



In the opinion of Drummond Woodsum & MacMahon, Portland, Maine, Bond Counsel (“Bond Counsel”), and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions, interest on the Bonds (as defined below) is includable in gross income for purposes of federal income taxation. Bond Counsel is also of the opinion that pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, the interest paid on the Bonds is exempt from income tax within the State of Maine (the “State”) under existing statutes, regulations and judicial decisions. **The Town will not designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.** See “THE BONDS—TAX MATTERS” and “APPENDIX B” herein.

TOWN OF KENNEBUNKPORT, MAINE
\$6,880,000^(*)
2024 GENERAL OBLIGATION BONDS
(FEDERALLY TAXABLE)

Dated: Date of Delivery				Due: October 1, as shown below			
<u>Year of Maturity</u>	<u>Amount^(*)</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Year of Maturity</u>	<u>Amount^(*)</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
2025	\$330,000			2033	\$470,000		
2026	350,000			2034	490,000		
2027	365,000			2035	515,000		
2028	380,000			2036	535,000		
2029	395,000			2037	560,000		
2030	415,000			2038	580,000		
2031	435,000			2039	610,000		
2032	450,000						

The Town of Kennebunkport, Maine 2024 General Obligation Bonds (the “Bonds”) will be issued as fully-registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See “THE BONDS—BOOK-ENTRY-ONLY SYSTEM” herein. Principal and interest on the Bonds will be paid to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable on April 1, 2025 and semi-annually on each October 1 and April 1 thereafter until maturity, or redemption prior to maturity.

The legal opinion of Bond Counsel will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the Town of Kennebunkport, Maine (the “Town”) and, unless paid from other sources are payable as to both principal and interest from ad valorem taxes that may be levied without limit as to rate or amount upon all the property within the territorial limits of the Town and taxable by it, except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, to share its assessed valuation with another municipality and except to the extent that the Town establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds (see “TOWN FINANCES—TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS” herein). The Treasurer has certified that neither agreements under Title 30-A, Chapter 223, Subchapter V or Title 30-A, Chapter 206 or 207 of the Maine Revised Statutes, as amended, now exist. Within the limits established by statute, the Town has the right to designate development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. Bond Counsel’s opinion will indicate that the enforceability of the obligations of the Town, including the Bonds, is subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

The Bonds maturing on and before October 1, 2034 are not subject to redemption prior to their stated dates of maturity. The Bonds maturing on or after October 1, 2035 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after October 1, 2034 as more fully set forth herein. See “THE BONDS—OPTIONAL REDEMPTION PRIOR TO MATURITY” herein.

The Bonds are offered when, as and if issued, subject to the approval of legality by Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery to DTC on or about October 1, 2024.

NOTE: ^(*)Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment. The Town will make available its final Official Statement with respect to the Securities. This Preliminary Official Statement is for information purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized by the Town or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Town and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the Town. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the Town since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The CUSIP numbers set forth in this Official Statement have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. Neither the Town nor the Underwriter makes any representation with respect to the accuracy of such CUSIP numbers set forth in this Official Statement or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The Town is not responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Bonds or as set forth in this Official Statement. The CUSIP number for a specific maturity of the Bonds is subject to change after the issuance of the Bonds and as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of certain maturities of the Bonds.

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**CERTIFICATE
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by the Town of Kennebunkport, Maine with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from the records of the Town and from various other public documents and sources which are believed to be reliable. There has been no independent investigation of such information by the Municipal Advisor or by Drummond Woodsum & MacMahon, Bond Counsel, and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the Treasurer of the Town, this Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, the Treasurer has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the Treasurer and furnished at the closing.

This Official Statement is in a form “deemed final” by the Town for purposes of Securities and Exchange Commission’s Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)] except for the omission from the Preliminary Official Statement of such information as is permitted by such Rule.

Nicole Evangelista
Treasurer
Town of Kennebunkport, Maine

**OFFICIAL STATEMENT
TOWN OF KENNEBUNKPORT, MAINE
\$6,880,000^(*)
2024 GENERAL OBLIGATION BONDS (FEDERALLY TAXABLE)**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Kennebunkport, Maine (the “Town” or “Kennebunkport”) in connection with the sale of its 2024 General Obligation Bonds (Federally Taxable) (the “Bonds or the “2024 Bonds”).

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds will be issued only as fully-registered bonds without coupons, one certificate per maturity, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000, or any integral multiple thereof. The Bonds will be dated on the date of delivery and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months) payable on April 1, 2025 and semi-annually thereafter on October 1 and April 1 of each year until maturity, or redemption prior to maturity. It is expected that the Bonds will be available for delivery at DTC on about October 1, 2024. The Bonds will mature as follows:

<u>Amount</u>	<u>October 1,</u>	<u>CUSIP</u>	<u>Amount</u>	<u>October 1,</u>	<u>CUSIP</u>
\$330,000	2025	489299BF3	\$470,000	2033	489299BP1
350,000	2026	489299BG1	490,000	2034	489299BQ9
365,000	2027	489299BH9	515,000	2035	489299BR7
380,000	2028	489299BJ5	535,000	2036	489299BS5
395,000	2029	489299BK2	560,000	2037	489299BT3
415,000	2030	489299BL0	580,000	2038	489299BU0
435,000	2031	489299BM8	610,000	2039	489299BV8
450,000	2032	489299BN6			

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as paying agent (the “Paying Agent”). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein.

OPTIONAL REDEMPTION PRIOR TO MATURITY

Bonds maturing on and before October 1, 2034 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on or after October 1, 2035 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after October 1, 2034, as a whole or in part at any time, in such order of maturity as the Town, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

GENERAL PROVISIONS REGARDING REDEMPTION

Notice of Redemption

In the case of every redemption of the Bonds, the Town shall cause notice of such redemption to be given to the registered owner of any Bonds designated for redemption in whole or in part, at his or her address as the same shall last appear upon the registration books kept by the Paying Agent by mailing a copy of the redemption notice by first class mail not less than thirty (30) days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Bondholder actually receives notice. The failure of the Town to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any Bond of any other owner. Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Bonds outstanding are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed.

The Town shall notify the Securities Depository (see "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein) in the same manner as the Bondholders, with a request that the Securities Depository notify its Participants who in turn notify the beneficial owners of such Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a Beneficial Owner (having received notice from the Town, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the redemption of such Bond.

Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue

On any redemption date, the principal amount of each Bond to be redeemed, together with the premium, if any, and accrued interest thereon to such date, shall become due and payable. Funds shall be deposited with the Paying Agent to pay, and the Paying Agent is authorized and directed to apply such funds to the payment of the Bonds called for redemption, together with accrued interest thereon to the redemption date and redemption premium, if any. After such redemption date, notice having been given and funds deposited in the manner described above, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and funds deposited), the Bonds to be redeemed shall not be deemed to be outstanding.

Cancellation

All Bonds that have been redeemed shall be canceled by the Paying Agent and either destroyed by the Paying Agent with counterparts of a certificate of destruction evidencing such destruction furnished by the Paying Agent to the Town or returned to the Town at its request.

Partial Redemption of Bonds

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository, by the Town by lot or in such other manner as the Town in its discretion may deem appropriate.

RECORD DATE; PAYMENT

The principal of the Bonds is payable upon surrender thereof at the principal Corporate Trust Office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof at the close of business on the 15th day of the month preceding each interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent the next day preceding which is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person's address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest that is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

AUTHORIZATION AND PURPOSE

At its Special Town Meeting, held on September 19, 2018, the voters of the Town approved the issuance of general obligation bonds or notes of the Town, in a principal amount not to exceed \$10,000,000, to pay costs to acquire parcels of land comprising 85+/- acres identified on the Kennebunkport Tax Maps at Map 12, Block 5, Lot 21 and Map 12, Block 5, Lot 21A, and Map 12, Block 5, Lot 22 (the "Village Parcel"); and by a Resolution of the Board of Selectmen, passed on September 27, 2018, to issue the bonds or notes. This authority is granted to the Town pursuant to Title 30-A, Section 5772 of the Maine Revised Statutes.

The land, previously named Olde Port Village, was purchased in January of 2006 from the Frink family by CDMK, LLC, a Massachusetts based development group, and approved that same year for a phased subdivision of 80 dwelling units of which one dozen would be in a multiplex building, and the rest of the units in duplexes. As the project had not yet started by the fall of 2018, the Town approached the developer with a request to purchase the properties. A price was negotiated and, on October 11, 2018, the sale was consummated. The \$10,000,000 to provide funds to purchase the Village Parcel was bifurcated into two bond series, in a common plan of financing:

- A portion of the Town's 2019 General Obligation Bonds – Series A, dated May 1, 2019, in the amount of \$1,500,000 (being \$1,300,000 in Bond proceeds, plus allocable net Original Issue Premium, in the amount of \$200,000) (the "2019 Series A Bonds") provided funds for the Town to purchase an approximately 14.33 acres portion of the Village Parcel that the Town has retained for governmental use (i.e., "governmental use" means state or local governmental use).
- The Town's 2019 General Obligation Bonds – Series B (Federally Taxable), dated May 1, 2019 (the "2019 Series B Bonds"; and if collectively with the 2019 Series A Bonds, the "2019 Bonds"), issued in the amount of \$8,500,000 provided funds for the Town to purchase the remaining approximately 72.06 acres of the property (the "Remaining Property").
- The proceeds of the 2024 Bonds, in the amount of \$6,880,000, will be used to refund, on a current basis, the outstanding portion of the Town's 2019 Series B Bonds to provide permanent funds to finance the Remaining Property that may, or may not, be subject to use by private sector purchasers or tenants, and deemed "Non-Governmental Use".

The Village Parcel 2019 Series B Bonds Financing Structures

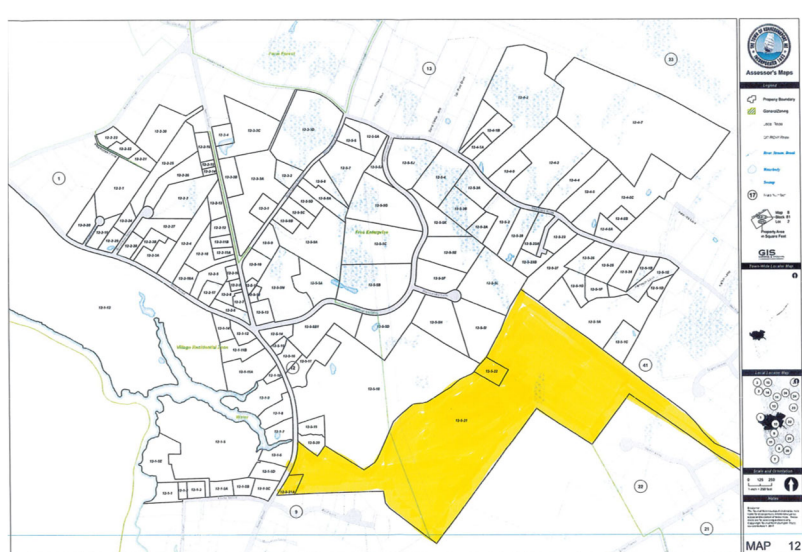
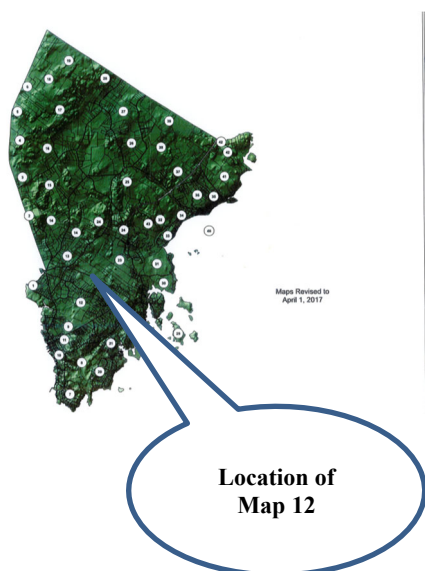
Due to the uncertainties of the ultimate use or ownership of the Remaining Property, the Town issued its 2019 Series B Bonds to acquire a portion of the Village Parcel that may, or may not, be for non-governmental users. Due to its potential for exclusive use by a non-governmental entity, the 2019 Series B Bonds financed the Remaining Property as non-tax exempt (i.e., Federally Taxable) obligations.

The 2019 Series B Bonds were structured with a period of five years (using a 20 year amortization with a balloon maturity due in the fifth year) in order to allow time to determine the effective use(s) of that portion of the Village Parcel. The 2019 Series B Bonds are due to mature on October 1, 2024 (the 2019 Series B Bonds due in 2024 maturity being a “balloon maturity”).

In its 2019 plan, and continuing to date, the Town may receive proceeds for portions refinanced by the 2024 Bonds from the sale of lots or annual revenue(s) from leased property within the Remaining Property, when developed, but is unable at this time to accurately predict when such sale(s) or leases(s) will occur, if any. The proceeds from lot sales, or annual lease revenue, if any, will be made available for payment of that year’s associated debt service on the Bonds or set aside for repayment for subsequent years’ associated debt service on the Bonds.

At the time of issuance of the Series B Bonds, the Town retained the option to repay any or all of the 2024 balloon maturity from sale proceeds of lots, if any; refinance any or all of the balloon maturity over a period of one to 15 years of the remaining authorization; and/or determine what portion, if any, of the Remaining Property is actually for governmental use, such that a portion of the Series B Bonds or 2024 Bonds, if any, could be refinanced on a tax-exempt basis. The following is the current allocation of the Village Parcel:

Use	<u>Ft²</u>	<u>Acres</u>	<u>% Total</u>	<u>% to Bond</u>	<u>2019 Bonds</u>
Series A Bonds (Village Parcel portion)					
Future Town Use:	217,800	5.00			
Road:	392,500	9.00			
McCabe ROW:	<u>14,375</u>	<u>0.33</u>			
Municipal Use:	624,675	14.33	16.59%	15.00%	\$1,500,000
Series B Bonds					
CMP Transmission Line:	180,000	4.13			
Wetlands:	545,000	12.51			
Easements (Private Use):	30,000	0.69			
All Other Private Use:	<u>2,390,325</u>	<u>54.87</u>			
Available for Non-Governmental Use:	<u>3,145,325</u>	<u>72.06</u>	83.41%	85.00%	8,500,000
Total Footprint:	3,770,000	86.39	100.00%	100.00%	\$10,000,000



Source: Town of Kennebunkport Tax Maps Directory



SOURCE OF PAYMENT AND REMEDIES

General

The Bonds are general obligations of the Town and their payment is not limited to a particular fund or revenue source. Municipalities in the State of Maine (the "State") have the right to tax their inhabitants to pay municipal indebtedness. The Bonds are payable as to both principal and interest from ad valorem taxes that may be levied without limit as to rate or amount upon all the taxable property within its territorial limits, except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, to share its assessed valuation with another municipality, and except to the extent that the Town establishes or has established development districts as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds (see "TOWN FINANCES - TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS" herein). The Treasurer has certified that no tax base sharing agreement now exists. Within the limits established by statute, the Town has the right to designate development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. There is no statutory provision for a lien on any portion of the tax levy to secure bonds or notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on the Bonds. Title 14, Section 4951 of the Maine Revised Statutes, provides that executions against a town shall be issued against the personal property of the residents of that town and real estate within its boundaries, whether or not owned by the town. Only town real estate not used for public purposes, however, is subject to such execution. In addition, Title 30-A, Section 5701 of the Maine Revised Statutes, provides that the personal property of the residents and the real estate within the boundaries of a municipality may be taken to pay any debt due from the municipality. There has been no judicial determination as to whether the statutory remedy of taking property of residents to satisfy debts of or judgments against, a municipality is constitutional under current due process and equal protection standards and Bond Counsel expresses no opinion thereon.

Funds to meet Town expenses, including debt service, are not included in the tax levy to the extent they are expected to be met with other non-tax revenues. Amounts necessary to repay sums borrowed temporarily in anticipation of bonds or grants are similarly excluded because they would normally be expected to be paid from the anticipated bond proceeds or grants. Enforcement of a claim for payment of principal of or interest on bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. The Bonds are not guaranteed by the State.

Limitation on Municipal Property Tax Levy

Repealing the Law

Both chambers of the Second Regular Session of the Maine 131st Legislature passed and, on April 9, 2024, Governor Mills signed into law LD 2102, a bill to amend Title 30-A, Section 5681(1)(8) of the Maine Revised Statutes and repeal Title 30-A, Section 5721-A of the Maine Revised Statutes, that had placed limitations on municipal property tax collection commonly referred to as “LD 1”. The 131st Legislature adjourned *sine die* May 10, 2024. Pursuant to the Maine Constitution, Article IV(3)(16), this action became effective on August 9, 2024 (90 days after the legislative session recessed).

TAX MATTERS

The Bonds

The interest on the Bonds will be includable in gross income for federal income tax purposes.

Exemption of Interest on the Bonds from Taxation Within the State of Maine

In the opinion of Bond Counsel, interest paid on the Bonds is exempt from income taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes. See “PROPOSED FORM OF LEGAL OPINION” in APPENDIX B herein.

Not Designated as Qualified Tax-Exempt Obligations

The Town *will not designate* the 2024 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Opinion of Bond Counsel

The legal opinion of the firm of Drummond Woodsum & MacMahon of Portland, Maine (see APPENDIX B) will be furnished to the original purchaser(s) of the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the original purchaser of the Bonds.

Extent of Opinion

Bond Counsel expresses no opinion regarding any tax consequences of holding the for federal income tax purposes but will opine on the exemption of interest on the Bonds from taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including but not limited to those described above) of holding the Bonds.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC’s records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

RATINGS

The Bonds are rated "__" by Moody's Ratings ("Moody's") and "__" by S&P Global Ratings ("S&P"). The Town has furnished the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings, if obtained, will reflect only the view of Moody's or S&P at the time such rating is assigned and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody's or S&P should be contacted directly for its rating on the Bonds and its explanation of such rating. A rating is not a recommendation to buy, sell or hold the Bonds, and such rating should be evaluated independently.

Except as set forth in the Continuing Disclosure Agreement set forth in APPENDIX C and referred to under "THE BONDS – CONTINUING DISCLOSURE" herein, the Town has not undertaken any responsibility

either to bring to the attention of the owners of the Bonds any proposed change in, or withdrawal of, any rating of the Bonds or to oppose any such change or withdrawal.

CONTINUING DISCLOSURE

In order to assist the underwriter of the Bonds in complying with the Securities and Exchange Commission’s (“SEC”) Rule 15c2-12 (the “Rule”), the Town will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Rule by not later than 270 days after the end of each fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events, if material. Pursuant to the Rule, such filings will be made with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”). The covenants will be contained in a “Continuing Disclosure Agreement” (the “Agreement”; or “CDA”), the proposed form of which is provided in APPENDIX C. The Agreement will be executed by the Treasurer of the Town, and incorporated by reference in the Bonds. Except for the items below, the Town has never failed to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule.

Failure to File

The first issuance of publically sold debt by the Town subject to continuing disclosure requirements of the Rule were its 2019 Series A&B General Obligations Bonds, dated May 1, 2019. Subsequent to the February 27, 2019 addition to the Rule of *Incurrence of a Financial Obligation of the Issuer* (the “New Rule”), the Town entered into three (3) loans that are subject to the New Rule but had not filed these events in a timely manner (See “INDEBTEDNESS – Debt Summary”, herein). On August 29, 2024, the required filings were made, along with an omnibus *Event Filing – Late Filings* on the same date.

Additionally, the 2022 and 2023 ACFRs were posted on EMMA on April 10, 2024, after the “will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year certain updated Annual Financial Information” (i.e., on or before March 27, 2023 and March 26, 2024, respectively). An omnibus *Event Filing – Late Filings* for these was posted on August 29, 2024.

The following list displays the Town’s annual filings over its last few fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Date Filed</u> <u>With EMMA</u>	<u>Days After</u> <u>Fiscal Period End</u>
2023	April 10, 2024	285
2022	April 10, 2024	650
2021	February 7, 2022	222
2020	February 1, 2021	216
2019	January 23, 2020	207

Assurances of Compliance

For each issue of debt the Town Treasurer implements post-issuance compliance procedures that, among other items, will heretofore provide for timely filings with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”) or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings. The Town will also register with the EMMA reminder system to receive email reminders to help ensure timely filing of disclosure requirements.

CUSIP® IDENTIFICATION NUMBERS

It is anticipated that CUSIP® (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP® numbers on the Bonds will be paid for by the Town provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MUNICIPAL ADVISOR

Moors & Cabot, Inc. is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and has acted as Municipal Advisor to the Town with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

STATUTORY REFERENCES

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

CONDITIONS PRECEDENT TO DELIVERY

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

No Litigation

Upon delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the Treasurer, and attested to by the Town Clerk dated the date of delivery of the Bonds, to the effect that there is no litigation pending or, to the knowledge of such official, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, and that neither the corporate existence nor boundaries of the Town, nor the title of any of said officers to their respective offices, is being contested.

Approval of Legality

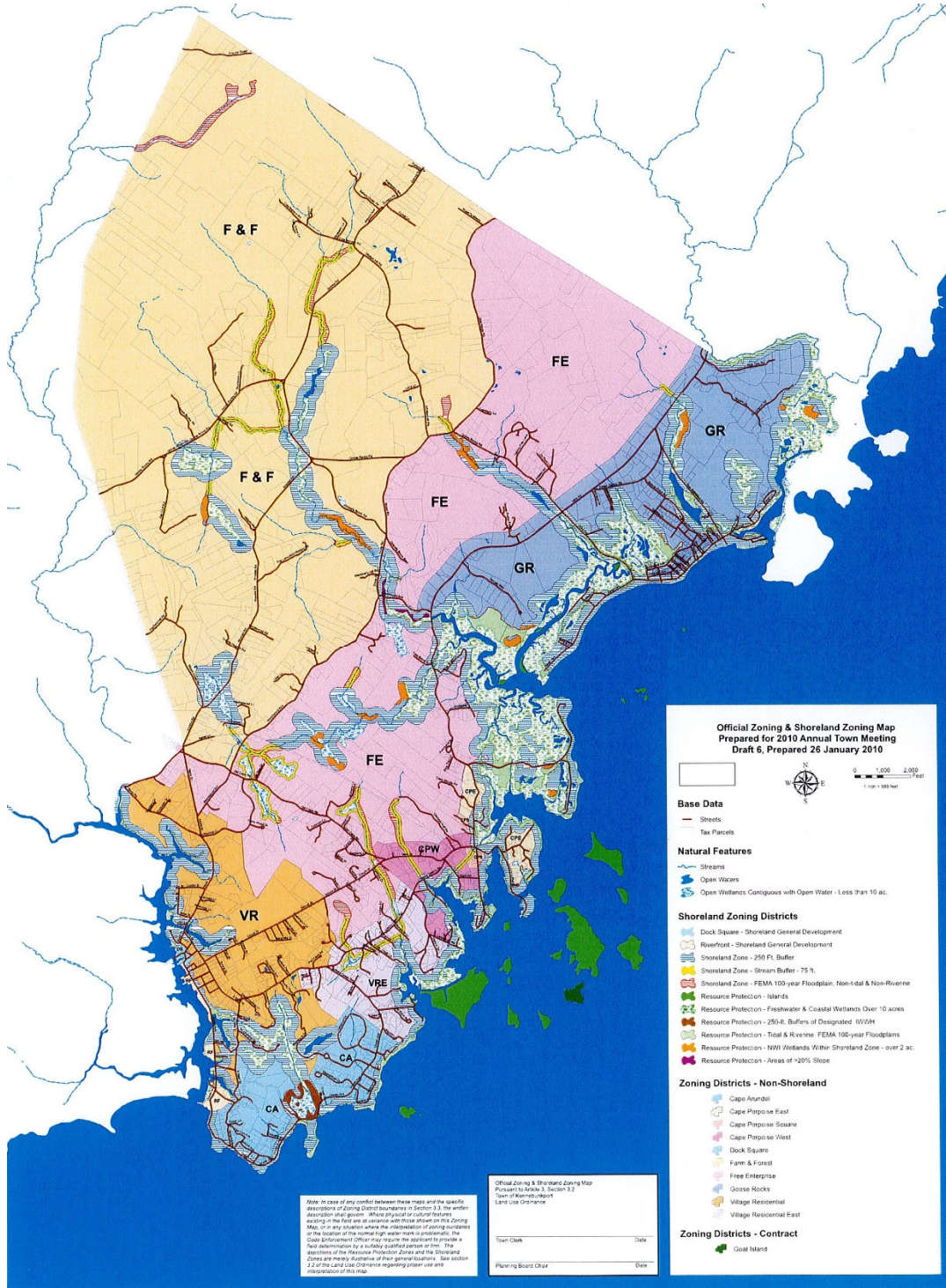
The legality of the Bonds will be approved by Bond Counsel. The unqualified approving opinion of such counsel with respect to the Bonds in substantially the form attached to this Official Statement as APPENDIX B will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the original purchasers. Bond Counsel are not passing upon, and do not assume responsibility for, the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representations that they have independently verified the same. See also "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

Certificate With Respect to Official Statement

At the time of the original delivery of, and payment for, the Bonds, the Town will deliver a certificate of the Treasurer to the effect that she has examined this Official Statement and the financial and other data contained therein and that, to the best of her knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in the light of the

circumstances under which they were made, not misleading subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, she has no reason to believe that such information is materially inaccurate or misleading.

Zoning Map of the Town of Kennebunkport, Maine



TOWN OF KENNEBUNKPORT

GENERAL

The Town of Kennebunkport is located on the coast of the State of Maine in the southeastern section of the County of York, the State's southernmost county. The Town is approximately 28.5 miles southwest of Portland, being Maine's largest city. At Kennebunkport's northeastern border is the City of Biddeford. The town's southeastern border is formed the Gulf of Maine in the Atlantic Ocean; its western line separates Kennebunkport from Kennebunk by way of the Kennebunk River then northwesterly the town of Arundel.

The principal settlements of the Town include Kennebunkport, Lower Village, Cape Porpoise and Goose Rocks Beach. Access to Kennebunkport is provided by Exits 25 or 32 of the Maine Turnpike (U.S. Interstate Route 95), through Kennebunk or Biddeford, respectively; and State Route 9, following the coast. The name Kennebunk is apparently derived from the Indian "the long cut bank", denoting the importance of the cut bank to the Indians, rather than its height or length, as distinguishing it from other beaches.



From 1653 to 1719, the area comprising Arundel and Kennebunkport was an area called Cape Porpus but was evacuated from 1680 to 1719, due to Native American hostilities; following which the town was re-established and incorporated on July 5, 1853 as Arundel, until February 19, 1821 when the name was changed to Kennebunkport. The Town split, on April 1, 1915, with a portion incorporated as the separate Town of North Kennebunk; that on September 9, 1957 was renamed Arundel.

Today, the Kennebunks (which include the towns of Kennebunk and Kennebunkport) are distinguished by beautiful beaches covered with fine, clean sand, picturesque rocky coastlines and snug harbors and is a seaside tourist destination. Kennebunkport has a reputation as a summer haven for the upper class and is one of the wealthiest communities in the State of Maine. The Town is noted for its magnificent shade trees, its bustling village in and around Dock Square with many boutique shops that allow the Town to enjoy tourism as an important economic resource, many well-tended 19th century houses and several hotels. Cape Porpoise, while retaining its identity as a fishing harbor, has a small village area with several restaurants, a church, grocery store, coffee shop, small library, and art gallery and was the original English settlement of the Town. The Town is located at the base of a geographic triangle which points are comprised of the Portland metropolitan/Saco-Biddeford area to the north, Portsmouth-Kittery (to Boston) at its south, and the Sanford area to its west. This has led to residential development in the Town due to its accessibility to these three labor markets.

Kennebunkport is a suburban coastal community with primarily single family, owner occupied dwellings and rural areas. The Town distinguished by beautiful beaches covered with fine, clean sand, picturesque rocky coastlines and snug harbors. The land area of Kennebunkport is approximately 20.52 square miles, comprised of residential, resource protection, business, industrial, farming and conservation zones, open spaces, coastal and woodland areas.

GOVERNMENT

There are two basic forms of local government in Maine: the “Direct” form, often referred to as town meeting government, in which the town meeting serves as the legislative body, passing laws, approving the spending of monies; and the “Representational” form, in which an elected council serves as the legislative body. There are five basic variations of these two forms. Variations of the Direct form are: *Selectmen/Town Meeting* form of government, the most common in Maine currently used by 169 municipalities in the state; *Selectmen/Town Meeting/Manager*, the second most common form of local government in Maine currently used by 141 towns; *Council/Town Meeting/Manager* (18 towns) variation of the town meeting form of government, where the legislative functions of government are shared between the town meeting and an elected council and *Selectmen/Town Meeting Administrative Assistant* or *Administrator* (a combined 80 towns). Variations of the Representational form are: *Council/Mayor/Administrator* (three cities), *Council/Mayor/Manager* (18 cities) and *Council/Manager* (26 towns).

The Town does not have a charter but has extensive Ordinances, including an Administrative Code (the “Code”), most recently amended on June 12, 2018. Pursuant to Title 30-A, Chapter 123, Section 2631 of Maine Revised Statutes, the Town has adopted its form of government through the State’s Statutory Town Manager Plan and operates as a *Town Meeting/Selectmen/Manager* form. Under the Code, and pursuant to Title 30-A, Chapter 121 and Chapter 123, of Maine Revised Statutes, through a Town Meeting the Town enacts, amends, or repeals rules, ordinances and resolutions relating to the Town’s property and affairs, elects a five-member Board of Selectmen for three-year staggered terms. The Board appoints the Town Clerk and other municipal officers; adopts, amends or repeals ordinances and regulations which do not need Town Meeting approval; and recommends the Annual Budget to the Town Meeting. As a Board, the Selectmen are the chief executive officers of the Town and the Town Manager is the chief administrator of the Town.

MUNICIPAL SERVICES

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, wastewater collection and treatment, maintenance of highways, streets and sidewalks, parks, recreation and coastal areas. Water service is provided by the Kennebunk, Kennebunkport & Wells Water District a wholly separate, quasi-municipal entity whose operation and obligations are not part of the Town. Public education is provided for grades Kindergarten (“K”) through 12 through the Town’s affiliation with Regional School Unit No. 21 (“RSU 21”). See also “TOWN OF KENNEBUNKPORT - PUBLIC EDUCATION” and “INDEBTEDNESS - OVERLAPPING DEBT” sections herein.

Public Safety

Police Department

The Police Department is currently staffed with 14 full time police officers, comprised of a Police Chief, a Deputy Chief, a Senior Sergeant, two Sergeants, one Detective and nine Patrol Officers and a part-time Behavioral Health Liaison shared with the Town of Kennebunk. The department also has one administrative assistant and four dispatchers. The department also has one administrative assistant and four dispatchers. The department also hires Community Service Officers and Reserve Officers who are employed to offset the busy times of year. The Police Department maintains six front-line vehicles, all of which are in excellent repair.

Fire Department

The Fire Department consists of 70 volunteer members led by a part-time Fire Chief and a full-time Fire Administrator, responding from the Town’s four fire stations: Cape Porpoise, Goose Rocks Beach, Port Village, and Wildes District. The department currently operates 12 pieces of fire apparatus, plus two 14-foot Zodiac rescue boats for search and rescue.

Harbormasters

The Board of Selectmen appoints a Harbormaster for Cape Porpoise Harbor who reports to, and is supervised by, the Police Chief. The Harbormaster's duties oversee management of Cape Porpoise Harbor, Goose Rocks Beach and Turbat's Creek. The Cape Porpoise Harbormaster may also serve as the Pier Manager upon appointment by the Town Manager.

A Harbormaster for the Kennebunk River is appointed annually by the Boards of Selectmen of Kennebunk and Kennebunkport. Duties and responsibilities of this office are prescribed by Title 38 of the Maine Revised Statutes, and as required by the United States Coastal Zone Management Act of 1972, PL 92-583, with responsibility for regulating, planning, developing or managing coastal resources.

Public Services

The Town's Public Works Department is staffed with a Director, two Operations Managers, five Equipment Operators, four Wastewater Operators, two full-time mechanics and a shared administrative assistant. The department operates two divisions, one at the Public Works Facility located at 105 Beachwood Avenue, and the other is located at the Wastewater Treatment Plant at 25 Recreation Way.

The Highway Division provides snow-plowing service for 52 miles of roads, sidewalks, and public parking lots, as well as other public facilities during the winter. During the summer months, the division maintains roads, crosswalks, and parking spaces. Through the Town Mechanic, the division maintains all Town vehicles including, public works, police cruisers, fire trucks, and the recreation van. The Town's fuel tank farm is located at the Beachwood Road facility.

The Wastewater Division collects and treats wastewater that is generated in the Town and treated to meet or exceed the limits set by the United States Environmental Protection Agency ("EPA") and the State of Maine Department of Environmental Protection ("DEP") and is charged with the proper disposal of all bio solids that are generated by the treatment process. The division operates and maintains the treatment plant and the collection system. The collection system has approximately 95,000 feet of gravity sewer lines, 14 major pump stations and 90 grinder pumps that are located throughout the collection.

Solid Waste Disposal

The Town provides curbside collection of household trash on a weekly basis, and curbside recycling collection on a bi-weekly basis. The refuse is taken to a transfer station located in Westbrook, Maine under a five-year contract, covering the years 2024 through 2029, with Casella Waste Systems, Inc. [CWST-NASDAQ]. Currently the tipping fee is \$81.50/ton of solid waste disposed. The term of the disposal contract is from January 1, 2013 through June 30, 2025.

Public Health

The Town's Public Health Department and Nursing Services Department assists the residents and guests of Kennebunkport with meeting their health and social service needs. The Public Health Department staff is comprised of a full-time Public Health Director and a part-time Town Nurse, located at the Town's Police/Communications Department on Main Street in the Town. The members of the department coordinate with doctors, hospitals and insurance companies; visit residents at home; provide Public Health education and Wellness programs; well-water testing; and monitors water quality at the Town's beaches. The Public Health Director administers General Assistance and social service programs for the Town's inhabitants.

Labor Relations

The Town employs approximately 53 full-time and approximately 125 part-time employees. Town employees not included in the below table are not represented by unions. The contract for bargaining unit represented by a union are effective and expire as follows:

<u>Union</u>	<u>Unit</u>	<u>Date of Contract</u>	<u>Expiration Date</u>
Teamsters (Local 340)	Police Dispatchers, Public Works, Wasterwater and Administrative personnel	July 1, 2024	June 30, 2027

PUBLIC EDUCATION

Regional School Unit No. 21 (the “RSU”) became effective on July 1, 2009. The RSU’s territory comprises the towns of Arundel, Kennebunk, and Kennebunkport (the “Member Municipalities”). RSU 21 serves the educational needs for grades Kindergarten (“K”) through 12 for all of the residents of the Member Municipalities. The RSU’s administrative offices are in Kennebunk. Under the School Consolidation Act of 2007, the RSU operates pursuant to Title 20-A, Chapter 103-A of the Maine Revised Statutes.

The RSU was reorganized from the Arundel School Department, a municipal school unit, and the former Maine School Administrative District No. 71 (“MSAD 71”), which comprised the towns of Kennebunk and Kennebunkport. As of October 1, 2006, the Member Municipalities had individual enrollments of 251 in Arundel and 2,363 in MSAD71, each being lower than the 2,500 resident students’ threshold directed by the School Consolidation Act of 2007 (the “Act”). The Member Municipalities submitted a *Regional School Unit Reorganization Plan* (the “Reorganization Plan”) on October 10, 2008 and supplemented and accepted by the Commissioner of Education on December 1, 2008. By ratification of the Reorganization Plan at referendum elections held in the Member Municipalities on November 4, 2008, school administrative units of the Member Municipalities were reorganized as Regional School Unit No. 21, effective July 1, 2009. The RSU is governed by a Board of Directors (the “School Board”), which comprises twelve Directors who are elected for three-year staggered terms. The Directors’ votes are weighted as follows:

<u>Municipality</u>	<u>Population (2006 Est. Census)</u>	<u>No. of Directors</u>	<u>Votes/Director</u>	<u>No. of Votes</u>
Arundel	4,068	3	69	207
Kennebunk	11,505	6	98	588
Kennebunkport	<u>4,021</u>	<u>3</u>	68	<u>204</u>
	19,594	12		999

The RSU’s Schools

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>Capacity</u>	<u>Enrollment (Oct. 1, 2023)</u>
Kennebunk Elementary	Kennebunk	K-3	612	394
Mildred L Day	Arundel	K-5	297	215
Kennebunkport Consolidated	Kennebunkport	K-5	240	192
Sea Road School	Kennebunk	4-5	362	293
Middle School of the Kennebunks	Kennebunk	6-8	680	477
Kennebunk High School	Kennebunk	9-12	799	700

The Member Municipalities Assessments

FY end June 30,	Arundel		Kennebunk		Kennebunkport		RSU 21
	Assessment	%	Assessment	%	Assessment	%	Assessment
2024	\$5,946,725	12.52%	\$29,725,669	62.59%	\$11,817,798	24.88%	\$47,490,192
2023	5,569,796	12.40	28,016,335	62.35	11,349,467	25.26	44,935,598
2022	5,670,120	12.56	28,222,923	62.50	11,264,352	24.94	45,157,396
2021	5,608,215	12.44	28,042,500	62.18	11,447,719	25.38	45,098,434
2020	5,383,201	12.30	27,140,726	62.00	11,249,250	25.70	43,773,177
2019	5,130,549	14.46	25,813,830	62.71	10,220,198	24.83	41,164,577
2018	4,778,572	12.35	23,965,655	61.95	9,939,712	25.69	38,683,939
2017	4,529,366	12.48	22,708,581	62.57	9,055,448	24.95	36,293,395
2016	4,307,675	12.66	21,698,081	63.78	8,015,486	23.56	34,021,242
2015	4,126,255	12.58	20,829,596	63.52	7,837,533	23.90	32,793,384

The RSU's Enrollments

Oct. 1,	Arundel		Kennebunk		Kennebunkport		Total Resident Enrollment	
	Students	%	Students	%	Students	%	Students	%
2023	475	21.00%	1,468	64.90%	319	14.10%	2,262	100.00%
2022	471	20.64	1,492	65.38	319	13.98	2,282	100.00
2021	437	19.24	1,518	66.84	316	13.91	2,271	100.00
2020	420	18.13	1,560	67.33	337	14.54	2,317	100.00
2019	443	18.28	1,641	67.70	340	14.03	2,424	100.00
2018	432	17.67	1,652	67.57	361	14.76	2,445	100.00
2017	363	15.62	1,597	68.72	364	15.66	2,324	100.00
2016	288	12.85	1,555	69.42	397	17.72	2,240	100.00
2015	324	14.29	1,571	69.30	372	16.41	2,267	100.00
2014	312	13.41	1,615	69.43	399	17.15	2,326	100.00

SOURCE: State of Maine, Department of Education, "October 1 Census of Students Educated at Public Expense".

NOTE: For years 2008 and prior, the Member Municipalities were not consolidated into RSU21, but were individual SAUs. FY 2006 to 2008 totals may include enrollment at non-resident SAU schools.

Resident Enrollment is based on where the students live. They are counts of students who reside in each school district and are educated at public expense. Public school district resident counts include: (1) resident students from the local school unit attending schools in the local school unit, plus (2) resident students from the local unit who are tuitioned to other public school units or private schools and who are paid for with public funds.

Attending Enrollment is an attending student count, or a head count of students, based on where the students are educated. Public school district attending counts include: (1) students from the local school district attending schools in the local school district, plus (2) students from outside the school district who are tuitioned from other school districts.

Enrollment Trends

<u>Oct. 1,</u>	<u>K - 5</u>	<u>RSU 21 Grades</u>		<u>Non-Resident</u>	<u>Attending Enrollment</u>
		<u>6 - 8</u>	<u>9 - 12</u>		
2023	1,089	476	697	21	2,271
2022	1,057	475	750	30	2,300
2021	1,040	505	726	32	2,293
2020	1,024	553	740	32	2,336
1019	1,101	578	745	41	2,445
2018	1,224	597	837	27	2,685
2017	1,071	540	707	21	2,339
2016	1,046	559	664	21	2,290
2015	1,054	511	672	21	2,258
2014	1,123	521	682	14	2,340

Technical Education

Title 20-A, Chapter 313 of the Maine Revised Statutes, provides for “career and technical education” or a course or program of education which is designed to create or improve job-related skills that are part of a secondary school curriculum. The programs may be offered via a career and technical education center (a “Center”) or a career and technical education region (a “Region”). A Center is comprised of a single school administrative unit and its obligations are those of the unit. As Centers, the Portland Arts & Technology High School (“PATHS”) is owned, operated and maintained by the Department of Education of the City of Portland; the Biddeford Regional Center of Technology (“BRCT”) is owned, operated and maintained by the Department of Education of the City of Biddeford; the Sanford Regional Technical Center (“SRTC”) is owned, operated and maintained by the Department of Education of the City of Sanford. The law regarding the funding of PATHS, BRCT and SRTC was changed by Chapter 226 of the Private and Special Laws of Maine (1999) such that a sending SAU no longer pays per student tuition to Portland, Biddeford or Sanford but pays for attendance through a cost sharing agreement. State subsidy for PATHS, BRCT or SRTC no longer goes to Portland, Biddeford or Sanford but each SAU receives subsidy for Career Technical Education based on their costs for student enrollment the Center. The RSU currently sends 0 students to PATHS, four students to BRCT and 64 students to SRTC.

LIBRARIES

Two long-established libraries are available for Town residents. Each of the libraries is a non-profit organization, separate from the Town’s responsibility, but receiving financial support from the Town.

Louis T. Graves Memorial Public Library

The red brick building on 18 Maine Street in Kennebunkport, known to generations of families as the Louis T. Graves Memorial Public Library, was built in 1813 as the Kennebunk Bank in Arundel (in 1821 the town name was changed to Kennebunkport). In 1831 the U.S. Government purchased the building to use as a Customs House and, in 1898, the Kennebunkport Free Library, an organization founded by Mrs. Anne Talbot four years before, moved to the second floor. In 1916 the Kennebunkport Public Library Association was formed, absorbing Mrs. Talbot’s library. Four years later, Mr. and Mrs. Abbott Graves purchased the property at auction for \$1,350 and, in 1921, the Graves family deeded the property to the Library Association on the condition that the Library be named in memory of their deceased son Louis T. Graves who valued books all his life.

Cape Porpoise Library

The Cape Porpoise Library is located in Atlantic Hall, at 173 Main Street, in the village of Cape Porpoise. For the last nearly 100 years local residents have used the Hall for any purposes, including weddings, memorials, holiday parties, town meetings, concerts, plays, film-making headquarters, and music video production. In April 1906, Cape Porpoise put together its first firefighting organization, calling it the Atlantic Hose Company, various pieces of firefighting equipment in kept separately in members’ barns but needed a fire hall. Without private donations, the Atlantic Hose Company raised the monies and built it as they could. A foundation was poured in 1914; the floors and sills added in 1915; plans were put on hold until 1919, the well-known Boston Architectural firm of Kilham, Hopkins and Greeley designed the new building that included an engine room on the first floor, as well as a dining room, kitchen and small library and the second floor, a hall that would be a meeting place for residents to gather. The building was raised during the winter and spring of 1920. In 1958, the Atlantic Hose Company outgrew its station at Atlantic Hall, and a new fire house was built across the street and is the Cape Porpoise fire house today. Care and management of the Hall was given to the Atlantic Fireman’s Educational Association and its Board. Atlantic Hall is community-owned event site and is maintained through rentals and fundraising.

BUILDING ACTIVITY

Calendar Year	Residential		Commercial		Total	
	# Permits	Est. Cost	# Permits	Est. Cost	# Permits	Est. Cost
2023	456	\$65,656,098	24	\$4,919,098	480	\$70,575,196
2022	352	49,284,787	22	10,621,492	374	59,906,301
2021	414	53,760,179	21	1,743,000	435	55,503,179
2020	374	33,605,211	19	1,540,885	393	35,146,096
2019	368	30,327,131	28	4,511,000	396	34,838,131
2018	431	39,457,388	22	2,395,500	453	41,852,888
2017	361	26,752,085	18	2,803,830	379	29,555,915
2016	399	29,132,757	32	6,111,882	431	35,244,639
2015	384	21,808,288	24	933,649	408	22,741,937
2014	315	24,417,863	27	469,570	342	24,887,433

FORMER KENNEBUNK-KENNEBUNKPORT METROPOLITAN STATISTICAL AREA

The U.S. Department of Commerce, Bureau of the Census formerly defined a metropolitan statistical area (“MSA”) as an area that includes at least one city with 50,000 or more inhabitants, or a Census Bureau-defined urbanized area (of at least 50,000 inhabitants) and a total metropolitan population of at least 75,000 (in New England).

Additional cities and towns are included in the MSA if they meet specified requirements of commuting to the central area and other selected requirements of metropolitan character (such as population density and percent urban). A MSA is also considered a labor market area (“LMA”). The map displays the one city, 26 towns or townships and 14 parcels of unorganized territory that comprise the Ellsworth-Kennebunkport MSA.



SOURCE: Maine Department of Labor, Labor Market Information Services

RETAIL TRADE

<u>Calendar Year</u>	<u>Food Store</u>	<u>General Mdse.</u>	<u>Other Retail</u>	<u>Restaurant & Lodging</u>	<u>Total</u>
2023	\$2,333,241	\$12,919,761	\$19,907,998	\$92,581,640	\$141,528,048
2022	2,888,012	12,310,017	19,138,328	90,826,488	139,450,592
2021	2,671,069	10,894,966	19,300,260	86,973,248	132,854,816
2020	2,336,456	4,486,169	10,734,776	38,087,184	66,661,164
2019	2,283,847	5,986,090	14,712,859	69,666,960	103,687,776
2018	2,140,296	6,172,729	13,669,469	71,921,632	104,358,368
2017	-	-	-	74,069,192	105,136,816
2016	-	-	-	71,425,008	99,613,136
2015	-	-	-	67,412,536	94,062,752
2014	-	-	-	62,460,012	85,712,552

SOURCE: State of Maine, Department of Taxation, Sales Tax Section.

NOTE: In all years, "Business Operating", "Building Supply" and "Auto/Transportation" categories; and in some years "Food Store", "General Merchandise", and "Other Retail" are not itemized whereas the participants in that sector are too few, such that reporting sales could share otherwise proprietary information.

EMPLOYMENT

<u>Representative Employers</u>	<u>Type of Business</u>	<u>Approximate Employees</u>	<u>% Town's Employment</u>
Town of Kennebunkport	Municipal	179	9.44%
Nonantum Resort	Hotel	168	8.86%
Colony Hotel	Hotel	90	4.74%
Hidden Pond & /Earth Rest.	Resort	80	4.22%
Cape Arundal Golf Club	Golf	60	3.16%
The Boathouse	Hotel	50	2.64%
Arundel Wharf Restaurant	Restaurant	24	1.27%
Alisson's Restaurant	Restaurant	21	1.11%
Pier 77	Restaurant	15	0.79%
Cape Arundal Inn & Rest.	Hotel	<u>6</u>	<u>0.32%</u>
Totals		693	36.55%

Commuter Trends

People who work in Kennebunkport, but commute from:	Number of Workers	% Kennebunkport Workforce
Kennebunkport	530	32.18%
Kennebunk	260	15.79%
Biddeford	127	7.71%
Arundel	115	6.98%
Lyman	115	6.98%
Saco	104	6.31%
Wells	66	4.01%
Sanford	57	3.46%
Old Orchard Beach	44	2.67%
Rochester NH	38	2.31%
Portland	28	1.70%
Berwick	20	1.21%
North Berwick	18	1.09%
Shapleigh	18	1.09%
Buxton	17	1.03%
South Portland	14	0.85%
Amesbury MA	11	0.67%
West Springfield MA	11	0.67%
Falmouth	10	0.61%
Alfred	10	0.61%
Dayton	8	0.49%
Ogunquit	8	0.49%
Columbia Cnty FL	7	0.43%
Limington	7	0.43%
Monson	2	0.12%
Newfield	<u>2</u>	<u>0.12%</u>
Totals	1,647	100.00%

People who live in Kennebunkport, but commute to:	Number of Workers	% Kennebunkport Workers
Kennebunkport	530	30.13%
Kennebunk	392	22.29%
Biddeford	180	10.23%
Portland	124	7.05%
Saco	60	3.41%
Wells	52	2.96%
Sanford	41	2.33%
Augusta	36	2.05%
Boston MA	29	1.65%
Scarborough	28	1.59%
Bedford NH	26	1.48%
Durham NH	26	1.48%
South Portland	24	1.36%
York	24	1.36%
Cambridge MA	21	1.19%
Kittery	21	1.19%
Westbrook	20	1.14%
Hiram	19	1.08%
Eliot	17	0.97%
Hopkins MN	15	0.85%
Waterboro	15	0.85%
Ridgefield NJ	12	0.68%
Brunswick	10	0.57%
Greenville	10	0.57%
Portsmouth NH	10	0.57%
Haverhill MA	9	0.51%
Manchester	5	0.28%
EdgewaterNJ	<u>3</u>	<u>0.17%</u>
	1,759	100.00%

SOURCE: U.S. Department of Commerce, Bureau of Census - Tables 3 & 4. Residence MCD/County to Workplace MCD/County Commuting Flows for the United States: 5-Year ACS, 2011-2015, the latest information available.

ECONOMIC CHARACTERISTICS

Population	% Change since Prior Census			
	Town of Kennebunkport	Town	State	USA
1980	2,952	36.7	2.4	13.4
1990	3,356	13.7	13.4	11.4
2000	3,720	10.8	9.2	9.8
2010	3,474	(6.6)	9.2	9.8
2020	3,629	4.5	1.2	6.3

SOURCE: Respective census, U.S. Department of Commerce, Bureau of the Census.

Population Characteristics	Town of Kennebunkport	York County	State of Maine	USA
Median age (years)	54.4	45.4	44.8	38.6
% school age	3.0%	4.5%	4.5%	5.7%
% working age	13.3%	18.1%	18.4%	22.2%
% 65 and over	33.2%	21.6%	21.7%	16.8%
Persons/household	2.25	2.36	2.31	2.60

Income	Town of Kennebunkport	York County	State of Maine	USA
Median family income	\$113,456	\$73,856	\$63,182	\$69,021
% below poverty level	11.2%	8.3%	11.5%	11.6%
Per capita income	\$36,707	\$39,450	\$36,171	\$37,638

Housing	Town of Kennebunkport	York County	State of Maine	USA
% owner occupied	86.4%	75.0%	73.4%	64.6%
Owner occupied med. value	\$775,400	\$278,900	\$212,100	\$244,900
Median gross rent	\$2,975	\$1,090	\$927	\$1,163
Households	628	87,914	571,064	-

SOURCE: 2020 Census, U.S. Department of Commerce, Bureau of the Census or datausa.io/profile/geo/kennebunkport-me.

Unemployment	Town of Kennebunkport	York County	State of Maine	USA
2023	2.3%	2.6%	2.9%	3.6%
2022	2.5	2.7	3.0	3.6
2021	4.2	4.5	4.6	5.5
2020	5.2	5.4	5.4	8.1
2019	2.5	2.7	3.0	3.7
2018	3.0	3.0	3.4	3.9
2017	3.0	2.9	3.3	4.4
2016	3.4	3.4	3.9	4.9
2015	4.0	3.9	4.4	5.3
2014	5.6	5.3	5.7	6.2

SOURCE: State of Maine, Department of Labor, Division of Economic Analysis and Research.

TOWN FINANCES

BUDGETARY PROCESS

The fiscal year (or “Budget Year”) of the Town begins on the first day of July and ends on the thirtieth day of June of the following calendar year. The Town’s Administrative Code provides for a budget process. Section 1.2.9.g of the Code delegates the Board of Selectmen to recommend a budget to the Annual Town Meeting. In so doing, pursuant to Section 2.1.k. of the Code provides that the Selectmen appoint a Town Manager who, in addition to other powers and duties, shall collect data necessary for the preparation of the budget, assist and work with the Budget Board.

Section 4.18 provides that the Budget Board shall consist of twelve members. Pursuant to Section 1.1.3 of the Code, the Town Meeting Moderator appoints a sufficient number of members to the Budget Board, the terms of four members expiring every three years. Any vacancies arising in the Budget Board shall be filled by the Moderator of the preceding Town Meeting by appointment for the unexpired term. The Budget Board reviews receipts and expenditures and considers any and all financial questions for the purpose of making reports and recommendations to the Town. The Chairman of the Budget Board and the Town Manager establish budgetary guidelines, and prepare a budget calendar for budgetary preparation and review. The Budget Board reviews all budget proposals submitted and make recommendations. These recommendations are be included in the warrant for consideration at the annual or special Town Meetings.

The Town Meeting has the exclusive power and responsibility to approve the annual Town Budget. Pursuant to State law, if the Appropriation Resolve increases the property tax levy from the prior year by more than a specified Growth Limitation factor then the excess of the appropriation must be approved by a majority of the Town Meeting voters. Further, the School Budget is subject to referendum by the voters of the RSU through a Budget Validation process. Upon adoption of the budget, a property tax levy is established and filed with the Town Assessor.

General Fund Budgets for Fiscal Year Ending June 30,

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues					
Property taxes	\$19,004,109	\$19,565,377	\$20,779,326	\$21,946,773	\$23,058,063
Excise taxes	962,600	1,064,000	1,114,000	1,164,000	1,214,000
Interest on taxes	35,000	40,000	40,000	40,000	40,000
Inter-governmental	484,088	529,020	581,279	651,144	667,099
Licenses and permits	265,000	383,000	570,000	663,000	765,000
Charges for services	193,750	383,600	472,400	564,800	613,300
Interest earned	30,000	60,000	30,000	150,000	300,000
Other revenues	1,292,500	982,500	1,698,000	1,312,000	1,384,000
Total Revenues	22,267,047	23,007,497	25,285,005	26,491,717	28,041,462
Expenditures					
General government	2,016,680	2,247,741	3,053,416	3,246,231	2,600,993
Public safety	2,956,727	3,030,630	3,211,343	3,389,796	3,508,414
Public works	1,217,949	1,266,817	1,426,660	1,561,060	1,560,176
Health & welfare	736,753	821,911	821,509	827,319	1,021,536
Recreation and culture	566,114	704,190	692,409	680,214	1,088,176
Education	11,447,719	11,264,353	11,349,467	11,817,798	12,992,578
County tax	1,150,725	1,199,997	1,302,970	1,412,019	1,494,744
Debt service	977,466	973,058	1,246,931	1,346,280	1,353,845
Capital improvements	1,196,914	1,498,800	2,180,300	2,211,000	2,421,000
Total Expenditures	\$22,267,047	\$23,007,497	\$25,285,005	\$26,491,717	\$28,041,462

CAPITAL IMPROVEMENT PLAN

Capital Improvement Spending Plan Fiscal Year Ending June 30,

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Totals</u>	<u>7-yr Ave</u>
CIP									
General Fund									
Admin	\$20,000	\$197,000	\$0	\$5,000	\$406,500	\$22,000	\$237,000	\$887,500	\$126,786
Communications	0	0	250,000	250,000	37,000	15,000	15,000	567,000	81,000
Dock Square	0	0	0	0	0	0	0	0	0
Fire	186,100	188,500	120,000	210,000	295,000	258,000	151,000	1,408,600	201,229
Parks & Rec	0	2,000	0	0	75,000	20,000	55,000	152,000	21,714
Police	37,000	30,000	44,314	48,800	92,800	60,000	55,000	367,914	52,559
Public Works	1,050,000	683,600	424,100	635,000	836,000	1,193,500	1,323,000	6,145,200	877,886
Special Proj.	0	0	58,500	50,000	285,000	535,000	585,000	1,513,500	216,214
Enterprise Fund									
Piers	130,000	200,000	300,000	300,000	153,000	1,092,500	0	2,175,500	310,786
Wastewater	43,110	126,050	62,940	96,000	50,000	510,000	330,000	1,218,100	174,014
Annual Totals	\$1,466,210	\$1,427,150	\$1,259,854	\$1,594,800	\$2,230,300	\$3,706,000	\$2,751,000	\$14,435,314	\$2,062,188
Funding Sources									
Taxes	\$1,423,100	\$1,201,100	\$871,914	\$1,173,800	\$1,480,300	\$2,287,000	\$1,800,000	\$10,237,214	\$1,462,459
User Fees	43,110	126,050	62,940	96,000	50,000	510,000	330,000	1,218,100	174,014
Bond Proceeds	0	0	0	0	0	0	0	0	0
Grant	0	0	0	0	0	0	0	0	0
CIP /Transfers	0	100,000	325,000	325,000	700,000	909,000	621,000	2,980,000	425,714
Total Funding	\$1,466,210	\$1,427,150	\$1,259,854	\$1,594,800	\$2,230,300	\$3,706,000	\$2,751,000	\$14,435,314	\$2,062,188

INVESTMENT POLICY

On April 23, 2015, the Town established, and follows, a formal Investment Policy and, in compliance with applicable Maine law [Title 30-A, Section 5706 et seq. of the Maine Revised Statutes (the “Act”)] all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. Under its policy, the Town’s investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The Town is invested principally in direct obligations of the United States government and its agencies. The Town is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest. See “NOTE 3(A) – Investments” in APPENDIX A, herein.

FUND BALANCE POLICY

On December 11, 2014, the Town established, and follows, a formal policy that recognizes the importance of maintaining an appropriate level of unrestricted fund balance in order to comply with Governmental Accounting Standards Board (“GASB”) Statement 54 (“GASB 54”).

It is the policy of the Town 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 (GAAP - generally accepted accounting principles in the United States). 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 five years or less. The Treasurer shall report fund balance in the appropriate classifications and make the appropriate disclosures in the Town’s financial statements. Unless already classified as restricted or committed, the following balances shall be classified as assigned, as per GAAP or a matter of policy. *Encumbrances* – Amounts encumbered at year-end by contract, including purchase order, or encumbered by some other means shall be classified as assigned. (GAAP) *Budget Appropriation* – Amounts appropriated in the annual budget resolve, or in any supplemental budget resolves, for expenditures in ensuing fiscal year shall be classified as assigned, unless otherwise already restricted or committed. (GAAP) *Capital Budget* – Amounts designated for use in the first year of the capital improvement program, whether by appropriation or advance to another fund, shall be classified as committed. 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.

Fund Balance as % Revenues

	<u>Fiscal Year Ended June 30,</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assigned and Unassigned General Fund Balance	\$4,336,873	\$4,551,783	\$5,394,174	\$4,948,306	\$6,392,445
Total Revenues	20,061,093	21,486,178	21,971,320	22,618,789	24,488,757
Fund Balance as % Revenues	21.62%	21.18%	24.55%	21.88%	26.10%

	<u>Fiscal Year Ended June 30,</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Unassigned General Fund Balance	\$4,102,683	\$3,920,303	\$5,169,174	\$4,748,306	\$6,192,445
Total Revenues	20,061,093	21,486,178	21,971,320	22,618,789	24,488,757
Fund Balance as % Revenues	20.45%	18.25%	23.53%	20.99%	25.29%

FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, and Section 1.2.9.b. of the Town’s Code provides for independent annual audits of the Town’s accounts. The Town, in conformance with this statute and its Code, currently engages the services of Runyon Kersteen Ouellette, Certified Public Accountants (“RKO”). The Town’s fiscal year 2023 Annual Comprehensive Financial Report (“ACFR”), audited by RKO, is presented as APPENDIX A to this Preliminary Official Statement. The consent of RKO for the incorporation of the Financial Statements included in APPENDIX A has not been requested by the Town, nor has it been received.

For the ninth consecutive year the Government Finance Officers Association (the “GFOA”) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town for its Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended June 30, 2021.

FUNDS

The accounts of the Town are organized and operated on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The Town has the following fund types:

Governmental Funds are used to account for most governmental functions of the Town. Governmental Funds include the following fund types:

General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds account for revenue sources (not including expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Capital Projects Fund is used to account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting governments' programs.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Town Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary Funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's Fiduciary Funds include the following types:

Private Purpose Trust Funds are used to report any trust arrangements under which principal and income benefit individuals, private organizations, and other governments and that are not accounted for in other fiduciary funds.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity.

**TOWN OF KENNEBUNKPORT
COMPARATIVE BALANCE SHEET
GENERAL FUND
(As of June 30,)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS					
Cash & equivalents	\$11,806,923	\$12,718,427	\$10,130,488	\$8,337,786	\$8,047,802
Investments	0	0	0	0	250,548
Receivables					
Accounts	54,224	30,709	114,080	69,704	41,226
Due from other	128,824	134,330	34,061	85,089	76,978
Taxes receivable (current)	165,462	204,632	132,093	194,692	178,454
Taxes receivable (prior)	5,385	4,980	4,424	2,343	1,600
Tax liens	45,708	52,954	38,608	62,514	50,665
Lease/Prepays	162,731	175	1,275	214	1,060
Inventory	<u>7,350</u>	<u>7,550</u>	<u>6,335</u>	<u>2,392</u>	<u>4,742</u>
TOTAL ASSETS	12,376,607	13,153,757	10,461,364	8,754,734	8,653,075
LIABILITIES					
Accounts payable	178,910	156,863	81,601	101,807	161,497
Accrued wages	60,472	52,007	108,051	102,025	69,562
Other	232,013	283,649	418,968	104,245	105,587
Inter-fund loans	<u>4,585,367</u>	<u>6,835,578</u>	<u>3,577,347</u>	<u>3,068,737</u>	<u>3,246,663</u>
TOTAL LIABILITIES	5,056,762	7,328,097	4,185,967	3,376,814	3,583,309
DEFERRED					
Property taxes	78,406	135,000	136,000	186,623	139,741
Lease	<u>161,553</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEFERRED	239,959	135,000	136,000	186,623	139,741
FUND EQUITY					
Non-spendable	7,350	7,725	7,610	2,606	5,802
Restricted	0	0	0	0	0
Committed	680,091	734,629	737,613	636,908	587,350
Assigned	200,000	200,000	225,000	631,480	234,190
Unassigned	<u>6,192,445</u>	<u>4,748,306</u>	<u>5,169,174</u>	<u>3,920,303</u>	<u>4,102,683</u>
TOTAL EQUITY	7,079,886	5,690,660	6,139,397	5,191,297	4,930,025
TOTAL LIABILITIES, DEFERRED AND EQUITY	<u>\$12,376,607</u>	<u>\$13,153,757</u>	<u>\$10,461,364</u>	<u>\$8,754,734</u>	<u>\$8,653,075</u>

Prepared from Audited Financial Statements.

TOWN OF KENNEBUNKPORT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND
(For the Years Ended June 30,)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
REVENUES					
Taxes	\$22,104,628	\$20,768,604	\$20,271,421	\$19,840,826	\$18,297,207
Inter-governmental	719,992	654,175	653,163	732,517	932,558
Licenses and permits	792,665	766,321	585,742	417,948	316,027
Charges for services	426,206	324,079	336,310	289,740	251,093
Investment income	380,646	44,090	70,344	167,924	193,784
Other	<u>64,620</u>	<u>61,520</u>	<u>54,340</u>	<u>37,223</u>	<u>70,424</u>
TOTAL REVENUES	24,488,757	22,618,789	21,971,320	21,486,178	20,061,093
EXPENDITURES					
Current:					
General government	2,237,402	2,040,063	1,901,836	1,856,579	1,817,410
Public safety	3,072,945	2,964,578	2,707,668	2,824,827	2,630,796
Public works	1,325,590	1,251,069	1,114,851	1,130,645	1,229,881
Health and welfare	744,275	777,362	654,210	667,300	702,508
Recreation & culture	557,439	530,381	470,602	495,158	469,214
Education	11,349,467	11,264,352	11,447,719	11,249,250	10,220,198
County Tax	1,302,970	1,199,996	1,150,725	1,143,776	1,135,299
Debt service	982,040	939,253	941,464	455,209	98,178
Capital outlay	<u>5,442</u>	<u>11,752</u>	<u>61,149</u>	<u>52,758</u>	<u>30,385</u>
TOTAL EXPENDITURES	21,577,570	20,978,806	20,450,224	19,875,502	18,333,869
EXCESS OF REVENUES OVER EXPENDITURES	2,911,187	1,639,983	1,521,096	1,610,676	1,727,224
OTHER FINANCING					
Transfers from Other	1,236,000	710,000	670,000	495,914	440,611
Transfers to Other	<u>(2,757,961)</u>	<u>(2,798,720)</u>	<u>(1,242,996)</u>	<u>(1,845,318)</u>	<u>(1,677,835)</u>
TOTAL OTHER	(1,521,961)	(2,088,720)	(572,996)	(1,349,404)	(1,237,224)
NET CHANGE	1,389,226	(448,737)	948,100	261,272	490,000
FUND BALANCE, JULY 1,	<u>5,690,660</u>	<u>6,139,397</u>	<u>5,191,297</u>	<u>4,930,025</u>	<u>4,440,025</u>
FUND BALANCE, JUNE 30,	<u>\$7,079,886</u>	<u>\$5,690,660</u>	<u>\$6,139,397</u>	<u>\$5,191,297</u>	<u>\$4,930,025</u>

Prepared from Audited Financial Statements.

PROPERTY TAXATION

The principal tax of the Town is the tax on real and personal property. A single tax rate applies for each fiscal year to the assessed value of the taxable real or personal property. The Town's Tax Collector receives the tax commitment from the Town Assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed. For fiscal 2023/2024 the tax due dates were September 15, 2023 and March 15, 2024. All taxes paid after the due dates are subject to interest, established under Title 36, Section 186 of the Maine Revised Statutes, currently at the maximum rate of 8.00% per annum.

Real Estate Tax

Collection of real estate taxes is ordinarily enforced in the Town by the "tax lien" procedure as provided in the Maine Revised Statutes, to the collection of delinquent real estate taxes. Real Estate Tax Liens are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the Town.

Personal Property Tax

Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, provides for an eligible business equipment tax exemption ("BETE" or the "BETE Act") for certain types of tangible business personal property subject to an allowance for depreciation and some specialty types of real property improvements. The exemption does not apply to: office furniture; lamps and lighting fixtures used to provide general purpose office or worker lighting; property owned or used by public utilities and persons providing certain television/telecommunications services; telecommunications personal property subject to the tax imposed by section 457 of Title 36; gambling machines or devices and associated equipment; property located at a retail sales facility unless such facility is more than 100,000 square feet in size and owned by a business whose Maine-based operations derive less than 30% of their total annual revenue from sales in the State; and certain energy and pollution control facilities.

Pursuant to the BETE Act, the State will reimburse municipalities with respect to the lost property taxes associated with this new exemption through one of three formulas, whichever is most beneficial to the municipality, as follows:

1. Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY 2010), 80% in FY 2011, 70% in 2012, 60% in 2013, and 50% in 2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
2. Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic reimbursement formula. Those municipalities will be eligible to receive the 50% minimum reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 64% personal property, it would be eligible for a reimbursement rate of 82%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 64% "personal property factor".
3. Municipal Retention TIF Districts – Certain TIF districts that were enacted prior to April 1, 2008 entitle a municipality to receive reimbursement at a rate of up to 100% for exempt business

equipment that is TIF exempt business equipment as defined in Title 36, Section 691(1)(G) of the Maine Revised Statutes. The increased reimbursement percentage is based on the tax increment percentage allocated to the municipality, as provided in Title 36, Section 694(2)(C) of the Maine Revised Statutes.

For the purposes of identifying the municipality's valuation for determining the local property tax rate, the value of all property made exempt by the BETE Act in the municipality must be considered part of that municipality's local valuation to the extent the municipality is being reimbursed for its lost property taxes by the State other than property located in, and the assessed value of which is retained in, a tax increment financing district. The value of all property made exempt by this law in the Town will also be considered part of that municipality's equalized State Valuation to the extent the Town is being reimbursed for its lost property taxes by the state with an additional adjustment for exempt property in a tax increment financing district effective prior to April 1, 2008. The legislation provides some additional security for the municipal reimbursement system by funding the reimbursements described above directly from State Income Tax receipts before those receipts are deposited into the State's General Fund, rather than as an annual General Fund appropriation.

TAX LEVY AND COLLECTIONS

Fiscal Yr. End June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Tax Levy	Collections (after Supplements and Abatements)		
					Year End	% of Levy	Pick-up
2024	\$4,182,800	\$3,511,483	\$6.25	\$21,946,769	--- In Process ---		
2023	3,354,550	3,463,221	6.00	20,779,326	\$20,613,864	99.20%	99.20%
2022	2,866,500	2,038,685	9.60	19,571,376	19,366,744	98.95	99.77
2021	2,544,500	2,011,017	9.45	19,004,109	18,872,015	99.30	99.98
2020	2,295,400	1,983,600	9.45	18,745,020	18,550,328	98.96	99.99
2019	2,198,500	1,962,639	8.76	17,192,722	17,014,268	98.96	100.00
2018	2,127,950	1,934,467	8.73	16,887,898	16,664,052	98.67	100.00
2017	2,018,400	1,912,262	8.28	15,833,533	15,656,402	98.88	100.00
2016	1,938,350	1,893,883	7.70	14,590,356	14,409,972	97.76	100.00
2015	1,831,600	1,873,703	7.63	14,296,356	14,130,137	98.84	100.00

LARGEST TAXPAYERS

Taxpayer	As of April 1, 2023		
	Type of Business	Assessed Value	% of Levy
O'Neill, Timothy J	Residence	\$15,982,000	0.46%
157 Raksha, LLC	Resort	15,960,500	0.45
Walkers Point Family LP	Residence	12,344,300	0.35
Boughton Hotel Corp	Hotel	11,586,200	0.33
Bongiorno, LLC	Residence	7,692,500	0.22
Central Maine Power	Elec Distribution	7,221,500	0.21
Eileen Barrett Property	Residence	7,075,400	0.20
Frederick, Sr., Christopher	Residence	6,927,800	0.20
Angela L Kenny Rev Trust	Residence	6,903,400	0.20
David Gilman Rev Trust	Residence	<u>6,828,700</u>	<u>0.19</u>
Top Ten Taxpayers		\$98,522,300	2.81%

TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DISTRICTS

Chapter 206 and former 207 (now repealed) of Title 30-A of the Maine Revised Statutes, as amended, enables a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing (“TIF”) district or an affordable housing development district (a “housing district”) and adopts a development program (the “Development Program”) stating the means and objectives for the development of that district. The municipality may designate, or “capture”, all or a portion of the increase in assessed value resulting from development within the district and dedicates the increased property taxes it receives in future years generated by the “captured” assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs. Such districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the municipality, and (c) the aggregate equalized value of property of all the districts and all housing districts within the municipality as of the April 1st preceding the date the Commissioner of the Department of Economic and Community Development, with respect to TIF Districts, or the Director of the Maine State Housing Authority, with respect to housing districts, approves the designation of any such district each cannot exceed 5% of the municipality’s total value of taxable property. Excluded from this limit as applicable to TIF districts is any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality’s total assessed value. In addition, the foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, Section 3403, Subsection 3 of the Maine Revised Statutes.

The Town has not designated TIF districts at this time but, at its pleasure may consider proposals for districts on an ongoing basis. All districts would be evaluated based upon the Town’s comprehensive plan for economic development. In no event will the Town’s districts exceed the statutory limitation of total area to not more than 5% of the Town’s acreage, and aggregate equalized value within all districts (not otherwise exempt from this calculation), determined as of their date of designation, of not more than 5% of the Town’s total equalized value of taxable property.

REVENUES FROM THE STATE

The State provides aid to the Town in a number of areas including education, general assistance, road maintenance, homestead exemption and revenue sharing. The amount of aid in each category is based upon a number of formulas, many of which contain variables that change annually. Further, most categories of State aid are governed by laws that may be changed by the State Legislature are subject to appropriation by the State Legislature in its budgetary process.

The State subsidizes most local school administrative units through the Essential Programs and Services (“EPS”) model of calculating and distributing state education aid. EPS utilizes a number of factors that are subject to change each year. In addition, the EPS model itself is subject to change by the Legislature. Furthermore, subsidies for SAUs are an annual item in the State’s budgetary process and are subject to legislative appropriation in that process. The following table displays revenue received by the Town from the State for the last five audited fiscal periods. Revenues received by the Town from the State in future years could, however, be less than any of the amounts set forth in the following table. The following displays revenues received by the Town from the State for the last five audited fiscal periods:

FY Year End June 30	State Revenue Sharing	Reimbursements			From the State
		Homestead Exemption	General Assistance	BETE	
2023	\$240,046	\$166,751	\$183	\$4,235	\$411,215
2022	227,181	114,606	0	5,890	347,677
2021	149,009	123,462	0	7,465	279,936
2020	107,002	89,303	684	6,837	203,826
2019	65,462	82,635	1,008	6,147	155,252

INDEBTEDNESS

LIMITATIONS AND EXCLUSIONS

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, “No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary wastewater purposes, for energy facility purposes or for municipal airport purposes to exceed 7½% of its last full state valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm and wastewater purposes to an amount outstanding at any time not exceeding 7½% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set.”

Title 30-A, Section 5703 of the Maine Revised Statutes, provides that the limitations on municipal debt contained in Section 5702 do not apply “... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 235 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt.”

On January 1, 2024 the Town’s equalized state valuation (“equalized State Valuation”) was \$4,182,800,000. The 15% debt limit is \$627,420,000. As of June 30, 2023 the Town’s long-term debt outstanding was \$12,522,746 or 0.30% of the equalized State Valuation.

The Town will certify on the date of issue of the Bonds that the Town has not exceeded the foregoing debt limits and that issuance of the Bonds will not cause the Town to exceed such debt limits.

DEBT SUMMARY

Amount Issued	Final Maturity	June 30, (Projected)							
		2023	(Paid)	2024	(Paid)	2025	(Paid)	2026	
\$1,000,000	11/1/2023	56,919	(56,919)	0	0	0	0	0	0
400,000	9/2/2026	170,899	(41,292)	129,607	(42,226)	87,381	(43,198)	44,183	
450,000	7/20/2027	225,000	(45,000)	180,000	(45,000)	135,000	(45,000)	90,000	
2,255,000	10/1/2029	1,735,000	(170,000)	1,565,000	(170,000)	1,395,000	(170,000)	1,225,000	
8,500,000	10/1/2024	7,600,000	(320,000)	7,280,000	(320,000)	6,960,000	(6,960,000)	0	
1,700,000	10/1/2040	1,530,000	(85,000)	1,445,000	(85,000)	1,360,000	(85,000)	1,275,000	
300,000	10/1/2040	249,927	(13,885)	236,042	(13,885)	222,157	(13,885)	208,272	
1,000,000	8/1/2027	1,000,000	0	1,000,000	(200,000)	800,000	(200,000)	600,000	
Sub-total		12,567,745		11,835,649		10,959,538		3,442,455	
\$6,880,000	10/1/2039	0		0		6,880,000		6,880,000	
Total		\$12,567,745		\$11,835,649		\$17,839,538		\$10,322,455	

NOTE: "SRF" indicates the State Revolving Loan Fund Program. Clean Water SRF, or "CWSRF" are eligible projects that are financed through the SRF, administered jointly by the MMBB and the DEP for the CWSRF.

PROJECTED PRINCIPAL PAYMENTS, BY YEAR OF ISSUE

FY end June 30,	2003	2016	2018	2019 Sr A	2019 Sr B	2021	2021	2022	2024	Totals
2024	\$56,919	\$41,292	\$45,000	\$170,000	\$320,000	\$85,000	\$13,885	\$200,000		
2025		42,226	45,000	170,000	7,280,000	85,000	13,885	200,000		
2026		43,198	45,000	170,000		85,000	13,885	200,000		
2027		44,183	45,000	170,000		85,000	13,885	200,000		
2028			45,000	170,000		85,000	13,885	200,000		
2029				170,000		85,000	13,885			
2030				65,000		85,000	13,885			
2031				65,000		85,000	13,885			
2032				65,000		85,000	13,885			
2033				65,000		85,000	13,885			
2034				65,000		85,000	13,885			
2035				65,000		85,000	13,885			
2036				65,000		85,000	13,885			
2037				65,000		85,000	13,885			
2038				65,000		85,000	13,885			
2039				65,000		85,000	13,885			
2040				65,000		85,000	13,885			
2041						85,000	13,885			
	\$56,919	\$170,899	\$225,000	\$1,735,000	\$320,000	\$1,530,000	\$249,927	\$1,000,000	\$0	

NOTE: The shaded box in the 2019 Sr B column represents 2019n Sr Bonds that are expected to be paid from budgeted funds and from refunding proceeds of the Bonds. It is, therefore, not included in the table calculations.

PROJECTED DEBT SERVICE REQUIREMENTS

Fiscal Yr. End June 30,	Current Debt				Projected Debt			Projected Total Debt
	Principal	Interest	(less 2019 Sr B	Total Debt	Pro-forma (2024 Bonds)			
					Principal	Interest	Total	
2024	\$932,096	\$383,909		\$1,316,006				
2025	7,836,111	240,112	(7,398,300)	677,923				
2026	557,082	104,633		661,716				
2027	558,068	87,497		645,565				
2028	513,885	70,338		584,223				
2029	268,885	56,779		325,664				
2030	163,885	49,864		213,749				
2031	163,885	46,225		210,110				
2032	163,885	43,236		207,121				
2033	163,885	40,247		204,131				
2034	163,885	37,257		201,142				
2035	163,885	34,268		198,153				
2036	163,885	31,279		195,163				
2037	163,885	28,289		192,174				
2038	163,885	25,300		189,185				
2039	163,885	22,311		186,196				
2040	163,885	19,322		183,206				
2041	98,885	17,307		116,192				
Totals	\$12,567,745	\$1,338,174	(\$7,398,300)	\$6,507,619	\$0	\$0	\$0	

DEBT RATIOS

Fiscal Yr. End June 30,	Population	Equalized State Val. (000)	Assessed Valuation (000)	Total Debt	Debt as % Eq. Val.	Per Capita Debt
2023	3,695	\$3,354,550	\$3,463,221	\$12,567,745	0.37%	\$3,401.28
2022	3,629	2,866,500	2,038,685	13,288,472	0.46	3,661.74
2021	3,548	2,544,500	2,011,017	13,002,811	0.51	3,664.83
2020	3,548	2,295,400	1,983,600	11,628,895	0.51	3,277.59
2019	3,548	2,198,500	1,962,639	11,795,826	0.54	3,324.64
2018	3,544	2,127,950	1,934,467	1,145,957	0.05	323.35
2017	3,535	2,018,400	1,912,262	944,344	0.05	267.14
2016	3,510	1,938,350	1,893,883	755,786	0.04	215.32
2015	3,510	1,831,600	1,873,703	1,060,000	0.06	301.99
2014	3,510	1,832,450	1,860,358	1,359,738	0.07	387.39

OVERLAPPING DEBT

County of York

The Town is subject to an annual assessment of its proportional share of the County of York’s (the “County”) expenses, including debt repayment, as determined by the percentage of the Town’s equalized State Valuation to the County’s equalized State Valuation. At June 30, 2024 the Town’s equalized State Valuation of \$4,182,800,000 is 7.61% of the County’s equalized State Valuation of \$54,940,300,000. As of June 30, 2023 the County had \$0 long-term debt outstanding.

RSU 21

The Town is responsible for its proportionate share of the former MSAD No. 71's portion of RSU 21's long-term debt and its proportionate share of RSU 21's direct long-term debt. The debt service is included in RSU 21's annual assessment to the Town. For the fiscal year ending June 30, 2024 the Town was assessed for \$11,817,798 of its portion of RSU 21's 2024/2025 total municipal assessments of \$47,490,192 (or 24.88%). As of June 30, 2023, the RSU's total long-term debt outstanding was \$57,028,990 and the Town's share of debt was \$14,639,342, or 26.67% of the RSU's debt.

CONTINGENT DEBT

The Town does not have any obligations for which it is responsible on a contingent basis.

TOTAL GENERAL OBLIGATION, OVERLAPPING AND CONTINGENT DEBT

	<u>Direct Debt</u>	<u>Overlapping</u>	<u>Contingent</u>	<u>Total Debt</u>
Town of Kennebunkport	\$12,567,745			\$12,567,745
RSU No. 21		14,639,342		14,639,342
County of York ⁽²⁾			\$0	\$0
Total A/O June 30, 2023	\$12,567,745	\$14,639,342	\$0	\$27,207,087
Debt as % 2024 Eq State Val.	0.37%	0.44%	0.00%	0.81%
Per Capita Debt	\$3,401.28	\$3,961.93	\$0.00	\$7,363.22

FUTURE FINANCING

The Town's debt issues are subject to the prior review and approval of the Board of Selectmen, then to the Budget Committee for its recommendation and finally, to Town Meeting for authorization. Other than the projects listed below, following the Bonds of this financing, the Town has no other authorized but unissued debt.

Wastewater System

At the Town's Annual Meeting(s) held on June 8 and June 12, 2021, the Town's voters approved Warrant Article 12, that authorized the Board of Selectmen to issue general obligation bonds or notes in the name of the Town in a principal amount not to exceed \$6,000,000 for a term of approximately 20 years to pay for costs of wastewater capital projects, including replacement of three pump stations, rehabilitation of clarifiers, replacement of belt filters, and installation of dewatering equipment.

The Town issued two CWSRF bond anticipation notes, as amended by allonges (the "2021 CWSRF BANs"), to provide funds for interim financing. The amount of the bond anticipation notes were for \$5,000,000 and \$1,000,000, respectively, with an interest rate of 1.00% and are now due at the earliest of December 22, 2024 or following permanent financing.

RETIREMENT

A. DEFINED BENEFIT PENSION PLAN

For its participating municipal employees and certain participating School Department employees, the Town contributes to the Consolidated Plan for Participating Local Districts (the "PLD Plan") a cost-sharing multiple-employer, defined benefit pension plan administered by the Maine Public Employees Retirement System ("MainePERS").

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. For PLD members, 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 for the PLD Plan.

The MainePERS is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at www.mainepers.org.

The Town reports on the benefits provided and the contributions to the pension plans, associated pension liabilities, pension expense, deferred outflows and deferred inflows of resources related to pensions, as well as the actuarial methodology and assumptions in its Annual Financial Report. Please see "APPENDIX A – TOWN OF KENNEBUNKPORT, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2023", pages 50 *et seq.* herein.

B. DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Section 457(k) of the Internal Revenue Code, through the International City Management Association ("ICMA") (the "ICMA Plan"). The ICMA Plan, is available to all Town employees, and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Assets of the plan are automatically placed in trust for the exclusive benefit of participants and their beneficiaries by MissionSquare Retirement. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements. The Town's contributions to the plan for the year ended June 30, 2023 were \$100,953 (see "APPENDIX A – TOWN OF KENNEBUNKPORT, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2023", pages 49 *et seq.* herein.)

C. OTHER POST-EMPLOYMENT BENEFITS

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 Town has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of Section 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The Town reports on the benefits provided and the contributions to the plans, associated liabilities, expense, deferred outflows and deferred inflows of resources, as well as the actuarial methodology and assumptions in its Annual Financial Report. Please see "APPENDIX A – TOWN OF KENNEBUNKPORT, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2023", pages 53 *et seq.* herein.

ENVIRONMENTAL MATTERS

Securities and Exchange Commission Regulation 229.103 (the “Regulation”) requires that issuers subject to the disclosure requirements of the Securities Exchange Act of 1934 disclose, among other things, any material pending legal proceedings, including without limitation, legal proceedings involving environmental issues. The Regulation states that no information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed ten percent (10%) of the current assets of the issuer, and, if a governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the issuer reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000. Although the Town, as an issuer of municipal securities, is not subject to the provisions of the Regulation or the Securities Exchange Act of 1934, the Town is voluntarily making the following disclosure with respect to environmental liabilities:

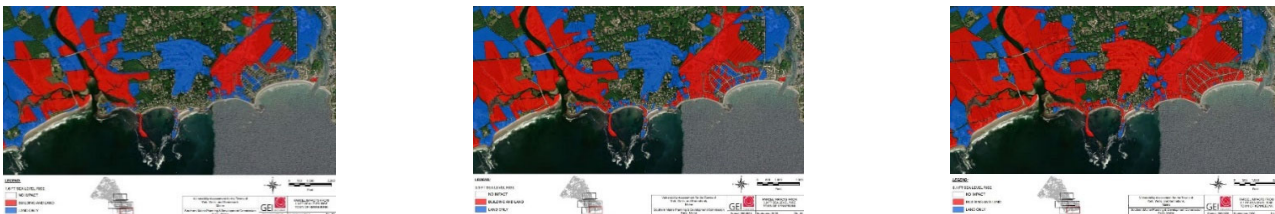
The Town is not subject to any pending or threatened proceedings or actions involving environmental matters that, if adversely decided, would have a material adverse impact upon the Town’s financial condition or ability to pay debt service on the Bonds as and when due.

Climate Change

The Town of Kennebunkport is one of 39 member communities of Southern Maine Planning & Development Commission (“SMPDC”), a regional non-profit organization that works with local communities and governments on planning and economic development initiatives and efforts.

Through the partnership with SMPDC, Kennebunkport has participated in the Regional Sustainability and Resilience Program with four other coastal communities to leverage a collaborative approach in order to enhance the effectiveness of local government action. In addition, Kennebunkport is a participant in the Coastal Resilience Program with two other coastal communities and completed our Economic Resilience Assessment and Plan for Coastal York County which has used local sea level rise projections, storm surge modeling, municipal geospatial data and population and demographic information to complete a GIS-based socio-economic vulnerability assessment of coastal flood hazards. This assessment is generating valuable information about flooding impacts to coastal property and populations, assessed value of impacted property, associated implications for the municipal tax base, and impacts to the local and regional economy. The findings have been used to inform the development adaptation, mitigation, and resilience strategies that the Town will employ to protect people, property, and natural resources from the impacts of coastal flooding now and into the future.

The Town is a signatory to the U.S. Mayor’s Climate Protection Agreement and as a complement to the coastal resilience work, Town staff, as well as volunteers have encouraged and embraced energy efficient and environmentally friendly approaches as it relates to various efforts in Town. The Town has undertaken several resiliency projects, including the planning and engineering on infrastructure as well as raising Pier Road which protects utilities and maintains safe passage for residents and our commercial fishing industry. The Town has established their Climate Action Plan and has formed a Climate Resiliency Committee to implement the strategies of the plan.



Maps depicting parcel impacts from sea level rise (L to R: 1.6', 3.9' and 6.1')

LITIGATION

In the opinion of Town officials there is no litigation pending against the Town which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town's financial position or its ability to meet its debt service obligations.

APPENDIX A

**TOWN OF KENNEBUNKPORT, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
for
Fiscal Year Ending June 30, 2023
(With Report of Independent Auditors' Thereon)**

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

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



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

Prepared by:
The Administration and Finance Department

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

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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INTRODUCTORY SECTION

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TOWN OF KENNEBUNKPORT, MAINE

– INCORPORATED 1653 –

MAINE'S FINEST RESORT

December 29, 2023

To the Selectboard and Citizens of the Town of Kennebunkport:

State of Maine statutes require that every general purpose local government issue annually a financial report audited in accordance with auditing standards generally accepted in the United States of America. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

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

Runyon Kersteen Ouellette, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Town of Kennebunkport’s financial statements for the year ended June 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the government

The Town was incorporated in 1653 as Cape Porpoise, reincorporated in 1717 as Arundel and then changed its name February 19, 1821, to its current name – Town of Kennebunkport. The Town is located in the southeastern part of the state and is located 25 miles south of Portland. It currently occupies 22.0 square miles and has a year-round population of 3,695. The Town of Kennebunkport continues to be a key area within the State for summer tourism. The Town of Kennebunkport is empowered to levy a property tax on real and personal property located within its boundaries.

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

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

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

Local Economy

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

Unemployment had been relatively stable until the effect of the last recession was felt in 2010 and the effects from the COVID 19 pandemic. The unemployment rate has seen a low of 2.2% in June of 2023, compared to 3.6% nationally. The rate has decreased annually, down from 4.8% in 2022.

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

Long-term financial planning and major initiatives

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

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

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

The Town manages the economic vitality of Kennebunkport by partnering with the Kennebunkport Business Association and the Chamber of Commerce on issues. The Town manages and supports the Town's largest economic factor by developing parking and traffic policies to complement the high seasonal demand on infrastructure and ensuring the safety and enjoyment of residents and visitors.

The Town will support the fishing industry by continuing to support Government Wharf and the Cape Porpoise Pier. In fiscal year 2023, the Town's plans for capital investments in the Cape Porpoise Pier were continued.

The Board of Selectmen have adopted a five-year capital plan to maintain and invest wisely in equipment and infrastructure while stabilizing the impact on the tax rate. In 2023, the Town secured \$2.6 million in grant funds to raise the Pier Road causeway, which frequently floods. The Town has budgeted for an engineering design to do the same to Ocean Avenue by Wandby Beach. The Town also issued a \$1 million general obligation bond with a five-year maturity for radio communication tower upgrades.

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

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

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

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

Acknowledgements

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

Respectfully submitted,

Laurie A. Smith

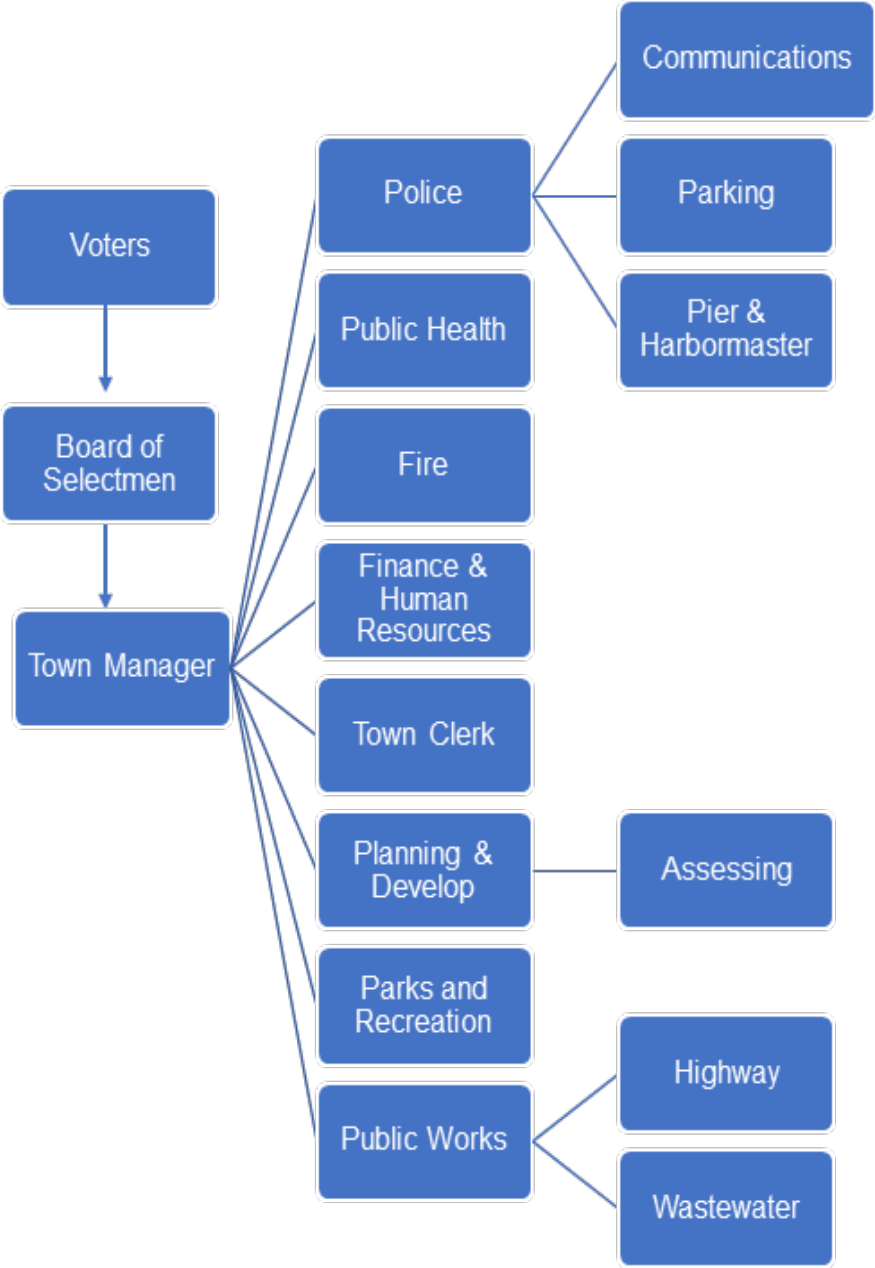
Laurie A. Smith, Town Manager

Nicole L. Evangelista

Nicole L. Evangelista, Treasurer

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**TOWN OF KENNEBUNKPORT
Organizational Chart**



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

Elected Officials

Board of Selectmen



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

Appointed Officials

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

Laurie A. Smith
Tracey L. O’Roak
Nicole L. Evangelista
John C. Everett
Craig A. Sanford
Christopher T. Simeoni
Alison Z. Kenneway
Stephanie L. Simpson
Werner D. Gilliam
Frank Orr

FINANCIAL SECTION

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Independent Auditors' Report

Board of Selectmen
Town of Kennebunkport, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunkport, Maine, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunkport, Maine as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town of Kennebunkport, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

Board of Selectmen
Town of Kennebunkport, Maine

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

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

Supplementary Information

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

Other Information

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

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

Board of Selectmen
Town of Kennebunkport, Maine

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the Town of Kennebunkport, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Kennebunkport, Maine's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Kennebunkport, Maine's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Remya Weston Ouellette".

December 29, 2023
South Portland, Maine

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

As management of the Town of Kennebunkport, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The Town experienced an increase in overall financial position in fiscal year 2023.
- The Town's total net position increased by \$2,726,108 to \$38,273,092 (Statement 2).
- Net capital assets increased by \$2,945,319 (pages 41 and 42).
- General revenues accounted for \$23,083,236 in revenue, or 82.90% of all revenues. Program specific revenues consisting of charges for services and grants and contributions accounted for \$4,761,952 in revenue, or 17.10% of \$27,845,188 in total revenues (statement 2).
- At the end of the current fiscal year, the fund balance for the general fund was \$7,079,886 of which \$7,350 was nonspendable, \$680,091 was committed, \$200,000 was assigned, and \$6,192,445 was unassigned. (See notes to the financial statements and Statement 3)

Overview of the Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Financial Analysis of the Town as a Whole

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

The Town's net position at fiscal year-end is \$38,273,092. This includes current assets (primarily cash, investments, and taxes receivable), the cost (less accumulated depreciation) of all buildings, equipment and land owned by the Town (valued at historical cost, or an estimate thereof), less current liabilities and long-term debt. Changes in net position from year-to-year may be observed to analyze changing financial positions of the Town as a whole. The following table is presented in thousands (Statement 1).

	Governmental Activities		Business-type Activities		Primary Government Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 13,751	13,712	7,460	8,314	21,211	22,026
Capital assets:						
Land	12,739	12,739	950	950	13,689	13,689
Construction in progress	3,076	668	2,283	806	5,359	1,474
Buildings and improvements	4,512	4,489	7,969	7,969	12,481	12,458
Land improvements	305	305	30	30	335	335
Furniture & fixtures	20	20	-	-	20	20
Equipment & vehicles	5,124	5,039	2,708	2,728	7,832	7,767
Infrastructure	12,988	12,988	8,984	8,984	21,972	21,972
Less: accumulated depreciation	(9,354)	(8,732)	(12,984)	(12,578)	(22,338)	(21,310)
Total assets	43,161	41,228	17,400	17,203	60,561	58,431
Deferred outflows of resources						
related to pensions	776	876	101	121	877	997
related to OPEB	21	72	-	-	21	72
Total deferred outflows of resources	797	948	101	121	898	1,069
Current liabilities	2,002	1,227	6,432	6,117	8,434	7,344
Long-term liabilities	12,045	12,235	1,846	2,037	13,891	14,272
Total liabilities	14,047	13,462	8,278	8,154	22,325	21,616
Deferred inflows of resources						
related to pensions	520	1,938	68	279	588	2,217
related to OPEB	112	120	-	-	112	120
related to lease	161	-	-	-	161	-
Total deferred inflows of resources	793	2,058	68	279	861	2,337
Net investment in capital assets	18,018	15,929	7,343	12,349	25,361	28,278
Restricted	1,743	1,636	-	-	1,743	1,636
Unrestricted	9,357	9,091	1,812	(3,458)	11,169	5,633
Total net position	\$ 29,118	26,656	9,155	8,891	38,273	35,547

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

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

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

	Governmental Activities		Business-type Activities		Primary Government Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,602	1,335	2,505	2,231	4,107	3,566
Operating grants & cont.	655	339	-	-	655	339
General revenues:						
Property taxes	20,814	19,592	-	-	20,814	19,592
Excise taxes	1,233	1,176	-	-	1,233	1,176
Grants & cont.	421	358	-	-	421	358
Unrestricted investment earnings (loss)	526	(128)	62	7	588	(121)
Miscellaneous	25	27	-	-	25	27
Total revenues	25,276	22,699	2,567	2,238	27,843	24,937
Expenses:						
Program expenses:						
General government	2,367	1,800	-	-	2,367	1,800
Public safety	3,309	3,149	-	-	3,309	3,149
Public works	1,715	1,644	-	-	1,715	1,644
Health and welfare	744	777	-	-	744	777
Recreation and culture	869	702	-	-	869	702
Education	11,350	11,264	-	-	11,350	11,264
County tax	1,303	1,200	-	-	1,303	1,200
Interest on debt service	297	296	-	-	297	296
Capital improvements	1,083	105	-	-	1,083	105
Sewer	-	-	1,480	1,521	1,480	1,521
Cape Porpoise Pier	-	-	471	424	471	424
Dock Square Parking Lot	-	-	117	109	117	109
Government Wharf	-	-	13	9	13	9
Total expenses	23,037	20,937	2,081	2,063	25,118	23,000
Increase (decrease) in net position	2,239	1,762	486	175	2,725	1,937
Transfers in (out)	222	289	(222)	(289)	-	-
Net position, beg. of year	26,656	24,605	8,891	9,005	35,547	33,610
Net position, end of year	\$ 29,117	26,656	9,155	8,891	38,272	35,547

* 000's omitted

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

The table below presents the total cost for fiscal years 2023 and 2022 of each of the Town's largest programs: general government, public safety, public works, education, and county tax, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions (Statement 2).

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

* 000's omitted

The Town's Funds

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

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

Expenditures

The table below shows the Town's original and adjusted budgets for various departments and functions for the year ended June 30, 2023. The table also shows actual expenditures for each department and function as well as the variance between the adjusted budget and the actual expenditures for each category. The Town considers a variance to be significant if it exceeds \$20,000 and 10% of its adjusted budget (Statement 6).

General Fund Department/Function Expenditures	Original Budget	Adjusted Budget	Expenditures	Variance	
				Amount	%
General Government	\$ 3,168,417	3,246,917	2,237,402	1,009,515	31.09%
Public Safety	3,211,343	3,294,743	3,072,945	221,798	6.73%
Public Works	1,426,660	1,466,060	1,325,590	140,470	9.58%
Health and Welfare	821,509	830,209	744,275	85,934	10.35%
Recreation and Culture	577,408	577,408	557,439	19,969	3.46%
County Tax	1,302,970	1,302,970	1,302,970	-	0.00%
Education	11,349,467	11,349,467	11,349,467	-	0.00%
Debt Service	1,246,931	1,246,931	982,040	264,891	21.24%
Capital Improvements and Reserves	-	524,629	5,442	519,187	98.96%
Total expenditures	\$ 23,104,705	23,839,334	21,577,570	2,261,764	9.49%

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

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

Revenues

The table below shows the Town's final budget and actual revenues from various resources for the year ended June 30, 2023. The table also shows the variance between these figures for each category. The Town considers a variance to be significant if it exceeds \$20,000 and 10% of the final budget (Exhibit A-2).

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

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

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

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

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

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

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

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

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

Capital Assets

As of June 30, 2023, the Town had \$39,349,727 invested in capital assets, net of accumulated depreciation, consisting of land, buildings, and equipment. (As previously noted, the Town is not required under GASB 34 to report infrastructure built or otherwise acquired prior to July 1, 2003). This amount represents a net increase (including additions, deletions, and less this year's depreciation) of approximately \$2,945,319, or 8.0% over last year. For additional information, see the Capital Assets section in the notes, pages 41 and 42.

This year's major additions/deletions included:

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

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

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

Debt

The Town of Kennebunkport had \$13,016,038 in bonds and notes outstanding at fiscal year-end, compared to \$13,300,816 last year (page 43). State law limits the Town's debt in the aggregate to 15% of its stated assessed valuation. The Town's outstanding debt at June 30, 2023 was within this statutory limit. For additional information, see the long-term debt section in the notes, pages 43 through 45.

Economic Factors and Next Year's Budget

The fiscal 2024 budget has been prepared and already approved at the June 13th and June 17th annual Town meeting. The municipal portion of the budget increased by approximately \$607,401 from last year. This was due to increases in overall operating costs.

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

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BASIC FINANCIAL STATEMENTS

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

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

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

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

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

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

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

See accompanying notes to basic financial statements.

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

Net change in fund balances - total governmental funds (from Statement 4)	\$	407,357
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

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

Capital outlays		2,609,808
Depreciation expense and loss on disposal		(715,248)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(56,594)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the amount of the change in:

Net pension liability with related deferred inflows and outflows		37,802
Total OPEB liability with related deferred inflows and outflows		(30,164)
Accrued compensated absences		5,130
Accrued interest		(3,622)

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

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

Change in net position of governmental activities (see Statement 2)	\$	2,461,740
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See accompanying notes to basic financial statements.

TOWN OF KENNEBUNKPORT, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2023

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

See accompanying notes to basic financial statements.

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

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

29 *See accompanying notes to basic financial statements.*

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

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

See accompanying notes to basic financial statements.

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

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

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, 2023 are recorded as prepaid items.

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

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

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

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, 2023, the Town was in compliance with its policy.

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

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

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

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

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The governmental activities have deferred outflows and inflows that relate to the net pension, OPEB liabilities and lease receivables, which include the Town's contributions subsequent to the measurement date, which are recognized as a reduction (increase) of the net pension liability (asset) in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Deficit Fund Equity

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

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

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

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

B. Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments are considered Level 1 according to the fair value hierarchy. At June 30, 2023, the Town had the following investments:

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

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

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

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

DEPOSITS AND INVESTMENTS, CONTINUED

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.

PROPERTY TAX

Property taxes for the current period were committed on July 28, 2022, on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Payment of taxes was due in equal installments on September 12, 2022 and March 10, 2023. Interest at the rate of 4% per annum was charged on any amounts remaining unpaid after this date. Assessed values are periodically established by the Assessor's agent at 100% of assumed market value. The 2023 assessed value of \$3,463,221,040 was 100% of the estimated market value and 103.2% of the 2023 state valuation of \$3,354,550,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$860,774 for the period ended June 30, 2023.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid. Property taxes levied during the year ended were recorded as receivables at the time the levy was made. The receivables collected during the year ended and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as unavailable revenues. The following summarizes the periods ended June 30, 2023 and 2022 levies:

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

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

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

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

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

Governmental activities:	
General government	\$ 89,683
Public safety	159,317
Public works	389,591
Recreation and culture	37,422
Total depreciation expense - governmental activities	\$ 676,013

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

CAPITAL ASSETS, CONTINUED

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

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

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

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, 2023 were as follows:

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

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

	<u>Transfers in</u>	<u>Transfers out</u>
<u>General Fund</u>	\$ -	1,521,961
Proprietary Funds:		
Sewer Department	79,310	-
Dock Square Parking Lot	-	301,000
<u>Total proprietary funds</u>	<u>79,310</u>	<u>301,000</u>
All Other Governmental Funds:		
Special revenue funds	-	52,000
Capital projects funds	1,795,651	-
<u>Total all other governmental funds</u>	<u>1,795,651</u>	<u>52,000</u>
<u>Total interfund loans receivable and payable</u>	<u>\$ 1,874,961</u>	<u>1,874,961</u>

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 \$5,000,000 and \$1,000,000 with an interest rate of 1.00% and are due on December 22, 2023. Bond anticipation note activity for the year ended June 30, 2023 was as follows:

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

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

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023 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	\$ 11,296,271	-	610,371	10,685,900	776,292
Premium on bonds	290,828	-	77,848	212,980	72,401
Notes from direct borrowing	12,344	487,000	6,052	493,292	100,230
Net pension liability (asset)	(136,356)	1,280,980	-	1,144,624	-
Total OPEB liability	363,831	-	13,004	350,827	-
Compensated absences	271,222	320,108	325,238	266,092	159,655
Governmental activity long-term liabilities	\$ 12,098,140	2,088,088	1,032,513	13,153,715	1,108,578
Business-type activities:					
Notes from direct borrowing	\$ 1,992,201	-	155,355	1,836,846	155,804
Net pension liability (asset)	(19,626)	168,419	-	148,793	-
Compensated absences	45,118	-	4,077	41,041	24,625
Business-type activity long-term liabilities	\$ 2,017,693	168,419	159,432	2,026,680	180,429

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

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

LONG-TERM DEBT

Bonds payable and notes from direct borrowing at June 30, 2023 are comprised of the following:

Bonds Payable

	<u>Amount issued</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
<u>Governmental activities:</u>					
Police station addition	\$ 400,000	9/2/16	2027	2.25%	170,900
Recreation building	450,000	6/20/18	2028	3.27%	180,000
Seawall and village parcel	2,255,000	5/1/19	2040	3.00-5.00%	1,735,000
Village parcel	8,500,000	5/1/19	2025	3.25-4.00%	7,600,000
Radio Communications Upgrade	1,000,000	3/4/22	2027	2.57%	1,000,000
Total governmental activities bonds payable					\$ 10,685,900

Notes from Direct Borrowings

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

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

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

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

LONG-TERM DEBT, CONTINUED

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2023, the Town's outstanding debt did not exceed these limits.

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

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 100,230	13,958	114,188	155,804	25,184	180,988
2025	92,908	14,740	107,648	98,885	22,076	120,961
2026	96,392	11,256	107,648	98,885	21,038	119,923
2027	100,006	7,642	107,648	98,885	19,999	118,884
2028	103,756	3,891	107,647	98,885	18,961	117,846
2029-2033	-	-	-	494,424	79,232	573,656
2034-2038	-	-	-	494,424	53,274	547,698
2039-2041	-	-	-	296,654	19,505	316,159
Totals	\$ 493,292	51,487	544,779	1,836,846	259,269	2,096,115

OVERLAPPING DEBT

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

<u>Units</u>	<u>Net debt outstanding June 30, 2023</u>	<u>Percentage applicable to the Town</u>	<u>Town's proportionate share of debt</u>
Regional School Unit #21	\$ 57,028,990	25.67%	14,639,342

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

LEASES

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

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

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

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, 2023. There have been no significant reductions in commercial insurance coverage from the prior year and no settlements have exceeded commercial insurance coverage in any of the past three years.

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes and bond anticipation notes and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's net investment in capital assets was calculated as follows at June 30, 2023:

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

FUND BALANCE

The General Fund unassigned fund balance total of \$6,192,445 represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

As of June 30, 2023, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Inventory and prepaid	\$ 7,350	-	-	-
Carryforward balances	-	-	680,091	-
Subsequent year's expenditures	-	-	-	200,000
Total general fund	7,350	-	680,091	200,000

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	\$ -	-	646,572	-
350 th Anniversary	-	-	462	-
Reserve Open Space	-	-	99,205	-
Revaluation	-	-	2,599	-
Maine Drug Forfeiture	-	-	412	-
Recreation	-	-	237,863	-
Special Events	-	-	14,059	-
Scholarships	-	-	28,320	-
Dune Restoration	-	-	22,671	-
Community Action	-	-	122,292	-
Capital Projects Funds:				
Fire PPE	-	-	21,824	-
Fire Radios	-	-	9,007	-
Fire Vehicle	-	-	71,852	-
Fire Equipment	-	-	176,606	-
Sidewalks	-	-	133,067	-
General Capital Projects	-	-	6,988	-
Police equipment	-	-	7,788	-
Fire Port Village	-	-	500	-
Highway Vehicles	-	-	254,845	-
Highway Equipment	-	-	2,175	-
Police Vehicle	-	-	11,645	-
Historic Preservation	-	-	11,500	-
Climate Change	-	-	24,816	-
Special Projects	-	-	560,765	-
Fire Apparatus	-	-	966	-
General Capital Improvements	-	-	1,177,969	-
Communications Radios	-	-	175,430	-
Village Parcel	-	-	102,778	-
Recreation Capital	-	-	49,751	-
Permanent Funds:				
Kittredge Trust	688,206	272,697	-	-
Picavet Trust	454,091	327,620	-	-
Total other governmental funds	1,142,297	600,317	3,974,727	-
Grand totals	\$ 1,149,647	600,317	4,654,818	200,000

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

FUND BALANCE, CONTINUED

At June 30, 2023 and 2022, fund balances were committed to future periods as follows:

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

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 MissionSquare Retirement. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements. The Town's contributions to the plan for the year ended June 30, 2023 were \$100,953.

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

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.maineopers.org.

Benefits Provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014).

The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Employees are required to contribute 6.85% to 9.7% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2023, was 10.2% for the AC plan and 14.7% for the 1C plan of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$331,114 for governmental activities and \$42,901 for business type activities for the year ended June 30, 2023.

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

At June 30, 2023, the Town reported a liability of \$1,144,624 for governmental activities and \$148,793 for business type activities for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2022, the Town's proportion of the plan's net pension liability was 0.4865%.

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

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

NET PENSION LIABILITY, CONTINUED

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

An amount of \$331,114 is reported as deferred outflows of resources in the governmental activities and \$42,901 is reported as deferred outflows of resources in the business type activities related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction (increase) of the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2024	\$ 103,749	13,487
2025	(105,920)	(13,769)
2026	(298,454)	(38,797)
2027	225,641	29,332

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

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

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

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

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

NET PENSION LIABILITY, CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
U.S. Government	10.0%	2.3%
Private Equity	12.5%	7.6%
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	5.0%	3.2%
Alternative Credit	10.0%	7.4%
Diversifiers	7.5%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

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

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

Payables to the Pension Plan - None as of June 30, 2023.

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

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

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employee entitled to but not yet receiving benefits	-
Active employees	40
Total	41

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

The Town’s total OPEB liability of \$350,827 was measured as of January 1, 2023, and was determined by an actuarial valuation as of January 1, 2022.

Changes in the Total OPEB Liability

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

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

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

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

For the year ended June 30, 2023, the Town recognized OPEB expense of \$30,164. At June 30, 2023, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	112,097
Changes of assumption or other inputs	15,267	-
Contributions subsequent to the measurement date	5,571	-
Total	\$ 20,838	112,097

An amount of \$5,571 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 1,033
2025	(13,611)
2026	(8,738)
2027	(8,734)
2028	(18,131)
Thereafter	(48,649)

Actuarial Assumptions - The total OPEB liability in the January 1, 2022 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year
Salary increases	2.75% per year
Discount rate	3.72% per annum
Healthcare cost trend rates	7.95% Non-Medicare and 7.26% Medicare, decreasing to 4.55% by 2044
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females.

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

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2016 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability was 3.72% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability calculated using the discount rate of 3.72%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.72%) or 1 percentage-point higher (4.72%) than the current rate:

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

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

		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$	295,321	350,827	422,268

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TOWN OF KENNEBUNKPORT, MAINE
Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	0.4865%	0.4854%	0.5254%	0.5357%	0.5169%	0.5372%	0.5392%	0.5108%	0.5028%
Town's proportionate share of the net pension liability (asset)	\$ 1,293,417	(155,982)	2,087,431	1,637,488	1,414,759	2,199,652	2,864,701	1,629,598	773,711
Town's covered payroll	3,400,185	2,796,737	2,823,852	2,717,875	2,517,366	2,530,699	2,451,768	2,349,396	2,234,398
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.04%	-5.58%	73.92%	60.25%	56.20%	86.92%	116.84%	69.36%	34.63%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%

* Only nine years of information available.

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 374,015	382,976	332,084	339,371	327,098	287,653	275,390	252,997	208,757	168,733
Contributions in relation to the contractually required contribution	(374,015)	(382,976)	(332,084)	(339,371)	(327,098)	(287,653)	(275,390)	(252,997)	(208,757)	(168,733)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Town's covered payroll	\$ 3,465,837	3,400,185	2,796,737	2,823,852	2,717,875	2,517,366	2,530,699	2,451,768	2,349,396	2,234,398
Contributions as a percentage of covered payroll	10.79%	11.26%	11.87%	12.02%	12.04%	11.43%	10.88%	10.32%	8.89%	7.55%

TOWN OF KENNEBUNKPORT, MAINE
Required Supplementary Information, Continued

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

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

*Only six years of information available.

TOWN OF KENNEBUNKPORT, MAINE
Notes to Required Supplementary Information

Net Pension Liability (Asset)

Changes of Benefit Terms - None

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

	<u>2021</u>	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.50%	6.75%	6.75%	6.875%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases	2.75-11.48%	2.75% + merit	2.75% - 9.0%	2.75% - 9.0%	3.5% - 13.5%	3.5% - 13.5%
Cost of living increases	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. Between 2016 and 2020, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table. Starting 2021, Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Total OPEB Liability

Changes of Benefit Terms - None

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

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

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

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

No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

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

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GENERAL FUND

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

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TOWN OF KENNEBUNKPORT, MAINE
General Fund
Comparative Balance Sheets
June 30, 2023 and 2022

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

TOWN OF KENNEBUNKPORT, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2023
(with comparative actual amounts for the year ended June 30, 2022)

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

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

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

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

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

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

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

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

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

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

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

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ALL OTHER GOVERNMENTAL FUNDS

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TOWN OF KENNEBUNKPORT, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2023

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

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

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

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

NONMAJOR PERMANENT FUNDS

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

	Kittredge Family Fire Equip. Fund	Picavet Trust	Totals
ASSETS			
Cash and cash equivalents	\$ 96,745	78,481	175,226
Investments	859,537	697,285	1,556,822
Interfund loans receivable	4,621	5,945	10,566
Total assets	960,903	781,711	1,742,614
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	-	-	-
Total liabilities	-	-	-
Fund balances:			
Nonspendable	688,206	454,091	1,142,297
Restricted	272,697	327,620	600,317
Total fund balances	960,903	781,711	1,742,614
Total liabilities and fund balances	\$ 960,903	781,711	1,742,614

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

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

NONMAJOR PROPRIETARY FUNDS

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

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

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

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

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

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

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STATISTICAL SECTION

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

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

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

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

Table 2

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

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

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

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

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

(b) Includes a new permanent fund in 2014

(c) To reflect the net pension liability in 2014

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 7,350	\$ 7,725	\$ 7,610	\$ 2,606	\$ 5,802	\$ 5,212	\$ 6,333	\$ 4,417	\$ 10,122	\$ 15,209
Committed	680,091	734,629	737,613	636,908	587,350	663,394	479,475	642,748	1,439,949	674,381
Assigned	200,000	200,000	225,000	631,480	234,190	313,858	439,685	633,099	368,924	79,408
Unassigned	6,192,445	4,748,306	5,169,174	3,920,303	4,102,683	3,457,561	3,191,129	2,855,514	2,845,478	3,907,479
Total general fund	<u>\$ 7,079,886</u>	<u>\$ 5,690,660</u>	<u>\$ 6,139,397</u>	<u>\$ 5,191,297</u>	<u>\$ 4,930,025</u>	<u>\$ 4,440,025</u>	<u>\$ 4,116,622</u>	<u>\$ 4,135,778</u>	<u>\$ 4,664,473</u>	<u>\$ 4,676,477</u>
All other governmental funds										
Nonspendable	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,142,297	\$ 1,063,206
Restricted	600,317	493,478	703,187	323,102	259,613	204,679	97,393	10,454	42,534	58,652
Committed	3,974,727	4,987,090	2,660,423	2,455,053	2,435,658	1,806,529	1,764,583	1,730,736	951,781	330,953
Assigned	-	-	-	-	-	-	-	459,176	501,962	270,435
Unassigned	(76,345)	-	-	(2,209)	-	(254,047)	-	(47,002)	(3,009)	-
Total all other governments	<u>\$ 5,640,996</u>	<u>\$ 6,622,865</u>	<u>\$ 4,505,907</u>	<u>\$ 3,918,243</u>	<u>\$ 3,837,568</u>	<u>\$ 2,899,458</u>	<u>\$ 3,004,273</u>	<u>\$ 3,295,661</u>	<u>\$ 2,635,565</u>	<u>\$ 1,723,246</u>

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

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

(a) Includes a new permanent fund in FY 14

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

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

Table 5

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	
2023	1.74	0.60	2.34	0.38	3.28	6.00
2022	2.92	0.56	3.48	0.59	5.53	9.60
2021	2.70	0.48	3.18	0.57	5.70	9.45
2020	2.88	0.32	3.20	0.58	5.67	9.45
2019	2.87	0.11	2.98	0.58	5.20	8.76
2018	2.84	0.13	2.97	0.62	5.14	8.73
2017	2.80	0.13	2.93	0.61	4.74	8.28
2016	3.45	0.13	3.58	0.50	3.62	7.70
2015	2.68	0.17	2.85	0.60	4.18	7.63
2014	2.74	0.15	2.89	0.59	4.05	7.53

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:	Total Taxable Assessed Value (a)	Total Direct Tax Rate	State Equalized Value (b)	Assessed Value as a Percentage of Equalized Value
	Residential	Commercial		Tax Exempt Real Property				
2023	\$ 3,394,794,560	\$ 177,236,240	\$ 9,366,240	\$ 118,176,000	\$ 3,463,221,040	2.34	\$ 3,354,550,000	103.24%
2022	1,971,840,700	148,022,900	9,062,350	90,240,910	2,038,685,040	3.48	2,866,500,000	71.12%
2021	1,962,948,600	129,138,400	10,629,680	91,699,980	2,011,016,700	3.18	2,544,500,000	79.03%
2020	1,912,313,800	126,928,100	10,106,220	65,748,100	1,983,600,020	2.98	2,295,400,000	86.42%
2019	1,908,970,855	125,890,945	10,021,140	82,243,460	1,962,639,480	2.98	2,198,500,000	89.27%
2018	1,879,425,315	126,952,545	9,565,570	81,476,260	1,934,467,170	2.97	2,127,950,000	90.91%
2017	1,858,129,655	120,018,545	10,124,550	76,010,300	1,912,262,450	2.93	2,018,400,000	94.74%
2016 (c)	1,834,159,895	120,671,645	10,788,630	71,737,200	1,893,882,970	3.58	1,938,350,000	97.71%
2015	1,750,049,655	127,226,145	5,307,530	72,039,700	1,810,543,630	2.85	1,831,600,000	98.85%
2014	1,791,793,555	126,202,045	5,214,340	62,851,600	1,860,358,340	2.89	1,832,450,000	101.52%

(a) Kennebunkport Assessing Office

(b) State of Maine, Revenue Services

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

Table 7

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage
2023	\$ 20,779,326	\$ 20,613,864	99.20%	\$ -	\$ 20,613,864	99.20%
2022	19,571,376	19,366,744	98.95%	158,991	19,525,735	99.77%
2021	19,004,109	18,872,015	99.30%	129,127	19,001,142	99.98%
2020	18,745,020	18,550,328	98.96%	192,920	18,743,248	99.99%
2019	17,192,722	17,014,268	98.96%	177,772	17,192,040	100.00%
2018	16,887,898	16,664,052	98.67%	223,815	16,887,867	100.00%
2017	15,833,533	15,656,402	98.88%	177,131	15,833,533	100.00%
2016	14,590,356	14,409,972	98.76%	180,384	14,590,356	100.00%
2015	14,296,356	14,130,137	98.84%	166,219	14,296,356	100.00%
2014	14,008,498	13,817,018	98.63%	191,480	14,008,498	100.00%

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

Taxpayer	2023			2014		
	Taxable Assessed	Rank	% of Total Taxable Assessed Value	Taxable Assessed	Rank	% of Total Taxable Assessed Value
	Value		Value	Value		Value
O'Neill, Timothy J	\$15,982,000	1	0.46%	\$ 9,949,500	3	0.53%
157 Raksha, LLC	15,960,500	2	0.45%			
Walkers Point Family Limited Partnership	12,344,300	3	0.35%	11,472,400	2	0.62%
Boughton Hotel	11,586,200	4	0.33%	11,896,300	1	0.64%
Bongiorno, LLC	7,692,500	5	0.22%			
Central Maine Power	7,221,500	6	0.21%			
Eileen Barrett Property	7,075,400	7	0.20%			
Frederick, Sr., Christopher	6,927,800	8	0.20%			
Angela L Kenny Revocable	6,903,400	9	0.20%			
David Gilman Revocable	6,828,700	10	0.19%			
Hios Hospitality LLC				8,434,300	4	0.45%
Seaside Hotel Associates				7,727,600	5	0.42%
Maiuccoro, Cathiann				7,034,000	6	0.38%
Goose Rocks at Kennebunkport LLC				6,584,000	7	0.35%
Fishing Pole Lane LLC				6,367,400	8	0.34%
Hetz, Edwin David & Elizabeth JC Trustees				5,589,200	9	0.30%
Katz, Joanne R				5,161,700	10	0.28%
	<u>\$ 98,522,300</u>		<u>2.81%</u>	<u>\$ 80,216,400</u>		<u>4.31%</u>

Source: Kennebunkport Assessor's Office

Table 9

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

Fiscal Year	General Obligation			Sewer Bonds	Total Outstanding Debt	Percentage of Personal Income (1)	Population (2)	Debt per Capita
	Bonds	Premium	Notes					
	Governmental Activities			Business-type Activities				
2023	\$ 10,685,900	\$ 212,980	\$ 493,292	\$ 1,836,846	\$ 13,229,018	5.96%	3,695	3,580
2022	11,296,271	290,828	12,344	1,992,201	13,591,644	6.91%	3,629	3,745
2021	10,855,742	374,086	18,167	2,147,069	13,395,064	6.96%	3,548	3,775
2020	11,404,315	462,716	23,768	224,580	12,115,379	6.56%	3,548	3,415
2019	11,487,045	546,406	-	278,781	12,312,232	6.99%	3,548	3,470
2018	813,934	-	6,422	332,023	1,152,379	0.70%	3,544	325
2017	560,000	-	12,677	384,344	957,021	0.61%	3,535	271
2016	320,000	-	18,767	435,786	774,553	0.51%	3,510	221
2015	573,611	-	24,698	486,389	1,084,698	0.73%	3,510	309
2014	823,546	-	30,475	536,192	1,390,213	0.94%	3,510	487

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

(2) United States Census Bureau

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)
2023	\$ 12,735,726	0.37%	3,447
2022	13,579,300	0.67%	3,742
2021	13,376,897	0.67%	3,770
2020	12,091,611	0.62%	3,408
2019	12,312,232	0.63%	3,470
2018	1,145,957	0.06%	323
2017	944,344	0.05%	267
2016	755,786	0.04%	215
2015	1,060,000	0.06%	302
2014	1,359,738	0.07%	387

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

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

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

TOWN OF KENNEBUNKPORT, MAINE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

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

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

TOWN OF KENNEBUNKPORT, MAINE
Legal Debt Margin Information
June 30, 2023

Debt Limit by Category Type of Debt	Maximum Percent Allowable	Maximum Amount Allowable	Principal Amount Outstanding	Legal Debt Margin
School	10.00%	\$ 335,455,000	\$ -	-
Sewer	7.50%	251,591,250	1,836,846	249,754,404
Municipal	7.50%	251,591,250	10,685,900	240,905,350
Total Maximum Debt	15.00%		<u>\$ 12,522,746</u>	

Legal Debt Margin Calculation for Fiscal Year 2023

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

Last Ten Fiscal Years

Year	Constitutional Debt Limit	Outstanding Indebtedness June 30	Percentage of Net Debt Contracting Margin Available
2023	\$ 503,182,500	\$ 12,522,746	97.51%
2022	429,975,000	13,288,472	96.91%
2021	381,675,000	13,002,811	96.59%
2020	344,310,000	11,628,895	96.62%
2019	329,775,000	11,765,826	96.43%
2018	319,192,500	1,145,957	99.64%
2017	302,760,000	944,344	99.69%
2016	290,752,500	774,553	99.73%
2015	274,740,000	1,084,698	99.61%
2014	274,867,500	1,390,213	99.49%

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

Fiscal Year	Population (1)	Median Age (1a)	York County		Public School Enrollment (3)	York County Unemployment Rate (4)
			Per Capita Personal Income (2)	Personal Income (amounts expressed in thousands)		
2023	3,695	54.2	60,065	\$ 221,940,175	322	2.20%
2022	3,629	52.7	54,225	196,782,525	317	2.60%
2021	3,548	53.4	54,225	192,390,300	314	4.90%
2020	3,548	51.7	52,068	184,737,264	368	6.70%
2019	3,548	53.1	49,653	176,168,844	376	2.40%
2018	3,544	51.9	46,687	165,458,728	370	2.40%
2017	3,535	53.2	44,614	157,710,490	385	3.70%
2016	3,510	49.8	42,939	150,715,890	425	3.20%
2015	3,510	52.2	42,595	149,508,450	419	3.90%
2014	3,510	52.2	42,137	147,900,870	409	5.60%

(1) US Census Bureau (1a)

(2) Bureau of Economic Analysis

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

(4) Maine Department of Labor

Table 14

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

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

(1) State of Maine, Department of Labor

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

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	13	13	12	12	12	11	11	11	10	10
Public safety:										
Police officers	14	14	14	14	14	12	12	12	12	12
Administration	1	1	1	1	1	1	1	1	1	1
Dispatchers	3	4	4	4	4	4	4	4	4	4
Firefighters and officers	1	1	1	1	1	1	1	1	1	1
Health and welfare	1	1	1	1	1	1	1	1	1	1
Public works:										
Highways	7	6	6	6	6	6	6	6	6	6
Maintenance	1	1	1	1	1	1	1	1	1	1
Recreation	3	3	3	3	3	3	3	3	3	3
Cape Porpoise Pier	1	1	1	1	1	1	1	1	1	1
Sewer	7	7	7	7	6	8	8	8	8	8
Total	52	52	51	51	50	49	49	49	48	48

Source: Town's Finance Department

Table 16

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

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

Source: Town Departments

Table 17

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

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency units	8	8	8	8	8	8	10	12	12	14
Fire:										
Stations	4	4	4	4	4	4	4	4	4	4
Emergency units	14	14	12	12	12	12	12	12	12	12
Highway:										
Buildings	3	3	3	3	3	3	3	3	3	3
Streets (miles)	52	52	52	52	52	52	52	52	52	52
Street lights	105	105	280	280	280	280	280	280	280	280
Municipal parking lot	1	1	1	1	1	1	1	1	1	1
Recreation:										
Parks	4	4	4	4	4	4	4	4	4	4
Sewer:										
Sewer pipe (miles)	20.41	20.41	20.41	20.41	20.41	20.41	20.41	20.41	20.41	20.41
Maximum daily treatment capacity (thousands of gallons)	700	700	700	700	700	700	700	700	700	700
Piers	2	2	2	2	2	2	2	2	2	2

Source: Town Departments

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APPENDIX B

**PROPOSED FORM
OF
LEGAL OPINION**

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October 1, 2024

BOND OPINION

[underwriter]
[address]

Attn: [name]

Re: Town of Kennebunkport, Maine
2024 General Obligation Bonds (Federally Taxable) in the aggregate principal amount of \$6,880,000, dated October 1, 2024

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the Town of Kennebunkport, Maine (the “Issuer”) of the Issuer’s registered 2024 General Obligation Bonds (Federally Taxable) in the aggregate principal amount of \$6,880,000, dated October 1, 2024 (the “Bonds”).

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. In our examination of the foregoing, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such copies. As to questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials furnished to us, and we have not undertaken to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any offering material relating to the Bonds, and we express no opinion relating thereto.

The Bonds are dated October 1, 2024, and will bear interest payable on April 1, 2025, and semi-annually thereafter on October 1 and April 1 of each year thereafter until maturity. The Bonds are issued in the following denominations and principal amounts and will mature on October 1 of each year as reflected hereinbelow:

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2025	\$330,000	%
2026	350,000	
2027	365,000	
2028	380,000	
2029	395,000	

2030	415,000
2031	435,000
2032	450,000
2033	470,000
2034	490,000
2035	515,000
2036	535,000
2037	560,000
2038	580,000
2039	610,000

The Bonds maturing on and before October 1, 2034 are not subject to redemption prior to their stated dates of maturity. The Bonds maturing on or after October 1, 2035 are subject to redemption prior to their stated dates of maturity, at the option of the Issuer, on and after October 1, 2034.

Each of the Bonds should be signed by the Treasurer of the Issuer, countersigned by a majority of the Issuer's Selectboard, and attested to by the Clerk of the Issuer, and each should bear the signed certificate of the authenticating agent identified thereon. The Bonds are issued in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof.

In formulating our opinion we have made such examination of Maine law as we have deemed relevant for the purposes of this opinion but have not made an independent review of the laws of any other state or jurisdiction. Accordingly, we express no opinion as to the laws of any state or jurisdiction other than the State of Maine.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds, executed as above described and subject to due authentication, have been duly authorized and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.
2. The Issuer may levy ad valorem taxes without limit as to rate or amount to pay the Bonds, except to the extent that the Issuer may (a) enter into an agreement under Sections 5751-5753 of Title 30-A of the Maine Revised Statutes, as amended, to share any portion of its assessed valuation with another municipality or (b) establish municipal and affordable housing development districts and pledge a portion of its tax revenues under Title 30-A, Chapter 206 and, prior to its repeal, Chapter 207 of the Maine Revised Statutes, as amended.
3. Based on existing court decisions, regulations, and statutes, including Title 20-A, Section 5772(9) of the Maine Revised Statutes, interest paid on the Bonds is exempt from taxation within the State of Maine, whether or not such income is subject to taxation under the

[Underwriter]
October 1, 2024
Page 3

Internal Revenue Code of 1986, as amended. We express no opinion with respect to taxation of the Bonds and the interest thereon under the laws of any state other than the State of Maine.

The foregoing opinions are qualified to the extent that the enforceability of obligations of the Issuer, including the Bonds, may be limited by bankruptcy, moratorium, or insolvency or other laws affecting the rights and remedies of creditors generally and are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have not examined and assume no responsibility for the financial condition of the Issuer and nothing set forth herein shall be construed as an assurance as to the Issuer's financial condition or ability to make payment on the Bonds.

The opinions rendered herein are given as of the date hereof and we assume no obligation to update, revise or supplement such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

DRUMMOND WOODSUM & MACMAHON

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APPENDIX C

**PROPOSED FORM
OF
CONTINUING DISCLOSURE AGREEMENT**

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**TOWN OF KENNEBUNKPORT, MAINE
PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT**

In connection with the issuance by the Town of Kennebunkport, Maine (the “Issuer”) of its \$ __,____,000 2024 General Obligation Bonds, dated _____, __, and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (the “Agreement”) that it will engage in the undertakings described in Section 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under the Agreement, the Issuer is obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB (defined below). This information will be available from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org. The Issuer reserves the right to incorporate by reference its Official Statement dated _____ __, 2024 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

In addition to the definitions set forth above in the undertaking, which apply to any capitalized term used in this Agreement unless otherwise defined, if used the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 1 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday or a Sunday or a day on which banks in Maine are authorized or required by law to close.

“Dissemination Agent” shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12.

“Holders” shall mean the registered Holders of the Bonds, as recorded in the registration books of the Registrar.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, established under the Securities and Exchange Act of 1934, as amended, or any successor thereto, with an address of 1300 I Street NW, Suite 1000, Washington, DC 20005.

“State” shall mean the State of Maine.

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2025, certain updated Annual Financial Information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds s under the headings “TOWN FINANCES,” “INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A to the Official Statement and such other

Annual Financial Information and operating data as may be required to comply with the Rule; and (b) the updated information discussed in clause (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in clause (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) Business Days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.

(a) Certain events whether material or not material:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in this subparagraph (9), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.);or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties

(b) Certain events if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of Holders of the Bonds;
- (3) Bond calls;
- (4) The release, substitution, or sale of property securing repayment of the Bonds;

- (5) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (6) Appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security Holders, if material.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Section 1 herein.
4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of the Agreement may be amended by the Issuer without the consent of, or notice to, any Beneficial Owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a Dissemination Agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the Beneficial Owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Financial Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of Beneficial Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to the Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the Beneficial Owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any Beneficial Owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.

6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide Annual Financial Information or notices of material events in accordance with the Rule.
7. The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is:, Nicole Evangelista, Treasurer, Town of Kennebunkport, 6 Elm Street, PO Box 566, Kennebunkport, ME 04046; Telephone: (207) 967-1606.

TOWN OF KENNEBUNKPORT, MAINE

By: _____

Dated: _____, 2024

Its: _____

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