

Town of Kennebunkport
Board of Selectmen Meeting VIA Zoom
January 27, 2022
6:00 PM

MINUTES

Selectmen attending via Zoom: Allen Daggett, Patrick Briggs, D. Michael Weston, Edward Hutchins, and Sheila Matthews-Bull.

Others attending via Zoom: David Powell, Tracey O'Roak, John Everett, Denise Brown, Stephanie Simpson, Craig Sanford, Christopher Simeoni, Werner Gilliam, Jamie Mitchell, Meagan Sims of Maine Healthy Beaches and Hank Farrah of Runyon Kersteen Ouellette.

1. Call to Order

Selectman Matthews-Bull called the meeting to order at 6:00 PM. She took roll call of Selectmen present: Allen Daggett, Patrick Briggs, Michael Weston, Edward Hutchins, and Sheila Matthews-Bull. Selectman Matthews-Bull noted that there were 15 participants in the audience.

2. Approve the January 13, 2022, meeting minutes.

Motion by Selectman Hutchins seconded by Selectman Briggs to approve the January 13, 2022, selectmen meeting minutes. **Roll Call Vote:** Briggs, Weston, Matthews-Bull, Hutchins, and Daggett. **Voted:** 5-0. **Motion passed.**

3. Public Forum. (This is an opportunity for anyone who wants to address the Board of Selectmen with any issue that is not on the agenda.)

Ed Wright of 18 Langsford Road questioned the viability of a STR application pending for 15 Langsford Road. Laurie Smith, Town Manager, advised that the Planning Board application for that property has been withdrawn. The STR application is at staff level so those concerns should be submitted to the Planning Department.

Julia Leighton of Langsford Road asked whether the letters previously submitted regarding turning 15 Langsford Road into an inn should be revised and resubmitted. Laurie Smith, Town Manager, advised that those letters are for the Planning Board process and the letters already submitted will be acceptable.

Kinloch Nelson asked what date the STR's permitting begins. Werner Gilliam, Director of Planning, advised that the licenses run for a calendar year, so it began on January 1st even though staff is still reviewing applications and determining eligibility. Mr. Nelson asked if someone who applied can start renting right away or if they need to wait to receive the license. Werner Gilliam clarified that you must have an approved license before you can start renting for 2022.

4. Consider the following renewal liquor license and special amusement permits submitted by the Kennebunkport Resort Collection:

- Hidden Pond, LLC located at 356 Goose Rocks Road
- The Kennebunkport Inn, LLC located at One Dock Square
- Lodge on the Cove, LLC located at 29 South Maine Street
- Ivy One, LLC d/b/a The Clubhouse at Cape Arundel Inn located at 8 Old Fort Avenue
- Cape Arundel Inn, LLC located at 208 Ocean Avenue
- Yachtsman Hospitality, LLC located at 57 Ocean Avenue
- Tides Beach Club, LLC located at 930 Kings Highway
- The Boathouse at Kennebunkport, LLC located at 21 Ocean Avenue

Motion by Selectman Daggett, seconded by Selectman Weston to approve the requested renewal special amusement and liquor licenses for Kennebunkport Resort Collection. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

5. Consider the renewal liquor license and special amusement permit submitted by Rhumb Line Motor Lodge d/b/a Rhumb Line Resort, located at 41 Turbats Creek Road.

Motion by Selectman Daggett, seconded by Selectman Weston to approve the requested renewal special amusement and liquor licenses for Rhumb Line Motor Lodge d/b/a Rhumb Line Resort located at 41 Turbats Creek Road. **Roll Call Vote:** Briggs, Weston, Daggett, and Hutchins. Selectman Matthews-Bull abstained. **Voted:** 4-0. **Motion passed.**

6. Consider the renewal liquor license and special amusement permit submitted by Taylormade Hospitality d/b/a Hurricane Restaurant, located at 29 Dock Square.

Motion by Selectman Weston, seconded by Selectman Hutchins to approve the requested renewal special amusement and liquor license for Taylormade Hospitality d/b/a Hurricane Restaurant located at 29 Dock Square. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

7. Consider the renewal liquor license submitted by W & A Inc. d/b/a Cape Pier Chowder House, located at 79 Pier Road.

Motion by Selectman Weston, seconded by Selectman Briggs to approve the requested renewal liquor license for W & A Inc. d/b/a Cape Pier Chowder House

located at 79 Pier Road. **Roll Call Vote:** Briggs, Weston, Matthews-Bull, and Hutchins. Selectman Daggett abstained. **Voted:** 4-0. **Motion passed.**

8. Proclamation celebrating 75 years of the Kennebunkport Nurse's position.

Selectman Matthews-Bull read the proclamation. Alison Kenneway, Director of Public Health, presented the history of the Town Nurse and why the position was created. She also gave updates on services that the Public Health Office is currently offering.

Motion by Selectman Briggs, seconded by Selectman Weston to approve the Proclamation celebrating 75 years of the Kennebunkport Nurse's position. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

9. FY2021 Audit presentation by Hank Farrah of RKO.

Denise Brown, Finance Director, introduced Hank Farrah of RKO who gave a presentation of the FY2021 audit.

Motion by Selectman Weston, seconded by Selectman Daggett to accept the FY2021 audit. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

10. Authorize transfer to the Capital Reserve Fund in accordance with the Fund Balance Policy.

Denise Brown, Finance Director explained the process of transferring the unassigned fund balance to the Capital Reserve Fund.

Motion by Selectman Hutchins, seconded by Selectman Weston to authorize the transfer of \$1,264,394 to the Capital Reserve Fund in accordance with the Fund Balance Policy. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

11. Presentation of Goose Rocks Beach Water Quality Report.

Alison Kenneway, Public Health Director, introduced Meagan Sims from the Maine Healthy Beaches Program. Meagan Sims presented the findings of monitoring during 2020 and 2021.

Alison Kenneway, Public Health Director, recapped that the Town has partnered with the Maine Healthy Beaches since 2004 and monitors water quality weekly at the beach from Memorial Day to Labor Day and informing the public when there are elevated bacterial levels. She also presented A Tale of Tide and Turg Story Book Map that will be available on the website. It is an informative presentation on the water quality efforts at Goose Rocks Beach.

Laurie Smith, Town Manager, thanked Meagan for her hard work.

12. Authorization of the radio tower project contracts.

John Everett, Fire Chief, updated the Board on the contract process. The time frame is 9-10 months to complete the project without any unexpected delays.

Motion by Selectman Daggett, seconded by Selectman Hutchins to award the contract and authorize expenditures to Motorola for \$1,130,500 and to 2-Way Communications for \$345,370. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

13. Discussion of Short-term rental enforcement.

Eli Rubin, Community Planner, reviewed the short-term rental statistics through this date.

Laurie Smith, Town Manager, asked if the Board wants to open the registration process to accommodate those who may have missed the deadline.

Eric Levin, 31 Beachwood Avenue, stated that he didn't realize there was a deadline until it had passed. He asked for an opportunity to still apply.

Tara Rubin, 10 Langsford Road, spoke about concern for the plans for the property owned by KRC.

Kate Greenberg complimented the Town staff on the positive experience that she had when she contacted the Planning Office. She asked for a grace period for those who don't live in town and may not have received the notices about STR.

Selectman Matthews-Bull stated that she did not object to opening the registration process.

Selectman Daggett did not object to an extension this one time. Selectman Weston did not agree with extending the registration process. Selectman Briggs did not agree with extending the registration but said he would make an exception for this time because it's the first year. It's already almost a month past the deadline. Selectman Hutchins agreed to the extension this one time.

Motion by Selectman Weston, seconded by Selectman Hutchins to extend the licensing period by two weeks. Discussion ensued.

Revised **Motion** by Selectman Weston, seconded by Selectman Daggett to extend the licensing period to February 28, 2022. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

Enforcement was discussed.

14. Discussion of Goose Rocks Beach Sticker sales for 2022.

Jamie Mitchell, Town Clerk, reviewed the current beach sticker process and proposed a new system which would limit stickers to two per property but eliminate the need for trusts to bring in the trust documents each year. Discussion ensued. It was agreed to limit two stickers per property and give more thought to the process. Staff will come back to the next meeting with proposed language.

15. Approve Shellfish License allocations for 2022.

Jamie Mitchell, Town Clerk, reviewed the proposed shellfish allocations for 2022. Resident Recreational will increased by 5 for a total of 55 licenses. Non-resident recreational will increase by 5 for a total of 10.

Motion by Selectman Daggett, seconded by Selectman Hutchins to approve the proposed shellfish license allocations for 2022. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

16. Other business.

Selectman Matthews-Bull thanked the volunteers who took down the Prelude decorations and also thanked the Public Works Department for their help.

Werner Gilliam, Director of Planning, gave updates on the Short-term Rental process. There have been 400 applications received and 387 of those have already been approved. They are tracking down missing information on the remaining applications. He reminded that there were no eligibility requirements or caps for this year. That will be revisited in the future. Laurie Smith, Town Manager, acknowledged and thanked the Planning and Town Clerk's offices for their hard work during this process. Selectman Weston also thanked the short-term renters for their cooperation.

17. Approve the January 27, 2022, Treasurer's Warrant.

Motion by Selectman Hutchins seconded by Selectman Daggett to approve the January 27, 2022, Treasurer's Warrant. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.**

18. Adjournment.

Motion by Selectman Hutchins seconded by Selectman Weston to adjourn. **Roll Call Vote:** Briggs, Weston, Daggett, Hutchins, and Matthews-Bull. **Voted:** 5-0. **Motion passed.** Meeting adjourned at 8:45 PM.

Submitted by,
Tracey O'Roak
Administrative Assistant

INTEROFFICE MEMORANDUM

TO: LAURIE SMITH AND BOARD OF SELECTMEN

FROM: JAMIE L. MITCHELL, TOWN CLERK

SUBJECT: ANNUAL LIQUOR LICENCE RENEWALS/SPECIAL EVENT PERMITS

DATE: 01/24/2022

The following establishments have submitted their annual Liquor License Applications, all of which are renewals from previous years and most which include a Special Event Permit. A few, also include a mini-bar license extension which allows entities to stock the rooms with liquor under the original liquor license (all were approved last year).

The following are requests for liquor licenses only:

- W&A, Inc. d/b/a Cape Pier Chowder House

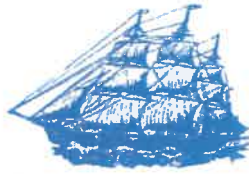
The following establishments have submitted for approval a liquor license and special event permit:

- Hidden Pond, LLC w/Special Amusement Permit
- Rhumb Line Motor Lodge d/b/a Rhumb Line Resort
- Cape Arundel Inn
- Ivy One, LLC d/b/a The Clubhouse at Cape Arundel Inn
- The Boathouse at Kennebunkport, LLC d/b/a The Boathouse Hotel
- Tides Beach Club, LLC d/b/a Tides Beach Club
- Lodge on the Cove, LLC d/b/a Lodge on the Cove
- The Kennebunkport Inn, LLC d/b/a The Kennebunkport Inn
- Taylormade Hospitality d/b/a Hurricane Restaurant

The following establishments have submitted approval for a liquor license, mini-bar extension license and a special event permit:

- Hidden Pond, LLC d/b/a Hidden Pond
- Yachtsman Hospitality d/b/a Yachtsman Hotel & Marina Club

As these are all previously approved licenses and staff has no objections.



TOWN OF KENNEBUNKPORT, MAINE

– INCORPORATED 1653 –

Proclamation Recognizing the 75th Anniversary of The Kennebunkport Public Health Nurse

Whereas, the Town of Kennebunkport created the Town Public Health Nurse position on May 1, 1947; and

Whereas, functions of the Public Health Nurse (in 1947) included visiting expectant mothers, checking vital signs; monthly visits to infants during the first year; visiting children with health problems; holding monthly child health conferences; immunizing children; providing well child clinics; testing people for tuberculosis; formation of community loan closet; and

Whereas, functions of the Public Health Nurse in 2021 included visiting patients of all ages in their homes, with a focus on senior citizens; establishment of a welcome baby program full of resources for new parents; continuation of the loan closet; availability of office hours at the Public Health Department; medication disposal; sharps disposal; establishment of senior enrichment activities for the community; monthly blood drives coordinated with the Red Cross; participation in the tri-town community for disaster preparedness; water quality monitoring at Goose Rocks Beach and Colony Beach in conjunction with Maine Healthy Beaches; certified foot care nurse, including monthly food care clinics; COVID testing and education for the community, RSU #21 staff and students, Town staff and local businesses; establishment and oversight of a Town employee wellness program; administration of General Assistance/welfare; and

Whereas, The Public Health Office provides families in need connection to the Secret Santa Program; Backpack Program each fall; food pantry; holiday meals; community coat, hat and mitten drives; and fuel, food and special needs assistance; and

Whereas, there have been 17 dedicated nurses serving the Town of Kennebunkport over the past 75 years. These nurses have touched many lives, including residents, town and school staff and local businesses.

NOW THEREFORE, WE, the Selectmen of the Town of Kennebunkport, do hereby recognize the nurses of the Public Health Office as vital resources to the community of Kennebunkport.

Dated this 27th day of January 2022 by the Kennebunkport Board of Selectmen.

Allen A. Daggett

Sheila Mathews-Bull

Patrick A. Briggs

Edward Hutchins

D. Michael Weston



Certified Public Accountants and Business Consultants

November 30, 2021

To the Board of Selectmen
Town of Kennebunkport, Maine

We have audited the 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 for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our meeting with the Chair of the Board of Selectmen on May 14, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated May 10, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Town of Kennebunkport, Maine. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town of Kennebunkport, Maine's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Kennebunkport, Maine are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Town of Kennebunkport, Maine during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the depreciation expense, which is based on the estimated useful lives of the assets; and management's estimate of the net pension and total OPEB liabilities, which are based on actuarial reports. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, some of which were considered material to the audit (see attached Adjusting Journal Entries).

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2021. See the attached copy of representation letter, which was signed by management.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Kennebunkport, Maine's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Kennebunkport, Maine's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, and the schedules pertaining to the net pension and total OPEB liabilities, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

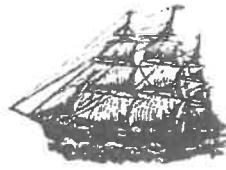
This information is intended solely for the information and use of the Board of Selectmen and management of the Town of Kennebunkport, Maine and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, reading "Rungen Hurden Ouellette". The signature is written in a cursive, flowing style.

**Town of Kennebunkport
All Funds
Proposed Adjusting Journal Entries
6/30/2021**

| AJE # | Fund | Account # | Name | Debit | Credit |
|--|-----------|--------------|--------------------------------|--------------|--------------|
| 1 | Sewer | 4-270-00 | Bonds Pay | 55,207.42 | |
| | | 4-271-00 | Curent bond | | 1,006.34 |
| | | 4-260-01 | Bond Anticipation Note #1 | | 49,827.50 |
| | | 4-260-02 | Bond Anticipation Note #2 | | 47,052.01 |
| | | 4-320-74 | Sewer: Unassigned Fund Balance | 42,678.43 | |
| To record entries that were not posted in prior year. | | | | | |
| 2 | Sewer | 4-320-74 | Sewer: Unassigned Fund Balance | 9,681.00 | |
| | Pier | 4-320-71 | Pier: Unassigned Fund Balance | | 9,681.00 |
| To allocate fund balance to match prior year financial statements. | | | | | |
| 3 | CPF | 3-320-53 | DFB - Street Lights | | 117,000.00 |
| | | 3-320-88 | Special Projects | 117,000.00 | |
| To reallocate fund balance for entry posted in reverse. | | | | | |
| 4 | Govt-wide | 6-299-01 | Acc Comp Abs | | 1,110.86 |
| | | 6-195-01 | Amt for Acc | 1,110.86 | |
| | Sewer | 4-299-01 | S: Acc Comp | | 2,820.26 |
| | | E47-01-10-01 | Sewer salaries | 2,820.26 | |
| To adjust accrued comp to actual at 6/30/21 | | | | | |
| 5 | Sewer | 4-***-**- | Cash held by MMBB - Loan #1 | 391,715.46 | |
| | | 4-***-**- | Cash held by MMBB - Loan #2 | 44,358.29 | |
| | | 4-260-01 | Bond Anticipation Note #1 | 1,308,284.54 | |
| | | 4-260-02 | Bond Anticipation Note #2 | 255,641.71 | |
| | | 4-270-00 | Bonds Pay | | 1,822,827.80 |
| | | 4-271-00 | Current bond | | 99,661.15 |
| | | E47-01-45-03 | Debt service - Sewer 2003 | | 55,207.42 |
| | | R14-70-16 | Debt Forgiveness | | 22,303.63 |
| To adjust BAN payable, bonds, payable, and cash held by MMBB to actual | | | | | |
| 6 | Govt-wide | 6-299-02 | Current Port | | 10,900.00 |
| | | 6-299-03 | Bonds Payable | 559,473.14 | |
| | | 6-299-04 | Leases Pay | 5,601.29 | |
| | | 6-299-05 | Bond Premium | 83,256.87 | |
| | | 6-299-06 | Current Prem | 673.51 | |
| | | 6-395-00 | Inv CA-Debt | | 638,104.81 |
| To adjust debt balances in Fund 6 | | | | | |
| 7 | General | R01-01-01 | Current Tax | 91,000.00 | |
| | | 1-245-01 | Def Rev | | 91,000.00 |
| To record the change in deferred revenue | | | | | |
| 8 | Pier | G4-157-05 | A/D P: Infra | 2,376.87 | |
| | | E47-02-65-01 | Depreciation | | 2,376.87 |
| | Sewer | E47-01-65-01 | Depreciation | 10,000.00 | |
| | | G4-155-05 | A/D S: Infra | | 10,000.00 |
| To correct depreciation for sewer and pier | | | | | |
| 9 | Govt-wide | G6-197-04 | Vehicles | | 35,335.50 |
| | | G6-197-06 | CIP | | 144,757.66 |
| | | G6-199-04 | A/D Vehicles | 21,131.63 | |
| | | G6-199-05 | A/D Infrac | 1,719.00 | |
| | | G6-199-10 | A/D Mach & E | 457.00 | |
| | | G6-395-00 | Inv CA-Debt | 156,785.53 | |
| To adjust capital assets and depreciation to actual in Fund 6 | | | | | |



TOWN OF KENNEBUNKPORT, MAINE

— INCORPORATED 1653 —

November 30, 2021

Runyon Kersteen Ouellette
20 Long Creek Drive
South Portland, ME 04106

This representation letter is provided in connection with your audit of the financial statements of the Town of Kennebunkport, Maine, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 30, 2021, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 10, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6 Elm Street, P.O. Box 566, Kennebunkport, Maine 04046
Tel: (207) 967-4243 Fax: (207) 967-8470

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Selectmen or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Town and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.


- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of the Town's related parties and all the related party relationships and transactions, including side agreements.


Government - specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 23) The Town has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws, and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 29) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 30) The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements include all fiduciary activities required by GASBS No. 84.
- 34) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended, and GASBS No. 84.
- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

- 44) We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 47) With respect to combining and individual fund financial statements:
- a) We acknowledge our responsibility for presenting the combining and individual fund financial statements in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual fund financial statements, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the combining and individual fund financial statements are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.


Signed
Laurie Smith
Town Manager


Signed
Denise Brown
Treasurer

TOWN OF KENNEBUNKPORT, MAINE



Annual Comprehensive Financial Report

*For Fiscal Year Ending
June 30, 2021*

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

Prepared by:
The Administration and Finance Department

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

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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INTRODUCTORY SECTION



TOWN OF KENNEBUNKPORT, MAINE

— INCORPORATED 1653 —

MAINE'S FINEST RESORT

November 30, 2021

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

State of Maine statutes require that every general purpose local government issue annually a financial report audited in accordance with auditing standards generally accepted in the United States of America. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

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

Runyon Kersteen Ouellette, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Kennebunkport's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the government

The Town was incorporated in 1653 as Cape Porpus, reincorporated in 1717 as Arundel and then changed its name February 19, 1821, to its current name – Town of Kennebunkport. The Town is located in the southeastern part of the state and is located 25 miles south of Portland. It currently occupies 22.0 square miles and has a year-round population of 3,548. The Town of Kennebunkport continues to be a key area within the State for summer tourism. The Town of Kennebunkport is empowered to levy a property tax on real and personal property located within its boundaries.

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

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

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

Local Economy

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

Unemployment had been relatively stable until the effect of the last recession was felt in 2010 and the effects from the COVID 19 pandemic. During the last decade, the unemployment rate has seen a low of 2.4% in 2018 and 2019 and a high of 9.5% in April 2020. York County's unemployment rate as of June 2021 was 4.9% compared to 6.1% nationally.

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

Long-term financial planning and major initiatives

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

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

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

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

The Town will support the fishing industry by continuing to support Government Wharf and the Cape Porpoise Pier. In fiscal year 2021, the Town's plans for capital investments in the Cape Porpoise Pier were continued.

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

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

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

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

Acknowledgements

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

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

Respectfully submitted,

Laurie A. Smith

Laurie A. Smith, Town Manager

Jennifer L. Lord

Jennifer L. Lord, Treasurer



Government Finance Officers Association

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

Presented to

**Town of Kennebunkport
Maine**

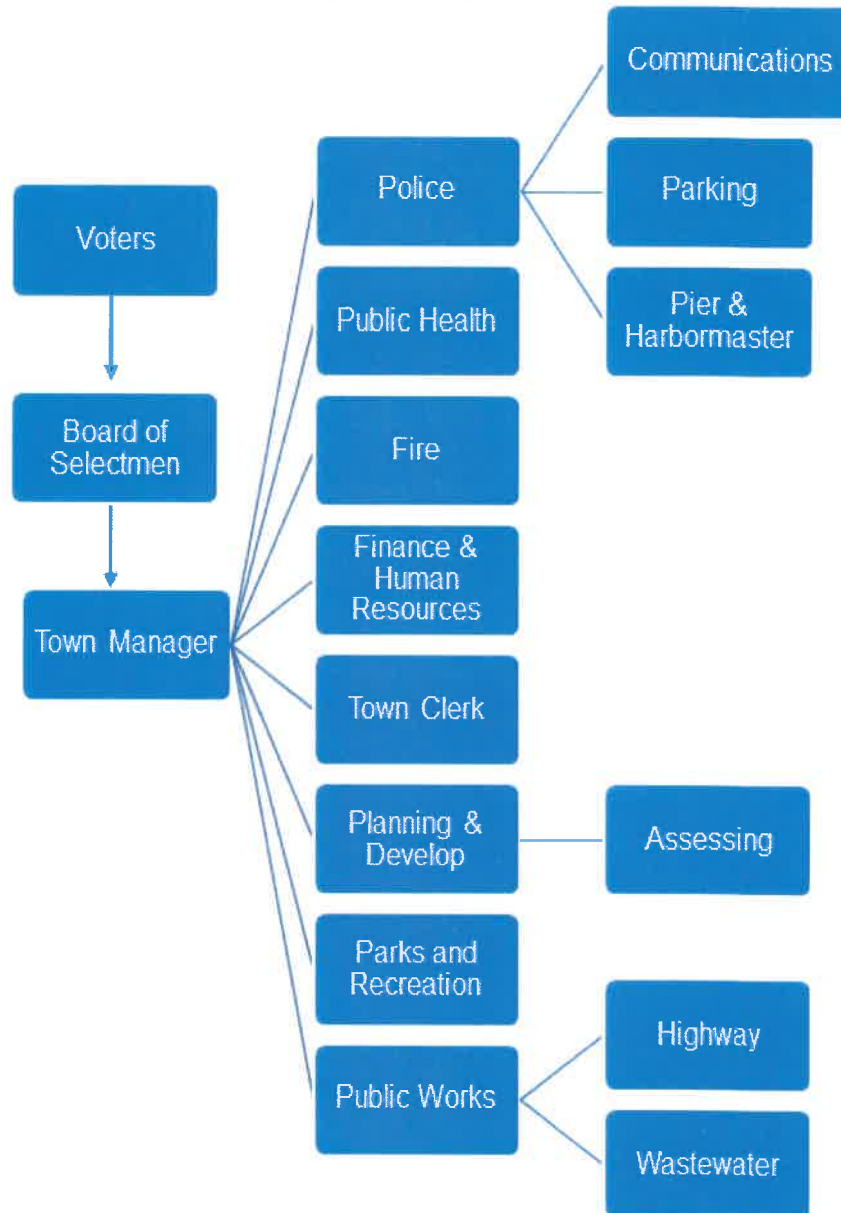
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

TOWN OF KENNEBUNKPORT
Organizational Chart



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

Elected Officials

Board of Selectmen



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

Appointed Officials

Town Manager

Town Clerk

Treasurer

Fire Chief

Police Chief

Public Works Director

Town Nurse & General Assistance Director

Recreation Director

Director of Planning & Development

Cape Porpoise Pier Manager

Laurie A. Smith

Tracey L. O’Roak/Jamie L. Mitchell

Jennifer L. Lord

John C. Everett

Craig A. Sanford

Michael W. Claus

Alison Z. Kenneway

Carol G. Cook/Interim Jonah

Reagle/Stephanie Simpson

Werner D. Gilliam

Christopher H. Mayo

FINANCIAL SECTION

Independent Auditor's Report

Board of Selectmen
Town of Kennebunkport, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunkport, Maine, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Town of Kennebunkport, Maine
Board of Selectmen

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunkport, Maine, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Town of Kennebunkport, Maine
Board of Selectmen

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the Town of Kennebunkport, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Kennebunkport, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Kennebunkport, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remy Kristen Ouellette". The signature is written in a cursive, flowing style.

November 30, 2021
South Portland, Maine

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

As management of the Town of Kennebunkport, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

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

Overview of the Financial Statements

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

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

This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The General Fund is the Town's only major fund within the governmental funds.

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

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

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

Financial Analysis of the Town as a Whole

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

The Town's net position at fiscal year end is \$33,611,151. This includes current assets (primarily cash, investments, and taxes receivable), the cost (less accumulated depreciation) of all buildings, equipment and land owned by the Town (valued at historical cost, or an estimate thereof), less current liabilities and long-term debt. Changes in net position from year-to-year may be observed to analyze changing financial positions of the Town as a whole. The following table is presented in thousands (Statement 1).

| | Governmental Activities | | Business-type Activities | | Primary Government Total | |
|---|------------------------------------|---------------|-------------------------------------|---------------|-------------------------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current assets | \$ 11,404 | 9,764 | 2,911 | 2,492 | 14,315 | 12,256 |
| Capital assets: | | | | | | |
| Land | 12,738 | 12,738 | 950 | 950 | 13,688 | 13,688 |
| Construction in progress | 1,756 | 1,531 | 803 | 477 | 2,559 | 2,008 |
| Buildings and improvements | 4,489 | 4,489 | 7,958 | 7,958 | 12,447 | 12,447 |
| Land improvements | 288 | 288 | 30 | 30 | 318 | 318 |
| Furniture & fixtures | 20 | 20 | - | - | 20 | 20 |
| Equipment & vehicles | 4,921 | 5,111 | 2,727 | 2,727 | 7,648 | 7,838 |
| Infrastructure | 11,118 | 10,708 | 8,181 | 8,091 | 19,299 | 18,799 |
| Less: accumulated depreciation | (8,184) | (7,846) | (12,113) | (11,653) | (20,297) | (19,499) |
| Total assets | 38,550 | 36,803 | 11,447 | 11,072 | 49,997 | 47,875 |
| Deferred outflows of resources | | | | | | |
| related to pensions | 512 | 568 | 64 | 62 | 576 | 630 |
| related to OPEB | 118 | 100 | - | - | 118 | 100 |
| Total deferred outflows of resources | 630 | 668 | 64 | 62 | 694 | 730 |
| Current liabilities | 723 | 1,219 | 63 | 1,695 | 786 | 2,914 |
| Long-term liabilities | 13,851 | 13,418 | 2,442 | 346 | 16,293 | 13,764 |
| Total liabilities | 14,574 | 14,637 | 2,505 | 2,041 | 17,079 | 16,678 |
| Deferred inflows of resources | | | | | | |
| related to pensions | - | 366 | - | 44 | - | 410 |
| related to OPEB | - | - | - | - | - | - |
| Total deferred inflows of resources | - | 366 | - | 44 | - | 410 |
| Net investment in capital assets | 15,998 | 15,264 | 6,826 | 6,793 | 22,824 | 22,057 |
| Restricted | 1,846 | 1,465 | - | - | 1,846 | 1,465 |
| Unrestricted | 6,762 | 5,739 | 2,180 | 2,256 | 8,942 | 7,995 |
| Total net position | \$ 24,606 | 22,468 | 9,006 | 9,049 | 33,612 | 31,517 |

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

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

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

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

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

The table below presents the total cost, for fiscal years 2021 and 2020, of each of the Town's largest programs: general government, public safety, public works, education, and county tax, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions (Statement 2).

Governmental Activities
(in thousands)

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

The Town's Funds

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

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

Expenditures

The table below shows the Town's original and adjusted budgets for various departments and functions for the year ended June 30, 2021. The table also shows actual expenditures for each department and function as well as the variance between the adjusted budget and the actual expenditures for each category. The Town considers a variance to be significant if it exceeds \$20,000 and 10% of its adjusted budget (Statement 6).

| General Fund Department/Function Expenditures | Original Budget | Adjusted Budget | Expenditures | Variance | |
|--|----------------------|--------------------|-------------------|------------------|--------------|
| | | | | Amount | % |
| General Government | \$ 2,061,680 | 2,116,958 | 1,901,836 | 215,122 | 10.16% |
| Public Safety | 2,956,727 | 2,975,067 | 2,707,668 | 267,399 | 8.99% |
| Public Works | 1,217,949 | 1,252,337 | 1,114,851 | 137,486 | 10.98% |
| Health and Welfare | 736,753 | 748,911 | 654,210 | 94,701 | 12.65% |
| Recreation and Culture | 521,114 | 528,814 | 470,602 | 58,212 | 11.01% |
| County Tax | 1,150,725 | 1,150,725 | 1,150,725 | - | 0.00% |
| Education | 11,447,719 | 11,447,719 | 11,447,719 | - | 0.00% |
| Debt Service | 941,939 | 941,939 | 941,464 | 475 | 0.05% |
| Capital Improvements and Reserves | - | 509,044 | 41,309 | 467,735 | 91.88% |
| Total expenditures | \$ 21,034,606 | 21,671,514 | 20,430,384 | 1,241,130 | 5.73% |

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

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

Revenues

The table below shows the Town's final budget and actual revenues from various resources for the year ended June 30, 2021. The table also shows the variance between these figures for each category. The Town considers a variance to be significant if it exceeds \$20,000 and 10% of the final budget (Exhibit A-2).

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

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

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

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

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

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

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

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

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

Capital Assets

As of June 30, 2021, the Town had \$35,682,515 invested in capital assets, net of accumulated depreciation, consisting of land, buildings, and equipment. (As previously noted, the Town is not required under GASB 34 to report infrastructure built or otherwise acquired prior to July 1, 2003). This amount represents a net increase (including additions, deletions, and less this year's depreciation) of approximately \$62,610, or 0.2% over last year. For additional information, see the Capital Assets section in the notes, pages 40 and 41.

This year's major additions/deletions included:

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

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

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

Debt

The Town of Kennebunkport had \$13,020,978 in bonds and notes outstanding at fiscal year-end, compared to \$11,652,663 last year (page 43). State law limits the Town's debt in the aggregate to 15% of its stated assessed valuation. The Town's outstanding debt at June 30, 2021 was within this statutory limit. For additional information, see the long-term debt section in the notes, pages 43 through 45.

Economic Factors and Next Year's Budget

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF KENNEBUNKPORT, MAINE

Statement of Net Position

June 30, 2021

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

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Balance Sheet
Governmental Funds
June 30, 2021

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

TOWN OF KENNEBUNKPORT, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the year ended June 30, 2021

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

See accompanying notes to basic financial statements.

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

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

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of:

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

| | |
|--|----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (50,623) |
|--|----------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the amount of the change in:

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

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

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

| | |
|--|---------------------|
| Change in net position of governmental activities (see Statement 2) | \$ 2,136,527 |
|--|---------------------|

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE

Statement of Net Position

Proprietary Funds

June 30, 2021

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

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds

For the year ended June 30, 2021

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

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2021

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

See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus, Basis of Accounting and Basis of Presentation

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

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

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

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary funds:

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

Prepaid Items - Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

Compensated Absences - Under terms of personnel policies and union contracts, vacation and sick leave is granted in varying amounts according to length of service and is accrued ratably over the year. Regular part-time employees receive vacation and sick leave on a pro-rated basis. Vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

B. Revised Budget

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

| | <u>Revenues</u> | <u>Expenditures</u> | <u>Other financing sources (uses)</u> |
|--|----------------------|---------------------|---|
| 2021 budget as originally adopted | \$ 20,997,047 | 21,034,606 | 37,559 |
| Assigned carryforward balances & adjustments | - | 636,908 | 636,908 |
| Totals | \$ 20,997,047 | 21,671,514 | 674,467 |

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a policy regarding custodial credit risk. As of June 30, 2021, \$132 of the Town's bank balance of \$11,587,143 was exposed to custodial credit risk because it was uninsured and uncollateralized. The remaining bank balance was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

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

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

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

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

Custodial Credit Risk-Town's Investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

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

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

PROPERTY TAX

Property taxes for the current period were committed on July 23, 2020, on the assessed value listed as of April 1, 2020, for all real and personal property located in the Town. Payment of taxes was due in equal installments on September 10, 2020 and March 10, 2021. Interest at the rate of 5% per annum was charged on any amounts remaining unpaid after this date. Assessed values are periodically established by the Assessor's agent at 100% of assumed market value. The 2021 assessed value of \$2,011,016,700 was 90% of the estimated market value and 79% of the 2021 state valuation of \$2,544,500,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$114,638 for the period ended June 30, 2021.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid. Property taxes levied during the year ended were recorded as receivables at the time the levy was made. The receivables collected during the year ended and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as unavailable revenues. The following summarizes the periods ended June 30, 2021 and 2020 levies:

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

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

CAPITAL ASSETS

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

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

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

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

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

CAPITAL ASSETS, CONTINUED

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

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

| | |
|--|-------------------|
| Business-type activities: | |
| Sewer Department | \$ 428,636 |
| Cape Porpoise Pier | 16,760 |
| Dock Square Parking Lot | 14,692 |
| Total depreciation expense - business-type activities | \$ 460,088 |

INTERFUND LOAN BALANCES AND TRANSFERS

The purpose of interfund loans is to charge revenues and expenditures/expenses to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

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

INTERFUND LOAN BALANCES AND TRANSFERS, CONTINUED

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

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

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

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

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

SHORT-TERM DEBT

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

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

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 was as follows:

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

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

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

LONG-TERM DEBT

Bonds payable and notes from direct borrowing at June 30, 2021 are comprised of the following:

Bonds Payable

| | <u>Amount issued</u> | <u>Date of issue</u> | <u>Date of maturity</u> | <u>Interest rate</u> | <u>Balance</u> |
|--|--------------------------|--------------------------|-----------------------------|--------------------------|-------------------|
| <u>Governmental activities:</u> | | | | | |
| Police station addition | \$ 400,000 | 9/2/16 | 2027 | 2.25% | 250,742 |
| Recreation building | 450,000 | 6/20/18 | 2028 | 3.27% | 315,000 |
| Seawall and village parcel | 2,255,000 | 5/1/19 | 2040 | 3.00-5.00% | 2,080,000 |
| Village parcel | 8,500,000 | 5/1/19 | 2025 | 3.25-4.00% | 8,210,000 |
| Total governmental activities bonds payable | | | | | 10,855,742 |

Notes from Direct Borrowings

| | | | | | |
|--|-----------|----------|------|-------|---------------------|
| <u>Governmental activities:</u> | | | | | |
| Copiers | \$ 32,701 | 7/1/19 | 2024 | 3.95% | 18,167 |
| Total governmental activities notes payable | | | | | 18,167 |
| <u>Business-type activities:</u> | | | | | |
| Sewer expansion | 1,000,000 | 11/13/03 | 2024 | 2.25% | 169,373 |
| Sewer upgrades | 1,700,000 | 1/4/21 | 2041 | 1.00% | 1,700,000 |
| Sewer upgrades | 300,000 | 1/4/21 | 2041 | 1.00% | 277,696 |
| Total business-type activities notes payable | | | | | 2,147,069 |
| Total governmental and business-type activities notes payable | | | | | \$ 2,165,236 |

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

| | | <u>Governmental Activities</u> | | |
|---------------|-----------|--------------------------------|------------------|-------------------|
| | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2022 | \$ | 559,471 | 369,869 | 929,340 |
| 2023 | | 565,372 | 346,648 | 912,020 |
| 2024 | | 576,293 | 323,131 | 899,424 |
| 2025 | | 7,537,226 | 187,501 | 7,724,727 |
| 2026 | | 258,197 | 60,477 | 318,674 |
| 2027-2031 | | 774,183 | 147,906 | 922,089 |
| 2032-2036 | | 325,000 | 63,375 | 388,375 |
| 2037-2040 | | 260,000 | 15,600 | 275,600 |
| Totals | \$ | 10,855,742 | 1,514,507 | 12,370,249 |

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2021, the Town's outstanding debt did not exceed these limits.

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

LONG-TERM DEBT, CONTINUED

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

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

OPERATING LEASES

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

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

OVERLAPPING DEBT

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

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

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

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

RISK MANAGEMENT

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

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2021. There have been no significant reductions in commercial insurance coverage from the prior year and no settlements have exceeded commercial insurance coverage in any of the past three years.

NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's net investment in capital assets was calculated as follows at June 30, 2021:

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

FUND BALANCE

The General Fund unassigned fund balance total of \$5,169,174 represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

As of June 30, 2021, other fund balance components consisted of the following:

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

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

FUND BALANCE, CONTINUED

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

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

FUND BALANCE, CONTINUED

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

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

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

NET PENSION LIABILITY

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.

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

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

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

NET PENSION LIABILITY, CONTINUED

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

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

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

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

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

NET PENSION LIABILITY, CONTINUED

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

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

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

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

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

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

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

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

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

NET PENSION LIABILITY, CONTINUED

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

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

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

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

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

457 RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, through the International City Management Association (ICMA). The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Assets of the plan are automatically placed in trust for the exclusive benefit of participants and their beneficiaries by ICMA. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements. The Town's contributions to the plan for the year ended June 30, 2021 were \$91,485.

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

OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plans

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

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

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

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

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

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

Changes in the Total OPEB Liability

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

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

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

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

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

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

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

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

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

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

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

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

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

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

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

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

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

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

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

TOWN OF KENNEBUNKPORT, MAINE
Required Supplementary Information

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

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

* Only seven years of information available.
The amounts presented for each fiscal year were determined as of the prior fiscal year.

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Contractually required contribution | \$ 332,084 | 339,371 | 327,098 | 287,653 | 275,390 | 252,997 | 208,757 | 168,733 |
| Contributions in relation to the contractually required contribution | (332,084) | (339,371) | (327,098) | (287,653) | (275,390) | (252,997) | (208,757) | (168,733) |

| | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|----------|----------|
| Contribution deficiency (excess) | \$ - | - | - | - | - | - | - | - |
|---|-------------|----------|----------|----------|----------|----------|----------|----------|

| | | | | | | | | |
|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Town's covered payroll | \$ 2,796,737 | 2,823,852 | 2,717,875 | 2,517,366 | 2,530,699 | 2,451,768 | 2,349,396 | 2,234,398 |
| Contributions as a percentage of covered payroll | 11.87% | 12.02% | 12.04% | 11.43% | 10.88% | 10.32% | 8.89% | 7.55% |

* Only eight years of information available.

TOWN OF KENNEBUNKPORT, MAINE
Required Supplementary Information, Continued

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

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

*Only four years of information available.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

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

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

Mortality rates:

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

Total OPEB Liability

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

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

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

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

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

GENERAL FUND

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

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Comparative Balance Sheets
June 30, 2021 and 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF KENNEBUNKPORT, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2021

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

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

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

NONMAJOR SPECIAL REVENUE FUNDS

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

June 30, 2021

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

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

For the year ended June 30, 2021

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

June 30, 2021

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

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

June 30, 2021

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

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

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

TOWN OF KENNEBUNKPORT, MAINE
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 2021

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

NONMAJOR PERMANENT FUNDS

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

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

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

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

NONMAJOR PROPRIETARY FUNDS

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

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

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

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

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

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

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.

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|---|-------------|
| 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 |

Table 1

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

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

Table 2

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

| | Fiscal Year | | | | | | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General government | \$ 2,090,233 | \$ 2,147,846 | \$ 1,495,374 | \$ 1,795,330 | \$ 1,748,339 | \$ 1,762,313 | \$ 1,325,180 | \$ 978,110 | \$ 1,519,159 | \$ 1,472,065 |
| Public safety | 2,910,734 | 3,026,372 | 2,919,616 | 2,611,173 | 2,539,210 | 2,433,783 | 2,254,694 | 2,426,584 | 2,033,767 | 2,197,301 |
| Public works | 1,452,020 | 1,474,116 | 1,719,726 | 1,438,053 | 1,390,551 | 1,316,170 | 1,203,491 | 1,139,185 | 234,112 | 451,582 |
| Health and welfare | 654,579 | 666,778 | 704,033 | 666,341 | 684,693 | 687,784 | 651,857 | 666,919 | 664,135 | 663,494 |
| Recreation and culture | 570,168 | 653,422 | 637,784 | 564,046 | 626,302 | 689,678 | 513,427 | 492,139 | 417,031 | 433,953 |
| Grants | - | - | - | - | - | - | - | - | 2,000 | 1,300 |
| Education | 11,447,719 | 11,249,250 | 10,220,198 | 9,939,712 | 9,055,448 | 8,015,486 | 7,837,533 | 7,521,509 | 6,677,507 | 6,107,804 |
| County tax | 1,150,725 | 1,143,776 | 1,135,299 | 1,203,809 | 1,163,270 | 1,115,331 | 1,124,614 | 1,098,632 | 975,744 | 1,015,041 |
| Unclassified | - | - | - | - | - | - | - | 174,881 | 435,612 | 447,213 |
| Loss on disposal of assets | - | - | - | - | - | - | - | - | 9,261 | 108,006 |
| Interest on debt service | 296,339 | 320,691 | 390,213 | 12,528 | 17,971 | 10,873 | 22,346 | 32,594 | 42,842 | 53,092 |
| Capital maintenance expenses | 65,222 | 23,257 | 43,750 | 155,676 | 442,138 | 132,456 | 143,621 | - | 675,434 | 367,545 |
| Total Governmental Activities | 20,637,739 | 20,707,508 | 19,265,993 | 18,386,668 | 17,668,522 | 16,163,874 | 15,076,763 | 14,530,553 | 13,686,604 | 13,318,796 |
| Business-Type Activities: | | | | | | | | | | |
| Sewer | 1,514,811 | 1,409,958 | 1,755,587 | 1,456,853 | 1,471,031 | 1,473,643 | 1,372,338 | 1,350,407 | 1,308,439 | 1,241,477 |
| Cape Porpoise Pier | 313,767 | 363,710 | 352,250 | 241,876 | 236,776 | 251,075 | 296,655 | 336,978 | 363,784 | 395,556 |
| Dock Square Parking Lot | 75,928 | 86,569 | 121,587 | 69,062 | 52,976 | 76,908 | 60,580 | 77,341 | 61,426 | 74,254 |
| Government Wharf | 8,419 | 7,944 | 13,075 | 2,534 | 353 | - | - | - | - | - |
| Total Business-Type Activities | 1,912,925 | 1,868,181 | 2,242,489 | 1,770,325 | 1,761,136 | 1,801,626 | 1,729,573 | 1,764,726 | 1,733,649 | 1,711,287 |
| Total Expenses | \$ 22,550,664 | \$ 22,575,689 | \$ 21,508,482 | \$ 20,156,993 | \$ 19,429,658 | \$ 17,965,500 | \$ 16,806,336 | \$ 16,295,279 | \$ 15,420,253 | \$ 15,030,083 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 638,830 | \$ 461,111 | \$ 351,684 | \$ 295,109 | \$ 366,497 | \$ 457,114 | \$ 365,872 | \$ 33,841 | \$ 182,336 | \$ 197,129 |
| Public safety | 61,392 | 82,488 | 71,231 | 59,107 | 51,198 | 61,583 | 57,101 | 56,941 | 54,812 | 32,412 |
| Health and welfare | 3,840 | 27 | 1,170 | 178 | 1,674 | 4,559 | 1,759 | 3,984 | 3,466 | 1,663 |
| Recreation and culture | 493,253 | 332,053 | 383,685 | 348,203 | 332,653 | 204,438 | 191,035 | 178,322 | 171,270 | 163,595 |
| Solid Waste | - | - | - | - | - | - | - | - | 56 | 22 |
| Unclassified | - | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 395,114 | 301,662 | 238,827 | 203,954 | 119,151 | 112,348 | 301,159 | 124,210 | 279,491 | 242,612 |
| Capital grants and contributions | - | 265,455 | 586,498 | 232,614 | 186,591 | - | 16,529 | - | 140,758 | 143,663 |
| Total Governmental Activities | 1,592,429 | 1,442,796 | 1,633,095 | 1,139,165 | 1,057,764 | 840,042 | 933,455 | 530,612 | 853,287 | 795,517 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Sewer | 1,276,004 | 1,214,999 | 1,211,254 | 1,198,345 | 1,122,019 | 1,082,146 | 1,031,914 | 1,035,261 | 1,025,064 | 1,010,152 |
| Cape Porpoise Pier | 291,698 | 309,545 | 276,910 | 239,517 | 220,690 | 230,312 | 289,053 | 314,235 | 329,444 | 364,736 |
| Dock Square Parking Lot | 420,223 | 333,004 | 395,738 | 431,347 | 418,523 | 354,795 | 337,738 | 347,888 | 342,873 | 326,100 |
| Government Wharf | 8,400 | 9,047 | 4,723 | 6,225 | 8,566 | - | - | - | - | - |
| Capital grants and contributions | 22,304 | - | - | - | - | - | - | - | - | - |
| Total Business-Type Activities | 2,018,629 | 1,866,595 | 1,888,625 | 1,875,434 | 1,769,798 | 1,667,253 | 1,656,705 | 1,697,384 | 1,697,381 | 1,700,488 |
| Total Program Revenues | \$ 3,611,058 | \$ 3,309,391 | \$ 3,521,720 | \$ 3,014,599 | \$ 2,827,562 | \$ 2,507,295 | \$ 2,592,160 | \$ 2,227,996 | \$ 2,550,668 | \$ 2,496,005 |

Table 2, Continued

| TOWN OF KENNEBUNKPORT, MAINE | | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Changes in Net Position (continued) | | | | | | | | | | | |
| Last Ten Fiscal Years | | | | | | | | | | | |
| (accrual basis of accounting) | | | | | | | | | | | |
| | Fiscal Year | | | | | | | | | | |
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | |
| Net (Expense)/Revenue: | | | | | | | | | | | |
| Governmental Activities | \$ (19,045,310) | \$ (19,264,712) | \$ (17,632,898) | \$ (17,247,503) | \$ (16,610,758) | \$ (15,323,832) | \$ (14,143,308) | \$ (13,999,941) | \$ (12,833,317) | \$ (12,523,279) | |
| Business-type Activities | 105,704 | (1,586) | (353,874) | 105,109 | 8,662 | (134,373) | (170,868) | (67,342) | (36,268) | (10,789) | |
| Total Net Expense | \$ (18,939,606) | \$ (19,266,298) | \$ (17,986,772) | \$ (17,142,394) | \$ (16,602,096) | \$ (15,458,205) | \$ (14,214,176) | \$ (14,067,283) | \$ (12,869,585) | \$ (12,534,078) | |
| General Revenues | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Property taxes, general purposes | \$ 19,007,944 | \$ 18,745,028 | \$ 17,126,942 | \$ 16,960,865 | \$ 15,833,533 | \$ 14,590,834 | \$ 14,296,357 | \$ 14,008,501 | \$ 12,722,329 | \$ 11,584,210 | |
| Interest and costs on taxes | 43,433 | 44,658 | 37,149 | 32,282 | 33,735 | 29,498 | 29,728 | 26,398 | 25,491 | 28,572 | |
| Motor vehicle excise tax | 1,169,421 | 1,098,012 | 1,068,682 | 1,030,267 | 959,646 | 948,096 | 895,501 | 846,486 | 803,924 | 804,186 | |
| Licenses and permits | - | - | - | - | - | - | - | 226,870 | - | - | |
| Grants and contr. not restricted | - | - | - | - | - | - | - | - | - | - | |
| Homestead and BETE exemption | 130,927 | 96,140 | 88,782 | 66,605 | 48,380 | 30,635 | 30,531 | 32,869 | 31,109 | 29,282 | |
| State Revenue Sharing | 149,009 | 107,002 | 65,462 | 59,832 | 58,534 | 63,533 | 56,615 | 58,061 | 92,272 | 104,511 | |
| Maine PERS | - | - | - | - | - | - | 208,785 | 168,732 | - | - | |
| Other State aid | 8,566 | 8,929 | 2,661 | 5,206 | 2,658 | 2,811 | 2,641 | 2,679 | 2,465 | 2,849 | |
| Unrestricted investment earnings | 484,380 | 263,963 | 305,682 | 272,370 | 233,341 | 20,931 | 34,339 | 30,426 | 46,214 | 60,800 | |
| Miscellaneous (b) | 28,684 | 10,890 | 38,100 | 13,484 | 58,243 | 102,303 | 76,521 | 557,691 | 132,701 | 53,763 | |
| Gain/Loss on sale of assets | - | - | - | - | - | - | (88,975) | (41,256) | - | - | |
| Transfers in/out | 159,473 | 249,358 | 234,465 | 219,215 | 296,701 | 219,173 | 220,165 | 257,956 | 143,097 | 159,535 | |
| Total general revenues, transfers and special items | 21,181,837 | 20,624,010 | 18,967,925 | 18,662,126 | 17,524,721 | 16,007,814 | 15,762,208 | 16,175,413 | 13,999,602 | 12,827,708 | |
| Business-type Activities: | | | | | | | | | | | |
| Unrestricted investment earnings | 10,334 | 24,751 | 35,437 | 26,133 | 17,584 | 11,840 | 9,750 | 2,778 | 7,228 | 12,419 | |
| Miscellaneous | - | - | - | - | - | 3,835 | 19,702 | 8,622 | 6,500 | 19,425 | |
| Gain/Loss on sale of assets | - | - | - | - | - | (9,960) | - | - | - | - | |
| Transfers in/out | (159,473) | (249,358) | (234,465) | (219,215) | (296,701) | (219,173) | (220,165) | (257,956) | (143,097) | (159,535) | |
| Total Business-type Activities | (149,139) | (224,607) | (199,028) | (193,082) | (279,117) | (203,498) | (200,673) | (246,556) | (123,369) | (127,691) | |
| Total primary government | \$ 21,032,698 | \$ 20,399,403 | \$ 18,768,897 | \$ 18,469,044 | \$ 17,245,604 | \$ 15,804,316 | \$ 15,561,535 | \$ 15,928,857 | \$ 13,876,233 | \$ 12,700,017 | |
| Change in Net Position | | | | | | | | | | | |
| Governmental Activities | \$ 2,136,527 | \$ 1,359,298 | \$ 1,335,027 | \$ 1,414,623 | \$ 913,863 | \$ 683,982 | \$ 1,618,900 | \$ 2,175,472 | \$ 1,166,285 | \$ 304,429 | |
| Business-type Activities | (43,435) | (226,193) | (552,902) | (87,973) | (270,455) | (337,871) | (221,541) | (313,898) | (165,637) | (138,490) | |
| Total Change in Net Position | 2,093,092 | 1,133,105 | 782,125 | 1,326,650 | 643,508 | 346,111 | 1,347,359 | 1,861,574 | 1,000,648 | 165,939 | |
| Restatement of Net Position | | | | | | | | | | | |
| Governmental Activities (a) | - | - | - | (240,611) | - | (93,050) | - | (1,321,556) | - | - | |
| Business-type Activities (c) | - | - | - | - | - | - | - | (183,805) | - | - | |
| Total adjusted Change in Net Position | \$ 2,093,092 | \$ 1,133,105 | \$ 782,125 | \$ 1,086,039 | \$ 643,508 | \$ 253,061 | \$ 1,347,359 | \$ 356,213 | \$ 1,000,648 | \$ 165,939 | |

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

(b) Includes a new permanent fund in 2014

(c) To reflect the net pension liability in 2014

Table 3

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

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

Table 4

TOWN OF KENNEBUNKPORT, MAINE
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 20,271,421 | \$ 19,840,826 | \$ 18,297,207 | \$ 17,983,066 | \$ 16,832,253 | \$ 15,337,948 | \$ 15,230,599 | \$ 14,836,386 | \$ 13,542,910 | \$ 12,465,866 |
| Intergovernmental | 653,163 | 732,517 | 947,558 | 422,033 | 415,264 | 209,327 | 321,750 | 226,923 | 287,702 | 294,726 |
| Licenses and permits | 585,742 | 417,948 | 316,027 | 251,804 | 305,928 | 286,231 | 208,239 | 226,870 | 152,683 | 151,761 |
| Charges for services | 603,444 | 447,921 | 481,931 | 439,835 | 439,299 | 430,276 | 396,588 | 385,694 | 368,756 | 348,761 |
| Investment income | 484,380 | 263,983 | 305,682 | 272,370 | 233,341 | 20,931 | 34,339 | 30,426 | 46,214 | 60,800 |
| Contributions | - | - | - | - | - | 1,311 | 85,725 | - | - | - |
| Other (a) | 67,266 | 67,371 | 82,584 | 172,620 | 65,038 | 112,179 | 296,246 | 738,027 | 302,693 | 190,674 |
| Total Revenues | 22,665,416 | 21,770,566 | 20,430,989 | 19,541,728 | 18,291,123 | 16,598,203 | 16,573,486 | 16,444,326 | 14,700,958 | 13,512,588 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | \$ 1,901,836 | \$ 1,874,642 | \$ 1,817,410 | \$ 1,582,184 | \$ 1,511,520 | \$ 1,397,914 | \$ 1,326,809 | \$ 1,303,593 | \$ 1,488,566 | \$ 1,426,088 |
| Public safety | 2,741,619 | 2,856,796 | 2,660,161 | 2,423,107 | 2,357,515 | 2,211,535 | 2,214,215 | 2,172,603 | 2,038,277 | 2,071,128 |
| Public works | 1,114,851 | 1,130,645 | 1,229,881 | 1,146,456 | 1,118,410 | 1,062,325 | 1,023,042 | 960,209 | 951,950 | 891,669 |
| Health and welfare | 654,210 | 667,300 | 702,508 | 665,138 | 693,408 | 685,613 | 664,613 | 665,382 | 662,648 | 678,251 |
| Recreation and culture | 545,201 | 616,969 | 598,004 | 548,958 | 613,602 | 667,190 | 512,002 | 462,452 | 422,310 | 437,643 |
| Grants | - | - | - | - | - | - | - | - | 2,000 | 1,300 |
| Education | 11,447,719 | 11,249,250 | 10,220,198 | 9,939,712 | 9,055,448 | 8,015,486 | 7,837,533 | 7,521,509 | 6,677,507 | 6,107,804 |
| County tax | 1,150,725 | 1,143,776 | 1,135,299 | 1,203,809 | 1,163,270 | 1,115,331 | 1,124,614 | 1,098,632 | 975,744 | 1,015,041 |
| Unclassified | - | - | - | - | - | - | - | 585,187 | 435,612 | 447,213 |
| Debt service | | | | | | | | | | |
| Principal | 548,534 | 82,695 | 81,889 | 196,066 | 160,000 | 253,611 | 249,935 | 246,624 | 243,436 | 240,266 |
| Interest | 392,930 | 372,514 | 321,373 | 12,800 | 10,459 | 18,975 | 29,245 | 39,471 | 49,527 | 59,503 |
| Capital improvements and other | 791,500 | 1,713,597 | 11,772,027 | 2,274,125 | 2,614,736 | 1,164,945 | 911,328 | 1,383,985 | 675,434 | 389,102 |
| Total Expenditures | 21,289,125 | 21,708,184 | 30,538,750 | 19,992,355 | 19,298,368 | 16,592,925 | 15,893,336 | 16,439,647 | 14,623,011 | 13,765,008 |
| Excess (Deficiency) of Revenues over Expenditures | 1,376,291 | 62,382 | (10,107,761) | (450,627) | (1,007,245) | 5,278 | 680,150 | 4,679 | 77,947 | (252,420) |

Table 4, Continued

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

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

(a) Includes a new permanent fund in FY 14

Table 5

TOWN OF KENNEBUNKPORT, MAINE
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

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

Table 6

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

| Fiscal Year Ended June 30 | Real Property | | Personal Property | Less: Tax Exempt Real Property | Total Taxable Assessed Value (a) | Total Direct Tax Rate | State Equalized Value (b) | Assessed Value as a Percentage of Equalized Value |
|---------------------------------|------------------|----------------|----------------------|--------------------------------------|--|-----------------------------|---------------------------------|--|
| | Residential | Commercial | | | | | | |
| 2021 | \$ 1,962,948,600 | \$ 129,138,400 | \$ 10,629,680 | \$ 91,699,980 | \$ 2,011,016,700 | 3.18 | \$ 2,544,500,000 | 79.03% |
| 2020 | 1,912,313,800 | 126,928,100 | 10,106,220 | 65,748,100 | 1,983,600,020 | 2.98 | 2,295,400,000 | 86.42% |
| 2019 | 1,908,970,855 | 125,890,945 | 10,021,140 | 82,243,460 | 1,962,639,480 | 2.98 | 2,198,500,000 | 89.27% |
| 2018 | 1,879,425,315 | 126,952,545 | 9,565,570 | 81,476,260 | 1,934,467,170 | 2.97 | 2,127,950,000 | 90.91% |
| 2017 | 1,858,129,655 | 120,018,545 | 10,124,550 | 76,010,300 | 1,912,262,450 | 2.93 | 2,018,400,000 | 94.74% |
| 2016 (c) | 1,834,159,895 | 120,671,645 | 10,788,630 | 71,737,200 | 1,893,882,970 | 3.58 | 1,938,350,000 | 97.71% |
| 2015 | 1,750,049,655 | 127,226,145 | 5,307,530 | 72,039,700 | 1,810,543,630 | 2.85 | 1,831,600,000 | 98.85% |
| 2014 | 1,791,793,555 | 126,202,045 | 5,214,340 | 62,851,600 | 1,860,358,340 | 2.89 | 1,832,450,000 | 101.52% |
| 2013 | 1,776,999,755 | 123,920,345 | 5,169,910 | 62,356,700 | 1,843,733,310 | 2.69 | 1,810,500,000 | 101.84% |
| 2012 | 1,771,835,555 | 123,920,345 | 3,438,640 | 72,042,100 | 1,827,152,440 | 2.41 | 1,801,850,000 | 101.40% |

(a) Kennebunkport Assessing Office

(b) State of Maine, Revenue Services

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

Table 7

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

| Fiscal Year Ended June 30, | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|----------------------------------|--------------------------------------|---|------------|---------------------------------------|------------------------------|------------|
| | | Amount | Percentage | | Amount | Percentage |
| 2021 | \$ 19,004,109 | \$ 18,872,015 | 99.30% | | \$ 18,872,015 | 99.30% |
| 2020 | 18,745,020 | 18,550,328 | 98.96% | 157,874 | 18,708,202 | 99.80% |
| 2019 | 17,192,722 | 17,014,268 | 98.96% | 173,571 | 17,187,839 | 99.97% |
| 2018 | 16,887,898 | 16,664,052 | 98.67% | 222,758 | 16,886,810 | 99.99% |
| 2017 | 15,833,533 | 15,656,402 | 98.88% | 177,005 | 15,833,407 | 100.00% |
| 2016 | 14,590,356 | 14,409,972 | 98.76% | 180,267 | 14,590,239 | 100.00% |
| 2015 | 14,296,356 | 14,130,137 | 98.84% | 166,219 | 14,296,356 | 100.00% |
| 2014 | 14,008,498 | 13,817,018 | 98.63% | 191,480 | 14,008,498 | 100.00% |
| 2013 | 12,722,328 | 12,576,283 | 98.85% | 146,045 | 12,722,328 | 100.00% |
| 2012 | 11,584,146 | 11,450,793 | 98.85% | 133,353 | 11,584,146 | 100.00% |

Table 8

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

| Taxpayer | 2021 | | | 2012 | | |
|--|------------------------------|------|--|------------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total Taxable Assessed Value | Taxable Assessed Value | Rank | % of Total Taxable Assessed Value |
| Walkers Point Family Limited Partnership | \$13,488,500 | 1 | 0.67% | \$ 11,456,100 | 2 | 0.63% |
| Boughton Hotel Corp | 13,067,400 | 2 | 0.65% | 11,878,300 | 1 | 0.65% |
| O'Neill, Timothy J | 9,949,900 | 3 | 0.49% | 9,949,500 | 3 | 0.54% |
| Fishing Pole Lane LLC | 8,312,800 | 4 | 0.41% | | | |
| Seaside Hotel Associates | 8,112,300 | 5 | 0.40% | 7,976,300 | 5 | 0.44% |
| Central Maine Power | 6,342,000 | 6 | 0.32% | | | |
| Maiuccoro, Cathiann | 5,875,100 | 7 | 0.29% | 5,833,100 | 8 | 0.32% |
| Kennebunkport Captains | 5,690,000 | 8 | 0.28% | | | |
| Hetz Family Trust | 5,594,300 | 9 | 0.28% | 5,589,200 | 9 | 0.31% |
| Philip J Mccabe Revocable Trust | 5,553,500 | 10 | 0.28% | | | |
| Katz, Joanne | | | | 5,161,700 | 10 | 0.28% |
| Hios Hospitality LLC | | | | 9,488,800 | 4 | 0.52% |
| Goose Rocks at Kennebunkport LLC | | | | 6,584,000 | 6 | 0.36% |
| Wellesley Group LLC | | | | 6,325,300 | 7 | 0.35% |
| | <u>\$ 81,985,800</u> | | <u>4.08%</u> | <u>\$ 80,242,300</u> | | <u>4.39%</u> |

Source: Kennebunkport Assessor's Office

Table 9

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

| | General | | | Total | | Percentage | | |
|-------------|-------------------------|------------|-----------|--------------------------|------------------|------------------------|----------------|-----------------|
| Fiscal Year | Obligation Bonds | Premium | Notes | Sewer Bonds | Outstanding Debt | of Personal Income (1) | Population (2) | Debt per Capita |
| | Governmental Activities | | | Business-type Activities | | | | |
| 2021 | \$ 10,855,742 | \$ 374,086 | \$ 18,167 | \$ 2,147,069 | \$ 13,395,064 | 7.25% | 3,548 | 3,775 |
| 2020 | 11,404,315 | 462,716 | 23,768 | 224,580 | 12,115,379 | 6.88% | 3,548 | 3,415 |
| 2019 | 11,487,045 | 546,406 | - | 278,781 | 12,312,232 | 6.99% | 3,548 | 3,470 |
| 2018 | 813,934 | - | 6,422 | 332,023 | 1,152,379 | 0.70% | 3,544 | 325 |
| 2017 | 560,000 | - | 12,677 | 384,344 | 957,021 | 0.61% | 3,535 | 271 |
| 2016 | 320,000 | - | 18,767 | 435,786 | 774,553 | 0.51% | 3,510 | 221 |
| 2015 | 573,611 | - | 24,698 | 486,389 | 1,084,698 | 0.73% | 3,510 | 309 |
| 2014 | 823,546 | - | 30,475 | 536,192 | 1,390,213 | 0.94% | 3,510 | 487 |
| 2013 | 1,070,170 | - | 36,251 | 585,226 | 1,691,647 | 1.33% | 3,474 | 600 |
| 2012 | 1,313,606 | - | 11,335 | 758,530 | 2,083,471 | 1.52% | 3,474 | 717 |

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

(2) United States Census Bureau

Table 10

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

| Fiscal Year Ended June 30, | General Obligation Bonds (1) | Percentage of Estimated Actual Taxable Value of Property (2) | Per Capita (3) |
|---------------------------------------|---|---|---------------------------|
| 2021 | \$ 13,376,897 | 0.67% | 3,770 |
| 2020 | 12,091,611 | 0.62% | 3,408 |
| 2019 | 12,312,232 | 0.63% | 3,470 |
| 2018 | 1,145,957 | 0.06% | 323 |
| 2017 | 944,344 | 0.05% | 267 |
| 2016 | 755,786 | 0.04% | 215 |
| 2015 | 1,060,000 | 0.06% | 302 |
| 2014 | 1,359,738 | 0.07% | 387 |
| 2013 | 1,655,396 | 0.09% | 477 |
| 2012 | 2,072,136 | 0.11% | 596 |

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

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

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

Table 11

TOWN OF KENNEBUNKPORT, MAINE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

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

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

Table 14

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

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

(1) State of Maine, Department of Labor

Table 15

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

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

Source: Town's Finance Department

Table 16

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

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

Source: Town Departments

Table 17

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

| Function | Fiscal Year | | | | | | | | | |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Government: | | | | | | | | | | |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Emergency units | 8 | 8 | 8 | 8 | 10 | 12 | 12 | 14 | 13 | 11 |
| Fire: | | | | | | | | | | |
| Stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Emergency units | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Highway: | | | | | | | | | | |
| Buildings | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Streets (miles) | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| Street lights | 280 | 280 | 280 | 280 | 280 | 280 | 280 | 280 | 280 | 280 |
| Municipal parking lot | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation: | | | | | | | | | | |
| Parks | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Sewer: | | | | | | | | | | |
| Sewer pipe (miles) | 20.41 | 20.41 | 20.41 | 20.41 | 20.41 | 20.41 | 20.41 | 20.41 | 20.41 | 20.41 |
| Maximum daily treatment capacity (thousands of gallons) | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 |
| Piers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

Source: Town Departments

Fund Balance Transfer

Memo

To: Kennebunkport Board of Selectmen

From: Laurie Smith, Town Manager
Denise Brown, Finance Director

Date: 1/7/2022

Re: Fund Balance Transfer

In accordance with the General Fund-Fund Balance Policy, we are recommending that the Board of Selectmen authorize the transfer of \$1,264,394 to the Capital Projects Fund-General Capital Improvements account. This will adjust the General Fund Unassigned Fund Balance (Statement 3 of the Annual Finance Report) to \$3,904,780.

This addition of \$1,264,394 and the current year use of \$325,000 generates a balance of \$1,408,661 in the General Capital Improvements account for future use towards Capital Improvement projects.

| Town of Kennebunkport Unassigned Fund Balance | |
|--|------------|
| Total Expenditures (Statement 4) | 20,450,224 |
| Transfers to Other Funds | 1,242,996 |
| Total Budget | 21,693,220 |
| Unassigned Fund Balance Should be 18% Budget | 3,904,780 |
| 6/30/21 Unassigned Fund Balance (Statement 3) | 5,169,174 |
| Unassigned Fund Balance Should be 18% Budget | 3,904,780 |
| Amount to Transfer to Capital Improvements | 1,264,394 |
| | |
| Capital Improvements | |
| Balance at 6/30/2021 | 469,267 |
| Transfer per FY22 Budget | (325,000) |
| Transfer per Fund Balance Policy | 1,264,394 |
| Adjusted Balance | 1,408,661 |

Town of Kennebunkport

FINANCIAL OVERVIEW

Presented By: Hank Farrah

RUNYON KERSTEEN OUELLETTE

INSIDE

2. Summary of Audit Results
3. Fund Balances
4. General Fund - Revenues
5. General Fund - Expenditures
6. Unassigned Fund Balance as a Percentage of Expenditures
7. Revenue Distribution
8. Expenditure Distribution - 2021
9. Expenditure Distribution - 2020

About this presentation

This presentation is intended as a tool to assist the Board of Selectmen and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the comprehensive annual financial report and should not be used for any other purposes without the expressed consent of *RUNYON KERSTEEN OUELLETTE*.

Please contact us at 207-773-2986 or 1-800-486-1784
20 Long Creek Drive, South Portland, ME 04106



Town of Kennebunkport

SUMMARY OF AUDIT RESULTS

- Financial Statement Opinion - Unmodified
- Report Required by *Government Auditing Standards (GAS)*
 - No Material Weaknesses
 - No Significant Deficiencies



Town of Kennebunkport

FUND BALANCES



Observations:

- Total Fund balance increased by \$948,100 to \$6,139,397 in the current year.
- See pages 47-49 of the financial statements for breakdown of fund balance.



Town of Kennebunkport

GENERAL FUND - REVENUES

| | Budget | Actual | Variance |
|--|----------------------|-------------------|------------------|
| Property taxes | \$ 19,039,109 | 19,102,000 | 62,891 |
| Excise taxes | 962,600 | 1,169,421 | 206,821 |
| Intergovernmental revenues | 484,088 | 653,163 | 169,075 |
| Licenses and permits | 284,350 | 585,742 | 301,392 |
| Charges for services | 174,400 | 336,310 | 161,910 |
| Interest earned | 30,000 | 70,344 | 40,344 |
| Other revenues | 22,500 | 54,340 | 31,840 |
| Total revenues | 20,997,047 | 21,971,320 | 974,273 |
| Transfers in | 670,000 | 670,000 | - |
| Utilization of prior year surplus | 610,555 | - | (610,555) |
| Utilization of carryforward balances | 636,908 | - | (636,908) |
| Total revenue and other financing sources | \$ 22,914,510 | 22,641,320 | (273,190) |

SUMMARY OF SIGNIFICANT VARIANCES

- More excise taxes were collected than budgeted.
- Intergovernmental was over budget due to State revenue sharing and covid funding.
- Licenses and permits came in over budget due to building permits issued.
- Charges for services surpassed budget due to GRB receipts and parking ticket revenue.
- Interest earned had better interest rates with more cash in the bank.



Town of Kennebunkport

GENERAL FUND - EXPENDITURES

| | Budget | Actual | Variance |
|---|----------------------|-------------------|------------------|
| General government | \$ 2,116,958 | 1,901,836 | 215,122 |
| Public safety | 2,975,067 | 2,707,668 | 267,399 |
| Public works | 1,252,337 | 1,114,851 | 137,486 |
| Health and welfare | 748,911 | 654,210 | 94,701 |
| Recreation and culture | 528,814 | 470,602 | 58,212 |
| County tax | 1,150,725 | 1,150,725 | - |
| Education | 11,447,719 | 11,447,719 | - |
| Debt service | 941,969 | 941,464 | 475 |
| Committed funds | 509,044 | 41,309 | 467,735 |
| Transfers out | 1,242,996 | 1,242,996 | - |
| Total expenditures and transfers out | \$ 22,914,510 | 21,673,380 | 1,241,130 |

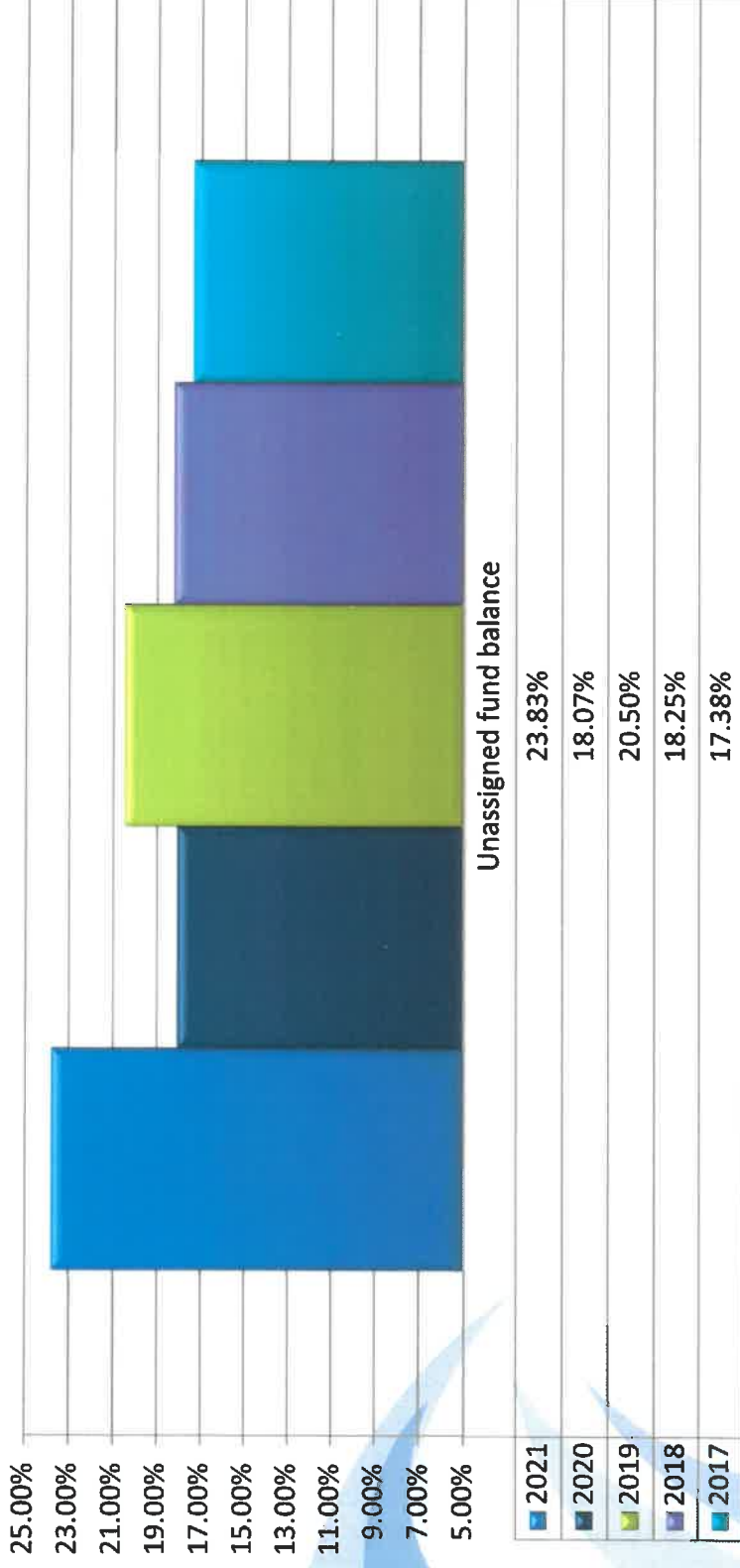
SUMMARY OF SIGNIFICANT VARIANCES

- General government was under budget due to unused contingency and overlay.
- Public safety had savings in wages and benefits.
- Public works required less salt over the winter months.
- Health and welfare had savings in solid waste services and wages for health were covered by FEMA.
- Recreation director retired and was not replaced for a portion of the year.
- Committed funds are carried forward until their intended use.



Town of Kennebunkport

GENERAL FUND – Unassigned Fund Balance as a Percentage of Expenditures



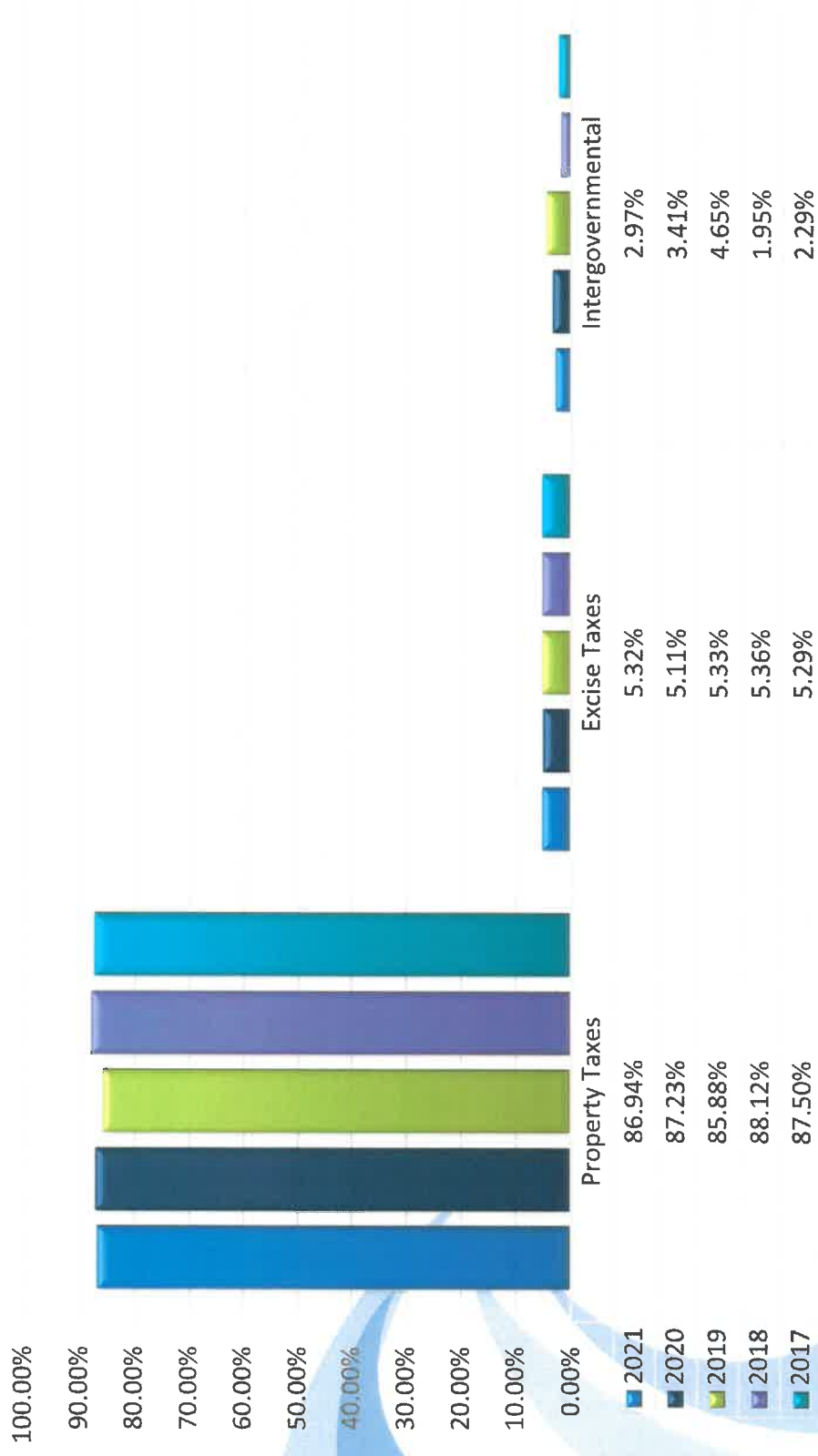
Town of Kennebunkport Minimum Fund Balance Policy:

“It is the policy of the Town of Kennebunkport to maintain unassigned fund balance in the general fund at a minimum of two months of general fund expenditures (or 18%) measured on a GAAP basis. If unassigned fund balance drops below this level, the Town will develop a plan to bring the balance to the target level over a period of five years or less. Any unassigned funds in excess of the 18% target balance will be transferred to capital reserve accounts for projects identified in the Capital Improvement Plan.”



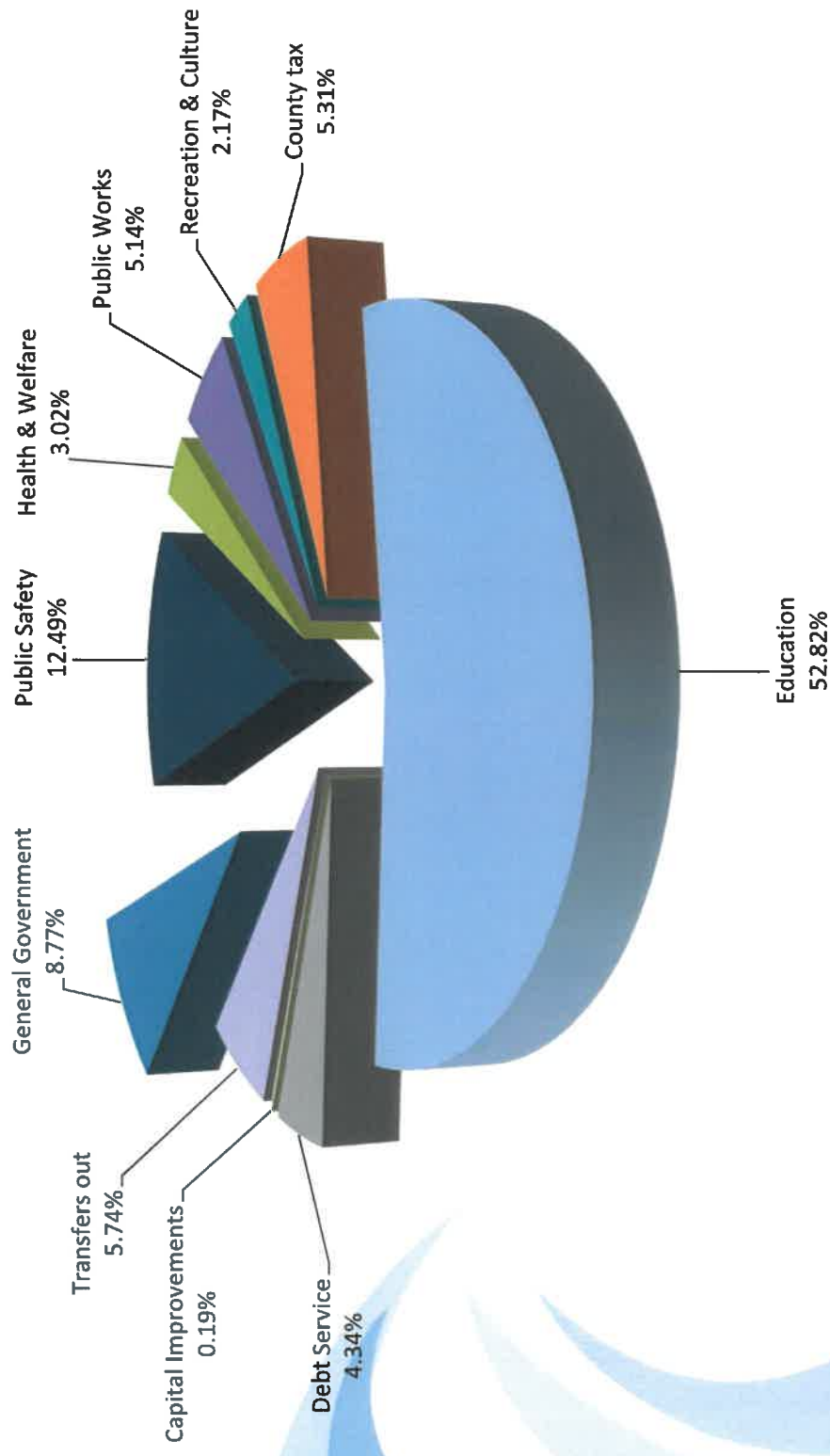
Town of Kennebunkport

GENERAL FUND – Revenue Distribution



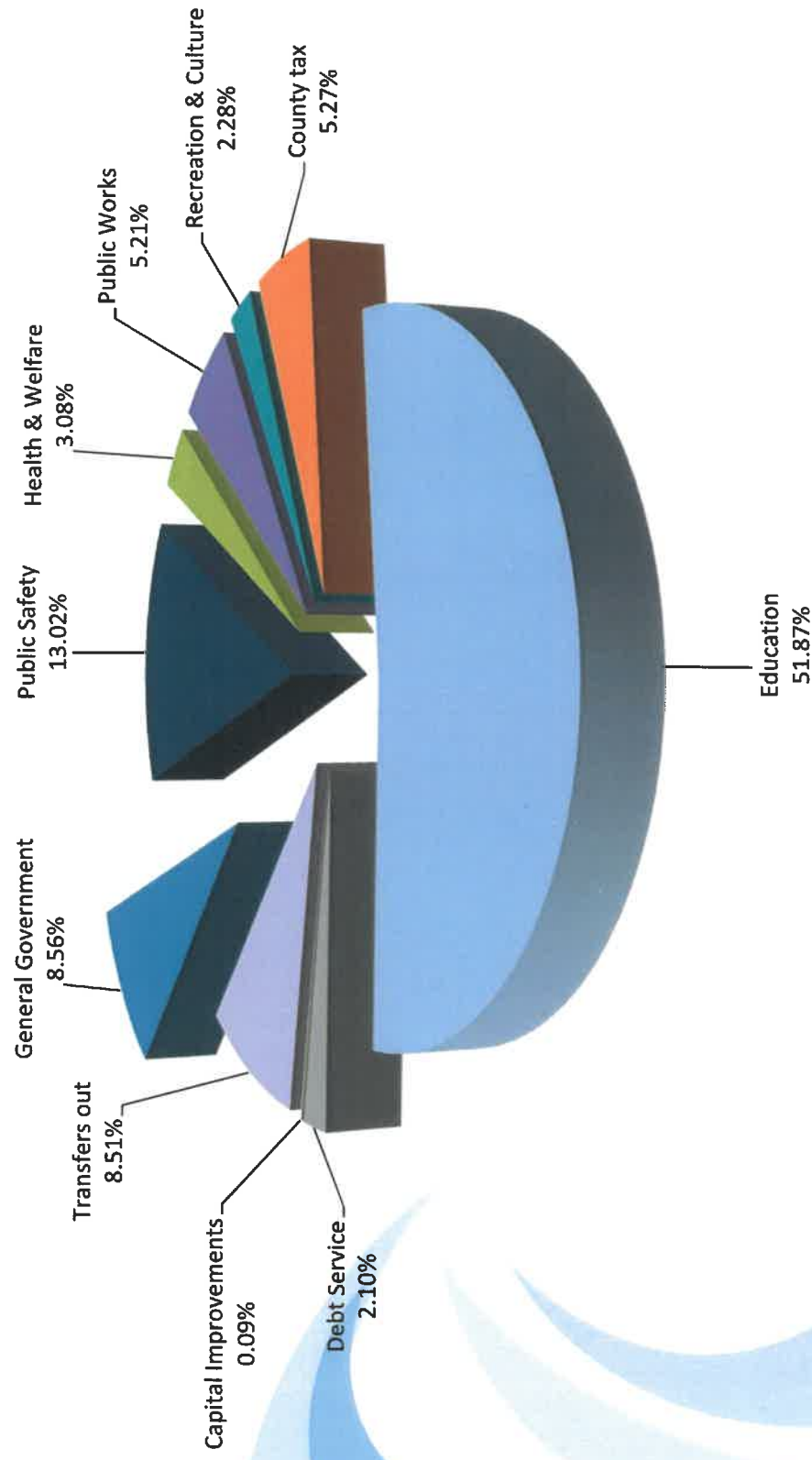
Town of Kennebunkport

GENERAL FUND – Expenditure Distribution - 2021



Town of Kennebunkport

GENERAL FUND – Expenditure Distribution - 2020





2020-2021 Water Quality Updates

Goose Rocks Beach

Meagan Sims
Program Coordinator
Maine Healthy Beaches Program

MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

Protecting Maine's Air, Land and Water

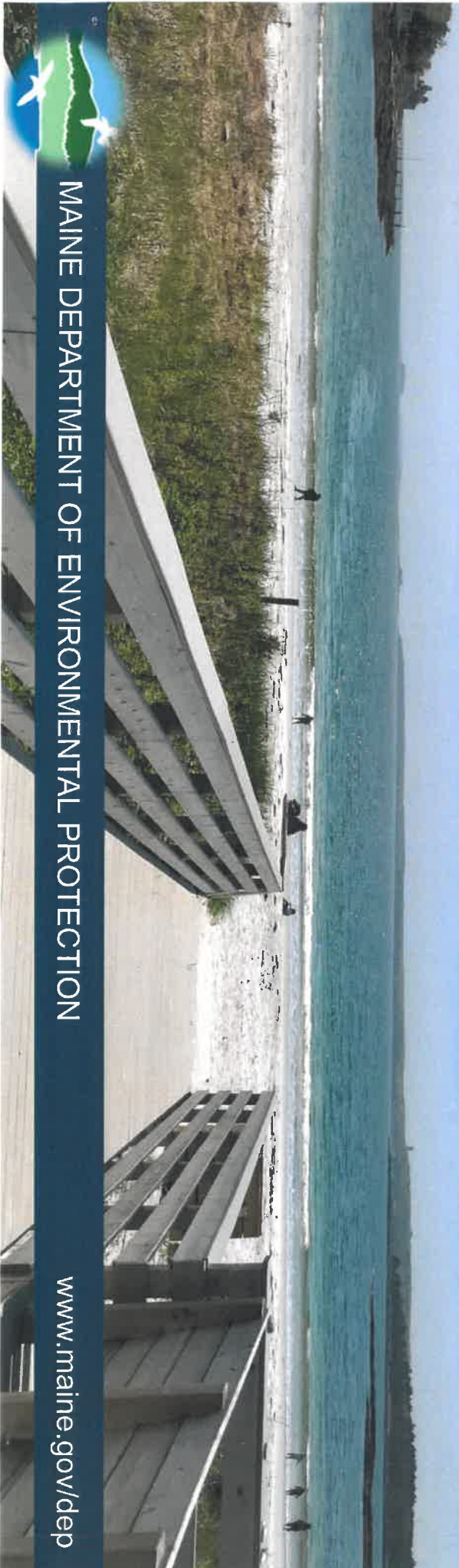
MHB Purpose

Implement a coastal, marine beach monitoring and public notification program.



MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

www.maine.gov/dep



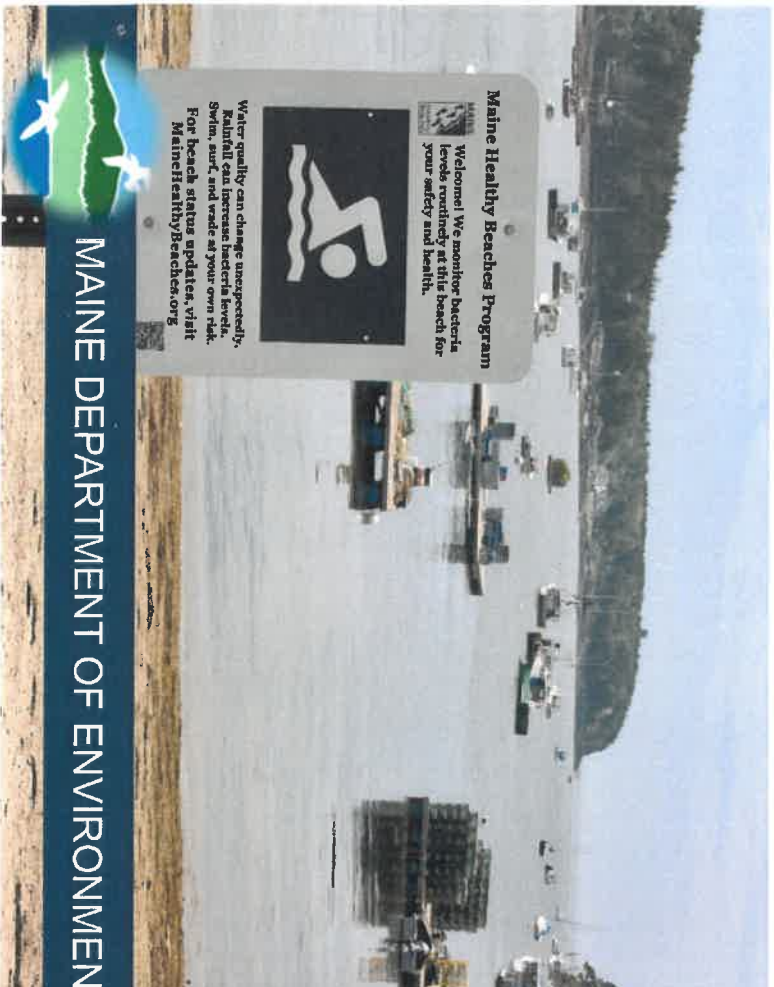
Program Participation

Management

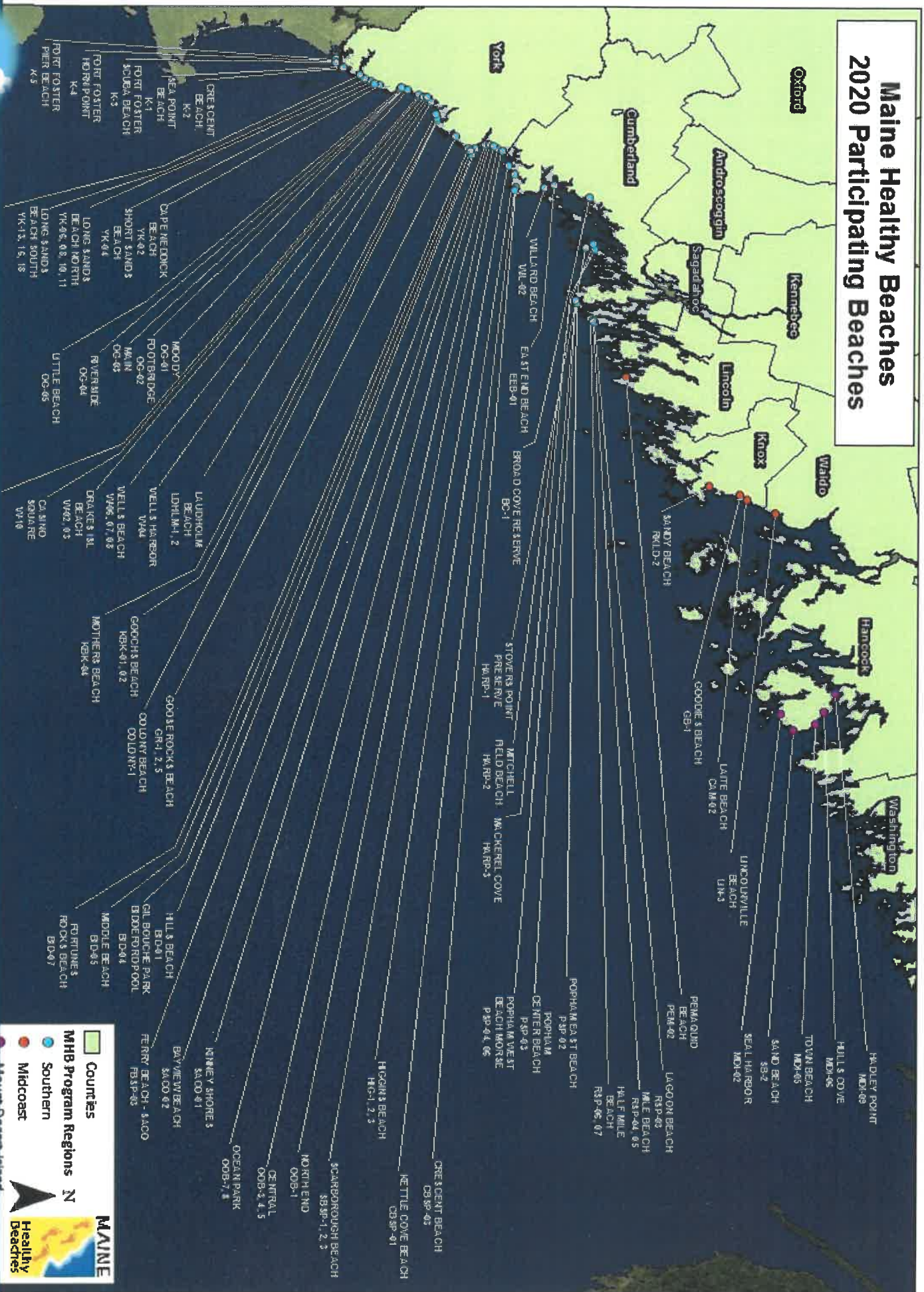
Entities: **29**

Beach Management

Areas: **65**



Maine Healthy Beaches 2020 Participating Beaches



MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

www.maine.gov/dep

Monitoring



Bacteria & Swim Safety

Enterococcus

- EPA-recommended fecal indicator bacteria (FIB) for marine recreational waters
- Indicator of fecal waste from humans and warm-blooded animals.
- Indicates *possible* presence of pathogens
- Regrow in the environment

Maine's Beach Action Value

104 MPN/100ML



Public Notification

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MAINE DEPARTMENT OF
Environmental Protection

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Contacts

Permits, Licenses,
Certifications

Laws

Monitoring and Reporting

Programs

Rules

Publications and Resources

Maine Healthy Beaches



The Maine Healthy Beaches Program (MHB) is a partnership between the Maine Department of Environmental Protection and local municipalities/state parks. The program

Contact Information:

Megan Sims

Maine Healthy Beaches Coordinator
312 Canco Road
Portland, ME 04103
207-530-2518
megan.sims@maine.gov

Tracy Krueger

Maine Healthy Beaches Data and
Technical Manager
28 Tyson Drive
Augusta, Maine 04333
207-215-6851
tracy.krueger@maine.gov



MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

www.maine.gov/dep



Public Notification

Home

Monitoring
Notifications
and Alerts

Resources and
Advice

Check Beach
Status



Welcome to the *Maine Healthy Beaches* Dashboard, a public resource provided by Maine DEP for information on Maine coastal, marine beach water quality sampling results and beach advisories and closures. Beach sampling locations are routinely monitored for fecal bacteria during the swim season, between Memorial Day and Labor Day.

*For optimal viewing on a mobile device, please view in landscape orientation. If you are having trouble viewing Dashboard information on your computer, clearing the cache on your browser may help.

Maine Healthy Beaches Dashboard

CLICK AN ADVISORY OR ENTEROCOCCUS RECORD TO RESULT, WHEN SELECTED, A BLUE BAR WILL DISPLAY ON THE LEFT OF THE ITEM.
RE-CLICK THE SELECTED ITEM(S) TO CLEAR THE SELECTION.

ACTIVE CONTAMINATION ADVISORIES
No Active Advisories

CONTAMINATION
ADVISORIES

0

PRECAUTIONARY
RAINFALL ADVISORIES

0

CLOSURES

0

USE HOME BUTTON IN MAP TOOLBAR TO Zoom TO FULL STREET AND SHOW ALL DATA



ACTIVE
PAST

ACTIVE CLOSURES
No Active Advisories

ACTIVE
PAST

ACTIVE PRECAUTIONARY RAINFALL
ADVISORIES

ACTIVE
PAST

Select Town/Town
CLEAR ALL

ENTEROCOCCI BACTERIA RESULTS

Enter a beach address below (filter on single sample below threshold) for historical or marine bacteria to see map below

| SITE | DATE | RESULTS |
|------|------|---------|
|------|------|---------|

Portland, EAST END BEACH
888-01 8/26/2021 410

Portland, EAST END BEACH
888-01 08/16/2021 40

Portland, EAST END BEACH
888-01 08/16/2021 10

Portland, EAST END BEACH
888-01 08/16/2021 10

Portland, EAST END BEACH
888-01 08/16/2021 10

Portland, EAST END BEACH
888-01 08/16/2021 410

Portland, EAST END BEACH
888-01 08/16/2021 410

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

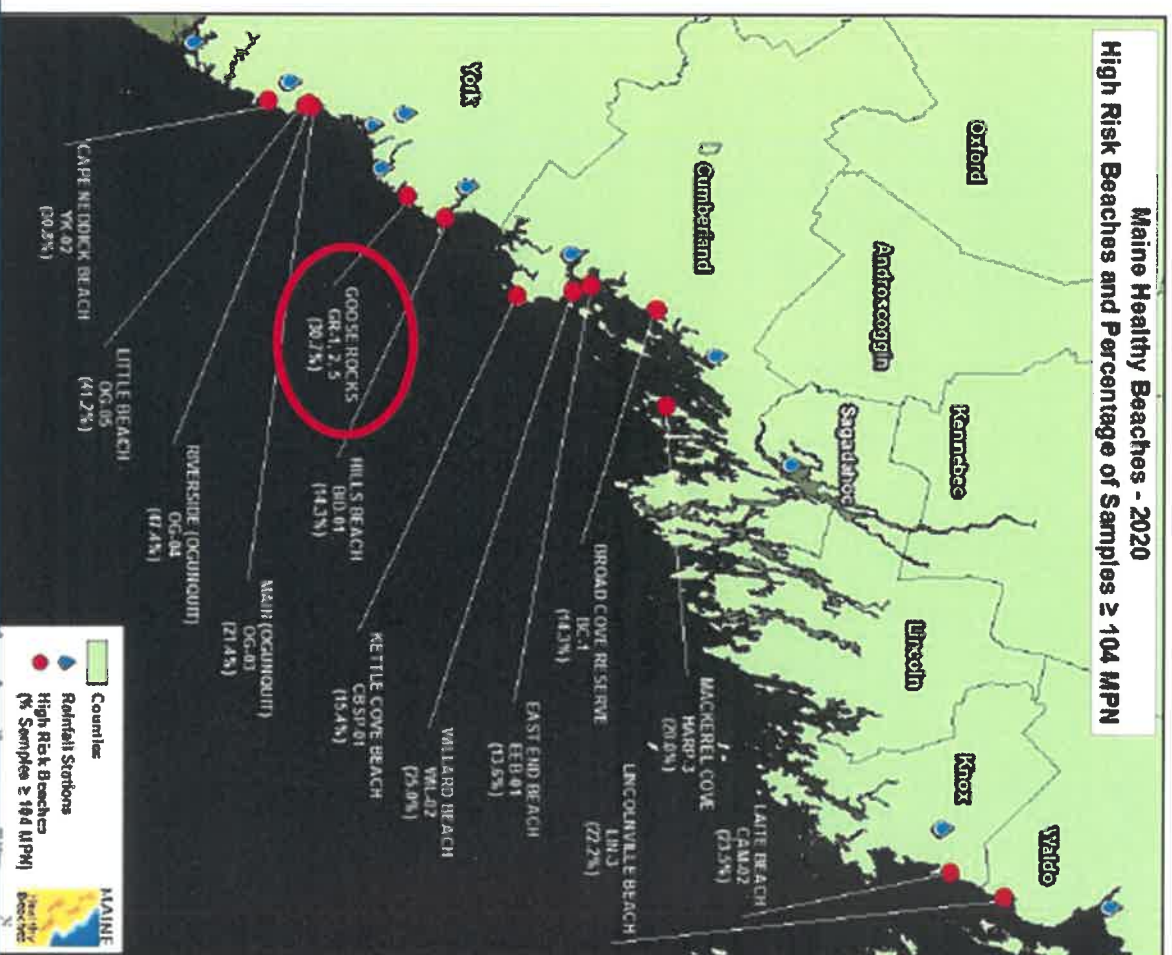
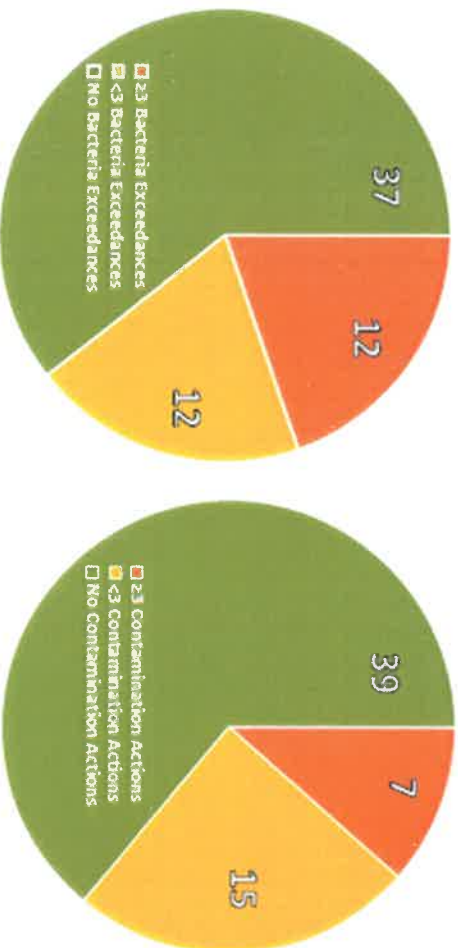
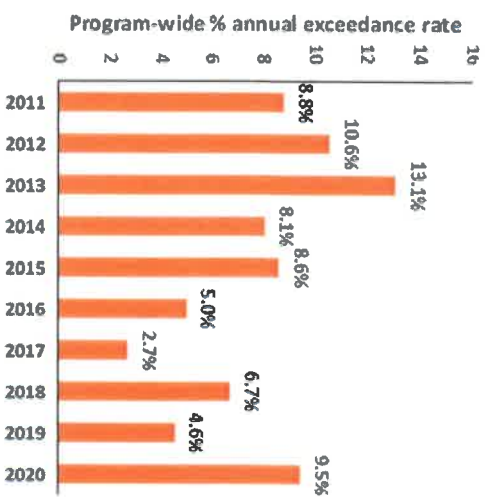
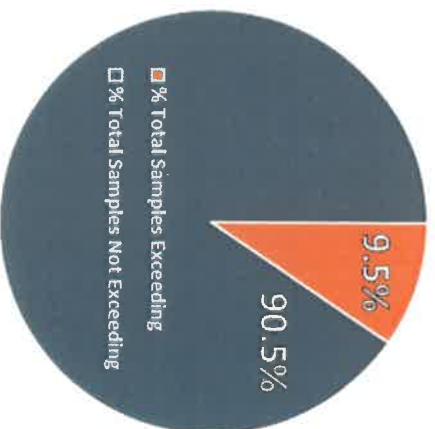
Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210

Portland, EAST END BEACH
888-01 08/16/2021 210



Annual Assessments



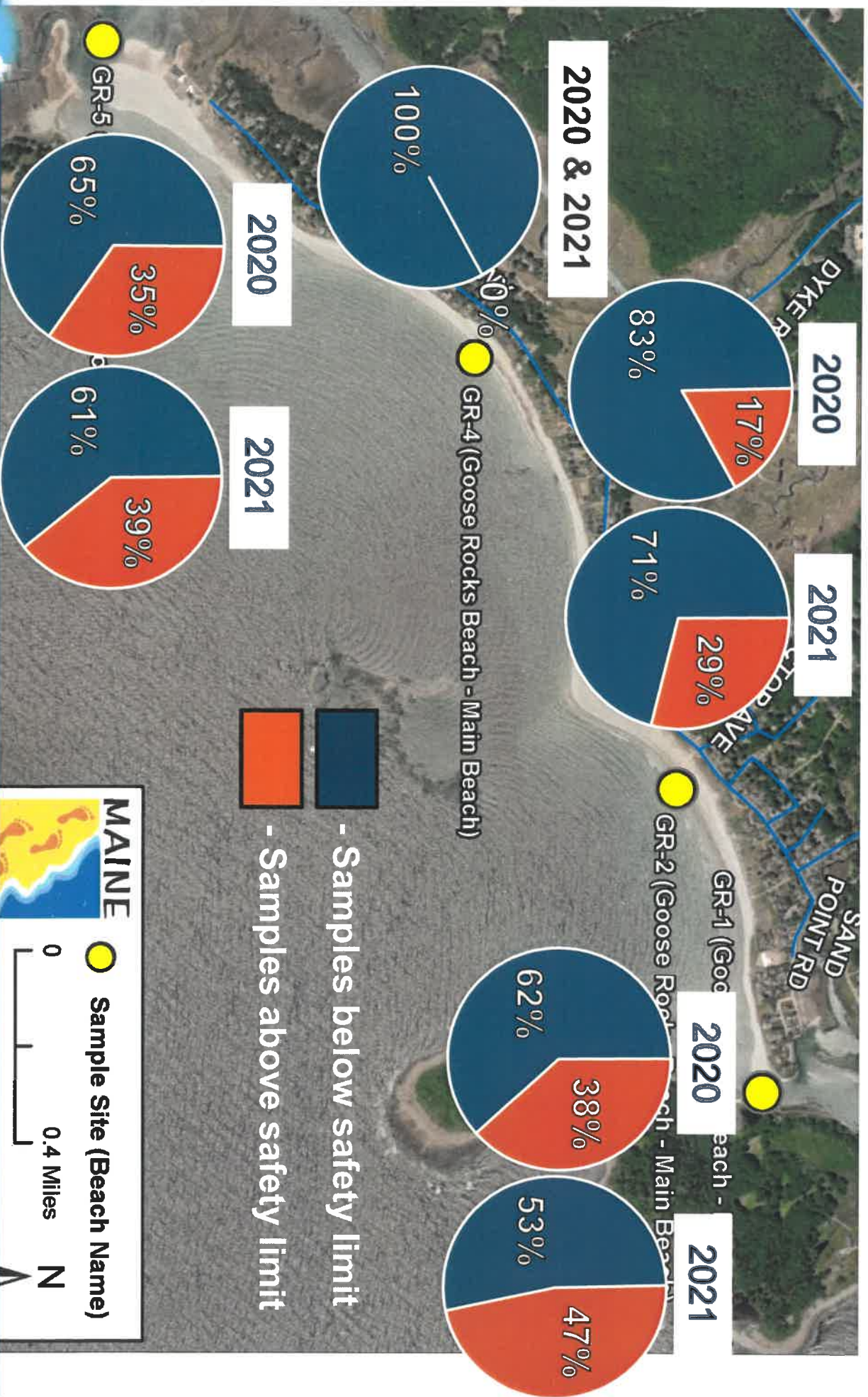
2020-2021 Water Quality Trends



MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

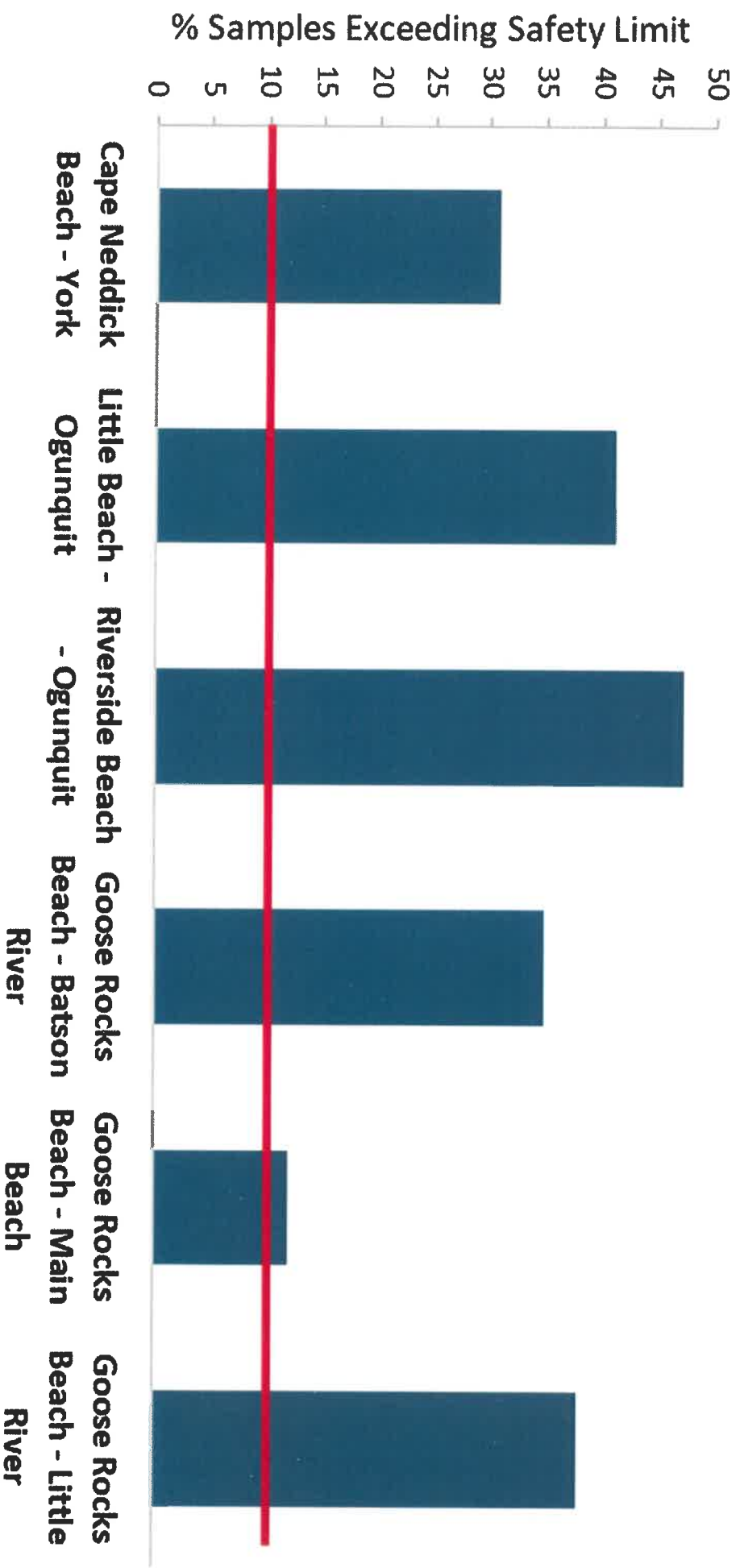
www.maine.gov/dep

2020-2021 GRB Water Quality Trends



Water Quality Trends

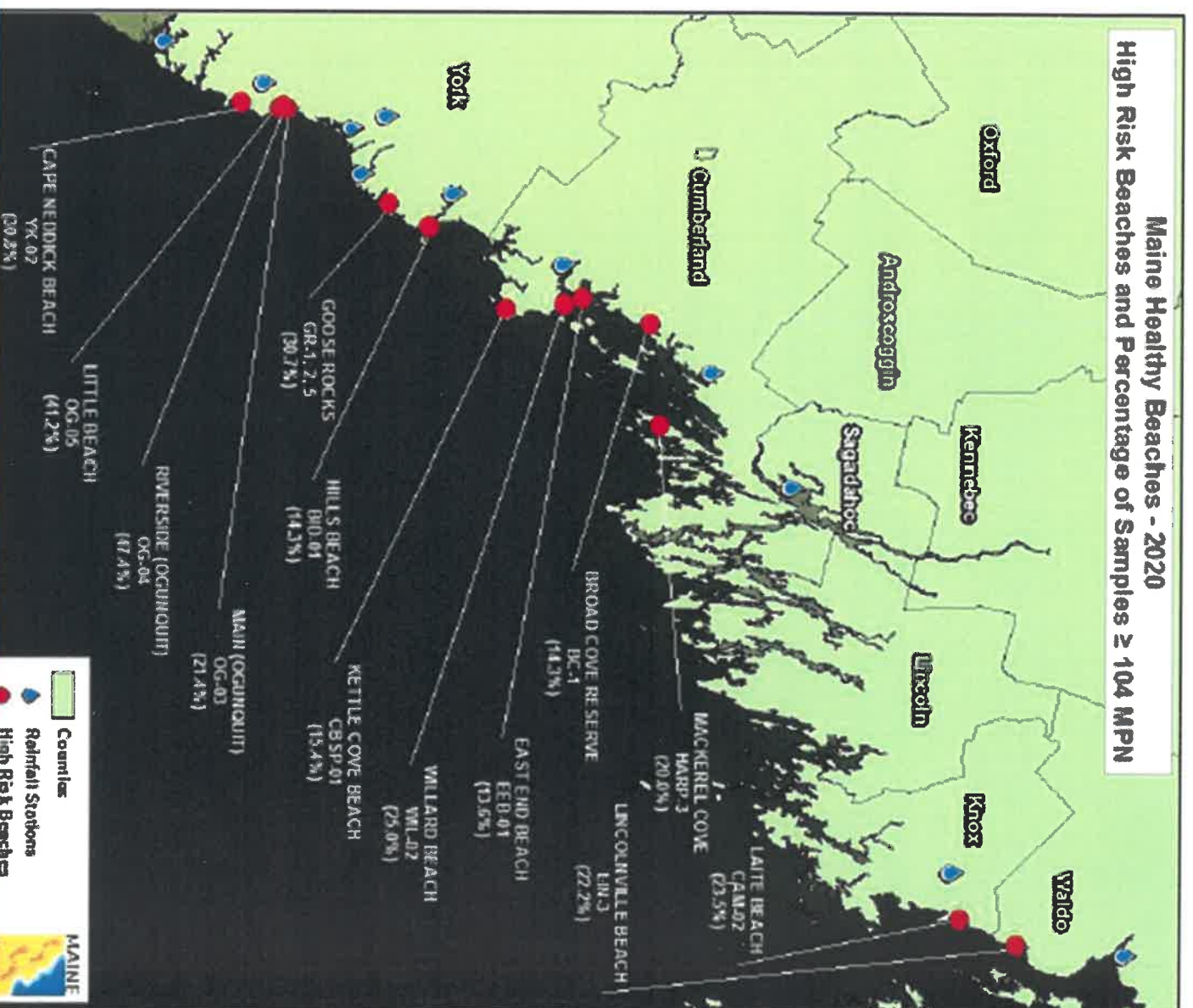
2020 Monitoring Season



Enhanced Monitoring

Objectives:

- Build local capacity to address existing and future bacteria impairments
- Improve downstream beach water quality
- Inform management decisions
- Support watershed plan development and increase opportunities for funding.



Enhanced Monitoring

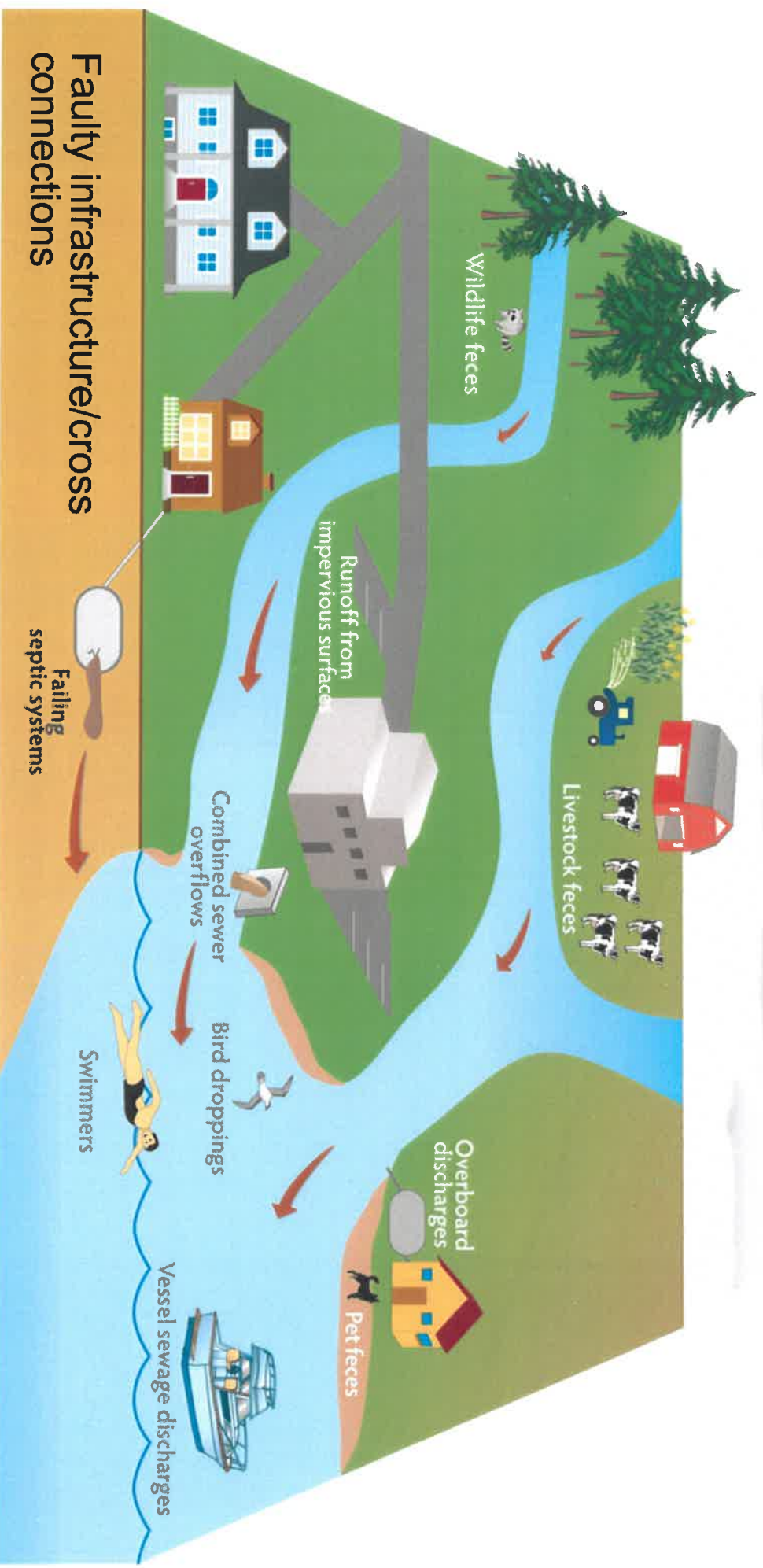


MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

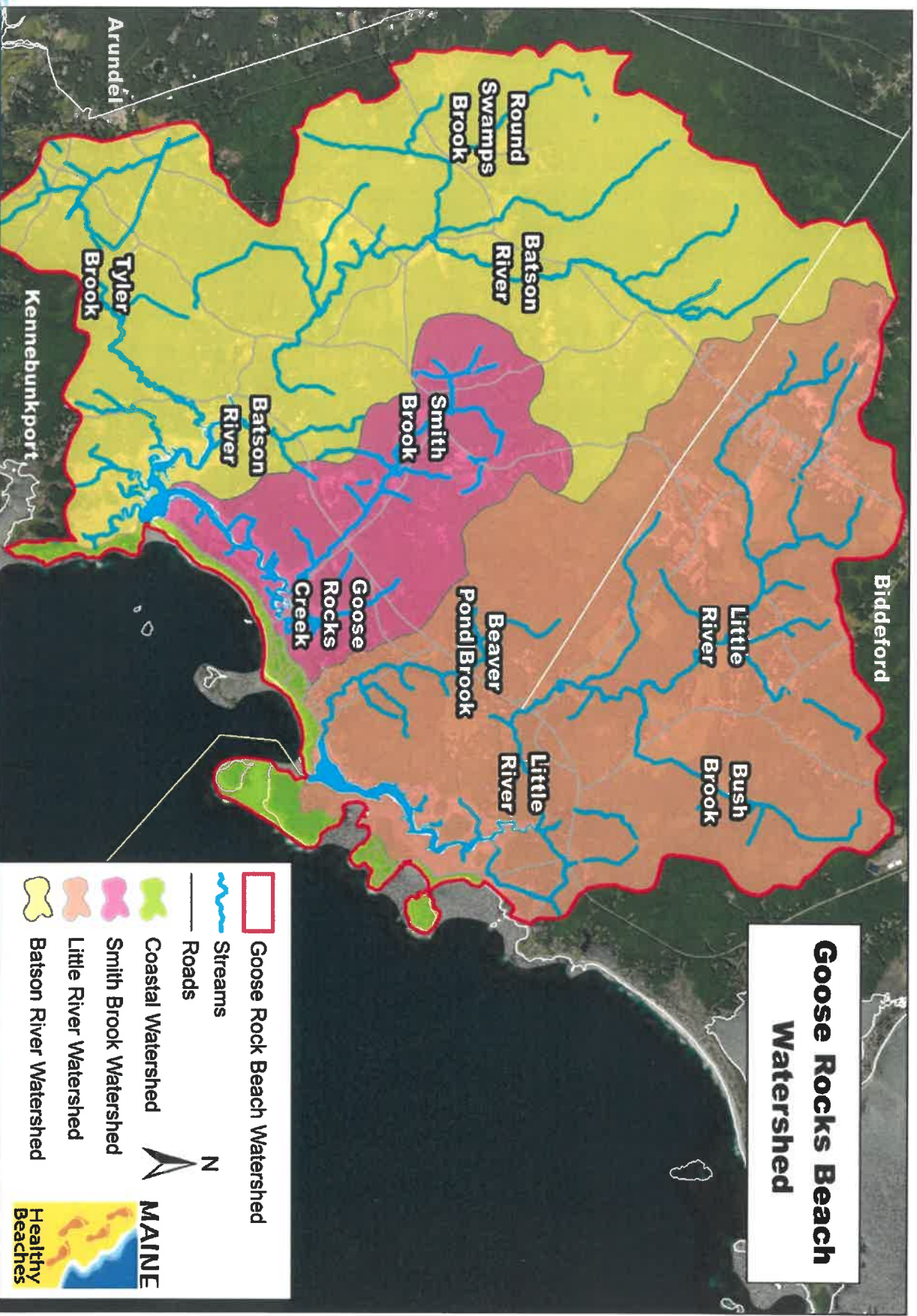
www.maine.gov/dep



Sources of Bacterial Pollution



Watershed Monitoring



MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

www.maine.gov/dep

Data Source: Maine's Office of GIS, FB Environmental, WNERR

Watershed Monitoring

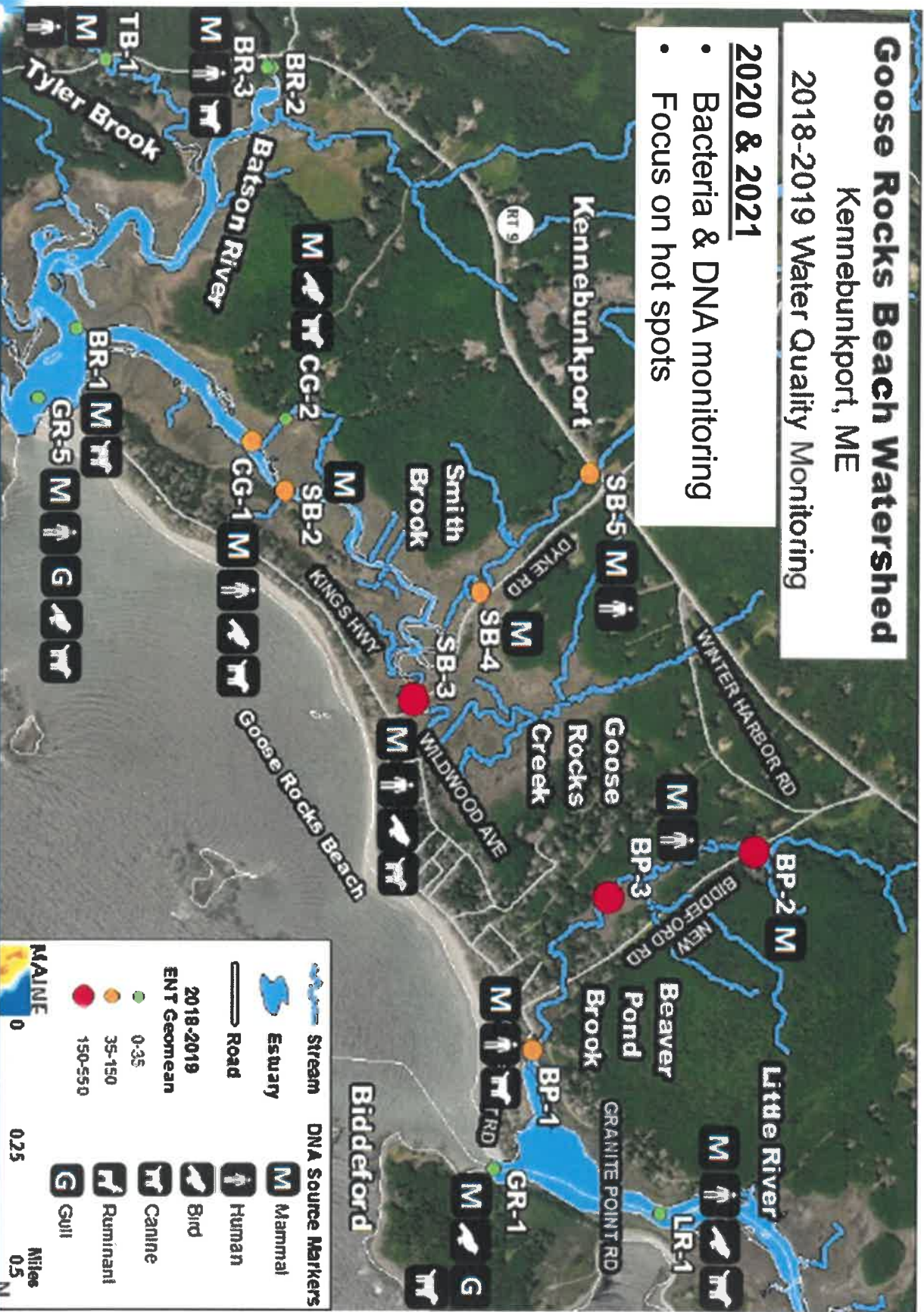
Goose Rocks Beach Watershed

Kennebunkport, ME

2018-2019 Water Quality Monitoring

2020 & 2021

- Bacteria & DNA monitoring
- Focus on hot spots



Watershed Monitoring

Goose Rocks Beach Watershed

Kennebunkport, ME

2018-2019 Water Quality Monitoring

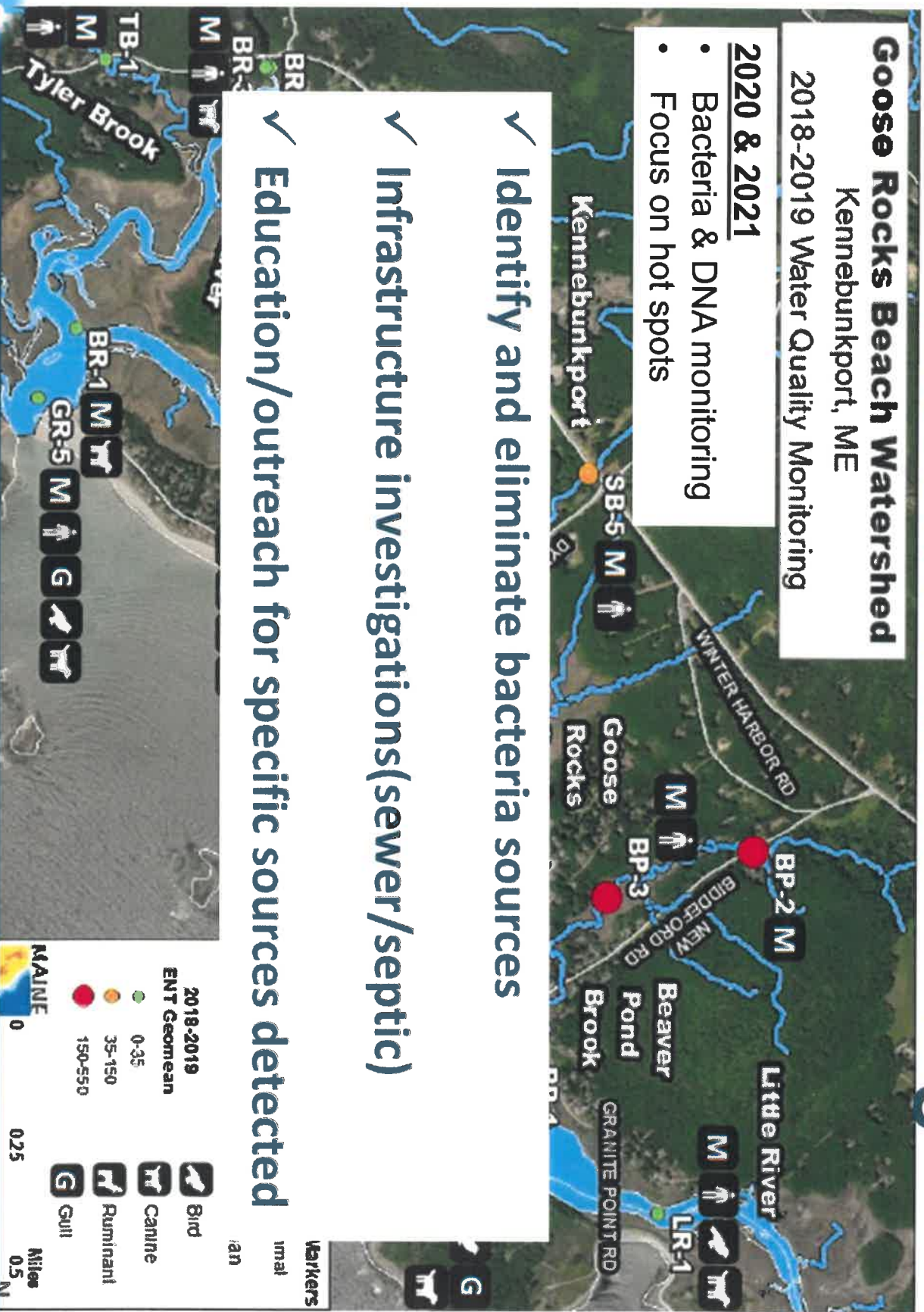
2020 & 2021

- Bacteria & DNA monitoring
- Focus on hot spots

✓ Identify and eliminate bacteria sources

✓ Infrastructure investigations(sewer/septic)

✓ Education/outreach for specific sources detected



Recap

Began participating with the Maine Healthy Beaches program to monitor beach water quality.

2004

Increased watershed testing and follow up investigations including stormwater and wastewater investigations.

2018-2021

Partnered with UNE to host an intern. Efforts supported data management and storymap development.

2020-2021





**KENNEBUNKPORT
PUBLIC HEALTH**

Education/Outreach

Please help keep our beach clean & safe!

This home uses a SEPTIC SYSTEM

Do not flush or drain:

- Food Debris
- Grease
- Paper Towels
- Sanitary Products
- Tissues or Wipes
- Cotton Swabs
- Non-Biodegradable Products



What to Do With Doo

**Clean up after your
pets and do your part
to keep our water
resources healthy!**



SWIMMING ADVISORY

Weekly water testing: Memorial Day - Labor Day

Caution

Elevated bacteria levels have been found in the rivers at either end of Goose Rocks Beach (Little River and Batsen River) particularly at low tide. At low tide, it is advised to swim in the main beach of Goose Rocks Beach and avoid water contact in the rivers.

Elevated bacteria levels can occur at the beach and river areas after heavy rains. Water contact should be avoided after heavy rain at all parts of Goose Rocks Beach.

For more information, contact:
Kennebunkport Public Health Dept. @ (207) 967-4401,
or visit: www.kennebunkportpublichealth.org

NO LIFEGUARD ON DUTY

RAINFALL ADVISORY

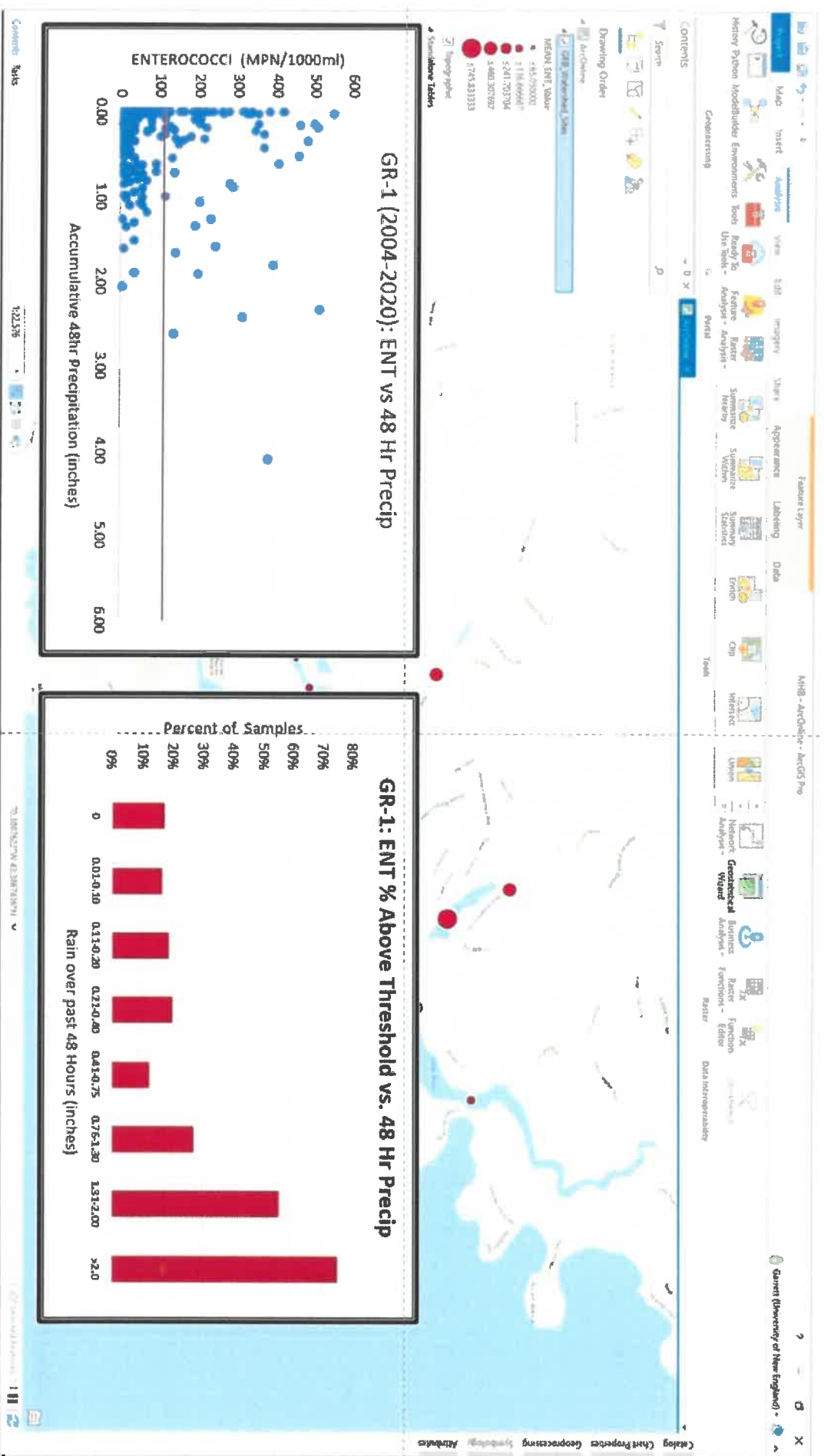
Rainfall can increase bacteria levels. Water contact not advised.

CONTAMINATION ADVISORY

Bacteria levels may be unsafe. Water contact is not advised.

Data compilation → master dataset

UNE Internship – Data

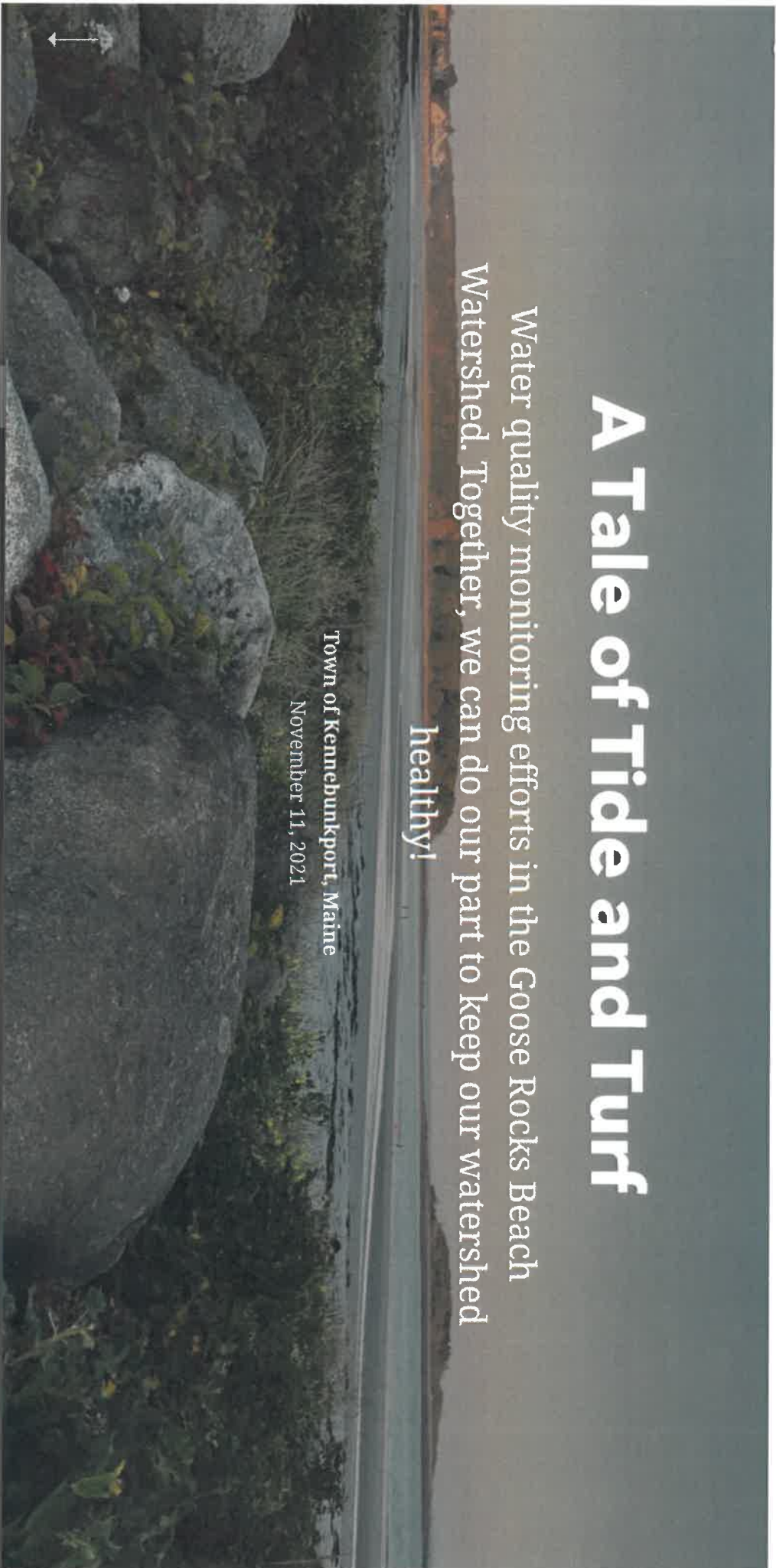


UNE Internship - Storymap

A Tale of Tide and Turf

Water quality monitoring efforts in the Goose Rocks Beach Watershed. Together, we can do our part to keep our watershed healthy!

Town of Kennebunkport, Maine
November 11, 2021



<https://storymaps.arcgis.com/stories/c7c5bbcc2d414e66ab2e9801e09d3121>

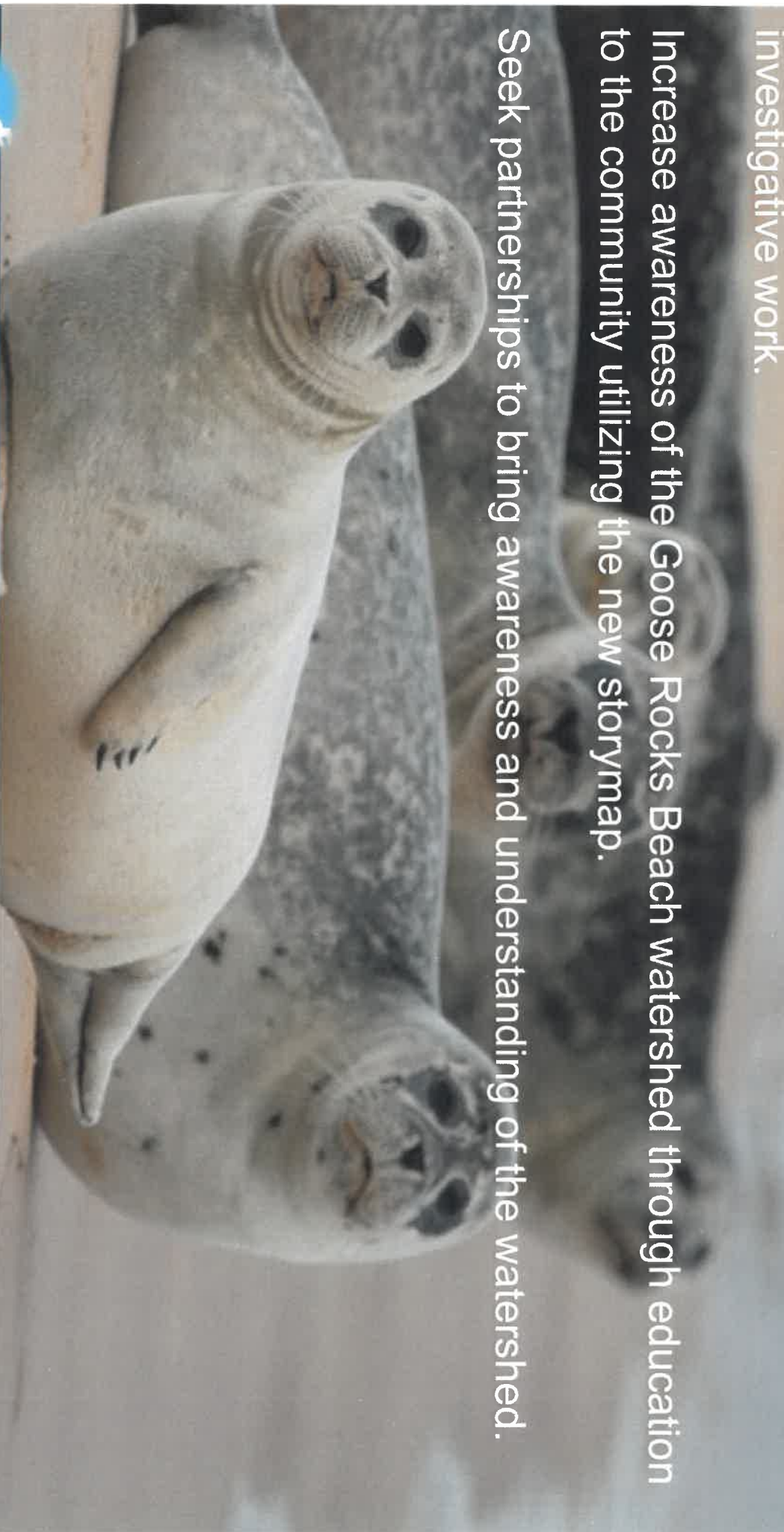


Next Steps

Continue watershed monitoring with DNA sampling to identify potential sources of contamination and address issues when they arise through targeted investigative work.

Increase awareness of the Goose Rocks Beach watershed through education to the community utilizing the new storymap.

Seek partnerships to bring awareness and understanding of the watershed.





Contact:

Maine Healthy Beaches – Maine DEP

Meagan Sims

meagan.sims@maine.gov

207-530-2518

Town of Kennebunkport

Allison Kenneway

akenneway@kennebunkportme.gov

207-967-4401

www.maine.gov/dep



MEMORANDUM

TO: LAURIE SMITH
BOARD OF SELECTMAN

FROM: CRAIG SANFORD – POLICE CHIEF
JOHN EVERETT – FIRE CHIEF

SUBJECT: RADIO SYSTEM APPROVAL

DATE: JANUARY 18, 2022

In the winter of 2019, the department heads of the town started a discussion about issues with the radio system. The largest complaint was the lack of signal strength (range) that we currently work under. We started by meeting with 2-Way Communications Service Inc, a company that for years has given the Town great service and reliability especially when we have needed a repair on the public safety side of our existing radio system. The information attached to this memo is the solution to these radio system issues.

As you recall, we looked at the radio needs for the entire town, from public safety, highway, and wastewater. The system chosen may be expanded as the needs of the town grow. The proposal replaces all radios and related equipment in Dispatch, all Police vehicles, Highway and Wastewater vehicles and all Fire Department vehicles and the KEMS' Ambulance. The proposal also calls for the installation of two transmit and receive sites, one at the wastewater treatment plant and one at Goose Rocks Beach Fire Station. These two sites will have a 120-foot tower erected to hold the antennas needed. The two new radio sites will transmit and receive their signals through a microwave link on the water tower.

Since the Town does not own the land or building at the Goose Rocks Fire Station, a twenty-year lease agreement was signed between the Town and the GRB Fire Company. The agreement allows for the Town to construct and own the tower located on the GRB Fire Company's land.

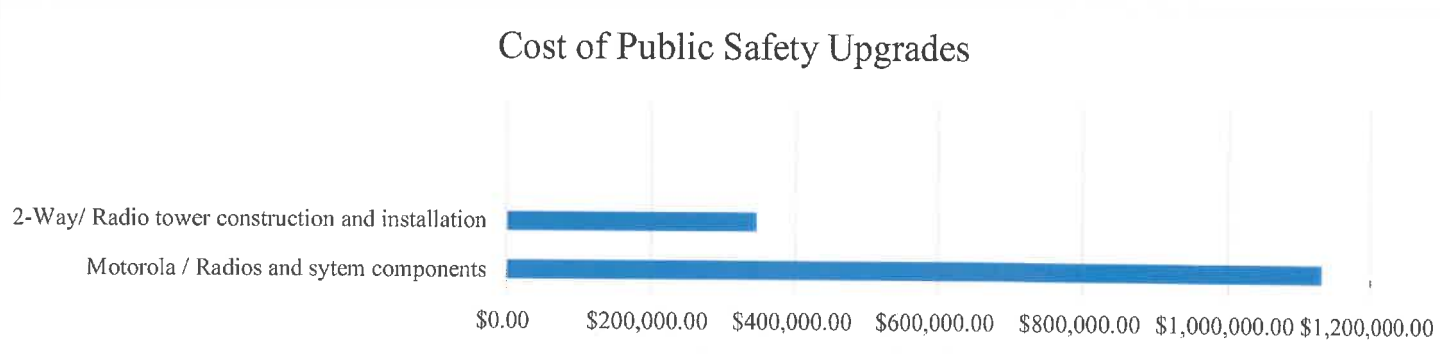
The proposal is a joint venture between Motorola and 2-Way that covers all needed materials and work to be performed from the engineering, building, testing and installation of all components. Motorola will provide all components needed and engineering for the VHF digital and analog system that PD, Fire and EMS will use. 2-Way with Motorola products will provide the UHF DMR (digital mobile radio) equipment for Wastewater and Highway. 2-Way will also take care of equipment installation in all vehicles and tower sites.

Because the equipment we currently have is Motorola and has been dependable, we as a user group wanted to stay with the same brand. With this decision, it made it almost impossible to go out to bid on the project because the Motorola brand would be priced the same no matter the installer. To try and satisfy the town's purchasing policy and protect the Town's interests, we hired a third-party reviewer to analyze the proposal. The Town partnered with Peter DeNutte from Envision Analysts. Mr. DeNutte has extensive experience in the communications field and has run the State of New Hampshire's 911 Commission for many years. Mr. DeNutte and Envision Analysts were asked to look at all aspects of the project. They were asked to look at the engineering, making sure this system

will meet the needs of the Town, verifying that the system would operate as promised. In step with the engineering, they were asked to review all pricing, making sure that the Town is getting a fair value for their dollars. Attached to this memo is the report we received from Mr. DeNutte. It should also be noted because the pricing from Motorola was part of a public safety discount, we were able to bring the project in under budget even though pricing has increased since the project inception.

As a reminder, the project has been funded using \$500,000.00 in Capital funds along with a one-million-dollar bond.

As you can see from the chart below, Motorola will get \$1,130,500.00 for radio equipment and all components and 2-Way Communications will get \$ 345,369.81 for radio tower construction, equipment installation at all sites, and installation of radio equipment in all vehicles.



Chief Everett and Chief Sanford, based on the information received by the Town, from Motorola, 2-Way Communications and Envision Analysts endorse the approval of the entire project and ask for your approval to move forward.



CUSTOMER: Town of Kennebunkport

DATE: 1.10.2022

QUOTE

Civil and PCR add on to Motorola System by 2-Way direct to Town of Kennebunkport.

| SUB SYS ID | LI | O | QTY | APC | NOMENCLATURE | DESCRIPTION | PRICE | EXTENDED |
|---|----|---|-----|-----------|---|---|---------------------------------------|--------------|
| SYSTEM: K2 REDUNDANT CORE WITH MCC CONSOLES, 2ch, SYSTEM WITH CAPACITY PLUS TRUNKING OVERLAY | | | | | | | | |
| FCC Coordination | | | 1 | FCC | FCC licensing assistance, Simulcast VHF, UHF | | \$ 2,500.00 | \$ 2,500.00 |
| Subscriber Programming | | | 1 | S&D Team | Subscriber programming, all | | \$ 1,600.00 | \$ 1,600.00 |
| POLICE RADIO ROOM (CO-LOCATED WITH CORE) | | | | | | | | |
| MWBH 4.9GHZ | | | 3 | 908 | DS1010419001 | Coaxial Cable Grounding Kits for 1/4" and 3/8" Cable | \$ 26.00 | \$ 78.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSC000065L007 | LPU and Grounding Kit (1 kit per ODU) | \$ 400.00 | \$ 400.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSC050067H004 | PTP 670 Integrated 23dBi END with AC+DC Enhanced Supply (FCC) | \$ 3,095.00 | \$ 3,095.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSEW-E4PT6XX-WW | PTP 650/670 Extended Warranty, 4 additional years (per END) | \$ 224.00 | \$ 224.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSWB3176 | 328 ft (100 m) Reel Outdoor Copper Clad CAT5E (Recommended for PTP) | \$ 495.00 | \$ 495.00 |
| Bat Shelf | | | 2 | BMS-19/23 | Battery Shelf | | \$ 375.00 | \$ 750.00 |
| Bat Module | | | 3 | BM-48-4 | Battery Module, 48V/4Ah (modified for SLR 12V) | | \$ 615.00 | \$ 1,845.00 |
| Gateway Radio U | | | 3 | XPR5550e | UHF Gateway radio | | \$ 1,117.00 | \$ 3,351.00 |
| Gateway Radio V | | | 2 | XPR5550e | VHF Gateway radio | | \$ 1,120.00 | \$ 2,240.00 |
| Gateway Antenna | | | 5 | GWAntenna | Simple Gateway antenna system | | \$ 300.00 | \$ 1,500.00 |
| P25 Radio | | | 1 | APX4500 | APX Mobile for Police Gateway | | \$ 2,245.81 | \$ 2,245.81 |
| Antenna Install | | | 2 | TCI | TCI subcontract climbers for antenna install | | \$ 6,000.00 | \$ 12,000.00 |
| WATER TANK | | | | | | | | |
| MWBH 4.9GHZ | | | 9 | 908 | DS1010419001 | Coaxial Cable Grounding Kits for 1/4" and 3/8" Cable | \$ 26.00 | \$ 234.00 |
| MWBH 4.9GHZ | | | 3 | 908 | DSC000065L007 | LPU and Grounding Kit (1 kit per ODU) | \$ 400.00 | \$ 1,200.00 |
| MWBH 4.9GHZ | | | 3 | 908 | DSC050067H004 | PTP 670 Integrated 23dBi END with AC+DC Enhanced Supply (FCC) | \$ 3,095.00 | \$ 9,285.00 |
| MWBH 4.9GHZ | | | 3 | 908 | DSEW-E4PT6XX-WW | PTP 650/670 Extended Warranty, 4 additional years (per END) | \$ 224.00 | \$ 672.00 |
| MWBH 4.9GHZ | | | 3 | 908 | DSWB3176 | 328 ft (100 m) Reel Outdoor Copper Clad CAT5E (Recommended for PTP) | \$ 495.00 | \$ 1,485.00 |
| Antenna Install | | | 2 | TCI | TCI subcontract climbers for antenna install | | \$ 6,000.00 | \$ 12,000.00 |
| GOOSE ROCKS STATION | | | | | | | | |
| MWBH 4.9GHZ | | | 3 | 908 | DS1010419001 | Coaxial Cable Grounding Kits for 1/4" and 3/8" Cable | \$ 26.00 | \$ 78.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSC000065L007 | LPU and Grounding Kit (1 kit per ODU) | \$ 400.00 | \$ 400.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSC050067H004 | PTP 670 Integrated 23dBi END with AC+DC Enhanced Supply (FCC) | \$ 3,095.00 | \$ 3,095.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSEW-E4PT6XX-WW | PTP 650/670 Extended Warranty, 4 additional years (per END) | \$ 224.00 | \$ 224.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSWB3176 | 328 ft (100 m) Reel Outdoor Copper Clad CAT5E (Recommended for PTP) | \$ 495.00 | \$ 495.00 |
| Bat Shelf | | | 2 | BMS-19/23 | Battery Shelf | | \$ 375.00 | \$ 750.00 |
| Bat Module | | | 3 | BM-48-4 | Battery Module, 48V/4Ah (modified for SLR 12V) | | \$ 615.00 | \$ 1,845.00 |
| Tower | | | 1 | TOWER | 120' Self Supporting Tower (budgetary figure based on normal site conditions) | | \$ 60,000.00 | \$ 60,000.00 |
| Antenna Install | | | 1 | TCI | TCI subcontract climbers for antenna install | | \$ 6,000.00 | \$ 6,000.00 |
| SEWER TOWER | | | | | | | | |
| MWBH 4.9GHZ | | | 3 | 908 | DS1010419001 | Coaxial Cable Grounding Kits for 1/4" and 3/8" Cable | \$ 26.00 | \$ 78.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSC000065L007 | LPU and Grounding Kit (1 kit per ODU) | \$ 400.00 | \$ 400.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSC050067H004 | PTP 670 Integrated 23dBi END with AC+DC Enhanced Supply (FCC) | \$ 3,095.00 | \$ 3,095.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSEW-E4PT6XX-WW | PTP 650/670 Extended Warranty, 4 additional years (per END) | \$ 224.00 | \$ 224.00 |
| MWBH 4.9GHZ | | | 1 | 908 | DSWB3176 | 328 ft (100 m) Reel Outdoor Copper Clad CAT5E (Recommended for PTP) | \$ 495.00 | \$ 495.00 |
| Bat Shelf | | | 2 | BMS-19/23 | Battery Shelf | | \$ 375.00 | \$ 750.00 |
| Bat Module | | | 3 | BM-48-4 | Battery Module, 48V/4Ah (modified for SLR 12V) | | \$ 615.00 | \$ 1,845.00 |
| Gateway Radio U | | | 1 | XPR5550e | UHF Gateway radio | | \$ 1,117.00 | \$ 1,117.00 |
| Gateway Radio V | | | 1 | XPR5550e | VHF Gateway radio | | \$ 1,120.00 | \$ 1,120.00 |
| Gateway Antenna | | | 1 | GWAntenna | Simple Gateway antenna system | | \$ 300.00 | \$ 300.00 |
| Tower | | | 1 | TOWER | 120' Self Supporting Tower (budgetary figure based on normal site conditions) | | \$ 60,000.00 | \$ 60,000.00 |
| Antenna Install | | | 1 | TCI | TCI subcontract climbers for antenna install | | \$ 6,000.00 | \$ 6,000.00 |
| DPW Portables | | | 3 | XPR7550e | MotoTRBO XPR7550e portable radio, UHF | | \$ 966.00 | \$ 2,898.00 |
| DPW Mobiles | | | 37 | XPR5550e | MotoTRBO XPR5550e Mobile radio, UHF | | \$ 1,118.00 | \$ 41,366.00 |
| Fire Mobiles | | | 5 | XPR5550e | MotoTRBO XPR5550e Mobile radio, UHF | | \$ 1,119.00 | \$ 5,595.00 |
| Mobile install | | | 42 | NEVO | Mobile radio installation, antenna | | \$ 375.00 | \$ 15,750.00 |
| Fire Portable Chargers | | | 10 | NEVO | Portable radio chargers, mobile (install only, product on Moto) | | \$ 125.00 | \$ 1,250.00 |
| Fire VRS Installs | | | 1 | NEVO | Interface cable, connect, test/tune VRS system (existing VRS) | | \$ 1,200.00 | \$ 1,200.00 |
| Install Travel | | | 9 | NEVO | Installation travel, per day | | \$ 100.00 | \$ 900.00 |
| LCP System | | | 1 | LCP | MotoTRBO LCP | | \$ 75,000.00 | \$ 75,000.00 |
| | | | | | | | Equipment Total: \$ 345,369.81 | |



Chief Craig Sanford

Kennebunkport Police Department

Kennebunkport, ME

Chief Sanford,

Envision Analysts is a privately owned company that was established in 2000 for the purposes of public safety systems integration, auditing, project planning and management. We have been engaged by the town of Kennebunkport for the purposes of an independent overview of the proposals for communications products by Motorola and Two way communications, we will act as a 3rd party reviewer of these proposals. Our review will identify concerns or deficiencies and offer recommendations for resolution.

Motorola's proposed solution includes a VHF digital and analog Simulcast system for police and fire communications. This proposal includes the installation of replacement consoles and dispatch equipment in the police dispatch area and an additional new console at the fire department. It also provides for new transmitters to be placed at tower sites supporting the new simulcast solution.

Two way communications' proposal involves all of the environmental systems to run, house and facilitate a robust and stable simulcast solution. Two way also is proposing additional sites for expanded or improved radio coverages requiring equipment tower construction and radio installation services.

Motorola will subcontract Two way communications for most of its system installation. Two way Communications will use their own staff, as well as independent contractors to facilitate actual construction, excavation and completion of tower work. This is to house the equipment necessary to facilitate a simulcast solution. Oversight from the town's perspective on this project is critical to ensure timing and costs do not exceed expectations as the project moves forward. Motorola is to supply a project manager for the Motorola proposed solution, Two way Communications needs to supply a project manager and the town of Kennebunkport must assign a project manager point of contact for the term of this contract. It is very important that these project managers work together to meet or exceed the terms of the proposed solution and it's planned milestones, change orders and payment schedule.

The evaluation by Envision Analysts looked at the needs of Kennebunkport and the potential effectiveness a new two channel simulcast communication system could provide. These needs included coverage to support interoperability with Public Works, neighboring communities and other identified stakeholders. To accomplish this we requested a coverage study from Motorola solutions which was completed. The study results verified that the proposed solution would accomplish the needs.

The first part of the Motorola proposal is mostly legal verbiage containing portions that the town took exception to. This section was changed by Motorola and should again be reviewed by Kennebunkport legal counsel.

Next in the proposal is a description of the systems and services to be provided by the Motorola solution. Section one of the system description outlines the conventional simulcast basic configuration architecture design detailing frequencies to be used, locations of equipment, types of equipment and their descriptions. The description includes the design drawing necessary to complete the conventional analog digital simulcast system. The last page of that section is the project schedule describing the timetable for the project. This schedule will need to be adjusted.

Section 3 is the Scope of Agreement and Term. In this particular section 3.1 the town should be concerned with how the two contractors interact and responsibilities relate to each of the distinct contracts and obligations.

Section 4 is a description of Services. Section 4.7 the town needs to review carefully, ensuring the requirements and expectations of Kennebunkport can be met.

Section 5 is the performance schedule which should be agreed upon and closely monitored by all parties project managers.

Section 6 describes the pricing and payment schedule which has been modified to conform with requests made by the town.

Section 7 is the Site and Site Conditions which is primarily the responsibility of the town and as such should be closely reviewed to ensure obligations can be met.

Section 8 outlines training for the system to be provided by Motorola for the new systems. This training should be scheduled close to the time of implementation or cutover to ensure staff retention of the material learned and to avoid additional expenses due to reschedule or retraining needs.

Section 9 describes System Acceptance process and requirements. We believe that missing from this section is the process or procedural timing to account for issues discovered during system acceptance testing. The section refers to timelines for start and completion of testing and its correlation to acceptance but issues and their fix actions are not addressed. This gap should be filled prior to contract agreement. Regarding "Beneficial Use" we would caution that this be evaluated along with the planned implementation schedule or Scope of Work to ensure the timing does not force a need for "Beneficial Use" and the complications it can bring.

Additionally, we believe the town should consider the use of an independent auditor for review of the system to ensure functional and operational requirements are being met.

Section 10 is the Representations and Warranties section. Our concern for this section is the timing of the warranties related to the timing of system delivery and acceptance. The town should be wary to ensure the warranties are not completed prematurely due to the project schedule.

Section 11 through 17 are primarily related to legal verbiage to be reviewed by the town and its legal counsel.

Exhibit A is Motorola's standard software license agreement.

Exhibit B is the Payment Schedule and labor rates for additional charges if they are needed.

Exhibit D is the System Acceptance Certificate.

After careful review of the proposals presented by Motorola Solutions and Two Way Communications that the town of Kennebunkport should proceed with this project. Taking note of the concerns and suggestions outlined in the above summary. Should there be need for clarification or further review of the notes as provided we are available to do so.

Signed:

Date: 1/7/2022

Peter A. DeNutte

Envision Analysts, Partner



TOWN OF KENNEBUNKPORT, MAINE

—INCORPORATED 1653—

Short-Term Rental Enforcement Memo

To: Laurie Smith, Town Manager
 From: Eli Rubin, Community Planner
 Date: 1/20/2022
 CC: Werner Gilliam, April Fortier

The steps of enforcement for all violations including illegal operation, trash, noise, parking, occupancy, or other non-compliance shall occur as follows:

1. Complaints will be recorded on Host Compliance from phone hotline, website form, and PD.
 - a. Each complaint will be reviewed by code enforcement.
2. Code enforcement shall first seek to obtain voluntary compliance
3. At the discretion of Code Enforcement and unless good cause is shown that would prevent future violations:
 - a. Issue First NOV: Certified mail alerting owner that continued noncompliance can result in the following:
 - i. Revocation of license
 - ii. Denial of license in future years
 - iii. Statutorily defined fines of \$100-\$5000 dollars to be recovered in Maine District or Superior Court.
4. At the discretion of Code Enforcement and unless good cause is shown that would prevent future violations:
 - a. Issue Second NOV: Certified mail alerting the owner that if the stated issue is not remedied immediately their license and infraction history will be brought to the next Selectboard meeting for enforcement action which may include
 - i. Revocation of license
 - ii. Denial of license in future years
 - iii. Statutorily defined fines of \$100-\$5000 dollars to be recovered in Maine District or Superior Court.



TOWN OF KENNEBUNKPORT, MAINE

— INCORPORATED 1653 —

Short-Term Rental Update

To: Laurie Smith, Town Manager
From: Eli Rubin, Community Planner
Date: 1/20/2022
CC: Werner Gilliam, April Fortier

As of January 20th

- 410 applications have been submitted
- 391 applications have been approved
- \$160K generated in registration fees
- 355 unique license holders
- 8 applicants obtained 3 licenses each
- 20 applicants obtained 2 licenses each
- 159 units (40%) managed by property managers or someone other than the owner
- 106 licenses (27%) granted to town residents
- Approx. 28 unregistered STR currently advertised

Late Registration Proposal

- Whereas this is the first year of the STR ordinance and the COVID-19 pandemic continues to present added difficulty to normal life, staff is recommending the Selectboard authorize a limited late registration period until February 28th.
- Applicants will still have to meet the same eligibility criteria including 14 days of rental history prior to December 31st.
- Late registrations would be double the normal fee, as per standard penalty for late permitting, and will give property owners a final opportunity to come into compliance before enforcement actions commence in March.
- Staff will notify residents through newspapers, the local real estate and property management community, the town website, and direct mailings to current unregistered operators.

TOWN OF KENNEBUNKPORT, MAINE

– INCORPORATED 1653 –

Public Reminders

- License certificates are emailed upon application approval. If you have not received an email with your license certificate yet, please check your spam or junk folder. License certificates can be resent upon request by calling or emailing the Code and Planning office.
- There are no defined eligibility requirements yet for renting in 2023 and beyond. People who purchase homes or wish to begin renting short-term in the future will have the opportunity to apply for a permit each October for the subsequent year. However, potential future caps may limit the total number of permits issued in a given year.
- Properties purchased in 2022 will only be allowed to rent short-term if the prior owner had obtained a permit. This includes Goose Rocks Beach.
- Code enforcement will contact property owners and property managers to schedule rental unit inspections. The ordinance requires inspections every 5 years, therefore not every unit will be inspected every year.

INTEROFFICE MEMORANDUM

TO: LAURIE SMITH, TOWN MANAGER AND BOARD OF SELECTMAN
FROM: JAMIE MITCHELL, TOWN CLERK
SUBJECT: GOOSE ROCKS BEACH PARKING STICKER/PERMIT REGULATIONS
DATE: JANUARY 24, 2022

This memo is being submitted to identify current inefficiencies and challenges with the current Goose Rocks Beach Parking Permit process and to begin discussions on how to better administer said process in a fair and equitable manner to residents and guests of Kennebunkport.

AUTHORITY: Town of Kennebunkport Ordinances Part I, Chapter 24, Article II (12)(3) Beach permit parking. The regulations shall specify a system of parking stickers, parking meters, and/or a suitable system of technology. (Also See Ch. 315, Goose Rocks Beach Parking *Rules and Regulations*.)

INTENT & PURPOSE: Parking in the Goose Rocks Beach area is regulated during the summer season through a parking sticker program because the demand for parking far exceeds the limited number of on-street parking spaces available (173).

SNAPSHOT OF IN-HOUSE SUMMER, 2021:

of stickers sold at counter: **3284**, approx. 3058 were \$5.00 taxpayer stickers

Revenue: \$ 57,655.00 (for town hall stickers only – total GRB sticker revenue is \$219,000)

Staff time: About **5 hours** per day is spent in one clerk's time processing beach stickers. \$128 in the lowest paid clerk day pay to make \$100 in sticker revenue.

Challenges/Inefficiencies:

- Approx. 30% of the real estate in Kennebunkport is owned by a Trust or LLC. The current regulations require that in cases where a Trust or LLC owns the property then they must show additional evidence of connection to said entity (e.g., must show Trust document which lists person as Trustee or Member of LLC). This then requires people to obtain a copy of the Trust, and staff to identify legal relationship. Staff must then understand the document and identify the parties. Not available to beneficiaries or relative of Trustee or Members). They must then connect the

entitled party under the Trust to the party listed on the registration. The same process applies for vehicles registered in names of businesses – must prove ownership of business.

- Several Trustees and GRB property owners are getting 6 or more stickers per Trustee, per season at \$5.00 each (based on cars registered in their names). This may enable one property/residence to be issued 5-10 (or more) stickers.
- Children of property owners over the age of 18 are not permitted to get a permit unless proof that they also reside in town. Likewise, Transfer of beach sticker (such as from parents who no longer drive or wish for children to enjoy their privilege are unable to do so).
- Multiple complaints that owners of Goose Rocks Beach residences have several cars per household (especially those owned by a Trust) and that they park outside of their driveway 24-7 to take up spaces and/or leave room for their guests to park in their driveways without the need for a parking permit.

GOAL: To improve efficiencies of process, free up staff time, less burden on citizens and fair and equitable process for residents of Kennebunkport that live outside of Goose Rocks Beach area, while still maintaining order per parking limitations.

RECOMMENDED ACTION:

1. Limit number of stickers per property and streamline required information:
 - (a) Limit of four (4) per tax property in Kennebunkport. Staff will manage the process to Chaser Tickets for tracking. Not tied to registration or required to be affixed to specific vehicle but must be placed in plain view for PD (Options: affix to vehicle or on dashboard). Not subject to vehicle registration.
 - (b) One per registered vehicle if **non-property owner** (this would enable people who rent in town and pay excise tax to the Town).
 - (c) No change to non-resident process.

INTEROFFICE MEMORANDUM

TO: LAURIE SMITH AND BOARD OF SELECTMAN

FROM: JAMIE L. MITCHELL, TOWN CLERK

SUBJECT: 2022 SHELLFISH LICENSE ALLOCATIONS

DATE: 01.24.2022

The Town's Shellfish Warden, Everett Leach, is recommending the following license allocations for the 2022 Shellfish season. Please note increase is due to the sustainability of the resources available.

Residential: 80 total
Non-Residential: 13 total
Commercial: 2 total
Shellfish Warden: 1 total
Daily: None

| TYPE OF LICENSE | AMOUNT TO SELL FOR SEASON | COST PER LICENSE | CHANGE FROM LAST YEAR |
|--|---------------------------|------------------|-----------------------|
| COMMERCIAL (RESIDENT ONLY) | 2 | \$125.00 | NO CHANGE |
| RECREATIONAL – SENIOR (65+) RESIDENT | 25 | NO CHARGE | NO CHANGE |
| RECREATIONAL – RESIDENT | 55 | \$15.00 | INCREASE 5 LIC. |
| NON-RESIDENT | 10 | \$30.00 | INCREASE 5 |
| NON-RESIDENT SENIOR (65+) | 3 | NO CHARGE | NO CHARGE |
| WARDEN RECREATIONAL LICENSE | 1 | NO CHARGE | NO CHANGE |

The Shellfish Warden also recommends the following regulations (no change from last year):

- The flats will only be opened from April 15 through October 15
- Digging will only be allowed on Friday, Saturday and Sunday
- Recreational diggers may only take 1 peck per week
- Commercial diggers may only take 2 pecks per day