

2015

Audited Financial Statements Town of Kennebunk, Maine June 30, 2015

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Audited Financial Statements

Town of Kennebunk, Maine

June 30, 2015



Proven Expertise and Integrity

TOWN OF KENNEBUNK, MAINE

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JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Kennebunk
Kennebunk, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunk, Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kennebunk, Maine, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and schedule of funding progress on pages 4 through 13 and 55 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

RHR Smith & Company

Buxton, Maine
January 13, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

(UNAUDITED)

The following management's discussion and analysis of Town of Kennebunk, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Kennebunk's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Kennebunk are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, recreation and culture, health and welfare and education.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Kennebunk include Pay-As-You-Throw (PAYT) trash program and electrical inspection program.

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 of Kennebunk, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Kennebunk can be divided into two categories: governmental funds, and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues,

expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Kennebunk presents three columns in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the roads and paving capital fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Kennebunk maintains two proprietary funds, the Pay-As-You-Throw trash program and electrical inspection program. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

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 the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Cash Flows – Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions and a Schedule of Funding Progress for Retiree Healthcare Plan.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total governmental net position increased by \$221,227 from \$25,145,274 to \$25,366,501. The Town's total business-type net position increased by \$38,071 from a deficit of \$81,812 to a deficit of \$43,741.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for governmental activities to a balance of \$10,277,729 at the end of this year. Unrestricted net position for business-type activities increased to a deficit balance of \$45,478.

On June 9, 2015, the voters at the Town's Annual Town Meeting passed a referendum question that will, as of July 1, 2015, transfer \$58,613 from the unassigned general fund balance to the Pay-As-You-Throw Trash Program which will reduce the above business-type activities deficit from \$45,478 to a positive fund balance of \$13,135.

Table 1
Town of Kennebunk, Maine
Net Position
June 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2014 (Restated)</u>	<u>2015</u>	<u>2014</u>
Assets				
Current assets	\$ 14,552,965	\$ 16,845,034	\$ (43,741)	\$ (81,812)
Capital assets	24,079,210	22,873,503	-	-
Total assets	<u>38,632,175</u>	<u>39,718,537</u>	<u>(43,741)</u>	<u>(81,812)</u>
Deferred Outflows of Resources				
Deferred outflows related to pensions	259,189	138,759	-	-
Total deferred inflows of resources	<u>259,189</u>	<u>138,759</u>	<u>-</u>	<u>-</u>
Liabilities				
Current liabilities	3,220,541	3,186,311	-	-
Long-term debt outstanding	9,439,210	11,329,681	-	-
Total liabilities	<u>12,659,751</u>	<u>14,515,992</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred revenue	210,946	196,030	-	-
Deferred inflows related to pensions	654,166	-	-	-
Total deferred inflows of resources	<u>865,112</u>	<u>196,030</u>	<u>-</u>	<u>-</u>
Net Position				
Net investment in capital assets	14,540,942	12,103,059	-	-
Restricted	547,830	1,693,625	1,737	1,926
Unrestricted (deficit)	10,277,729	11,348,590	(45,478)	(83,738)
Total net position	<u>\$ 25,366,501</u>	<u>\$ 25,145,274</u>	<u>\$ (43,741)</u>	<u>\$ (81,812)</u>

Table 2
Town of Kennebunk, Maine
Change in Net Position
For the Years Ended June 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 1,919,662	\$ 2,083,889	\$ 419,807	\$ 457,349
Operating grants and contributions	148,236	169,772	-	-
Capital grants and contributions	117,057	-	-	-
<i>General Revenues:</i>				
Taxes	32,357,610	31,772,560	-	-
Grants and contributions not restricted to specific programs	829,748	827,902	-	-
Miscellaneous	362,089	336,911	-	-
Bond premium	-	220,691	-	-
Total revenues	<u>35,734,402</u>	<u>35,411,725</u>	<u>419,807</u>	<u>457,349</u>
Expenses				
General government	1,965,848	2,090,692	-	-
Public safety	4,372,014	4,280,453	-	-
Recreation and culture	1,432,660	1,370,586	-	-
Health and welfare	287,885	272,622	456,861	466,091
Public works	2,510,145	2,051,347	-	-
Education	20,829,596	20,660,409	-	-
County tax	1,281,995	1,272,817	-	-
Employee benefits	1,710,335	1,582,080	-	-
Agency requests	30,585	32,115	-	-
Interest on long-term debt	321,820	295,501	-	-
Unclassified	536,784	212,010	-	-
Bond issuance costs	-	41,178	-	-
Unallocated depreciation (Note 4)	158,383	137,161	-	-
Total expenses	<u>35,438,050</u>	<u>34,298,971</u>	<u>456,861</u>	<u>466,091</u>
Transfers	<u>(75,125)</u>	<u>(160,182)</u>	<u>75,125</u>	<u>160,182</u>
Change in net position	221,227	952,572	38,071	151,440
Net position - July 1, Restated	<u>25,145,274</u>	<u>24,192,702</u>	<u>(81,812)</u>	<u>(233,252)</u>
Net position - June 30	<u>\$ 25,366,501</u>	<u>\$ 25,145,274</u>	<u>\$ (43,741)</u>	<u>\$ (81,812)</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by .91%, while total expenses increased by 3.59%. The main increase in revenues was in taxes and the largest increase in expenses was in public works.

Proprietary fund revenues and expenses were consistent with the previous year with minor increases or decreases.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Kennebunk, Maine
Fund Balances - Governmental Funds
June 30,

	2015	2014
Major Funds:		
General fund:		
Nonspendable	\$ 266,473	\$ 248,736
Committed	1,508,946	998,333
Assigned	133,134	99,590
Unassigned	7,724,589	8,154,810
Subtotal General Fund	9,633,142	9,501,469
Roads & paving capital fund		
Committed	252,544	1,086,693
Total Major Funds	\$ 9,885,686	\$ 10,588,162
Nonmajor Funds:		
Special revenue funds:		
Restricted	\$ 209,840	\$ 1,367,992
Assigned	180,382	165,664
Unassigned	(110,684)	(113,768)
Capital projects funds:		
Restricted	272,692	256,762
Committed	1,531,658	1,661,949
Assigned	10,048	11,035
Unassigned	(542,155)	(85,024)
Permanent funds:		
Restricted	65,298	68,871
Total Nonmajor Funds	\$ 1,617,079	\$ 3,333,481

The general fund total fund balance increased by \$131,673 from the prior fiscal year while the roads and paving capital fund decreased by \$834,149. The non-major fund balances decreased by \$1,716,402 from the prior fiscal year.

At its annual town meetings in June 2014 and June 2015, the Town has authorized a total of \$3,049,000 in bonds to be issued. Some of the bond proceeds will be used to replenish the roads and paving capital fund as well as certain non-major funds.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Pay-As-You-Throw (PAYT) trash program had an operating loss for the current year of \$36,865. Likewise, the electrical inspection program had an operating loss for the current year of \$189. The Town is reviewing the PAYT program for future periods. The current year deficit was a result mostly of increased tipping fees charged contractually by Casella Waste Systems, Inc., and Pine Tree Waste, Inc., as well as increased curbside collections fees charged contractually by Oceanside Rubbish, Inc. and Corcoran Environmental Services.

At the June 2015 annual town meeting, the Town authorized funds to be transferred from the general fund balance to the Pay-As-You-Throw trash program proprietary fund to eliminate the June 30, 2015 deficit of \$45,478.

Budgetary Highlights

The significant differences between the original and final budget for the general fund was the use of committed and assigned fund balances.

The general fund actual revenues exceeded the budget by \$521,274. This was a result of nearly all revenue categories being received in excess of the budgeted amounts.

The general fund actual expenditures were under the budget by \$708,322. All expenditure categories were under budget with the exception of public works and recreation and culture.

The overage in recreation and culture was primarily due to increased recreation programs offered to the community. The extra expenditures were paid for through additional revenues charged and received from the program participants.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town increased by \$1,205,707. This increase was the result of current year additions of \$2,804,309, less current year depreciation of \$1,598,602. Refer to Note 4 of Notes to Financial Statements for more detailed information.

Table 4
Town of Kennebunk, Maine
Capital Assets (Net of Depreciation)
June 30,

	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 2,598,733	\$ 3,394,608
Buildings and building improvements	4,079,591	3,463,279
Furniture and fixtures	32,493	39,119
Machinery, equipment and vehicles	3,260,940	2,915,698
Art work and historical treasures	41,000	41,000
Construction in progress	7,688	774,734
Infrastructure	<u>14,058,765</u>	<u>12,245,065</u>
Total	<u>\$ 24,079,210</u>	<u>\$ 22,873,503</u>

Long-Term Debt Activity

At June 30, 2015, the Town had \$9,535,000 in bonds outstanding versus \$10,764,000 last year. Other obligations include capital leases, accrued vacation and sick time, pension benefit obligations and net pension liability. Refer to Note 5 of Notes to Financial Statements for more detailed information.

At its annual town meetings in June 2014 and June 2015, the Town has authorized a total of \$3,049,000 in bonds to be issued. These bonds are expected to be issued during fiscal year 2016.

Economic Factors and Next Year's Budgets and Rates

The local economy and housing market continues to improve slowly. For fiscal year 2016 the Town's net municipal budget increased by 4.9% due to increases in workers compensation insurance, recycling collection costs, and other contractual obligations, as well as a projected overall 1.5% wage increase. The Town's assessment for public education by Regional School Unit 21 (RSU 21), of which the

town is a member municipality, increased 4.2% for fiscal year 2016. On June 9, 2015, RSU 21 voters authorized that \$56,500,000 in notes and bonds be issued to provide funds to renovate, equip and construct additions and/or new school facilities at the Mildred L. Day School in Arundel, the Kennebunkport Consolidated School in Kennebunkport, and the Kennebunk High School in Kennebunk.

For fiscal year 2015, the Town's tax mil rate was \$14.90; for fiscal year 2016, the rate was \$15.30, a 2.7% increase.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors 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 additional financial information, contact the Town Manager or Finance Director at 1 Summer Street, Kennebunk, Maine 04043.

TOWN OF KENNEBUNK, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 11,298,028	\$ -	\$ 11,298,028
Investments	1,654,915	-	1,654,915
Accounts receivable (net of allowance for uncollectibles):			
Taxes	885,827	-	885,827
Liens	186,235	-	186,235
Other	165,585	52,161	217,746
Tax acquired property	266,473	-	266,473
Internal balances	95,902	(95,902)	-
Total current assets	<u>14,552,965</u>	<u>(43,741)</u>	<u>14,509,224</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	2,527,336	-	2,527,336
Depreciable assets, net of accumulated depreciation	21,551,874	-	21,551,874
Total noncurrent assets	<u>24,079,210</u>	<u>-</u>	<u>24,079,210</u>
TOTAL ASSETS	<u>38,632,175</u>	<u>(43,741)</u>	<u>38,588,434</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	259,189	-	259,189
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>259,189</u>	<u>-</u>	<u>259,189</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 38,891,364</u>	<u>\$ (43,741)</u>	<u>\$ 38,847,623</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 942,567	\$ -	\$ 942,567
Accrued payroll	214,564	-	214,564
Other liabilities	786,053	-	786,053
Current portion of long-term obligations	1,277,357	-	1,277,357
Total current liabilities	<u>3,220,541</u>	<u>-</u>	<u>3,220,541</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	8,560,000	-	8,560,000
Pension benefit obligations	263,271	-	263,271
Net pension liability	615,939	-	615,939
Total noncurrent liabilities	<u>9,439,210</u>	<u>-</u>	<u>9,439,210</u>
TOTAL LIABILITIES	<u>12,659,751</u>	<u>-</u>	<u>12,659,751</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	210,946	-	210,946
Deferred inflows related to pensions	654,166	-	654,166
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>865,112</u>	<u>-</u>	<u>865,112</u>
NET POSITION			
Net investment in capital assets	14,540,942	-	14,540,942
Restricted	547,830	1,737	549,567
Unrestricted (deficit)	10,277,729	(45,478)	10,232,251
TOTAL NET POSITION	<u>25,366,501</u>	<u>(43,741)</u>	<u>25,322,760</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 38,891,364</u>	<u>\$ (43,741)</u>	<u>\$ 38,847,623</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT B

TOWN OF KENNEBUNK, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	
Governmental activities:							
General government	\$ 1,965,848	\$ 297,805	\$ -	\$ -	\$ (1,668,043)	\$ -	\$ (1,668,043)
Public safety	4,372,014	814,682	-	-	(3,557,332)	-	(3,557,332)
Recreation and culture	1,432,660	784,295	-	-	(648,365)	-	(648,365)
Health and welfare	287,885	4,000	-	-	(283,885)	-	(283,885)
Public works	2,510,145	18,880	148,236	117,057	(2,225,972)	-	(2,225,972)
Education	20,829,596	-	-	-	(20,829,596)	-	(20,829,596)
County tax	1,281,995	-	-	-	(1,281,995)	-	(1,281,995)
Employee benefits	1,710,335	-	-	-	(1,710,335)	-	(1,710,335)
Agency requests	30,585	-	-	-	(30,585)	-	(30,585)
Interest on long-term debt	321,820	-	-	-	(321,820)	-	(321,820)
Unclassified	536,784	-	-	-	(536,784)	-	(536,784)
Unallocated depreciation (Note 4)*	158,383	-	-	-	(158,383)	-	(158,383)
Total governmental activities	35,438,050	1,919,662	148,236	117,057	(33,253,095)	-	(33,253,095)
Business-type activities:							
Pay-As-You-Throw Trash Program	434,914	398,049	-	-	-	(36,865)	(36,865)
Electrical Inspection Program	21,947	21,758	-	-	-	(189)	(189)
Total business-type activities	456,861	419,807	-	-	-	(37,054)	(37,054)
Total government	\$ 35,894,911	\$ 2,339,469	\$ 148,236	\$ 117,057	(33,253,095)	(37,054)	(33,290,149)

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)
TOWN OF KENNEBUNK, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Changes in net position:			
Net (expense) revenue	<u>(33,253,095)</u>	<u>(37,054)</u>	<u>(33,290,149)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	30,191,844	-	30,191,844
Excise taxes	2,165,766	-	2,165,766
Grants and contributions not restricted to specific programs	829,748	-	829,748
Miscellaneous	362,089	-	362,089
Transfers	<u>(75,125)</u>	<u>75,125</u>	<u>-</u>
Total general revenues and transfers	<u>33,474,322</u>	<u>75,125</u>	<u>33,549,447</u>
Change in net position	221,227	38,071	259,298
NET POSITION - JULY 1, RESTATED	<u>25,145,274</u>	<u>(81,812)</u>	<u>25,063,462</u>
NET POSITION - JUNE 30	<u><u>\$ 25,366,501</u></u>	<u><u>\$ (43,741)</u></u>	<u><u>25,322,760</u></u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C

TOWN OF KENNEBUNK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Roads & Paving Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,215,048	\$ -	\$ 82,980	\$ 11,298,028
Investments	1,654,915	-	-	1,654,915
Accounts receivables (net of allowance for uncollectibles):				
Taxes	885,827	-	-	885,827
Liens	186,235	-	-	186,235
Other	165,585	-	-	165,585
Tax acquired property	266,473	-	-	266,473
Due from other funds	768,160	252,544	2,264,620	3,285,324
TOTAL ASSETS	\$ 15,142,243	\$ 252,544	\$ 2,347,600	\$ 17,742,387
LIABILITIES				
Accounts payable	\$ 882,567	\$ -	\$ 60,000	\$ 942,567
Accrued payroll	214,564	-	-	214,564
Other liabilities	786,053	-	-	786,053
Due to other funds	2,518,901	-	670,521	3,189,422
TOTAL LIABILITIES	4,402,085	-	730,521	5,132,606
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	210,946	-	-	210,946
Deferred tax revenue	896,070	-	-	896,070
TOTAL DEFERRED INFLOWS OF RESOURCES	1,107,016	-	-	1,107,016
FUND BALANCES				
Nonspendable	266,473	-	-	266,473
Restricted	-	-	547,830	547,830
Committed	1,508,946	252,544	1,531,658	3,293,148
Assigned	133,134	-	190,430	323,564
Unassigned	7,724,589	-	(652,839)	7,071,750
TOTAL FUND BALANCES	9,633,142	252,544	1,617,079	11,502,765
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 15,142,243	\$ 252,544	\$ 2,347,600	\$ 17,742,387

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 11,502,765
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, net of accumulated depreciation	24,079,210
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	896,070
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	259,189
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Capital leases payable	(3,268)
Bonds payable	(9,535,000)
Accrued compensated absences	(299,089)
Pension benefit obligations	(263,271)
Net pension liability	(615,939)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(654,166)</u>
Net position of governmental activities	<u><u>\$ 25,366,501</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Roads & Paving Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 30,068,996	\$ -	\$ -	\$ 30,068,996
Excise taxes	2,165,766	-	-	2,165,766
Intergovernmental revenues	977,984	117,057	-	1,095,041
Charges for services	1,900,783	-	18,880	1,919,663
Miscellaneous revenues	247,554	-	114,535	362,089
TOTAL REVENUES	35,361,083	117,057	133,415	35,611,555
EXPENDITURES				
Current:				
General government	1,888,089	-	81,206	1,969,295
Public Safety	3,913,171	-	4,369	3,917,540
Public Works	1,314,450	55,351	277,060	1,646,861
Education	20,829,596	-	-	20,829,596
County tax	1,281,995	-	-	1,281,995
Recreation & culture	1,386,126	-	-	1,386,126
Health & welfare	287,885	-	-	287,885
Employee benefits	1,710,335	-	-	1,710,335
Agency request	30,585	-	-	30,585
Capital outlay	-	1,084,462	1,719,847	2,804,309
Debt service:				
Principal	-	-	1,232,177	1,232,177
Interest	-	-	321,820	321,820
Unclassified	129,187	-	407,597	536,784
TOTAL EXPENDITURES	32,771,419	1,139,813	4,044,076	37,955,308
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,589,664	(1,022,756)	(3,910,661)	(2,343,753)
OTHER FINANCING SOURCES (USES)				
Transfers in	41,914	218,000	2,270,903	2,530,817
Transfers (out)	(2,499,905)	(29,393)	(76,644)	(2,605,942)
TOTAL OTHER FINANCING SOURCES (USES)	(2,457,991)	188,607	2,194,259	(75,125)
NET CHANGE IN FUND BALANCES	131,673	(834,149)	(1,716,402)	(2,418,878)
FUND BALANCES - JULY 1	9,501,469	1,086,693	3,333,481	13,921,643
FUND BALANCES - JUNE 30	\$ 9,633,142	\$ 252,544	\$ 1,617,079	\$ 11,502,765

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, 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, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (2,418,878)</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset purchases	2,804,309
Depreciation expense	<u>(1,598,602)</u>
	<u>1,205,707</u>
<p>Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.</p>	
	<u>120,430</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position</p>	
	<u>1,232,176</u>
<p>Deferred inflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.</p>	
	<u>(654,166)</u>
<p>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 governmental funds:</p>	
Accrued compensated absences	28,532
Pension benefit obligations	(22,979)
Net pension liability	<u>607,557</u>
	<u>613,110</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>	
Taxes and liens receivable	<u>122,848</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 221,227</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

BALANCE SHEET - PROPRIETARY FUNDS
JUNE 30, 2015

	Enterprise Funds		Totals
	Pay-As-You- Throw Trash Program	Electrical Inspection Program	
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	52,161	-	52,161
Due from other funds	-	1,737	1,737
Total assets	<u>\$ 52,161</u>	<u>\$ 1,737</u>	<u>\$ 53,898</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	97,639	-	97,639
Total liabilities	<u>97,639</u>	<u>-</u>	<u>97,639</u>
NET POSITION			
Restricted	-	1,737	1,737
Unrestricted (deficit)	(45,478)	-	(45,478)
Total net position	<u>(45,478)</u>	<u>1,737</u>	<u>(43,741)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 52,161</u>	<u>\$ 1,737</u>	<u>\$ 53,898</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Funds		Totals
	Pay-As-You- Throw Trash Program	Electrical Inspection Program	
OPERATING REVENUES			
Charges for services	\$ 398,049	\$ 21,758	\$ 419,807
TOTAL OPERATING REVENUES	<u>398,049</u>	<u>21,758</u>	<u>419,807</u>
OPERATING EXPENSES			
Program supplies	434,914	21,947	456,861
TOTAL OPERATING EXPENSES	<u>434,914</u>	<u>21,947</u>	<u>456,861</u>
OPERATING INCOME (LOSS)	<u>(36,865)</u>	<u>(189)</u>	<u>(37,054)</u>
NONOPERATING REVENUES (EXPENSES)			
Transfers in	75,125	-	75,125
Transfers (out)	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>75,125</u>	<u>-</u>	<u>75,125</u>
CHANGE IN NET POSITION	38,260	(189)	38,071
NET POSITION - JULY 1	<u>(83,738)</u>	<u>1,926</u>	<u>(81,812)</u>
NET POSITION - JUNE 30	<u>\$ (45,478)</u>	<u>\$ 1,737</u>	<u>\$ (43,741)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Funds		Totals
	Pay-As-You- Throw Trash Program	Electrical Inspection Program	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 501,253	\$ 21,758	\$ 523,011
Internal activity - receipts (payments) from/to other funds	(141,464)	189	(141,275)
Payments to suppliers	(434,914)	(21,947)	(456,861)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(75,125)</u>	<u>-</u>	<u>(75,125)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer in from general fund	75,125	-	75,125
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>75,125</u>	<u>-</u>	<u>75,125</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (36,865)	\$ (189)	\$ (37,054)
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	103,204	-	103,204
(Increase) decrease in due from other funds	-	189	189
Increase (decrease) in due to other funds	(141,464)	-	(141,464)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (75,125)</u>	<u>\$ -</u>	<u>\$ (75,125)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Kennebunk, Maine 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 and culture.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Pay-As-You-Throw (PAYT) trash program and electrical inspection programs are categorized as business-type activities. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The 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.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town is called for the purpose of adopting the proposed budget after public notice of the meeting is given.
3. The budget is adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For 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. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Kennebunk, Maine has a formal investment policy, and also follows the State of Maine Statutes.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$63,917 as of June 30, 2015 for ambulance receivables.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of bonds payable, capital leases payable, compensated absences, pension benefit obligations and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2015, the Town's liability for compensated absences is \$299,089.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated 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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one type of item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Other deferred revenues also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 22, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due on in two installments on October 3, 2014 and April 3, 2015. Interest on unpaid taxes commenced on October 4, 2014 and April 4, 2015, at 7% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

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 \$610,147 for the year ended June 30, 2015.

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.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

Operating/Non-operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy specifically covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are members of the F.D.I.C. as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. As of June 30, 2015, the Town reported deposits of \$11,298,028 with a bank balance of \$11,380,824. Of the Town's bank balances of \$11,380,824, \$530,103 was fully covered by federal depository insurance and was not exposed to custodial credit risk, \$6,155 was collateralized with securities held by the financial institution in the Town's name and \$10,844,566 was collateralized with irrevocable stand-by letters of credit.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 504,859
Savings accounts	36,163
Money market accounts	10,839,802
	\$ 11,380,824

Investments:

Custodial credit risk for investments is 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 possession of an outside party. Currently, the Town does not have a specific policy for custodial credit risk for investments.

Governmental Funds

Of the Town's investment in certificates of deposits totaling \$1,654,915, \$469,992 was fully covered by federal depository insurance and was not exposed to custodial credit risk, \$292,023 was collateralized with securities held by the financial institution in the Town's name and \$892,900 was collateralized with an irrevocable stand-by letter of credit.

At June 30, 2015, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>	<u>Not Applicable</u>
Governmental Funds:				
Certificates of deposit	\$ 1,654,915	\$ 622,470	\$ 1,032,445	\$ -
Total - Governmental Funds	\$ 1,654,915	\$ 622,470	\$ 1,032,445	\$ -

Credit risk – Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various insured or fully collateralized certificates of deposit.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2015 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
	<u> </u>	<u> </u>
General fund	\$ 768,160	\$ 2,518,901
Roads & paving capital fund	252,544	-
Enterprise funds	1,737	97,639
Nonmajor special revenue funds	450,222	110,684
Nonmajor capital projects funds	1,814,398	542,155
Nonmajor permanent funds	-	17,682
Totals	<u>\$ 3,287,061</u>	<u>\$ 3,287,061</u>

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2015:

	Balance, 7/1/14	Additions	Deletions	Balance, 6/30/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 2,478,648	\$ -	\$ -	\$ 2,478,648
Art works & historical treasures	41,000	-	-	41,000
Construction in progress	774,734	7,688	(774,734)	7,688
	<u>3,294,382</u>	<u>7,688</u>	<u>(774,734)</u>	<u>2,527,336</u>
Depreciated assets:				
Land improvements	1,520,919	131,092	-	1,652,011
Buildings	1,465,055	-	-	1,465,055
Building improvements	6,972,951	20,685	-	6,993,636
Furniture & fixtures	291,433	-	-	291,433
Machinery & equipment	4,069,249	234,522	-	4,303,771
Vehicles	5,539,232	657,664	-	6,196,896
Infrastructure:				
Bridges	36,047	-	-	36,047
Drainage system	543,118	-	-	543,118
Roads	17,994,446	1,212,051	-	19,206,497
Sewer lines	316,306	-	-	316,306
Sidewalks	2,184,177	1,315,341	-	3,499,518
	<u>40,932,933</u>	<u>3,571,355</u>	<u>-</u>	<u>44,504,288</u>
Less: accumulated depreciation	<u>(21,353,812)</u>	<u>(1,598,602)</u>	<u>-</u>	<u>(22,952,414)</u>
	<u>19,579,121</u>	<u>1,972,753</u>	<u>-</u>	<u>21,551,874</u>
Net capital assets	<u>\$ 22,873,503</u>	<u>\$ 1,980,441</u>	<u>\$ (774,734)</u>	<u>\$ 24,079,210</u>
<u>Current year depreciation</u>				
Administration				\$ 75,927
Police				193,349
Fire				261,125
Public works				863,284
Parks & recreation				46,534
Town-wide				158,383
Total depreciation expense				<u>\$ 1,598,602</u>

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2015:

<u>Governmental Activities</u>	Balance, 7/1/14 (Restated)	Additions	Deletions	Balance, 6/30/15	Current Portion
Bonds payable	\$ 10,764,000	\$ -	\$ (1,229,000)	\$ 9,535,000	\$ 975,000
Capital leases payable	6,444	-	(3,176)	3,268	3,268
Accrued compensated absences	327,621	-	(28,532)	299,089	299,089
Pension benefit obligations	240,292	22,979	-	263,271	-
Net pension liability	1,223,496	120,430	(727,987)	615,939	-
	<u>\$ 12,561,853</u>	<u>\$ 143,409</u>	<u>\$ (1,988,695)</u>	<u>\$ 10,716,567</u>	<u>\$ 1,277,357</u>

The following is a summary of outstanding bonds payable:

	<u>Governmental Activities</u>
\$1,360,000, 2007 General Obligation bond due in annual principal installments of \$95,000 to \$50,000. The interest rate varies from 4.00% to 5.00% per annum. Maturity in October 2026.	\$ 600,000
\$6,252,000, 2010 General Obligation bond due in annual installments and semi annual interest installments through October 2029. The interest rate varies from 1.50% to 4.00% per annum. Annual principal installments are from \$120,000 to \$382,000.	4,350,000
\$5,244,000, 2013 General Obligation bond due in annual installments and semi annual interest installments through October 2028. The interest rate varies from 2.00% to 4.00% per annum. Annual principal installments are from \$170,000 to \$659,000.	4,585,000
	<u>\$ 9,535,000</u>

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bond principal and interest requirements for the following fiscal years ending June 30:

Year	Governmental Activities		
	Principal	Interest	Total Debt Service
2016	\$ 975,000	\$ 291,799	\$ 1,266,799
2017	950,000	260,424	1,210,424
2018	950,000	228,599	1,178,599
2019	885,000	196,649	1,081,649
2020	790,000	170,424	960,424
2021-2025	3,595,000	528,683	4,123,683
2026-2030	1,390,000	109,572	1,499,572
	\$ 9,535,000	\$ 1,786,150	\$ 11,321,150

The following is a summary of the outstanding capital leases payable:

\$15,591, 2011 Capital lease payable to People's United Bank for photocopiers due in annual installments through July 2015. Interest is charged at a rate of 2.99% per annum. Annual payments are \$3,370. \$ 3,268

The following is a summary of outstanding capital lease requirements for the following fiscal years ending June 30:

Year Ending June 30:	
2016	\$ 3,366
Total minimum lease payments	3,366
Less amount representing interest	(98)
Present value of future minimum lease payments	\$ 3,268

NOTE 6 – EXPENDITURES OVER APPROPRIATIONS

At June 30, 2015, the Town had no overspent appropriations.

TOWN OF KENNEBUNK, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 7 – NONSPENDABLE FUND BALANCES

At June 30, 2015, the Town had the following nonspendable fund balances:

General fund:	
Tax acquired property	<u>\$ 266,473</u>

NOTE 8 – RESTRICTED FUND BALANCES

At June 30, 2015, the Town had the following restricted fund balances:

Nonmajor special revenue funds (See Schedule D)	\$ 209,840
Nonmajor capital projects funds (See Schedule F)	272,692
Nonmajor permanent funds (See Schedule H)	<u>65,298</u>
	<u>\$ 547,830</u>

NOTE 9 – COMMITTED FUND BALANCES

At June 30, 2015, the Town has the following committed fund balances:

General fund:	
Matching grant funds	\$ 44,000
Kennebunk Land Trust	70,000
Bicentennial celebration	4,833
Capital assets/projects	1,290,113
Debt service during 2016	100,000
Roads & paving capital fund	252,544
Nonmajor capital projects funds (See Schedule F)	<u>1,531,658</u>
	<u>\$ 3,293,148</u>

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – ASSIGNED FUND BALANCES

At June 30, 2015, the Town had the following assigned fund balances:

General fund:	
Heating assistance	\$ 16,676
Assessors office	8,456
Conservation commission	9,715
West Kennebunk Village committee	2,555
Bus revenues	33,927
Energy efficiency	1,809
Tree committee	3,061
Community garden	2,922
General government training	7,851
Computer training	11,690
Community development training	5,195
Lower Village	4,486
Property tax assistance	9,372
Operational contingency	15,419
Nonmajor special revenue funds (See Schedule D)	180,382
Nonmajor capital projects funds (See Schedule F)	10,048
	<u>\$ 323,564</u>

NOTE 11 – 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 a public entity risk pool, or is effectively self-insured. Currently the Town participates in several public-entity and self-insured risk pools sponsored by the Maine Municipal Association.

Based on the coverage provided by the pools described above, 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, 2015. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2015, the Town's share was approximately:

	Outstanding Debt	Town's Percentage	Total Share
County of York	\$ 7,730,259	7.27%	\$ 561,603
RSU No. 21	17,022,892	61.07%	10,395,773
			\$ 10,957,376

NOTE 13 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide 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 (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). 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. 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

TOWN OF KENNEBUNK, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's police department employees are part of the PLD's special plan "2C" and are required to contribute 7.0% of their annual salary, while all other employees are part of the PLD's plan "AC" and are required to contribute 7.0% of their annual salary. The Town was required to contribute at the actuarially determined rates of 8.3% for special plan "2C" members' covered payroll and 7.8% for plan "AC" members' covered payroll during the year. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2015 was \$174,069.

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

At June 30, 2015, the Town reported a liability of \$615,939 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2014, the Town's proportion was 0.400269%, which was an increase of 0.00364% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized total pension expense of \$73,821. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 77,343	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	654,166
Changes in proportion and differences between contributions and proportionate share of contributions	7,777	-
Contributions subsequent to the measurement date	174,069	-
Total	\$ 259,189	\$ 654,166

\$174,069 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Year ended June 30:	
2016	\$ 135,167
2017	135,167
2018	135,169
2019	163,541
2020	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2014 and 2013, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of fifteen years.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2014 and June 30, 2013 are as follows:

Investment Rate of Return - For the PLD Plan, 7.25% per annum, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 3.50% to 9.50% per year.

Mortality Rates - For participating local districts, the RP2000 Tables projected forward to 2015 using Scale AA are used; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Cost of Living Benefit Increases - 3.12% for participating local districts.

The long-term expected rate of return on pension plan assets 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 class of assets. 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 June 30, 2014 are summarized in the following table.

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%

Discount Rate

The discount rate used to measure the collective total pension liability was 7.25% for 2014 and 2013. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions 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 to current plan members. 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.

The following table shows how the collective net pension liability/(asset) as of June 30, 2014 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.25% for the PLD Consolidated Plan.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	6.25%	7.25%	8.25%
Town's proportionate share of the net pension liability	\$ 1,921,547	\$ 615,939	\$ (475,388)

Changes in Net Pension Liability

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2014 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2014, this was 4 years for the PLD Consolidated Plan.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the PLD Consolidated Plan.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2014 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (800) 451-9800.

NOTE 14 - DEFINED CONTRIBUTION PLAN

Plan Description

The Town offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401. The plan, available to all full-time Town employees unless the employee is actively participating in the Maine Public Employees Retirement System defined benefit pension plan, permits them to defer a portion of their salary until retirement. The deferred amount and the vested portion of the employer match is not available to the employee until retirement or death, or in case of other life events as allowed by law. The plan is administered by the International City Management Association - Retirement Corporation.

Funding Policy

Plan provisions and contribution requirements are established and may be amended by the Board of Selectmen. Under the 401 plan, participating members are required to contribute 6.5% of their annual covered salary and the Town is required to match 100% of the employee's contribution. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. For the year ended June 30, 2015, employee contributions totaled \$74,934, and the Town recognized pension expense of \$75,086.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Town contributions and earnings on Town contributions after completion of 3 years of creditable service with the Town. Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures may be used to cover a portion of the pension plan's administrative expenses, as well as the Town's matching contribution for the 401 plan.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 15 – DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION –
RETIREMENT CORPORATION

A. Plan Description

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits the employee to defer a portion of salary until future years. There is no employer match by the Town. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

B. Funding Policy

Under the defined contribution plan, employees may elect to participate. Participating members are required to contribute 6.5% of their annual covered salary and the Town is required to match 100% of the employee's contribution. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. The employee's contribution vests 100% with the employee when contributed. The Town's matching contribution vests 100% with the employee at the end of three years of service. The Town's contributions for the plan for the years ended June 30, 2015 and 2014 were: \$45,574 and \$28,122 respectively. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, or death.

Additionally, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security was approximately \$380,919, \$371,553, and \$355,032, for the years ended June 30, 2015, 2014 and 2013, respectively.

NOTE 16 – CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 – CONTINGENCIES (CONTINUED)

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS

The Town is a member of the Maine Municipal Employees Health Trust (the "Health Trust"). In addition to providing pension benefits, the Town provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as Maine PERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage. The Town does not supplement the cost of this coverage directly, but recognizes the liability for inclusion of implicit rate subsidies to the retirees. The subsidy occurs because when a blended rate is used for a group of individuals that includes younger and presumably healthier people along with older, retired people, implicitly, the active employees are subsidizing the retirees. As of January 1, 2015, the date of the most recent Actuarial Valuation Report, there were three retirees and fifty-two employees.

Benefits provided – The Town provides medical and prescription drug coverage to retirees and their eligible spouses and dependents. Pre-Medicare retirees are offered the same plans that are available to the active employees. The plans are provided through the Health Trust, and include the Comprehensive Point of Service Plan C and the PPO 500 Value Plan.

Funding policy – Retirees contribute all of the premiums as determined by the Town, but the remainder of the costs as derived from the implicit subsidy are paid by the Town on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligations

The Town of Kennebunk's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period not to exceed thirty years.

The Town's annual OPEB cost for the fiscal year ended June 30, 2015 including the amount actually contributed to the plan and the change in the Town's net OPEB obligation using the level of funding amortization method is as follows:

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Normal cost	\$ 16,481
Amortization of unfunded liability	14,392
Interest	611
Annual required contribution	31,484
Interest on net OPEB obligation	9,612
Adjustment to annual required contribution	(13,896)
Annual OPEB cost	27,200
Contributions made	(4,221)
Increase in net OPEB obligation	22,979
Net OPEB obligation, beginning of year	240,292
 Net OPEB obligation, end of year	 \$ 263,271

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012 are as follows:

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2012	\$ 33,771	\$ -	0.0%	\$ 192,546
6/30/2013	\$ 26,088	\$ -	0.0%	\$ 216,634
6/30/2014	\$ 25,658	\$ -	0.0%	\$ 240,292
6/30/2015	\$ 27,200	\$ -	0.0%	\$ 263,271

The funded status of the plan as of June 30, 2015, was as follows:

Actuarial Accrued Liability	\$ 258,827
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability	\$ 258,827
 Funded Ratio (Actuarial Value of Plan Assets/AAL)	 0.0%
 Covered Payroll of Active Plan Members (Estimated)	 \$ 3,065,480
 UAAL as a percentage of Covered Payroll	 8.4%

TOWN OF KENNEBUNK, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Methods of Assumptions – The projected unit credit (PUC) cost method was used for the valuation. The amortization method is the level dollar open, amortized over 30 years. Under the PUC method, benefits are projected for life, and their present value is determined. The present value is divided into equal parts, which are earned from date of hire to each decrement age. An open 30 year amortization period was used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information of the latest actuarial valuation is as follows:

Valuation Date	1/1/2015
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Open
Amortization Period	30 years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Discount Rate	4.00%
Rate of Salary Increases	3.00%
Ultimate Rate of Medical Inflation	4.25%

The required schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

TOWN OF KENNEBUNK, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 18 – DEFICIT FUND BALANCES/NET POSITION

At June 30, 2015, the Town has the following funds with deficit fund balances or net position:

Deficit Fund Balances:	
Public Works Equipment	\$ 454,045
Storage Area at Town Garage	1,598
Parking Lots	44,254
Parks & Recreation Projects	42,258
Lower Village TIF	110,684
	<u>\$ 652,839</u>
Deficit Net Position:	
Pay-As-You-Throw Trash Program	\$ 45,478

NOTE 19 - TAX INCREMENT FINANCING DISTRICTS

Under Maine law, the Town has established three Tax Increment Financing (TIF) Districts to build or improve public infrastructure, to repay principal and interest on any indebtedness incurred to fund such infrastructure, and expenditures to promote economic development within each TIF as prescribed by the underlying state-approved TIF agreements. The West Kennebunk TIF Utility Corridor amendment also allows for the acquisition of emergency and maintenance vehicles and equipment, and the repayment of a portion of the West Kennebunk Fire Station bond principal and interest.

There was activity in all of the TIFs for fiscal year 2015. The revenue for each TIF is determined based on the so-called "captured assessed value." Revenues and expenditures for each district are accounted for as Special Revenue Funds. During 2012, the Route 1 TIF and the West Kennebunk TIF were amended to allow for Credit Enhancement Agreements (CEAs). As of June 30, 2015, one CEA existed for the property identified as Lot 59 on Tax Map 51 of the Town, within the Route 1 District. This CEA was authorized at a Special Town Meeting held on January 31, 2012.

The status of the Tax Increment Financing Districts is summarized below.

	Route 1 TIF	West Kennebunk TIF - Original Area	West Kennebunk TIF - Utility Corridor	Total West Kennebunk TIF	Lower Village TIF
Expiration Date	3/29/2036			3/29/2036	3/30/2040
Original assessed value	\$27,581,200	\$ 4,978,400	\$ 10,641,700	\$15,620,100	\$4,599,600
Total captured assessed value at 6/30/15	\$44,073,700	\$ 6,780,100	\$ 7,630,732	\$14,410,832	\$3,952,472

TOWN OF KENNEBUNK, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 20 – COLLATERALIZATION

At June 30, 2015, the Town has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Boston serving as collateral for its deposits held at The Bank of Maine. This letter of credit, which expires at the close of business on October 6, 2015, authorizes one draw only up to the amount of \$910,000. There were no draws for the year ended June 30, 2015.

At June 30, 2015, the Town has three outstanding irrevocable standby letters of credit issued by the Federal Home Loan Bank of Boston serving as collateral for its deposits held at People's United Bank. These letters of credit, which all expire at the close of business on July 6, 2015, authorize one draw each only up to the amount of \$7,000,000, \$2,000,000 and \$8,000,000, respectively. There were no draws for the year ended June 30, 2015.

At June 30, 2015, the Town has a third party securities pledge issued by the Federal Reserve Bank of Boston serving as collateral for its deposits held at Kennebunk Savings Bank. This pledge, which expires at the close of business on July 1, 2021, authorizes securities to be held up to the amount of \$300,000. There were no draws for the year ended June 30, 2015.

NOTE 21 – RESTATEMENT

The net position of the governmental activities has been restated at July 1, 2014 to account for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (Issued 06/12)*. As a result, the beginning balance has been reduced by \$1,084,737 to a balance of \$25,145,274.

NOTE 22 – COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Schedule of Funding Progress for Retiree Healthcare Plan

TOWN OF KENNEBUNK, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 9,501,469	\$ 9,501,469	\$ 9,501,469	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	30,236,111	30,236,111	30,068,996	(167,115)
Excise Taxes	1,814,500	1,814,500	2,165,766	351,266
Intergovernmental Revenues:				
State Revenue Sharing	350,000	350,000	407,583	57,583
Homestead Reimbursement	161,154	161,154	166,423	5,269
Local Road Assistance	140,000	140,000	148,236	8,236
Other	239,142	239,142	255,742	16,600
Interest Income	30,000	30,000	51,445	21,445
Interest on Taxes/Lien Costs	40,000	40,000	59,742	19,742
Charges for Service	1,712,750	1,712,750	1,900,783	188,033
Miscellaneous Revenues	154,066	154,066	136,367	(17,699)
Transfers from Other Funds	4,000	4,000	41,914	37,914
Amounts Available for Appropriation	<u>44,383,192</u>	<u>44,383,192</u>	<u>44,904,466</u>	<u>521,274</u>
Charges to Appropriations (Outflows):				
General Government	1,932,389	1,986,149	1,888,089	98,060
Public Safety	4,029,088	4,029,088	3,913,171	115,917
Public Works	1,164,881	1,164,881	1,314,450	(149,569)
Education	20,829,596	20,829,596	20,829,596	-
County Tax	1,281,995	1,281,995	1,281,995	-
Recreation and Culture	1,331,448	1,334,258	1,386,126	(51,868)
Health and Welfare	287,296	307,229	287,885	19,344
Employee Benefits	1,712,761	1,712,761	1,710,335	2,426
Agency Requests	32,115	32,115	30,585	1,530
Unclassified	730,249	801,669	129,187	672,482
Transfers to Other Funds	1,649,905	2,499,905	2,499,905	-
Total Charges to Appropriations	<u>34,981,723</u>	<u>35,979,646</u>	<u>35,271,324</u>	<u>708,322</u>
Budgetary Fund Balance, June 30	<u>\$ 9,401,469</u>	<u>\$ 8,403,546</u>	<u>\$ 9,633,142</u>	<u>\$ 1,229,596</u>
Utilization of Committed Fund Balance	\$ 100,000	\$ 998,333	\$ -	\$ (998,333)
Utilization of Assigned Fund Balance	-	99,590	-	(99,590)
	<u>\$ 100,000</u>	<u>\$ 1,097,923</u>	<u>\$ -</u>	<u>\$ (1,097,923)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

<u>PLD Plan:</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.40%	0.40%
Proportionate share of the net pension liability	\$ 615,939	\$ 1,223,496
Covered-employee payroll	\$ 2,161,447	\$ 1,869,664
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	28.50%	65.44%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	87.50%

* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Contractually required contribution	\$ 174,069	\$ 127,363
Contributions in relation to the contractually required contribution	<u>(174,069)</u>	<u>(127,363)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,161,447	\$ 1,869,664
Contributions as a percentage of covered- employee payroll	8.05%	6.81%

* The amounts presented for each fiscal year are for those years for which information is available.

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTHCARE PLAN
FOR THE YEARS ENDED JUNE 30,

Actuarial Valuation Date	Actuarial Value of Assets (a)	Unfunded Actuarial (UAL) Liability (AAL) (b)	Funded Ratio (a/b)	Covered Payroll (c)	UFAL as a % of Covered Payroll ((b-a)/c)
6/30/2009	\$ -	\$ 463,005	0.0%	\$ 2,904,791	15.9%
6/30/2010	\$ -	\$ 463,005	0.0%	\$ 3,056,808	15.1%
6/30/2011	\$ -	\$ 322,225	0.0%	\$ 3,218,664	10.0%
6/30/2012	\$ -	\$ 322,225	0.0%	\$ 3,159,958	10.2%
6/30/2013	\$ -	\$ 277,670	0.0%	\$ 2,934,139	9.5%
6/30/2014	\$ -	\$ 277,670	0.0%	\$ 2,976,194	9.3%
6/30/2015	\$ -	\$ 258,827	0.0%	\$ 3,065,480	8.4%

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Project Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
General Government Expenses	\$ 608,673	\$ 6,846	\$ 615,519	\$ 604,030	\$ 11,489
Selectmen	30,533	-	30,533	24,845	5,688
Town Manager	260,010	-	260,010	246,807	13,203
Town Clerk	92,472	-	92,472	87,460	5,012
Ballot Clerks	31,771	-	31,771	30,772	999
Assessors	178,098	6,114	184,212	171,460	12,752
Community Development	341,756	4,793	346,549	339,905	6,644
Town Hall	170,855	-	170,855	170,331	524
Computer Department	175,744	9,690	185,434	173,474	11,960
Conservation Commission	-	11,196	11,196	1,481	9,715
Site Plan Review Board	4,990	-	4,990	3,865	1,125
Zoning Board of Appeals	1,200	-	1,200	1,085	115
Shellfish Committee	-	-	-	266	(266)
Board of Assessment Review	1,000	-	1,000	-	1,000
Dog Advisory Committee	200	-	200	-	200
Historic Preservation Committee	1,700	-	1,700	5,283	(3,583)
Lower Village Committee	2,500	2,861	5,361	876	4,485
Downtown Committee	2,400	177	2,577	2,974	(397)
Economic Development Committee	-	-	-	1,996	(1,996)
West Kennebunk Village Committee	2,000	3,109	5,109	2,554	2,555
Energy Efficiency Committee	2,100	1,580	3,680	1,872	1,808
Tree Committee	2,000	3,061	5,061	2,000	3,061
Affordable Housing Committee	200	-	200	-	200
Bicentennial Committee	500	4,333	4,833	-	4,833
Community Garden Committee	3,980	-	3,980	1,058	2,922
Planning Board	17,707	-	17,707	13,695	4,012
	<u>1,932,389</u>	<u>53,760</u>	<u>1,986,149</u>	<u>1,888,089</u>	<u>98,060</u>

SCHEDULE A (CONTINUED)

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public Works -					
Highway	1,164,881	-	1,164,881	1,314,450	(149,569)
	<u>1,164,881</u>	<u>-</u>	<u>1,164,881</u>	<u>1,314,450</u>	<u>(149,569)</u>
Education	20,829,596	-	20,829,596	20,829,596	-
County Tax	1,281,995	-	1,281,995	1,281,995	-
Recreation and Culture -					
Life Guards	52,281	-	52,281	45,276	7,005
Parks	40,000	-	40,000	40,064	(64)
Recreation	716,588	2,810	719,398	778,207	(58,809)
Kennebunk Free Library	522,579	-	522,579	522,579	-
	<u>1,331,448</u>	<u>2,810</u>	<u>1,334,258</u>	<u>1,386,126</u>	<u>(51,868)</u>
Health And Welfare -					
Recycling	231,046	-	231,046	231,046	-
Solid Waste	9,000	-	9,000	19,834	(10,834)
Social Services	47,250	19,933	67,183	37,005	30,178
	<u>287,296</u>	<u>19,933</u>	<u>307,229</u>	<u>287,885</u>	<u>19,344</u>
Employee Benefits -					
Health Benefits	911,601	-	911,601	864,553	47,048
FICA	385,268	-	385,268	380,919	4,349
Retirement	258,897	-	258,897	259,574	(677)
Workers Comp	138,274	-	138,274	193,614	(55,340)
Unemployment Comp	18,721	-	18,721	11,675	7,046
	<u>1,712,761</u>	<u>-</u>	<u>1,712,761</u>	<u>1,710,335</u>	<u>2,426</u>

SCHEDULE A (CONTINUED)

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Agency Requests -					
SMMC Visiting Nurses	5,000	-	5,000	5,000	-
Biddeford Free Clinic	1,000	-	1,000	1,000	-
Day One	1,500	-	1,500	1,500	-
So. Maine Parent Awareness	1,530	-	1,530	-	1,530
York County Child Abuse Council	1,700	-	1,700	1,700	-
York County Community Action	4,900	-	4,900	4,900	-
Maine Behavioral Healthcare	3,800	-	3,800	3,800	-
Caring Unlimited	2,595	-	2,595	2,595	-
Catholic Charities	500	-	500	500	-
So. Maine Area Agency on Aging	2,500	-	2,500	2,500	-
Sexual Assault Response Services	1,000	-	1,000	1,000	-
Senior Center at Lower Village	1,000	-	1,000	1,000	-
American Red Cross	500	-	500	500	-
Home Health Visiting Nurses	3,090	-	3,090	3,090	-
Community Outreach Services	1,300	-	1,300	1,300	-
York County Food Pantry	200	-	200	200	-
	<u>32,115</u>	<u>-</u>	<u>32,115</u>	<u>30,585</u>	<u>1,530</u>
Public Safety -					
Police	1,796,654	-	1,796,654	1,787,207	9,447
Ambulance	866,878	-	866,878	818,750	48,128
Communications	290,808	-	290,808	285,878	4,930
Civil Emergency Preparedness	5,237	-	5,237	5,630	(393)
Hydrants & Street Lights	439,077	-	439,077	425,143	13,934
Fire Department	630,434	-	630,434	590,563	39,871
	<u>4,029,088</u>	<u>-</u>	<u>4,029,088</u>	<u>3,913,171</u>	<u>115,917</u>

SCHEDULE A (CONTINUED)

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified -					
Operational Contingency	-	27,420	27,420	12,000	15,420
Historian	500	-	500	-	500
Harbormaster	15,728	-	15,728	15,728	-
Tree Warden	3,500	-	3,500	4,675	(1,175)
Matching Grant Funds	-	44,000	44,000	-	44,000
Memorial Day	800	-	800	800	-
Facilities	99,574	-	99,574	95,984	3,590
Overlay	610,147	-	610,147	-	610,147
	<u>730,249</u>	<u>71,420</u>	<u>801,669</u>	<u>129,187</u>	<u>672,482</u>
Transfers to Other Funds -					
Special Revenue Funds	930,311	-	930,311	930,311	-
Capital Projects Funds	644,469	850,000	1,494,469	1,494,469	-
Proprietary Funds	75,125	-	75,125	75,125	-
	<u>1,649,905</u>	<u>850,000</u>	<u>2,499,905</u>	<u>2,499,905</u>	<u>-</u>
Totals	<u>\$ 34,981,723</u>	<u>\$ 997,923</u>	<u>\$ 35,979,646</u>	<u>\$ 35,271,324</u>	<u>\$ 708,322</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE B

TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 82,980	\$ 82,980
Due from other funds	450,222	1,814,398	-	2,264,620
TOTAL ASSETS	<u>\$ 450,222</u>	<u>\$ 1,814,398</u>	<u>\$ 82,980</u>	<u>\$ 2,347,600</u>
LIABILITIES				
Accounts payable	\$ 60,000	\$ -	\$ -	\$ 60,000
Due to other funds	110,684	542,155	17,682	670,521
TOTAL LIABILITIES	<u>170,684</u>	<u>542,155</u>	<u>17,682</u>	<u>730,521</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	209,840	272,692	65,298	547,830
Committed	-	1,531,658	-	1,531,658
Assigned	180,382	10,048	-	190,430
Unassigned	(110,684)	(542,155)	-	(652,839)
TOTAL FUND BALANCES	<u>279,538</u>	<u>1,272,243</u>	<u>65,298</u>	<u>1,617,079</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 450,222</u>	<u>\$ 1,814,398</u>	<u>\$ 82,980</u>	<u>\$ 2,347,600</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE C

TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	-	18,880	-	18,880
Interest income	-	-	442	442
Other	14,718	99,375	-	114,093
TOTAL REVENUES	<u>14,718</u>	<u>118,255</u>	<u>442</u>	<u>133,415</u>
EXPENDITURES				
Administration	-	81,206	-	81,206
Public works	210,162	66,898	-	277,060
Public safety	-	4,369	-	4,369
Debt service:				
Principal	351,860	880,317	-	1,232,177
Interest	132,630	189,190	-	321,820
Capital outlay	945,231	774,616	-	1,719,847
Unclassified	407,582	-	15	407,597
TOTAL EXPENDITURES	<u>2,047,465</u>	<u>1,996,596</u>	<u>15</u>	<u>4,044,076</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,032,747)</u>	<u>(1,878,341)</u>	<u>427</u>	<u>(3,910,661)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	930,311	1,340,592	-	2,270,903
Transfers (out)	(37,914)	(34,730)	(4,000)	(76,644)
TOTAL OTHER FINANCING SOURCES (USES)	<u>892,397</u>	<u>1,305,862</u>	<u>(4,000)</u>	<u>2,194,259</u>
NET CHANGE IN FUND BALANCES	(1,140,350)	(572,479)	(3,573)	(1,716,402)
FUND BALANCES, JULY 1	<u>1,419,888</u>	<u>1,844,722</u>	<u>68,871</u>	<u>3,333,481</u>
FUND BALANCES, JUNE 30	<u>\$ 279,538</u>	<u>\$ 1,272,243</u>	<u>\$ 65,298</u>	<u>\$ 1,617,079</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

SCHEDULE D

TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Conservation Land Purchase	Building Revenues	Harbor- master	Route 1 TIF	West Kennebunk TIF	Lower Village TIF	Totals
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	33,430	34,998	111,954	104,320	165,520	-	450,222
TOTAL ASSETS	\$ 33,430	\$ 34,998	\$ 111,954	\$ 104,320	\$ 165,520	\$ -	\$ 450,222
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000
Due to other funds	-	-	-	-	-	110,684	110,684
TOTAL LIABILITIES	-	-	-	60,000	-	110,684	170,684
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	44,320	165,520	-	209,840
Committed	-	-	-	-	-	-	-
Assigned	33,430	34,998	111,954	-	-	-	180,382
Unassigned	-	-	-	-	-	(110,684)	(110,684)
TOTAL FUND BALANCES	33,430	34,998	111,954	44,320	165,520	(110,684)	279,538
TOTAL LIABILITIES AND FUND BALANCES	\$ 33,430	\$ 34,998	\$ 111,954	\$ 104,320	\$ 165,520	\$ -	\$ 450,222

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE E

TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Conservation Land Purchase	Building Revenues	Harbor- master	Route 1 TIF	West Kennebunk TIF	Lower Village TIF	Totals
REVENUES							
Other	\$ -	\$ -	\$ 14,718	\$ -	\$ -	\$ -	\$ 14,718
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>14,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,718</u>
EXPENDITURES							
Public works	-	-	-	210,162	-	-	210,162
Debt service:							
Principal	-	-	-	218,398	94,352	39,110	351,860
Interest	-	-	-	98,072	17,860	16,698	132,630
Capital outlay	-	-	-	653,304	291,927	-	945,231
Unclassified	-	-	-	407,582	-	-	407,582
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,587,518</u>	<u>404,139</u>	<u>55,808</u>	<u>2,047,465</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>14,718</u>	<u>(1,587,518)</u>	<u>(404,139)</u>	<u>(55,808)</u>	<u>(2,032,747)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	656,698	214,721	58,892	930,311
Transfers (out)	-	-	-	-	(37,914)	-	(37,914)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>656,698</u>	<u>176,807</u>	<u>58,892</u>	<u>892,397</u>
NET CHANGE IN FUND BALANCES	-	-	14,718	(930,820)	(227,332)	3,084	(1,140,350)
FUND BALANCES, JULY 1	<u>33,430</u>	<u>34,998</u>	<u>97,236</u>	<u>975,140</u>	<u>392,852</u>	<u>(113,768)</u>	<u>1,419,888</u>
FUND BALANCES, JUNE 30	<u>\$ 33,430</u>	<u>\$ 34,998</u>	<u>\$ 111,954</u>	<u>\$ 44,320</u>	<u>\$ 165,520</u>	<u>\$ (110,684)</u>	<u>\$ 279,538</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. The projects also include significant purchases of vehicles and equipment, as well as the servicing of leases and bonds associated with those purchases. Projects are generally segregated by the related Town department managing the project.

SCHEDULE F

TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Fire/Ambulance Projects		Dorothy Stevens Center	Public Works Equipment	Police Vehicles & Equipment	Town Hall Roof Repair	Signs
	West Kennebunk Fire Station	Dry Hydrants					
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	67,181	9,969	258	-	7,670	70,000	10,000
TOTAL ASSETS	<u>\$ 67,181</u>	<u>\$ 9,969</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 7,670</u>	<u>\$ 70,000</u>	<u>\$ 10,000</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ 454,045	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,045</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	67,181	9,969	258	-	7,670	70,000	10,000
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(454,045)	-	-	-
TOTAL FUND BALANCES	<u>67,181</u>	<u>9,969</u>	<u>258</u>	<u>(454,045)</u>	<u>7,670</u>	<u>70,000</u>	<u>10,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 67,181</u>	<u>\$ 9,969</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 7,670</u>	<u>\$ 70,000</u>	<u>\$ 10,000</u>

SCHEDULE F (CONTINUED)

TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Town Hall Equipment	Debt Service & Town Hall Lease/Purchase	Town Projects	Skateboard Park	Park St. & Cousens Sch. Purchase	Mousam Ridge Drainage	Storage Area at Town Garage
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	30,400	537,390	68,304	97,050	384,932	-	-
TOTAL ASSETS	<u>\$ 30,400</u>	<u>\$ 537,390</u>	<u>\$ 68,304</u>	<u>\$ 97,050</u>	<u>\$ 384,932</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,598
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,598</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	97,050	-	-	-
Committed	30,400	537,390	68,304	-	384,932	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(1,598)
TOTAL FUND BALANCES	<u>30,400</u>	<u>537,390</u>	<u>68,304</u>	<u>97,050</u>	<u>384,932</u>	<u>-</u>	<u>(1,598)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,400</u>	<u>\$ 537,390</u>	<u>\$ 68,304</u>	<u>\$ 97,050</u>	<u>\$ 384,932</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Budget Board	Public Works Projects Bicycle Impact	Parking Lots	West Kennebunk Field	Fire Ambulance Equipment	HVAC Systems & Insulation
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	125,696	152,921	-	15,899	36,639	45,000
TOTAL ASSETS	<u>\$ 125,696</u>	<u>\$ 152,921</u>	<u>\$ -</u>	<u>\$ 15,899</u>	<u>\$ 36,639</u>	<u>\$ 45,000</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 44,254	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>44,254</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	152,921	-	15,899	-	-
Committed	125,696	-	-	-	36,639	45,000
Assigned	-	-	-	-	-	-
Unassigned	-	-	(44,254)	-	-	-
TOTAL FUND BALANCES	<u>125,696</u>	<u>152,921</u>	<u>(44,254)</u>	<u>15,899</u>	<u>36,639</u>	<u>45,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 125,696</u>	<u>\$ 152,921</u>	<u>\$ -</u>	<u>\$ 15,899</u>	<u>\$ 36,639</u>	<u>\$ 45,000</u>

SCHEDULE F (CONTINUED)

TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Town Hall Computer Hardware & Software	Parks & Recreation Projects	Capital Reserve/Impr.	Communications	April 16th Storm	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	10,048	-	137,936	283	6,822	1,814,398
TOTAL ASSETS	<u>\$ 10,048</u>	<u>\$ -</u>	<u>\$ 137,936</u>	<u>\$ 283</u>	<u>\$ 6,822</u>	<u>\$ 1,814,398</u>
LIABILITIES						
Due to other funds	\$ -	\$ 42,258	\$ -	\$ -	\$ -	\$ 542,155
TOTAL LIABILITIES	<u>-</u>	<u>42,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,155</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	6,822	272,692
Committed	-	-	137,936	283	-	1,531,658
Assigned	10,048	-	-	-	-	10,048
Unassigned	-	(42,258)	-	-	-	(542,155)
TOTAL FUND BALANCES	<u>10,048</u>	<u>(42,258)</u>	<u>137,936</u>	<u>283</u>	<u>6,822</u>	<u>1,272,243</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,048</u>	<u>\$ -</u>	<u>\$ 137,936</u>	<u>\$ 283</u>	<u>\$ 6,822</u>	<u>\$ 1,814,398</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE G

TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Fire/Ambulance Projects		Dorothy Stevens Center	Public Works Equipment	Police Vehicles & Equipment	Town Hall Roof Repair	Signs
	West Kennebunk Fire Station	Dry Hydrants					
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other	5,000	-	-	-	5,112	-	-
TOTAL REVENUES	5,000	-	-	-	5,112	-	-
EXPENDITURES							
Administration	-	-	-	-	-	-	-
Public works	-	-	-	34,189	-	-	-
Public safety	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	484,293	79,696	-	-
TOTAL EXPENDITURES	-	-	-	518,482	79,696	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,000	-	-	(518,482)	(74,584)	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	40,000	-	-	80,000	68,000	10,000	10,000
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	40,000	-	-	80,000	68,000	10,000	10,000
NET CHANGE IN FUND BALANCES	45,000	-	-	(438,482)	(6,584)	10,000	10,000
FUND BALANCES, JULY 1	22,181	9,969	258	(15,563)	14,254	60,000	-
FUND BALANCES, JUNE 30	\$ 67,181	\$ 9,969	\$ 258	\$ (454,045)	\$ 7,670	\$ 70,000	\$ 10,000

SCHEDULE G (CONTINUED)

TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Town Hall Equipment	Debt Service & Town Hall Lease/Purchase	Town Projects	Skateboard Park	Park St. & Cousens Sch. Purchase	Mousam Ridge Drainage	Storage Area at Town Garage
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other	-	89,263	-	-	-	-	-
TOTAL REVENUES	-	89,263	-	-	-	-	-
EXPENDITURES							
Administration	-	-	24,940	-	20,633	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Debt service:							
Principal	-	880,317	-	-	-	-	-
Interest	-	189,190	-	-	-	-	-
Capital outlay	-	-	-	2,950	-	-	1,598
TOTAL EXPENDITURES	-	1,069,507	24,940	2,950	20,633	-	1,598
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(980,244)	(24,940)	(2,950)	(20,633)	-	(1,598)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	858,169	-	-	-	29,393	-
Transfers (out)	(8,670)	(26,060)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(8,670)	832,109	-	-	-	29,393	-
NET CHANGE IN FUND BALANCES	(8,670)	(148,135)	(24,940)	(2,950)	(20,633)	29,393	(1,598)
FUND BALANCES, JULY 1	39,070	685,525	93,244	100,000	405,565	(29,393)	-
FUND BALANCES, JUNE 30	\$ 30,400	\$ 537,390	\$ 68,304	\$ 97,050	\$ 384,932	\$ -	\$ (1,598)

SCHEDULE G (CONTINUED)

TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Budget Board	Public Works Projects		West Kennebunk Field	Fire Ambulance Equipment	HVAC Systems & Insulation
		Bicycle Impact	Parking Lots			
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	18,880	-	-	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	-	18,880	-	-	-	-
EXPENDITURES						
Administration	20,352	-	-	-	-	-
Public works	9,324	-	-	-	-	-
Public safety	-	-	-	-	4,369	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	95,502	-	62,930	19,087
TOTAL EXPENDITURES	29,676	-	95,502	-	67,299	19,087
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(29,676)	18,880	(95,502)	-	(67,299)	(19,087)
OTHER FINANCING SOURCES (USES)						
Transfers in	50,000	-	17,300	-	68,560	18,506
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	50,000	-	17,300	-	68,560	18,506
NET CHANGE IN FUND BALANCES	20,324	18,880	(78,202)	-	1,261	(581)
FUND BALANCES, JULY 1	105,372	134,041	33,948	15,899	35,378	45,581
FUND BALANCES, JUNE 30	\$ 125,696	\$ 152,921	\$ (44,254)	\$ 15,899	\$ 36,639	\$ 45,000

SCHEDULE G (CONTINUED)

TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Town Hall Computer Hardware & Software	Parks & Recreation Projects	Capital Reserve/Impr.	Communications	April 16th Storm	Totals
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	18,880
Other	-	-	-	-	-	99,375
TOTAL REVENUES	-	-	-	-	-	118,255
EXPENDITURES						
Administration	15,281	-	-	-	-	81,206
Public works	-	-	23,385	-	-	66,898
Public safety	-	-	-	-	-	4,369
Debt service:						
Principal	-	-	-	-	-	880,317
Interest	-	-	-	-	-	189,190
Capital outlay	26,370	2,190	-	-	-	774,616
TOTAL EXPENDITURES	41,651	2,190	23,385	-	-	1,996,596
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(41,651)	(2,190)	(23,385)	-	-	(1,878,341)
OTHER FINANCING SOURCES (USES)						
Transfers in	40,664	-	50,000	-	-	1,340,592
Transfers (out)	-	-	-	-	-	(34,730)
TOTAL OTHER FINANCING SOURCES (USES)	40,664	-	50,000	-	-	1,305,862
NET CHANGE IN FUND BALANCES	(987)	(2,190)	26,615	-	-	(572,479)
FUND BALANCES, JULY 1	11,035	(40,068)	111,321	283	6,822	1,844,722
FUND BALANCES, JUNE 30	\$ 10,048	\$ (42,258)	\$ 137,936	\$ 283	\$ 6,822	\$ 1,272,243

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Kennebunk, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	Littlefield Educational Trust	Cemetery Trust		Martha Bragdon Trust	Totals
		Monument Lot	Centennial Lot		
ASSETS					
Cash and cash equivalents	\$ 70,752	\$ 2,548	\$ 3,525	\$ 6,155	\$ 82,980
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 70,752</u>	<u>\$ 2,548</u>	<u>\$ 3,525</u>	<u>\$ 6,155</u>	<u>\$ 82,980</u>
LIABILITIES					
Due to other funds	\$ 11,527	\$ -	\$ -	\$ 6,155	\$ 17,682
TOTAL LIABILITIES	<u>11,527</u>	<u>-</u>	<u>-</u>	<u>6,155</u>	<u>17,682</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	59,225	2,548	3,525	-	65,298
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>59,225</u>	<u>2,548</u>	<u>3,525</u>	<u>-</u>	<u>65,298</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 70,752</u>	<u>\$ 2,548</u>	<u>\$ 3,525</u>	<u>\$ 6,155</u>	<u>\$ 82,980</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE I

TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Littlefield Educational Trust	Cemetery Trust		Martha Bragdon Trust	Totals
		Monument Lot	Centennial Lot		
REVENUES					
Interest income	\$ 424	\$ 1	\$ 2	\$ 15	\$ 442
TOTAL REVENUES	<u>424</u>	<u>1</u>	<u>2</u>	<u>15</u>	<u>442</u>
EXPENDITURES					
Other	\$ -	\$ -	\$ -	\$ 15	15
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>424</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>427</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	(4,000)	-	-	-	(4,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,000)</u>
NET CHANGE IN FUND BALANCES	(3,576)	1	2	-	(3,573)
FUND BALANCES, JULY 1	<u>62,801</u>	<u>2,547</u>	<u>3,523</u>	<u>-</u>	<u>68,871</u>
FUND BALANCES, JUNE 30	<u>\$ 59,225</u>	<u>\$ 2,548</u>	<u>\$ 3,525</u>	<u>\$ -</u>	<u>\$ 65,298</u>

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

SCHEDULE J

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Administration	\$ 2,091	\$ 568,714	\$ 924,678	\$ -	\$ 1,495,483
Police	75,100	1,650,222	1,604,078	-	3,329,400
Fire	97,900	2,216,344	4,048,798	-	6,363,042
Public Works	124,300	396,316	3,174,408	23,175,951	26,870,975
Parks & Recreation	79,100	406,385	755,587	-	1,241,072
Town Wide	2,148,845	4,795,369	211,307	576,131	7,731,652
Total General Capital Assets	2,527,336	10,033,350	10,718,856	23,752,082	47,031,624
Less: Accumulated Depreciation	-	(5,833,674)	(7,425,423)	(9,693,317)	(22,952,414)
Net General Capital Assets	\$ 2,527,336	\$ 4,199,676	\$ 3,293,433	\$ 14,058,765	\$ 24,079,210

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KENNEBUNK, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2015

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
Administration	\$1,448,428	\$ 47,055	\$ -	\$ 1,495,483
Police	3,249,704	79,696	-	3,329,400
Fire	6,300,112	62,930	-	6,363,042
Public Works	24,573,565	2,297,410	-	26,870,975
Parks & Recreation	1,191,888	49,184	-	1,241,072
Town Wide	7,463,618	268,034	-	7,731,652
Total General Capital Assets	44,227,315	2,804,309	-	47,031,624
Less: Accumulated Depreciation	(21,353,812)	(1,598,602)	-	(22,952,414)
Net General Capital Assets	<u>\$22,873,503</u>	<u>\$ 1,205,707</u>	<u>\$ -</u>	<u>\$ 24,079,210</u>

See accompanying independent auditors' report and notes to financial statements.

Statistical Information

Statistical information includes tables not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Regional School Unit (RSU) 21's Schools
- Enrollment Data of the Municipalities in the RSU
- State Valuation of the Municipalities in the RSU
- Historical Allocation for the RSU's Local Costs
- Building Permits
- Employment
- Fund Balance
- Tax Levy and Collections
- Ten Largest Taxpayers
- Ratio of Net General Bonded Debt to Assessed Value and General Bonded Debt Per Capita
- Debt Service Component of Operating Expenses
- Property Tax Levy Limit

TABLE 1

TOWN OF KENNEBUNK, MAINE
REGIONAL SCHOOL UNIT (RSU) 21'S SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2015

School	Location	Grades
Kennebunk Elementary	Kennebunk	K-3
Mildred L Day	Arundel	K-5
Kennebunkport Consolidated	Kennebunkport	K-5
Sea Road School	Kennebunk	4-5
Middle School of the Kennebunks	Kennebunk	6-8
Kennebunk High School	Kennebunk	9-12

TABLE 2

TOWN OF KENNEBUNK, MAINE
ENROLLMENT DATA OF THE MUNICIPALITIES IN THE RSU
FOR THE YEARS ENDED JUNE 30,

Oct. 1, ⁽¹⁾	Town of Arundel		Town of Kennebunk		Town of Kennebunkport		Total RSU 21 Students ⁽²⁾
	Students	%	Students	%	Students	%	
2014	312	13.4%	1,615	69.4%	399	17.2%	2,326
2013	596	22.4%	1,652	62.2%	409	15.4%	2,657
2012	585	21.9%	1,656	61.9%	433	16.2%	2,674
2011	600	22.4%	1,642	61.3%	435	16.3%	2,677
2010	611	22.4%	1,685	61.6%	437	16.0%	2,733
2009	619	22.0%	1,744	61.9%	452	16.1%	2,815
2008	NA	NA	1,773	79.3%	462	20.7%	2,235
2007	NA	NA	1,794	79.2%	470	20.8%	2,264
2006	NA	NA	1,871	79.5%	482	20.5%	2,353
2005	NA	NA	1,880	79.2%	494	20.8%	2,374
2004	NA	NA	1,881	78.9%	502	21.1%	2,383
2003	NA	NA	1,962	79.6%	504	20.4%	2,466

NOTE: "NA" indicates the period for which Arundel was an individual SAU.

⁽¹⁾ October 1 Public Resident Enrollment, State of Maine, Department of Education.

⁽²⁾ Years 2003 – 2008 include only data for the former MSAD No. 71.

TABLE 3

TOWN OF KENNEBUNK, MAINE

STATE VALUATION OF THE MUNICIPALITIES IN THE RSU
FOR THE YEARS ENDED JUNE 30,

Fiscal Year	Town of Arundel		Town of Kennebunk		Town of Kennebunkport		Total RSU 21 ESV(000) ⁽¹⁾
	ESV (000)	%	ESV (000)	%	ESV (000)	%	
2015	\$ 420,600	9.5%	\$ 2,159,200	48.9%	\$ 1,831,600	41.5%	\$ 4,411,400
2014	\$ 411,950	9.5%	\$ 2,085,300	48.2%	\$ 1,832,450	42.3%	\$ 4,329,700
2013	413,500	9.6%	2,097,550	48.5%	1,810,500	41.9%	4,321,550
2012	415,950	9.6%	2,128,300	49.0%	1,801,850	41.4%	4,346,100
2011	429,150	9.6%	2,126,200	47.3%	1,938,250	43.1%	4,493,600
2010	449,900	9.6%	2,288,950	49.1%	1,923,750	41.3%	4,662,600
2009	433,350	9.5%	2,360,650	51.5%	1,784,950	39.0%	4,578,950
2008	NA	NA	2,326,650	56.0%	1,828,650	44.0%	4,155,300
2007	NA	NA	2,239,800	57.2%	1,677,500	42.8%	3,917,300
2006	NA	NA	1,956,100	56.4%	1,510,450	43.6%	3,466,550
2005	NA	NA	1,802,100	56.8%	1,371,800	43.2%	3,173,900
2004	NA	NA	1,513,850	55.0%	1,237,500	45.0%	2,751,350
2003	NA	NA	1,362,850	56.6%	1,043,700	43.4%	2,406,550

NOTE: "NA" indicates the period for which Arundel was an individual SAU.

⁽¹⁾ Years 2003 – 2008 include only data for the former MSAD No. 71.

TABLE 4

TOWN OF KENNEBUNK, MAINE

HISTORICAL ALLOCATION FOR THE RSU'S LOCAL COSTS
FOR THE YEARS ENDED JUNE 30,

Municipality	2010/2011		2011/2012		2012/2013		2013/2014		2014/2015	
	Assessment	% Total	Assessment	% Total	Assessment	% Total	Assessment	% Total	Assessment	% Total
Arundel	\$ 3,693,011	12.6%	\$ 3,918,960	13.3%	\$ 4,109,823	13.5%	\$ 4,071,486	12.6%	\$ 4,126,255	12.6%
Kennebunk	19,252,939	65.9%	19,503,442	66.0%	19,544,108	64.4%	20,660,409	64.1%	20,829,596	63.5%
Kennebunkport	<u>6,260,773</u>	<u>21.5%</u>	<u>6,107,648</u>	<u>20.7%</u>	<u>6,677,507</u>	<u>22.1%</u>	<u>7,521,509</u>	<u>23.3%</u>	<u>7,837,533</u>	<u>23.9%</u>
Total	\$ 29,206,723	100.0%	\$ 29,530,050	100.0%	\$ 30,331,438	100.0%	\$ 32,253,404	100.0%	\$ 32,793,384	100.0%

TABLE 5

TOWN OF KENNEBUNK, MAINE
 BUILDING PERMITS
 FOR THE YEARS ENDED JUNE 30,

Fiscal Year	Commercial		Residential		Total	
	Number of Permits	Estimated Cost	Number of Permits	Estimated Cost	Number of Permits	Estimated Cost
2015	119	\$ 6,632,868	432	\$ 21,691,928	551	\$ 28,324,796
2014	221	2,612,550	391	18,608,385	612	21,220,935
2013	193	3,296,267	311	22,791,353	504	26,087,620
2012	237	46,144,062	402	24,674,584	639	70,818,646
2011	152	3,861,200	412	17,592,841	564	24,454,041
2010	182	4,144,062	419	18,330,806	601	22,474,868
2009	180	8,732,861	435	23,625,470	615	32,358,331
2008	119	6,871,227	483	24,229,907	602	31,101,134
2007	135	10,469,441	511	22,899,732	646	33,369,173
2006	66	13,883,000	461	23,410,042	527	37,293,042
2005	34	1,297,000	615	28,981,000	649	30,278,000
2004	31	3,480,800	557	28,319,305	588	31,800,105
2003	32	1,243,128	537	18,306,062	569	19,549,190

SOURCE: Town of Kennebunk, Maine Code Enforcement Office

TABLE 6

TOWN OF KENNEBUNK, MAINE
EMPLOYMENT
FOR THE YEAR ENDED JUNE 30, 2015

Representative Employer	Type of Business	Approximate Number of Employees
RSU 21	School Administrative Unit	366
Corning	Medical Lab Equipment Manufacturer	335
Kennebunk Savings Bank	Bank & Insurance	150
Sunrise Senior Living	Assisted Living Facility	150
Southern Maine Medical / PrimeCare	Health Care	150
Town of Kennebunk	Town Government	130
RiverRidge Center	Brain Injury Rehab Center	117
HMS Host	Turnpike Service	100
Home Instead Care Services	Home Care Services	100
Kennebunk Ctr for Health & Rehab	Assisted Living Facility & Rehabilitation	92
Atria	Assisted Living Facility	52
Plixer	Software	50
Hannaford	Food & Pharmacy	50
Downeast Energy	Petroleum Distributor	50
KKW Water District	Water Utility	41

TABLE 7

TOWN OF KENNEBUNK, MAINE
FUND BALANCE
FOR THE YEARS ENDED JUNE 30,

	2010	2011	2012	2013	2014	2015
Assigned and Unassigned ⁽¹⁾ General Fund Balance	\$ 7,576,320	\$ 7,091,796	\$ 7,138,394	\$ 7,576,962	\$ 8,254,400	\$ 7,857,723
Total Revenues (Current Year)	31,009,665	32,338,176	32,371,733	33,365,015	35,121,495	35,361,083
Fund Balance as % Revenues	24.43%	21.93%	22.05%	22.71%	23.50%	22.22%
Unassigned ⁽²⁾ General Fund Balance	\$ 6,415,490	\$ 6,873,273	\$ 7,011,232	\$ 7,444,341	\$ 8,154,810	\$ 7,724,589
Budgeted Revenue	29,931,524	31,609,916	32,213,394	32,031,797	34,269,730	34,877,723
Fund Balance as % Budgeted Revenue	21.43%	21.74%	21.76%	23.24%	23.80%	22.15%

NOTE: ⁽¹⁾ The Town implemented GASB 54 in FY 2011. Prior year amounts represent balances previously reported as "Unreserved".

⁽²⁾ The Town implemented GASB 54 in FY 2011. Prior year amounts represent balances previously reported as "Undesignated".

TABLE 8

TOWN OF KENNEBUNK, MAINE
TAX LEVY AND COLLECTIONS
FOR THE YEARS ENDED JUNE 30,

Fiscal Year	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Tax Levy (000)	Collections (After Supplements and Abatements)		
					Year End (000)	% of Levy	% of Levy a/o 08/31/15
2015	\$ 2,159,200	\$ 2,029,269	\$ 14.90	\$ 30,236	\$ 29,337	97.03%	98.5%
2014	2,085,300	1,991,757	14.95	29,777	29,067	97.62%	99.4%
2013	2,097,550	1,944,205	14.40	27,997	27,257	97.36%	99.8%
2012	2,128,300	1,936,881	14.40	27,891	27,085	97.11%	99.8%
2011	2,126,200	1,922,409	14.30	27,490	26,816	97.55%	99.8%
2010	2,288,950	1,897,950	13.95	26,476	25,781	97.37%	99.8%
2009	2,360,650	1,886,460	13.85	26,135	25,360	97.43%	99.9%
2008	2,326,650	1,866,643	12.85	23,986	23,290	97.10%	99.9%
2007	2,239,800	1,840,781	12.05	22,181	21,506	96.96%	99.9%
2006	1,956,100	1,812,815	11.35	20,537	20,102	97.88%	99.9%
2005	1,802,100	1,800,755	10.95	19,718	19,321	97.78%	99.9%
2004	1,513,850	1,768,116	10.90	19,272	18,009	93.45%	99.9%
2003	1,362,850	791,176	21.95	17,366	15,916	91.65%	99.9%

TABLE 9

TOWN OF KENNEBUNK, MAINE
TEN LARGEST TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2015

Taxpayer	Business	As of April 1, 2015				
		Real Estate	Personal Property	Assessed Total	Property Tax	% of Levy
Central Maine Power Co	Electric Utility	\$ 44,994,800	\$ 9,700	\$ 45,004,500	\$ 688,569	2.20%
Corning Inc	Lab Equipment Manf	10,228,200	18,970,050	29,198,250	446,733	1.43%
Shape Drive Medical Ctr LLC	Medical Facility	19,464,400	-	19,464,400	297,805	0.95%
Sunrise Kennebunk Sr Lvg LLC	Ass'td Living Facility	17,855,500	462,000	18,317,500	280,258	0.90%
Kennebunk Savings Bank	Bank & Insurance	13,095,600	2,029,800	15,125,400	231,419	0.74%
Maritimes & Northeast Pipeline	Natural Gas Pipeline	8,420,000	-	8,420,000	128,826	0.41%
GI Kennebunk LLC	Comm Prop/Shop Ctr	7,749,600	-	7,749,600	118,569	0.38%
VTR Kennebunk LLC	Ass'td Living Facility	7,604,400	-	7,604,400	116,347	0.37%
HMS Host Family Restaurant	Turnpike Service Ctr	4,645,800	976,100	5,621,900	86,015	0.28%
Farley, William F	Private Residence	5,575,700	-	5,575,700	85,308	0.27%
Top Ten Taxpayers		\$ 162,081,650	\$ 2,479,849	\$ 162,081,650	\$ 2,479,849	7.93%

TABLE 10

TOWN OF KENNEBUNK, MAINE

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND GENERAL BONDED DEBT PER CAPITA
FOR THE YEARS ENDED JUNE 30,

Fiscal Year	Population⁽¹⁾	Equalized State Val. (000)	Assessed Valuation (000)	Total Debt	Debt as % Eq. Val.	Per Capita Debt
2015	10,798	\$ 2,159,200	\$ 2,029,269	\$ 9,535,000	0.44%	\$ 883.03
2014	10,798	2,085,300	1,991,757	10,764,000	0.52%	996.85
2013	10,798	2,097,550	1,944,205	6,685,000	0.32%	619.10
2012	10,798	2,128,300	1,936,881	7,445,000	0.35%	689.48
2011	10,798	2,126,200	1,922,409	8,200,000	0.39%	759.40
2010	10,798	2,288,950	1,897,950	8,957,000	0.39%	829.51
2009	10,476	2,360,650	1,886,460	3,075,000	0.13%	293.53
2008	10,476	2,326,650	1,866,643	3,445,000	0.15%	328.85
2007	10,476	2,239,800	1,840,781	3,810,000	0.17%	363.69
2006	10,476	1,956,100	1,812,816	3,125,000	0.16%	298.30
2005	10,476	1,802,100	1,800,755	3,515,000	0.20%	335.53
2004	10,476	1,513,850	1,768,116	3,805,000	0.25%	363.21

NOTE: ⁽¹⁾ U.S. Census

TABLE 11

TOWN OF KENNEBUNK, MAINE

DEBT SERVICE COMPONENT OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Actual					Budgeted
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Debt Service from General Fund:	\$ 807,978	\$ 858,674	\$ 777,486	\$ 1,202,982	\$ 1,069,507	\$ 838,240
Debt Service from TIF Funds:	<u>238,953</u>	<u>223,582</u>	<u>221,362</u>	<u>260,610</u>	<u>484,490</u>	<u>484,141</u>
Total Current Year Debt Service:	\$ 1,046,931	\$ 1,082,256	\$ 998,848	\$ 1,463,592	\$ 1,553,997	\$ 1,322,381
Budgeted Operating Expense:	\$ 30,857,110	\$ 31,156,555	\$ 31,405,898	\$ 33,518,096	\$ 34,325,416	\$ 34,753,233
Debt Service as % Operating Expense:	3.39%	3.47%	3.18%	4.37%	4.53%	3.81%

TABLE 12

TOWN OF KENNEBUNK, MAINE
PROPERTY TAX LEVY LIMIT
FOR THE YEARS ENDED JUNE 30,

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
State Personal Income Factor:	2.28%	1.78%	1.66%	1.43%	1.05%	1.09%
Local Property Growth Factor:	<u>2.19%</u>	<u>1.26%</u>	<u>1.27%</u>	<u>0.75%</u>	<u>0.80%</u>	<u>2.53%</u>
Growth Limitation Factor:	4.47%	3.04%	2.93%	2.18%	1.85%	3.62%
Property Tax Levy Limit: \$	6,307,868	\$ 6,499,627	\$ 6,690,067	\$ 6,767,007	\$ 6,892,197	\$ 7,141,695
Property Tax Levy: _____	<u>6,080,261</u>	<u>6,065,431</u>	<u>6,050,698</u>	<u>6,120,059</u>	<u>6,313,472</u>	<u>6,584,061</u>
Over/(below) Prop Tax Levy Limit: \$	(227,607)	\$ (434,196)	\$ (639,369)	\$ (646,948)	\$ (578,725)	\$ (557,634)