,366,240	\$ 118,176,000	\$ 3,463,221,040	2.34	\$ 3,354,550,000	103.24%
2022	1,971,840,700	148,022,900	9,062,350	90,240,910	2,038,685,040	3.48	2,866,500,000	71.12%
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%

(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
2023	\$ 20,779,326	\$ 20,613,864	99.20%	\$ -	\$ 20,613,864	99.20%
2022	19,571,376	19,366,744	98.95%	158,991	19,525,735	99.77%
2021	19,004,109	18,872,015	99.30%	129,127	19,001,142	99.98%
2020	18,745,020	18,550,328	98.96%	192,920	18,743,248	99.99%
2019	17,192,722	17,014,268	98.96%	177,772	17,192,040	100.00%
2018	16,887,898	16,664,052	98.67%	223,815	16,887,867	100.00%
2017	15,833,533	15,656,402	98.88%	177,131	15,833,533	100.00%
2016	14,590,356	14,409,972	98.76%	180,384	14,590,356	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%

Table 8

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

Taxpayer	2023			2014		
	Taxable	% of Total	Taxable	Taxable	% of Total	Taxable
	Assessed			Assessed		
	Value	Rank	Value	Value	Rank	Value
O'Neill, Timothy J	\$15,982,000	1	0.46%	\$ 9,949,500	3	0.53%
157 Raksha, LLC	15,960,500	2	0.45%			
Walkers Point Family Limited Partnership	12,344,300	3	0.35%	11,472,400	2	0.62%
Boughton Hotel	11,586,200	4	0.33%	11,896,300	1	0.64%
Bongiorno, LLC	7,692,500	5	0.22%			
Central Maine Power	7,221,500	6	0.21%			
Eileen Barrett Property	7,075,400	7	0.20%			
Frederick, Sr., Christopher	6,927,800	8	0.20%			
Angela L Kenny Revocable	6,903,400	9	0.20%			
David Gilman Revocable	6,828,700	10	0.19%			
Hios Hospitality LLC				8,434,300	4	0.45%
Seaside Hotel Associates				7,727,600	5	0.42%
Maiuccoro, Cathiann				7,034,000	6	0.38%
Goose Rocks at Kennebunkport LLC				6,584,000	7	0.35%
Fishing Pole Lane LLC				6,367,400	8	0.34%
Hetz, Edwin David & Elizabeth JC Trustees				5,589,200	9	0.30%
Katz, Joanne R				5,161,700	10	0.28%
	<u>\$ 98,522,300</u>		<u>2.81%</u>	<u>\$ 80,216,400</u>		<u>4.31%</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			Sewer Bonds	Total Outstanding Debt	Percentage of Personal Income (1)	Population (2)	Debt per Capita
	Bonds	Premium	Notes					
	Governmental Activities			Business-type Activities				
2023	\$ 10,685,900	\$ 212,980	\$ 493,292	\$ 1,836,846	\$ 13,229,018	5.96%	3,695	3,580
2022	11,296,271	290,828	12,344	1,992,201	13,591,644	6.91%	3,629	3,745
2021	10,855,742	374,086	18,167	2,147,069	13,395,064	6.96%	3,548	3,775
2020	11,404,315	462,716	23,768	224,580	12,115,379	6.56%	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

(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>
2023	\$ 12,735,726	0.37%	3,447
2022	13,579,300	0.67%	3,742
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

(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, 2023**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to Primary Government</b>
RSU #21	\$ 57,028,990	25.67%	14,639,342
Subtotal, overlapping debt			14,639,342
Town of Kennebunkport direct debt	13,229,018	100.00%	13,229,018
Total direct and overlapping debt			\$ 27,868,360

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, 2023**

<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%	\$ 335,455,000	\$ -	\$ -
Sewer	7.50%	251,591,250	1,836,846	249,754,404
Municipal	7.50%	251,591,250	10,685,900	240,905,350
Total Maximum Debt	15.00%		<u>\$ 12,522,746</u>	

**Legal Debt Margin Calculation for Fiscal Year 2023**

State Valuation	\$ 3,354,550,000
Debt Limit - 15% of State Valuation	503,182,500
Less outstanding debt applicable to debt limit	<u>12,522,746</u>
Legal debt Margin	<u>\$ 490,659,754</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>
2023	\$ 503,182,500	\$ 12,522,746	97.51%
2022	429,975,000	13,288,472	96.91%
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%

Table 13

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

Fiscal Year	Population (1)	Median Age (1a)	York County		Public School Enrollment (3)	York County Unemployment Rate (4)
			Per Capita Personal Income (2)	Personal Income (amounts expressed in thousands)		
2023	3,695	54.2	60,065	\$ 221,940,175	322	2.20%
2022	3,629	52.7	54,225	196,782,525	317	2.60%
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%

(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	2023			2014		
	Employees	Rank	% of Total Town Employment (1)	Employees	Rank	% of Total Town Employment (1)
Town of Kennebunkport	179	1	9.44%	152	1	8.01%
Nonantum Resort & Restaurant	168	2	8.86%	169	2	8.91%
Colony Hotel	90	3	4.74%	138	3	7.27%
Hidden Pond & Earth Restaurant	80	4	4.22%	112	5	5.90%
Cape Arundel Golf Club	60	5	3.16%			0.00%
The Boathouse	50	6	2.64%	129	4	6.80%
Arundel Wharf Restaurant	24	7	1.27%	60	7	3.16%
Alison's Restaurant	21	8	1.11%	65	6	3.43%
Pier 77	15	9	0.79%			
Cape Arundel Inn & Ocean Restaurant	6	10	0.32%			0.00%
	514		27.10%	825		35.48%

(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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	13	13	12	12	12	11	11	11	10	10
Public safety:										
Police officers	14	14	14	14	14	12	12	12	12	12
Administration	1	1	1	1	1	1	1	1	1	1
Dispatchers	3	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	7	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	7	7	6	8	8	8	8	8
Total	52	52	51	51	50	49	49	49	48	48

Source: Town's Finance Department

Table 16

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

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Building permits issued	409	587	430	401	405	420	479	448	373	317
Police:										
Parking tickets	1,675	1,340	1,711	2,141	2,114	1,404	1,050	1,400	1,287	1,243
Traffic stops	1,646	1,624	1,303	1,609	1,807	1,106	1,101	1,926	1,643	1,469
Burglary/theft	24	31	25	22	55	41	31	31	73	57
Arrests/summons/warnings	2,012	1,793	1,649	1,975	2,186	1,422	1,475	2,575	2,268	2,033
Fire:										
Number of calls answered	368	207	238	183	241	204	193	205	218	167
Highways and streets:										
Street resurfacing (miles)	2	2.53	1	3.40	4.32	3.40	5.10	3.00	2.80	4.20
Sewer:										
Yearly sewerage treatment (in thousands of gallons)	118,104	120,274	112,220	115,416	132,278	106,350	120,110	120,110	117,212	113,875
Bio-solids (in thousands gallons)	1,568	2,260	1,282	1,965	2,239	2,095	1,423	1,741	1,401	1,319
Compost (in yards)	1,400	1,200	900	900	1,200	1,211	1,350	1,978	1,236	1,348

Source: Town Departments

Table 17

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

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	8	8	10	12	12	14
Fire:										
Stations	4	4	4	4	4	4	4	4	4	4
Emergency units	14	14	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	105	105	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