2017

Audited Financial Statements Town of Kennebunk, Maine June 30, 2017

Kennebunk, Me.

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Audited Financial Statements

Town of Kennebunk, Maine

June 30, 2017

Proven Expertise and Integrity
TOWN OF KENNEBUNK, MAINE

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JUNE 30, 2017

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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, 2017, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.
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, 2017, 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 58 through 62 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 Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.
The Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules 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 Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2018, on our consideration of the Town of Kennebunk, Maine’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Kennebunk, Maine’s internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
March 14, 2018
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, 2017. 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 funds balance sheet and the governmental funds 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 funds financial statement.

The Town of Kennebunk presents three columns in the governmental funds balance sheet and the governmental funds 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, Notes to Required Supplementary Information 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 $269,265 from $25,574,510 to $25,843,775. The Town’s total business-type net position increased by $24,356 from a deficit of $79,965 to a deficit of $55,609.

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 $11,626,418 at the end of this year. Unrestricted net position for business-type activities increased to a deficit balance of $57,602.

On June 13, 2017, the voters at the Town's Annual Town Meeting passed a referendum question that will, as of July 1, 2017, transfer $80,000 from the unassigned general fund balance to the Pay-As-You-Throw Trash Program which will reduce the above business-type activities deficit from $57,602 to a positive fund balance of $22,398.
<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$17,118,967</td>
<td>$17,083,757</td>
</tr>
<tr>
<td>Capital assets</td>
<td>22,939,668</td>
<td>23,579,917</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>40,058,635</td>
<td>40,663,674</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred outflows related to pensions</td>
<td>1,237,749</td>
<td>823,599</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>1,237,749</td>
<td>823,599</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3,255,309</td>
<td>3,031,553</td>
</tr>
<tr>
<td>Long-term debt outstanding</td>
<td>11,399,104</td>
<td>11,962,513</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>14,654,413</td>
<td>14,994,066</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>252,270</td>
<td>228,519</td>
</tr>
<tr>
<td>Deferred inflows related to pensions</td>
<td>545,926</td>
<td>690,178</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>798,196</td>
<td>918,697</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>12,609,668</td>
<td>11,970,917</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,607,689</td>
<td>1,227,137</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>11,626,418</td>
<td>12,376,456</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$25,843,775</td>
<td>$25,574,510</td>
</tr>
</tbody>
</table>
Table 2  
Town of Kennebunk, Maine  
Change in Net Position  
For the Years Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th></th>
<th>Business-type Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$ 2,111,829</td>
<td>$ 2,079,163</td>
<td>$ 446,347</td>
<td>$ 480,875</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>149,156</td>
<td>149,764</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>178,608</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>35,174,514</td>
<td>33,584,962</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants and contributions not restricted to specific programs</td>
<td>933,823</td>
<td>823,524</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>436,678</td>
<td>443,385</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>144,703</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>38,984,608</td>
<td>37,225,501</td>
<td>446,347</td>
<td>480,875</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>2,530,712</td>
<td>2,497,901</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>4,643,360</td>
<td>4,474,056</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recreation and culture</td>
<td>1,514,250</td>
<td>1,461,017</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>336,913</td>
<td>333,348</td>
<td>508,991</td>
<td>575,712</td>
</tr>
<tr>
<td>Public works</td>
<td>2,729,722</td>
<td>2,411,027</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Education</td>
<td>22,708,581</td>
<td>21,698,081</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>County tax</td>
<td>1,347,775</td>
<td>1,312,678</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>2,119,234</td>
<td>2,050,882</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Agency requests</td>
<td>32,100</td>
<td>30,900</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>345,933</td>
<td>291,895</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unclassified</td>
<td>127,357</td>
<td>206,552</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unallocated depreciation (Note 4)</td>
<td>192,406</td>
<td>190,542</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses</td>
<td>38,628,343</td>
<td>36,958,879</td>
<td>508,991</td>
<td>575,712</td>
</tr>
<tr>
<td>Transfers</td>
<td>(87,000)</td>
<td>(58,613)</td>
<td>87,000</td>
<td>58,613</td>
</tr>
<tr>
<td>Change in net position</td>
<td>269,265</td>
<td>208,009</td>
<td>24,356</td>
<td>(36,224)</td>
</tr>
<tr>
<td>Net position - June 30</td>
<td>$ 25,843,775</td>
<td>$ 25,574,510</td>
<td>$ (55,609)</td>
<td>$ (79,965)</td>
</tr>
</tbody>
</table>
Revenues and Expenses

Revenues for the Town's governmental activities increased by 4.66%, while total expenses increased by 4.52%. The main increase in revenues was in taxes and the largest increases in expenses were in education and public works.

Proprietary fund revenues and expenses were consistent with the previous year with minor net decreases in both revenues and expenses.

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,  

<table>
<thead>
<tr>
<th>Major Funds:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable</td>
<td>$339,338</td>
<td>$295,962</td>
</tr>
<tr>
<td>Committed</td>
<td>1,106,486</td>
<td>1,000,349</td>
</tr>
<tr>
<td>Assigned</td>
<td>163,729</td>
<td>210,215</td>
</tr>
<tr>
<td>Unassigned</td>
<td>8,587,397</td>
<td>8,218,687</td>
</tr>
<tr>
<td>Subtotal General Fund</td>
<td>10,196,950</td>
<td>9,725,213</td>
</tr>
<tr>
<td>Roads &amp; paving capital fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committed</td>
<td>1,146,574</td>
<td>1,188,372</td>
</tr>
<tr>
<td>Unassigned</td>
<td>(259,904)</td>
<td>-</td>
</tr>
<tr>
<td>Total Major Funds</td>
<td>$11,083,620</td>
<td>$10,913,585</td>
</tr>
</tbody>
</table>

| Nonmajor Funds:               |              |              |
| Special revenue funds:        |              |              |
| Restricted                    | $1,239,095   | $887,430     |
| Assigned                      | 144,395      | 131,581      |
| Unassigned                    | (55,872)     | (74,290)     |
| Capital projects funds:       |              |              |
| Restricted                    | 310,530      | 277,980      |
| Committed                     | 1,962,556    | 2,405,191    |
| Assigned                      | -            | 34,313       |
| Unassigned                    | (287,997)    | -            |
| Permanent funds:              |              |              |
| Restricted                    | 58,064       | 61,727       |
| Total Nonmajor Funds          | $3,370,771   | $3,723,932   |

The general fund total fund balance increased by $471,737 from the prior fiscal year while the roads and paving capital fund decreased by $301,702. The nonmajor governmental fund balances also decreased, by $353,161 from the prior fiscal year. The roads and paving capital fund balance, and various non-major capital projects fund balances will be replenished when bonds totaling $5,195,000 are issued during May 2018. Please refer to Note 23 of the Notes to the Financial Statements for more detailed information.

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 $62,986. The electrical inspection program realized operating income for
the current year of $342. 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., as well as increased curbside collections fees charged contractually by Pine Tree Waste, Inc. (Pine Tree Waste, Inc. is a subsidiary of Casella Waste Systems, Inc.) The Town is also considering increasing PAYT bag pricing to residents and program users.

At the June 2017 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, 2017 deficit of $57,602.

**Budgetary Highlights**

The significant difference 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 $933,888. This was a result of nearly all revenue categories being receipted in excess of the budgeted amounts with the exception of property taxes and the homestead reimbursement.

The general fund actual expenditures were under budget by $714,486. All expenditure categories were under budget with the exception of public works.

The overage in public works was primarily due to higher than anticipated costs in winter road maintenance. At the June 2017 annual town meeting, the Town authorized funds to be transferred from the general fund balance to fully cover the overage.

**Capital Asset and Debt Administration**

**Capital Assets**

As of June 30, 2017, the net book value of capital assets recorded by the Town decreased by $640,249. This decrease was the result of current year additions of $1,465,918, offset by current year depreciation of $2,106,167. 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,

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and improvements</td>
<td>$3,382,032</td>
<td>$3,453,381</td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td>2,795,621</td>
<td>3,098,486</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>19,242</td>
<td>25,868</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>3,535,390</td>
<td>3,304,200</td>
</tr>
<tr>
<td>Art work and historical treasures</td>
<td>41,000</td>
<td>41,000</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>7,688</td>
<td>7,688</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>13,158,695</td>
<td>13,649,294</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22,939,668</strong></td>
<td><strong>$23,579,917</strong></td>
</tr>
</tbody>
</table>

Long-Term Debt Activity

At June 30, 2017, the Town had $10,330,000 in bonds outstanding versus $11,609,000 last year. Other obligations include 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. In addition, on June 14, 2016 and June 13, 2017, the voters at the Town’s Annual Town Meeting passed referendum questions authorizing the Town to issue $7,881,000 in new bonds. Please refer to Note 23 of the Notes to the Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The local economy and housing market continues to improve. For fiscal year 2018 the Town’s net municipal budget increased by 3.2% due increased debt service payments, an overall 1.5% wage increase as well as various contractual obligation increases. The Town’s assessment for public education by Regional School Unit No. 21 (RSU 21), of which the town is a member municipality, increased 5.5% for fiscal year 2018; a significant portion of the increase was the debt service 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 2017, the Town’s tax mil rate was $15.90; for fiscal year 2018, the rate will be $16.55, a 4.1% 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, 2017

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, 2017

### Functions/Programs

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants &amp; Contributions</th>
<th>Capital Grants &amp; Contributions</th>
<th>Governmental type Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$2,530,712</td>
<td>$325,687</td>
<td>-</td>
<td>-</td>
<td>$2,205,025</td>
<td>-</td>
<td>$2,205,025</td>
</tr>
<tr>
<td>Public safety</td>
<td>4,643,360</td>
<td>933,208</td>
<td>-</td>
<td>-</td>
<td>(3,710,152)</td>
<td>-</td>
<td>(3,710,152)</td>
</tr>
<tr>
<td>Recreation and culture</td>
<td>1,514,250</td>
<td>835,384</td>
<td>-</td>
<td>-</td>
<td>(678,866)</td>
<td>-</td>
<td>(678,866)</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>336,913</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(336,913)</td>
<td>-</td>
<td>(336,913)</td>
</tr>
<tr>
<td>Public works</td>
<td>2,729,722</td>
<td>17,550</td>
<td>149,156</td>
<td>178,608</td>
<td>(2,384,408)</td>
<td>-</td>
<td>(2,384,408)</td>
</tr>
<tr>
<td>Education</td>
<td>22,708,581</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(22,708,581)</td>
<td>-</td>
<td>(22,708,581)</td>
</tr>
<tr>
<td>County tax</td>
<td>1,347,775</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,347,775)</td>
<td>-</td>
<td>(1,347,775)</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>2,119,234</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,119,234)</td>
<td>-</td>
<td>(2,119,234)</td>
</tr>
<tr>
<td>Agency requests</td>
<td>32,100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(32,100)</td>
<td>-</td>
<td>(32,100)</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>345,933</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(345,933)</td>
<td>-</td>
<td>(345,933)</td>
</tr>
<tr>
<td>Unclassified</td>
<td>127,357</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(127,357)</td>
<td>-</td>
<td>(127,357)</td>
</tr>
<tr>
<td>Unallocated depreciation (Note 4)*</td>
<td>192,406</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(192,406)</td>
<td>-</td>
<td>(192,406)</td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>38,628,343</td>
<td>2,111,829</td>
<td>149,156</td>
<td>178,608</td>
<td>(36,188,750)</td>
<td>-</td>
<td>(36,188,750)</td>
</tr>
</tbody>
</table>

### Business-type activities

<table>
<thead>
<tr>
<th>Business-type activities</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants &amp; Contributions</th>
<th>Capital Grants &amp; Contributions</th>
<th>Governmental type Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-As-You-Throw Trash Program</td>
<td>480,930</td>
<td>417,944</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(62,986)</td>
<td>(62,986)</td>
</tr>
<tr>
<td>Electrical Inspection Program</td>
<td>28,061</td>
<td>28,403</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>342</td>
<td>342</td>
</tr>
<tr>
<td><strong>Total business-type activities</strong></td>
<td>508,991</td>
<td>446,347</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(62,644)</td>
<td>(62,644)</td>
</tr>
</tbody>
</table>

**Total government**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants &amp; Contributions</th>
<th>Capital Grants &amp; Contributions</th>
<th>Governmental type Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39,137,334</td>
<td>$2,558,178</td>
<td>$149,156</td>
<td>$178,608</td>
<td>(36,188,750)</td>
<td>(62,644)</td>
<td>(36,251,394)</td>
</tr>
</tbody>
</table>

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

## Town of Kennebunk, Maine

### Statement of Activities

**For the Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Changes in net position:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net (expense) revenue</td>
<td>(36,188,750)</td>
<td>(62,644)</td>
<td>(36,251,394)</td>
</tr>
<tr>
<td><strong>General revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes, levied for general purposes</td>
<td>32,691,834</td>
<td>-</td>
<td>32,691,834</td>
</tr>
<tr>
<td>Excise taxes</td>
<td>2,482,680</td>
<td>-</td>
<td>2,482,680</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not restricted to specific programs</td>
<td>933,823</td>
<td>-</td>
<td>933,823</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>436,678</td>
<td>-</td>
<td>436,678</td>
</tr>
<tr>
<td>Transfers</td>
<td>(87,000)</td>
<td>87,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total general revenues and transfers</strong></td>
<td>36,458,015</td>
<td>87,000</td>
<td>36,545,015</td>
</tr>
<tr>
<td>Change in net position</td>
<td>269,265</td>
<td>24,356</td>
<td>293,621</td>
</tr>
<tr>
<td><strong>NET POSITION - JULY 1</strong></td>
<td>25,574,510</td>
<td>(79,965)</td>
<td>25,494,545</td>
</tr>
<tr>
<td><strong>NET POSITION - JUNE 30</strong></td>
<td>$ 25,843,775</td>
<td>$ (55,609)</td>
<td>25,788,166</td>
</tr>
</tbody>
</table>

See accompanying independent auditors' report and notes to financial statements.
TOWN OF KENNEBUNK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Roads &amp; Paving Capital Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,814,702</td>
<td>$ -</td>
<td>$12,265</td>
<td>$13,826,967</td>
</tr>
<tr>
<td>Investments</td>
<td>1,675,202</td>
<td>-</td>
<td>55,985</td>
<td>1,731,187</td>
</tr>
<tr>
<td>Accounts receivables (net of allowance for uncollectibles):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>722,788</td>
<td>-</td>
<td>-</td>
<td>722,788</td>
</tr>
<tr>
<td>Liens</td>
<td>177,456</td>
<td>-</td>
<td>-</td>
<td>177,456</td>
</tr>
<tr>
<td>Other</td>
<td>146,677</td>
<td>-</td>
<td>-</td>
<td>146,677</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>72,594</td>
<td>-</td>
<td>-</td>
<td>72,594</td>
</tr>
<tr>
<td>Tax acquired property</td>
<td>339,338</td>
<td>-</td>
<td>-</td>
<td>339,338</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>717,912</td>
<td>1,146,574</td>
<td>3,656,576</td>
<td>5,521,062</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$17,666,669</td>
<td>$1,146,574</td>
<td>$3,724,826</td>
<td>$22,538,069</td>
</tr>
</tbody>
</table>

| LIABILITIES          |              |                             |                          |                          |
| Accounts payable      | $689,656     | $ -                         | $ -                      | $689,656                 |
| Accrued payroll       | 414,066      | -                           | -                        | 414,066                  |
| Other liabilities     | 496,801      | -                           | -                        | 496,801                  |
| Due to other funds    | 4,805,143    | 259,904                     | 354,055                  | 5,419,102                |
| TOTAL LIABILITIES     | $6,405,666   | $259,904                    | $354,055                 | $7,019,625               |

| DEFERRED INFLOWS OF RESOURCES |              |                             |                          |                          |
| Deferred revenue       | 252,270      | -                           | -                        | 252,270                  |
| Deferred tax revenue   | 811,783      | -                           | -                        | 811,783                  |
| TOTAL DEFERRED INFLOWS OF RESOURCES | $1,064,053 | -                           | -                        | $1,064,053               |

| FUND BALANCES (DEFICITS) |              |                             |                          |                          |
| Nonspendable           | 339,338      | -                           | -                        | 339,338                  |
| Restricted             | -            | -                           | 1,607,689                | 1,607,689                |
| Committed              | 1,106,486    | 1,146,574                   | 1,962,556                | 4,215,616                |
| Assigned               | 163,729      | -                           | 144,395                  | 308,124                  |
| Unassigned             | 8,587,397    | (259,904)                   | (343,869)                | 7,983,624                |
| TOTAL FUND BALANCES (DEFICITS) | $10,196,950 | $886,670                    | $3,370,771               | $14,454,391              |

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS) $17,666,669 $1,146,574 $3,724,826 $22,538,069

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, 2017

<table>
<thead>
<tr>
<th>Total Governmental Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fund Balances</td>
<td>$ 14,454,391</td>
</tr>
<tr>
<td>Amounts reported for governmental activities in the Statement of Net Position are different because:</td>
<td></td>
</tr>
<tr>
<td>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation</td>
<td>22,939,668</td>
</tr>
<tr>
<td>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:</td>
<td></td>
</tr>
<tr>
<td>Taxes and liens receivable</td>
<td>811,783</td>
</tr>
<tr>
<td>Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds</td>
<td>1,237,749</td>
</tr>
<tr>
<td>Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:</td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>(10,330,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(374,786)</td>
</tr>
<tr>
<td>Pension benefit obligations</td>
<td>(313,523)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(2,035,581)</td>
</tr>
<tr>
<td>Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds</td>
<td>(545,926)</td>
</tr>
<tr>
<td>Net position of governmental activities</td>
<td>$ 25,843,775</td>
</tr>
</tbody>
</table>

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

TOWN OF KENNEBUNK, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

Net change in fund balances - total governmental funds (Statement E) $ (183,126)

Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital asset acquisitions</td>
<td>1,465,918</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(2,106,167)</td>
</tr>
<tr>
<td></td>
<td>(640,249)</td>
</tr>
</tbody>
</table>

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

Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued compensated absences</td>
<td>34</td>
</tr>
<tr>
<td>Pension benefit obligations</td>
<td>(27,381)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(689,210)</td>
</tr>
<tr>
<td></td>
<td>(716,557)</td>
</tr>
</tbody>
</table>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes and liens receivable</td>
<td>(28,205)</td>
</tr>
</tbody>
</table>

Change in net position of governmental activities (Statement B) $ 269,265

See accompanying independent auditors' report and notes to financial statements.
TOWN OF KENNEBUNK, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2017

<table>
<thead>
<tr>
<th>Enterprise Funds</th>
<th>Pay-As-You-Throw Trash Program</th>
<th>Electrical Inspection Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td>$46,351</td>
<td>$1,993</td>
<td>$48,344</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Accounts receivable (net of allowance for uncollectibles)</td>
<td>46,351</td>
<td>-</td>
<td>46,351</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>1,993</td>
<td>1,993</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$46,351</td>
<td>$1,993</td>
<td>$48,344</td>
</tr>
</tbody>
</table>

| LIABILITIES      | Account payable                | $-                             | $-    |
|                  | Due to other funds             | 103,953                        | 103,953 |
| TOTAL LIABILITIES|                                | 103,953                        | 103,953 |

| NET POSITION     | Restricted                     | -                              | 1,993  |
|                  | Unrestricted (deficit)          | (57,602)                       | (57,602) |
| TOTAL NET POSITION|                              | (57,602)                       | 1,993  |

| TOTAL LIABILITIES AND NET POSITION | $46,351 | $1,993 | $48,344 |

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, 2017

<table>
<thead>
<tr>
<th>Pay-As-You-Throw Trash Program</th>
<th>Electrical Inspection Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$417,944</td>
<td>$28,403</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>417,944</td>
<td>28,403</td>
</tr>
</tbody>
</table>

| Operating Expenses             |                               |       |
| Program supplies               | 480,930                       | 28,061| 508,991 |
| Total Operating Expenses       | 480,930                       | 28,061| 508,991 |

| Operating Income (Loss)        |                               |       |
|                                | (62,986)                      | 342   | (62,644) |

| Nonoperating Revenues (Expenses)|                               |       |
| Transfers in                    | 87,000                        | -     | 87,000  |
| Transfers (out)                 | -                             | -     | -       |
| Total Nonoperating Revenues (Expenses) | 87,000                        | -     | 87,000  |

Change in Net Position

<table>
<thead>
<tr>
<th></th>
<th>Pay-As-You-Throw Trash Program</th>
<th>Electrical Inspection Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24,014</td>
<td>342</td>
<td>24,356</td>
</tr>
</tbody>
</table>

Net Position - July 1

<table>
<thead>
<tr>
<th></th>
<th>Pay-As-You-Throw Trash Program</th>
<th>Electrical Inspection Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(81,616)</td>
<td>1,651</td>
<td>(79,965)</td>
</tr>
</tbody>
</table>

Net Position - June 30

<table>
<thead>
<tr>
<th></th>
<th>Pay-As-You-Throw Trash Program</th>
<th>Electrical Inspection Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ (57,602)</td>
<td>$ 1,993</td>
<td>$ (55,609)</td>
</tr>
</tbody>
</table>

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

23
TOWN OF KENNEBUNK, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Enterprise Funds</th>
<th>Pay-As-You-Throw Trash Program</th>
<th>Electrical Inspection Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from customers</td>
<td>$428,192</td>
<td>$28,403</td>
<td>$456,595</td>
</tr>
<tr>
<td>Internal activity - receipts (payments) from/to other funds</td>
<td>($34,262)</td>
<td>($342)</td>
<td>($34,604)</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>($480,930)</td>
<td>($28,061)</td>
<td>($508,991)</td>
</tr>
<tr>
<td>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</td>
<td>($87,000)</td>
<td>-</td>
<td>($87,000)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| Transfer in from general fund | 87,000 | - | 87,000 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | 87,000 | - | 87,000 |

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| - | - | - |

CASH AND CASH EQUIVALENTS - JULY 1

| - | - | - |

CASH AND CASH EQUIVALENTS - JUNE 30

| $ | - | $ | - | $ | - |

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

| Operating income (loss) | $ (62,986) | $342 | $ (62,644) |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | 10,248 | - | 10,248 |
| (Increase) decrease in due from other funds | | (342) | (342) |
| Increase (decrease) in due to other funds | (34,262) | - | (34,262) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | $ (87,000) | $ | - | $ (87,000) |

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

**Implementation of New Accounting Standards**

During the year ended June 30, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”. The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has determined the impact of this Statement is not material to the financial statements.
Statement No. 77, “Tax Abatement Disclosures”. The objective of the Statement is to improve disclosure of information about the nature and magnitude of tax abatements, making these transactions more transparent to financial statement users. As such, users will be better equipped to understand (1) how tax abatements affect a government’s future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government’s financial position and economic condition. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 80, “Blending Requirements for Certain Component Units”. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. Management has determined that this Statement is not applicable.

Statement No. 81, “Irrevocable Split-Interest Agreements”. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. As such, this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Management has determined that this Statement is not applicable.

Statement No. 82, “Pension Issues”. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required
supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has determined the impact of this Statement is not material to the financial statements.

**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 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.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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:

   **Major Funds**

   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. The Roads & Paving Capital Fund is used to account for financial resources to be used for the acquisition, construction or improvement of roads.

   **Nonmajor Funds**

   c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

   d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. 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. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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.
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.

**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.
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.

**Receivables**

Receivables include amounts due from governmental agencies, ambulance and pay-as-you-throw trash program receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were $265,622 for the year ended June 30, 2017. The allowance for uncollectible accounts for ambulance receivables is estimated to be $128,932 as of June 30, 2017.

**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.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Estimated Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20 - 50 years</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>50 - 100 years</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>3 - 50 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>3 - 25 years</td>
</tr>
</tbody>
</table>

**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, 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
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

proprietary funds 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 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, 2017, the Town’s liability for compensated absences is $374,786.

**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.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**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 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 23, 2016 on the assessed value listed as of April 1, 2016, for all real and personal property located in the Town. Taxes were due on in two installments on October 7, 2016 and April 7, 2017. Interest on unpaid taxes commenced on October 8, 2016 and April 8, 2017, 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 $412,451 for the year ended June 30, 2017.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (charges to customers or applicants for goods, services, or privileges provided; operating or capital grants and contributions, including special assessments).

**Operating/Non-operating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund’s ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**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.
NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2017, the Town reported deposits of $13,826,967 with a bank balance of $13,922,150. Of the Town’s bank balances, $530,039 was fully covered by federal depository insurance and was not exposed to custodial credit risk, $6,186 was collateralized with securities held by the financial institution in the Town’s name and $13,385,925 was collateralized with irrevocable stand-by letters of credit.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Bank Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking accounts</td>
<td>$ 707,115</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>36,225</td>
</tr>
<tr>
<td>Money market accounts</td>
<td>13,178,810</td>
</tr>
<tr>
<td></td>
<td><strong>$ 13,922,150</strong></td>
</tr>
</tbody>
</table>

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.

Of the Town’s investment in certificates of deposits totaling $1,731,187, $469,961 was fully covered by federal depository insurance and was not exposed to custodial credit risk, $295,140 was collateralized with securities held by the financial institution in the Town’s name and $966,086 was collateralized with an irrevocable stand-by letter of credit.
NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2017, the Town had the following investments and maturities:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Less than 1 Year</th>
<th>1 - 5 Years</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$1,731,187</td>
<td>$1,731,187</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total - Governmental Funds</td>
<td>$1,731,187</td>
<td>$1,731,187</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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 money market accounts and various insured or fully collateralized certificates of deposit.

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, 2017 consisted of the following individual fund receivables and payables:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Receivables (Due from)</th>
<th>Payables (Due to)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td>$717,912</td>
<td>$4,805,143</td>
</tr>
<tr>
<td>Roads &amp; paving capital fund</td>
<td>1,146,574</td>
<td>259,904</td>
</tr>
<tr>
<td>Enterprise funds</td>
<td>1,993</td>
<td>103,953</td>
</tr>
<tr>
<td>Nonmajor special revenue funds</td>
<td>1,383,490</td>
<td>55,872</td>
</tr>
<tr>
<td>Nonmajor capital projects funds</td>
<td>2,273,086</td>
<td>287,997</td>
</tr>
<tr>
<td>Nonmajor permanent funds</td>
<td>-</td>
<td>10,186</td>
</tr>
<tr>
<td>Totals</td>
<td>$5,523,055</td>
<td>$5,523,055</td>
</tr>
</tbody>
</table>
**NOTE 4 - CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended June 30, 2017:

<table>
<thead>
<tr>
<th>Governmental activities</th>
<th>Balance, 7/1/16</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance, 6/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-depreciated assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 2,478,648</td>
<td>-</td>
<td>-</td>
<td>$ 2,478,648</td>
</tr>
<tr>
<td>Art works &amp; historical treasures</td>
<td>41,000</td>
<td>-</td>
<td>-</td>
<td>41,000</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>7,688</td>
<td>-</td>
<td>-</td>
<td>7,688</td>
</tr>
<tr>
<td></td>
<td>2,527,336</td>
<td>-</td>
<td>-</td>
<td>2,527,336</td>
</tr>
<tr>
<td>Depreciated assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land improvements</td>
<td>1,631,142</td>
<td>-</td>
<td>-</td>
<td>1,631,142</td>
</tr>
<tr>
<td>Buildings</td>
<td>1,465,055</td>
<td>-</td>
<td>-</td>
<td>1,465,055</td>
</tr>
<tr>
<td>Building improvements</td>
<td>7,153,796</td>
<td>-</td>
<td>-</td>
<td>7,153,796</td>
</tr>
<tr>
<td>Furniture &amp; fixtures</td>
<td>255,248</td>
<td>-</td>
<td>-</td>
<td>255,248</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>4,583,657</td>
<td>247,114</td>
<td>-</td>
<td>4,830,771</td>
</tr>
<tr>
<td>Vehicles</td>
<td>6,565,281</td>
<td>704,054</td>
<td>-</td>
<td>7,269,335</td>
</tr>
<tr>
<td>Infrastructure:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td>49,837</td>
<td>6,360</td>
<td>-</td>
<td>56,197</td>
</tr>
<tr>
<td>Drainage system</td>
<td>517,983</td>
<td>5,313</td>
<td>-</td>
<td>523,296</td>
</tr>
<tr>
<td>Roads</td>
<td>21,016,185</td>
<td>503,077</td>
<td>-</td>
<td>21,519,262</td>
</tr>
<tr>
<td>Sewer lines</td>
<td>316,306</td>
<td>-</td>
<td>-</td>
<td>316,306</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>2,405,089</td>
<td>-</td>
<td>-</td>
<td>2,405,089</td>
</tr>
<tr>
<td></td>
<td>45,959,579</td>
<td>1,465,918</td>
<td>-</td>
<td>47,425,497</td>
</tr>
<tr>
<td>Less: accumulated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciation</td>
<td>(24,906,998)</td>
<td>(2,106,167)</td>
<td>-</td>
<td>(27,013,165)</td>
</tr>
<tr>
<td></td>
<td>21,052,581</td>
<td>(640,249)</td>
<td>-</td>
<td>20,412,332</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$ 23,579,917</td>
<td>$ (640,249)</td>
<td>$ -</td>
<td>$ 22,939,668</td>
</tr>
</tbody>
</table>

**Current year depreciation**

- Administration: $115,199
- Police: $203,281
- Fire: $314,469
- Public works: $1,230,729
- Recreation and culture: $50,083
- Town-wide: $192,406

**Total depreciation expense**: $2,106,167
NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2017:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Balance, 7/1/16</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance, 6/30/17</th>
<th>Current Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds payable</td>
<td>$11,609,000</td>
<td></td>
<td>$(1,279,000)</td>
<td>$10,330,000</td>
<td>$1,280,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>374,820</td>
<td>27,624</td>
<td>(27,658)</td>
<td>374,786</td>
<td>374,786</td>
</tr>
<tr>
<td>Pension benefit obligations</td>
<td>286,142</td>
<td>49,506</td>
<td>(22,125)</td>
<td>313,523</td>
<td>-</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>1,346,371</td>
<td>885,545</td>
<td>(196,335)</td>
<td>2,035,581</td>
<td>-</td>
</tr>
</tbody>
</table>

The following is a summary of the outstanding bonds payable:

- **$1,360,000, 2007 General Obligation bond due in annual principal installments varying from $95,000 to $50,000. The interest rate varies from 4.00% to 5.00% per annum. Maturity in October of 2026.**
  - **Governmental Activities**
    - **$500,000**

- **$6,252,000, 2010 General Obligation bond due in annual installments and semi-annual interest installments through October of 2029. The interest rate varies from 1.50% to 4.00% per annum. Annual principal installments vary from $120,000 to $382,000.**
  - **3,590,000**

- **$5,244,000, 2013 General Obligation bond due in annual installments and semi-annual interest installments through October of 2028. The interest rate varies from 2.00% to 4.00% per annum. Annual principal installments vary from $170,000 to $659,000.**
  - **3,520,000**

- **$3,049,000, 2016 General Obligation bond due in annual installments and semi-annual interest installments through October of 2030. The interest rate varies from 2.00% to 5.00% per annum. Annual principal installments vary from $70,000 to $330,000.**
  - **2,720,000**

**$10,330,000**
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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,280,000</td>
<td>$293,724</td>
<td>$1,573,724</td>
</tr>
<tr>
<td>2019</td>
<td>1,215,000</td>
<td>251,874</td>
<td>1,466,874</td>
</tr>
<tr>
<td>2020</td>
<td>1,120,000</td>
<td>215,749</td>
<td>1,335,749</td>
</tr>
<tr>
<td>2021</td>
<td>1,110,000</td>
<td>185,024</td>
<td>1,295,024</td>
</tr>
<tr>
<td>2022</td>
<td>1,070,000</td>
<td>155,871</td>
<td>1,225,871</td>
</tr>
<tr>
<td>2023-2027</td>
<td>3,555,000</td>
<td>374,115</td>
<td>3,929,115</td>
</tr>
<tr>
<td>2028-2032</td>
<td>980,000</td>
<td>61,581</td>
<td>1,041,581</td>
</tr>
<tr>
<td></td>
<td>$10,330,000</td>
<td>$1,537,938</td>
<td>$11,867,938</td>
</tr>
</tbody>
</table>

NOTE 6 - EXPENDITURES OVER APPROPRIATIONS

At June 30, 2017, the Town had no overspent appropriations.

NOTE 7 - NONSPENDABLE FUND BALANCE

At June 30, 2017, the Town had the following nonspendable fund balance:

General fund:
   Tax acquired property $339,338

NOTE 8 - RESTRICTED FUND BALANCES

At June 30, 2017, the Town had the following restricted fund balances:

Nonmajor special revenue funds (See Schedule D) $1,239,095
Nonmajor capital projects funds (See Schedule F) 310,530
Nonmajor permanent funds (See Schedule H) 58,064
$1,607,689
NOTE 9 - COMMITTED FUND BALANCES

At June 30, 2017, the Town has the following committed fund balances:

General fund:
- Matching grant funds $41,200
- Bicentennial celebration 5,069
- Capital assets/projects 316,000
- Pay-As-You-Throw Trash Program deficit reduction 80,000
- Future years’ debt service 500,000
- Debt service during 2017 100,000
- Emergency spending reserve 64,217
- Roads & paving capital fund 1,146,574
- Roads & paving capital fund 1,146,574
- Nonmajor capital projects funds (See Schedule F) 1,962,556

$4,215,616

NOTE 10 - ASSIGNED FUND BALANCES

At June 30, 2017, the Town had the following assigned fund balances:

General fund:
- Heating assistance $27,123
- Conservation commission 6,229
- West Kennebunk Village committee 3,893
- Bus revenues 33,054
- Energy efficiency 955
- Tree committee 6,761
- Community garden 4,574
- General government training 6,230
- Computer training 15,356
- Community development training 9,555
- Lower Village 7,986
- Property tax assistance 19,372
- Donations 9,267
- Operational contingency 13,374
- Nonmajor special revenue funds (See Schedule D) 144,395

$308,124
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 or participates in a self-insured risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations, and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2017.

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies’ reinsurance contracts, coverage for claims in excess of $1,000,000.

The Town is also a member of the Maine Municipal Association – Unemployment Compensation Group Fund (“MMA UC Fund”). The MMA UC Fund was created to assist in meeting members’ obligations under the Employment Security Act in an efficient and cost effective manner. The Fund is composed of individual municipalities and other public and related non-profit entities that are individually self-insured but administered as a group. Within the Fund, each member has a separate account. As such, the Town makes quarterly payments into their account, based on rates developed by MMA’s consulting actuary. Claims, if any, are paid out of the Town’s own account. The Maine Department of Labor classifies MMA’s UC Fund members as Direct Reimbursement Employers. In other words, the Fund reimburses the Maine DOL on the Town’s behalf only when the Town has unemployment claims from present or former employees.

Occasionally, the Town may have layoffs or resignations or even a part-time employee losing a primary job, that lead to larger claims payments than anticipated. When claims exceed the balance of the Town’s account, the UC Fund continues to pay the Town’s claims with no regard for the negative balance. Repayment of a negative balance is spread out over a period of years to avoid a financial hardship to the Town.
NOTE 11 - RISK MANAGEMENT (CONTINUED)

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2017. 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.

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, 2017, the Town’s share was approximately:

<table>
<thead>
<tr>
<th></th>
<th>Outstanding Debt</th>
<th>Town's Percentage</th>
<th>Total Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of York</td>
<td>$ 5,064,946</td>
<td>7.52%</td>
<td>$ 380,884</td>
</tr>
<tr>
<td>RSU No. 21</td>
<td>65,101,203</td>
<td>51.34%</td>
<td>33,422,958</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>33,803,842</strong></td>
</tr>
</tbody>
</table>

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.mainepers.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
NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 or 65. The monthly benefit of members who retire before normal
retirement age by virtue of having at least 25 years of service credit is reduced by a
statutorily prescribed factor for each year of age that a member is below her/his normal
retirement age at retirement. 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 8.0%
of their annual salary, while all other employees are part of the PLD’s plan “AC” and are
required to contribute 8.0% of their annual salary. The Town was required to contribute
at the actuarially determined rates of 9.1% for special plan “2C” members’ covered
payroll and 9.5% 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,
2017 was $207,672.

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

At June 30, 2017, the Town reported a liability of $2,035,581 for its proportionate
share of the net pension liabilities for the plan. The net pension liabilities were
measured as of June 30, 2016, 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, 2016, the Town’s proportion was
NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

0.38311%, which was a decrease of 0.038888% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Town recognized total pension expense of $130,808. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>PLD Plan</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 24,676</td>
<td>$ 130,926</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>218,220</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>752,214</td>
<td>313,061</td>
</tr>
<tr>
<td>Changes in proportion and differences between contributions and proportionate share of contributions</td>
<td>34,967</td>
<td>101,939</td>
</tr>
<tr>
<td>Contributions subsequent to the measurement date</td>
<td>207,672</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,237,749</td>
<td>$ 545,926</td>
</tr>
</tbody>
</table>

$207,672 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>PLD Plan</th>
<th>Year ended June 30:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>$ 88,234</td>
</tr>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>60,966</td>
</tr>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>217,630</td>
</tr>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td>117,320</td>
</tr>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Thereafter</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>
NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions**

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 a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 are as follows:

*Investment Rate of Return* - For the PLD Plan, 6.875% per annum, compounded annually; 7.125% was used for the period ended June 30, 2015.

*Salary Increases, Merit and Inflation* - Members of the consolidated plan for PLDs, 2.75% to 9.00% per year.
NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality Rates - For participating local districts, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

Cost of Living Benefit Increases - 2.20%; 2.55% was used for the period ended June 30, 2015.

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, 2016 are summarized in the following table. Assets for the defined benefit plan are commingled for investment purposes.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>US equities</td>
<td>20%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Non-US equities</td>
<td>20%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Private equity</td>
<td>10%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Real assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td>10%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>10%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Hard assets</td>
<td>5%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>25%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Discount Rate

The discount rate used to measure the collective total pension liability was 6.875% for 2016. 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, 2016 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 6.875% for the PLD Consolidated Plan.

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease</th>
<th>Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLD Plan:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>5.875%</td>
<td>6.875%</td>
<td>7.875%</td>
</tr>
<tr>
<td>Town's proportionate share of the net pension liability</td>
<td>$ 2,682,369</td>
<td>$ 2,035,581</td>
<td>$ 79,762</td>
</tr>
</tbody>
</table>

**Changes in Net Pension Liability**

Each employer’s share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer’s proportionate share as of June 30, 2016 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2016 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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2016, this was 4 years for the PLD Consolidated Plan.

*Differences between Projected and Actual Investment Earnings on Pension Plan Investments*  

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.
NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. The actuarial assumptions used for the year ended June 30, 2016 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the Actuarial Methods and Assumptions section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. 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.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2016 Comprehensive Annual Financial Report available online at www.mainepers.org or by contacting the System at (800) 451-9800.

NOTE 14 - DEFINED CONTRIBUTION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION – RETIREMENT CORPORATION

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
NOTE 14 - DEFINED CONTRIBUTION PLAN (CONTINUED)

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, 2017, employee contributions totaled $94,152, and the Town recognized pension expense of $59,125.

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.

NOTE 15 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION – RETIREMENT CORPORATION

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.
NOTE 15 - DEFERRED COMPENSATION PLAN (CONTINUED)

Funding Policy

Under the defined contribution plan, employees may elect to participate. Participating members may contribute up to federal statutory limits of their annual covered salary. 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 employees’ contributions for the plan for the years ended June 30, 2017 and 2016 were: $108,858 and $143,485 respectively.

Additionally, the Town participates in the Social Security Retirement Program. The Town’s contribution to Social Security was approximately $410,870, $390,113, and $380,919, for the years ended June 30, 2017, 2016 and 2015, respectively.

NOTE 16 - CONTINGENCIES

With regard to litigation, the Town is currently in litigation for a multi-count complaint, in which the Plaintiff is seeking, in three separate counts, declaratory relief to the effect the Plaintiff may use its river-front property for commercial purposes. At this time, no claim for monetary damages has been made. In the opinion of Legal Counsel for the Town, the likely outcome on this claim is unknown at this time. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

With regard to 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.

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
NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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, 2017, 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, 2017 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal cost</td>
<td>$ 19,349</td>
</tr>
<tr>
<td>Amortization of unfunded liability</td>
<td>17,972</td>
</tr>
<tr>
<td>Interest</td>
<td>739</td>
</tr>
<tr>
<td>Annual required contribution</td>
<td>38,060</td>
</tr>
<tr>
<td>Interest on net OPEB obligation</td>
<td>11,446</td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>(16,548)</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>32,958</td>
</tr>
<tr>
<td>Contributions made</td>
<td>(5,577)</td>
</tr>
<tr>
<td>Increase in net OPEB obligation</td>
<td>27,381</td>
</tr>
<tr>
<td>Net OPEB obligation, beginning of year</td>
<td>286,142</td>
</tr>
<tr>
<td>Net OPEB obligation, end of year</td>
<td>$ 313,523</td>
</tr>
</tbody>
</table>
NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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, 2017, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012 are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Annual OPEB Cost (AOC)</th>
<th>Actual Contribution</th>
<th>Percentage of AOC Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2012</td>
<td>$ 33,771</td>
<td>$</td>
<td>0.0%</td>
<td>$ 192,546</td>
</tr>
<tr>
<td>6/30/2013</td>
<td>$ 26,088</td>
<td>$</td>
<td>0.0%</td>
<td>$ 216,634</td>
</tr>
<tr>
<td>6/30/2014</td>
<td>$ 25,658</td>
<td>$</td>
<td>0.0%</td>
<td>$ 240,292</td>
</tr>
<tr>
<td>6/30/2015</td>
<td>$ 27,200</td>
<td>$</td>
<td>0.0%</td>
<td>$ 263,271</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>$ 26,790</td>
<td>$</td>
<td>0.0%</td>
<td>$ 286,142</td>
</tr>
<tr>
<td>6/30/2017</td>
<td>$ 32,958</td>
<td>$</td>
<td>0.0%</td>
<td>$ 313,523</td>
</tr>
</tbody>
</table>

The funded status of the plan as of June 30, 2017, was as follows:

- Actuarial Accrued Liability: $ 313,523
- Actuarial Value of Plan Assets: -
- Unfunded Actuarial Accrued Liability: $ 313,523

Funded Ratio (Actuarial Value of Plan Assets/AAL) = 0.0%

Covered Payroll of Active Plan Members (Estimated) = $ 3,244,274

UAAL as a percentage of Covered Payroll = 10.0%

Methods of Assumptions - The Entry Age Normal Actuarial Cost Method was used to value the Plan’s actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. 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:
NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Valuation Date 1/1/2017
Actuarial Cost Method Entry Age Normal
Amortization Method Level Dollar Open
Amortization Period 30 years
Asset Valuation Method N/A

Actuarial Assumptions:
Discount Rate 4.00%
Rate of Salary Increases 2.75%
Ultimate Rate of Medical Inflation 4.00%

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.

NOTE 18 - DEFICIT FUND BALANCES/NET POSITION

At June 30, 2017, the Town has the following funds with deficit fund balances or net position:

Deficit Fund Balance:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Village TIF</td>
<td>$ 55,872</td>
</tr>
<tr>
<td>Public Works Equipment</td>
<td>129,845</td>
</tr>
<tr>
<td>Signs</td>
<td>2,810</td>
</tr>
<tr>
<td>Town Hall Computer Hardware &amp; Software</td>
<td>13,798</td>
</tr>
<tr>
<td>Parks and Recreation Projects</td>
<td>141,544</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 343,869</strong></td>
</tr>
</tbody>
</table>

Deficit Net Position:
Pay-As-You-Throw Trash Program $ 57,602

NOTE 19 - TAX INCREMENT FINANCING DISTRICTS

The Town of Kennebunk has established three tax increment financing districts (TIFs) in accordance with M.R.S.A. Title 30-A, §5221-§5235 for a variety of economic development purposes, including business retention and expansion and public infrastructure improvement. The TIF districts were formed locally, as the Town defined the districts and chose how much of the new taxes would go to what public and private
NOTE 19 - TAX INCREMENT FINANCING DISTRICTS (CONTINUED)

projects over what period of time, subject to the approval of the Board of Selectmen, the voters at various Town Meetings, and ultimately by the Commissioner of the Maine Department of Economic and Community Development.

Any portion of the new property taxes generated by a specific project or projects and a specific property or properties within the defined geographic districts can be “captured” and utilized to pay for the Town’s bonded indebtedness associated with a new public infrastructure investment as well operating expenses incurred for the benefit of economic development in the Town, or returned to the developer in the form of a credit enhancement agreement for defined periods of up to 30 years. The Town of Kennebunk accounts for all the activity of the TIF districts including captured taxes and expenditures for approved purposes in separate special revenue TIF funds. The Town has chosen to disclose information about its tax abatement (credit enhancement) agreements individually and negotiates property tax abatement agreements on an individual basis. For 2017, there was one agreement in place. The following is a brief description of and total amount of taxes abated for each tax increment financing district:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Route 1 (expires 3/29/2036)</td>
<td>$27,581,200</td>
<td>$73,753,800</td>
<td>$46,172,600</td>
<td>100% Real Property</td>
<td>$734,144</td>
<td>$45,542</td>
</tr>
<tr>
<td>West Kennebunk</td>
<td>$4,978,400</td>
<td>$14,061,100</td>
<td>$9,082,700</td>
<td>100% Real Property</td>
<td>$144,415</td>
<td>$0</td>
</tr>
<tr>
<td>West Kennebunk - Utility Corridor</td>
<td>$10,641,700</td>
<td>$40,538,430</td>
<td>$9,865,921</td>
<td>33% Real Property</td>
<td>$156,868</td>
<td>$0</td>
</tr>
<tr>
<td>Total West Kennebunk</td>
<td>$15,620,100</td>
<td>$54,599,530</td>
<td>$18,948,621</td>
<td></td>
<td>$301,283</td>
<td>$0</td>
</tr>
<tr>
<td>Lower Village (expires 3/30/2040)</td>
<td>$4,599,600</td>
<td>$11,403,772</td>
<td>$6,804,172</td>
<td>100% Real Property</td>
<td>$108,186</td>
<td>$0</td>
</tr>
</tbody>
</table>

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 20 - COLLATERALIZATION

At June 30, 2017, 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 Camden National Bank. This letter of credit, which expires at the close
NOTE 20 – COLLATERALIZATION (CONTINUED)

of business on December 8, 2017, authorizes one draw only up to the amount of $1,000,000. There were no draws for the year ended June 30, 2017.

At June 30, 2017, 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 People’s United Bank. This letter of credit, which expires at the close of business on September 20, authorizes one draw only up to the amount of $16,500,000. There were no draws for the year ended June 30, 2017.

At June 30, 2017, 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 that exceed FDIC insurance limits. Securities pledged by the Kennebunk Savings Bank in the Town’s name total $302,349 at June 30, 2017. The third party securities pledge expires at the close of business on July 1, 2021.

NOTE 21 – RELATED PARTY TRANSACTIONS

One of the Town’s Selectmen owns a business that provides television broadcasting services for Board meetings. The Town requests contract proposals for these services periodically. The Selectman recuses himself from this contract award process. During the fiscal year ended June 30, 2017, payments to this vendor for television broadcasting services totaled $15,382.

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.

NOTE 23 - EVENT SUBSEQUENT TO THE DATE OF THE INDEPENDENT AUDITORS’ REPORT

At the June 14, 2016 and June 13, 2017 referendum elections, voters approved issuing general obligation municipal bonds totaling $7,881,000, for various projects, vehicles, and equipment. Included in the $7,881,000 are bonds totaling $2,686,000 for the reconstruction and other work to be done on the Town Garage and the Solid Waste Transfer and Recycling Facility. This project is being delayed for further evaluation and analysis. Therefore, the Town expects to issue bonds totaling $5,195,000 during May 2018.
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
- Notes to Required Supplementary Information
- 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, 2017

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Negative)</td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1</td>
<td>$ 9,725,213</td>
<td>$ 9,725,213</td>
<td>$ 9,725,213</td>
</tr>
</tbody>
</table>

Resources (Inflows):

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>32,775,484</td>
<td>32,775,484</td>
<td>32,720,039</td>
</tr>
<tr>
<td>Excise Taxes</td>
<td>1,987,500</td>
<td>1,987,500</td>
<td>2,482,680</td>
</tr>
</tbody>
</table>

Intergovernmental Revenues:

|                                |                  |                |          |
| State Revenue Sharing          | 376,000          | 376,000        | 383,951  |
| Homestead Reimbursement        | 244,701          | 244,701        | 220,879  |
| Local Road Assistance          | 145,000          | 145,000        | 149,156  |
| Other                          | 245,186          | 245,186        | 328,993  |

Interest Income

|                                |                  |                |          |
|                                | 40,000           | 40,000         | 94,770  |

Interest on Taxes/Lien Costs

|                                |                  |                |          |
|                                | 45,000           | 45,000         | 66,520  |

Charges for Services

|                                |                  |                |          |
|                                | 1,761,100        | 1,761,100      | 2,094,279 |

Miscellaneous Revenues

|                                |                  |                |          |
|                                | 105,000          | 90,759         | 103,351  |

Transfers from Other Funds

|                                |                  |                |          |
|                                | 4,000            | 4,000          | 4,000   |

Amounts Available for Appropriation

|                                | 47,454,184       | 47,439,943     | 48,373,831 |

Charges to Appropriations (Outflows):

|                                |                  |                |          |
| General Government             | 2,029,099        | 2,103,003      | 2,008,444 |
| Public Safety                  | 4,234,685        | 4,243,635      | 4,106,933 |
| Public Works                   | 1,303,272        | 1,303,272      | 1,392,079 |
| Education                      | 22,708,581       | 22,708,581     | 22,708,581 |
| County Tax                     | 1,347,775        | 1,347,775      | 1,347,775 |
| Recreation and Culture         | 1,415,207        | 1,415,207      | 1,409,622 |
| Health and Welfare             | 347,385          | 389,974        | 336,913  |
| Employee Benefits              | 1,969,033        | 1,969,033      | 1,961,045 |
| Agency Requests                | 32,100           | 32,000         | 32,100   |
| Unclassified                   | 538,221          | 594,841        | 127,357  |
| Transfers to Other Funds       | 1,803,613        | 2,783,946      | 2,746,032 |

Total Charges to Appropriations

|                                | 37,728,971       | 38,891,367     | 38,176,881 |

Budgetary Fund Balance, June 30

|                                | $ 9,725,213      | $ 8,548,576    | $ 10,196,950 |

Utilization of Committed Fund Balance

|                                | $ -             | $ 1,000,349    | $ -          |

Utilization of Assigned Fund Balance

|                                | $ -             | 176,288        | $ -          |

|                                | $ -             | $ 1,176,637    | $ -          |

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***

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of the net pension liability</td>
<td>0.38%</td>
<td>0.42%</td>
<td>0.40%</td>
<td>0.40%</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability</td>
<td>$ 2,035,581</td>
<td>$ 1,346,371</td>
<td>$ 615,939</td>
<td>$ 1,223,496</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$ 2,033,359</td>
<td>$ 2,161,447</td>
<td>$ 1,869,664</td>
<td>$ 1,768,346</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability as a percentage of its covered-employee payroll</td>
<td>100.11%</td>
<td>62.29%</td>
<td>32.94%</td>
<td>69.19%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>81.61%</td>
<td>88.27%</td>
<td>94.10%</td>
<td>87.50%</td>
</tr>
</tbody>
</table>

* 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*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$207,672</td>
<td>$179,773</td>
<td>$172,498</td>
<td>$138,759</td>
</tr>
<tr>
<td>Contributions in relation to the contractually</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>required contribution</td>
<td>-(207,672)</td>
<td>-(179,773)</td>
<td>-(172,498)</td>
<td>-(138,759)</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$2,221,570</td>
<td>$2,033,359</td>
<td>$2,161,447</td>
<td>$1,869,664</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employee payroll</td>
<td>9.35%</td>
<td>8.84%</td>
<td>7.98%</td>
<td>7.42%</td>
</tr>
</tbody>
</table>

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

See accompanying independent auditors' report and notes to financial statements.
Maine Public Employees Retirement System (MainePERS)

Changes of Assumptions

There was a change in the investment rate of return assumption this year from 7.125% to 6.875%. Annual salary increases, including inflation, changed from 3.50% - 9.50% to 2.75% - 9.00%, for the PLD Consolidated Plan. There was also a change in the cost of living benefit increase from 2.55% to 2.20%. Finally, the mortality rates for active members, nondisabled retirees and recipients of disability benefits, were determined using the RP2014 Total Dataset Healthy Annuitant Mortality Table and the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, compared to the RP2000 Tables projected forward and the Revenue Ruling 96-7 Disabled Mortality Table used in the prior year.

Maine Municipal Employees Health Trust – Other Post-Employment Benefits

Changes of Assumptions:

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.
TOWN OF KENNEBUNK, MAINE

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

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Unfunded Actuarial Liability (AAL) (b)</th>
<th>Funded Ratio (a/b)</th>
<th>Covered Payroll (c)</th>
<th>UFAL as a % of Covered Payroll ((b-a)/c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2009</td>
<td>$ 463,005</td>
<td>0.0%</td>
<td>$ 2,904,791</td>
<td>15.9%</td>
<td></td>
</tr>
<tr>
<td>6/30/2010</td>
<td>$ 463,005</td>
<td>0.0%</td>
<td>$ 3,056,808</td>
<td>15.1%</td>
<td></td>
</tr>
<tr>
<td>6/30/2011</td>
<td>$ 322,225</td>
<td>0.0%</td>
<td>$ 3,218,664</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>6/30/2012</td>
<td>$ 322,225</td>
<td>0.0%</td>
<td>$ 3,159,958</td>
<td>10.2%</td>
<td></td>
</tr>
<tr>
<td>6/30/2013</td>
<td>$ 277,670</td>
<td>0.0%</td>
<td>$ 2,934,139</td>
<td>9.5%</td>
<td></td>
</tr>
<tr>
<td>6/30/2014</td>
<td>$ 277,670</td>
<td>0.0%</td>
<td>$ 2,976,194</td>
<td>9.3%</td>
<td></td>
</tr>
<tr>
<td>6/30/2015</td>
<td>$ 258,827</td>
<td>0.0%</td>
<td>$ 3,065,480</td>
<td>8.4%</td>
<td></td>
</tr>
<tr>
<td>6/30/2016</td>
<td>$ 258,827</td>
<td>0.0%</td>
<td>$ 3,149,781</td>
<td>8.2%</td>
<td></td>
</tr>
<tr>
<td>6/30/2017</td>
<td>$ 323,199</td>
<td>0.0%</td>
<td>$ 3,244,274</td>
<td>10.0%</td>
<td></td>
</tr>
</tbody>
</table>

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 Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects 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
### SCHEDULE A

TOWN OF KENNEBUNK, MAINE

**SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Department</th>
<th>Original Budget</th>
<th>Budget Adjustments</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government Expenses</td>
<td>$630,534</td>
<td>$6,131</td>
<td>$636,665</td>
<td>$632,573</td>
<td>$4,092</td>
</tr>
<tr>
<td>Selectmen</td>
<td>30,928</td>
<td>-</td>
<td>30,928</td>
<td>26,647</td>
<td>4,281</td>
</tr>
<tr>
<td>Town Manager</td>
<td>243,855</td>
<td>-</td>
<td>243,855</td>
<td>243,378</td>
<td>477</td>
</tr>
<tr>
<td>Town Clerk</td>
<td>103,769</td>
<td>-</td>
<td>103,769</td>
<td>94,598</td>
<td>9,171</td>
</tr>
<tr>
<td>Ballot Clerks</td>
<td>35,000</td>
<td>-</td>
<td>35,000</td>
<td>31,432</td>
<td>3,568</td>
</tr>
<tr>
<td>Assessors</td>
<td>182,847</td>
<td>11,989</td>
<td>194,836</td>
<td>192,083</td>
<td>2,753</td>
</tr>
<tr>
<td>Community Development</td>
<td>350,196</td>
<td>8,730</td>
<td>358,926</td>
<td>342,824</td>
<td>16,102</td>
</tr>
<tr>
<td>Town Hall</td>
<td>169,101</td>
<td>-</td>
<td>169,101</td>
<td>166,238</td>
<td>2,863</td>
</tr>
<tr>
<td>Computer Department</td>
<td>238,171</td>
<td>13,690</td>
<td>251,861</td>
<td>236,794</td>
<td>15,067</td>
</tr>
<tr>
<td>Conservation Commission</td>
<td>-</td>
<td>7,799</td>
<td>7,799</td>
<td>1,570</td>
<td>6,229</td>
</tr>
<tr>
<td>Site Plan Review Board</td>
<td>6,023</td>
<td>-</td>
<td>6,023</td>
<td>4,553</td>
<td>1,470</td>
</tr>
<tr>
<td>Zoning Board of Appeals</td>
<td>1,200</td>
<td>-</td>
<td>1,200</td>
<td>583</td>
<td>617</td>
</tr>
<tr>
<td>Board of Assessment Review</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
<td>1,338</td>
<td>(338)</td>
</tr>
<tr>
<td>Dog Advisory Committee</td>
<td>200</td>
<td>-</td>
<td>200</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>Historic Preservation Committee</td>
<td>4,700</td>
<td>-</td>
<td>4,700</td>
<td>5,608</td>
<td>(908)</td>
</tr>
<tr>
<td>Lower Village Committee</td>
<td>2,500</td>
<td>6,986</td>
<td>9,486</td>
<td>1,500</td>
<td>7,986</td>
</tr>
<tr>
<td>Downtown Committee</td>
<td>-</td>
<td>3,332</td>
<td>3,332</td>
<td>-</td>
<td>3,332</td>
</tr>
<tr>
<td>Economic Development Committee</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>West Kennebunk Village Committee</td>
<td>2,000</td>
<td>2,791</td>
<td>4,791</td>
<td>2,909</td>
<td>1,882</td>
</tr>
<tr>
<td>Energy Efficiency Committee</td>
<td>2,100</td>
<td>767</td>
<td>2,867</td>
<td>1,912</td>
<td>955</td>
</tr>
<tr>
<td>Tree Committee</td>
<td>2,000</td>
<td>4,761</td>
<td>6,761</td>
<td>-</td>
<td>6,761</td>
</tr>
<tr>
<td>Affordable Housing Committee</td>
<td>200</td>
<td>-</td>
<td>200</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>Bicentennial Committee</td>
<td>500</td>
<td>5,069</td>
<td>5,569</td>
<td>-</td>
<td>5,569</td>
</tr>
<tr>
<td>Community Garden Committee</td>
<td>4,000</td>
<td>1,859</td>
<td>5,859</td>
<td>6,013</td>
<td>(154)</td>
</tr>
<tr>
<td>Planning Board</td>
<td>18,275</td>
<td>-</td>
<td>18,275</td>
<td>15,891</td>
<td>2,384</td>
</tr>
</tbody>
</table>

**Total: 2,029,099**

**Variance Positive (Negative): 94,559**

65
## TOWN OF KENNEBUNK, MAINE
### SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
#### FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Budget Adjustments</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Works -</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highway</td>
<td>1,303,272</td>
<td>-</td>
<td>1,303,272</td>
<td>1,392,079              (88,807)</td>
</tr>
<tr>
<td></td>
<td>1,303,272</td>
<td>-</td>
<td>1,303,272</td>
<td>1,392,079              (88,807)</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>22,708,581</td>
<td>-</td>
<td>22,708,581</td>
<td>22,708,581            -</td>
</tr>
<tr>
<td><strong>County Tax</strong></td>
<td>1,347,775</td>
<td>-</td>
<td>1,347,775</td>
<td>1,347,775            -</td>
</tr>
<tr>
<td><strong>Recreation and Culture -</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Guards</td>
<td>48,634</td>
<td>-</td>
<td>48,634</td>
<td>32,861                   15,773</td>
</tr>
<tr>
<td>Parks</td>
<td>45,000</td>
<td>-</td>
<td>45,000</td>
<td>57,684                   (12,684)</td>
</tr>
<tr>
<td>Recreation</td>
<td>767,754</td>
<td>-</td>
<td>767,754</td>
<td>765,258                 2,496</td>
</tr>
<tr>
<td>Kennebunk Free Library</td>
<td>553,819</td>
<td>-</td>
<td>553,819</td>
<td>553,819                 -</td>
</tr>
<tr>
<td></td>
<td>1,415,207</td>
<td>-</td>
<td>1,415,207</td>
<td>1,409,622              5,585</td>
</tr>
<tr>
<td><strong>Health and Welfare -</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycling</td>
<td>291,615</td>
<td>-</td>
<td>291,615</td>
<td>291,615                 -</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>9,000</td>
<td>9,000</td>
<td>18,000</td>
<td>10,406                 7,594</td>
</tr>
<tr>
<td>Social Services</td>
<td>46,770</td>
<td>33,589</td>
<td>80,359</td>
<td>34,892                 45,467</td>
</tr>
<tr>
<td></td>
<td>347,385</td>
<td>42,589</td>
<td>389,974</td>
<td>336,913              53,061</td>
</tr>
<tr>
<td><strong>Employee Benefits -</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Benefits</td>
<td>1,028,708</td>
<td>-</td>
<td>1,028,708</td>
<td>1,012,553              16,155</td>
</tr>
<tr>
<td>FICA</td>
<td>411,243</td>
<td>-</td>
<td>411,243</td>
<td>410,870              373</td>
</tr>
<tr>
<td>Retirement</td>
<td>294,635</td>
<td>-</td>
<td>294,635</td>
<td>308,307              (13,672)</td>
</tr>
<tr>
<td>Workers Comp</td>
<td>215,618</td>
<td>-</td>
<td>215,618</td>
<td>211,893              3,725</td>
</tr>
<tr>
<td>Unemployment Comp</td>
<td>18,829</td>
<td>-</td>
<td>18,829</td>
<td>17,422              1,407</td>
</tr>
<tr>
<td></td>
<td>1,969,033</td>
<td>-</td>
<td>1,969,033</td>
<td>1,961,045              7,988</td>
</tr>
</tbody>
</table>
### Agency Requests -

<table>
<thead>
<tr>
<th>Agency Requests</th>
<th>Original Budget</th>
<th>Budget Adjustments</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biddeford Free Clinic</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,000</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Day One</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>York County Child Abuse Council</td>
<td>1,700</td>
<td>-</td>
<td>1,700</td>
<td>1,700</td>
<td>-</td>
</tr>
<tr>
<td>York County Community Action</td>
<td>3,000</td>
<td>-</td>
<td>3,000</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>Counseling Services, Inc.</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Caring Unlimited</td>
<td>2,000</td>
<td>-</td>
<td>2,000</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>Catholic Charities</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>So. Maine Area Agency on Aging</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
<td>-</td>
</tr>
<tr>
<td>Sexual Assault Response Services</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Senior Center at Lower Village</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
<td>-</td>
</tr>
<tr>
<td>American Red Cross</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Home Health Visiting Nurses</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Community Outreach Services</td>
<td>7,000</td>
<td>-</td>
<td>7,000</td>
<td>7,000</td>
<td>-</td>
</tr>
<tr>
<td>Community Harvest</td>
<td>6,400</td>
<td>-</td>
<td>6,400</td>
<td>6,400</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>32,100</td>
<td>-</td>
<td>32,100</td>
<td>32,100</td>
<td>-</td>
</tr>
</tbody>
</table>

### Public Safety -

<table>
<thead>
<tr>
<th>Public Safety -</th>
<th>Original Budget</th>
<th>Budget Adjustments</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>1,829,500</td>
<td>8,950</td>
<td>1,838,450</td>
<td>1,788,732</td>
<td>49,718</td>
</tr>
<tr>
<td>Ambulance</td>
<td>891,967</td>
<td>-</td>
<td>891,967</td>
<td>857,933</td>
<td>34,034</td>
</tr>
<tr>
<td>Communications</td>
<td>294,212</td>
<td>-</td>
<td>294,212</td>
<td>291,576</td>
<td>2,636</td>
</tr>
<tr>
<td>Civil Emergency Preparedness</td>
<td>6,448</td>
<td>-</td>
<td>6,448</td>
<td>5,239</td>
<td>1,209</td>
</tr>
<tr>
<td>Hydrants &amp; Street Lights</td>
<td>460,751</td>
<td>-</td>
<td>460,751</td>
<td>436,946</td>
<td>23,805</td>
</tr>
<tr>
<td>Fire Department</td>
<td>751,807</td>
<td>-</td>
<td>751,807</td>
<td>726,507</td>
<td>25,300</td>
</tr>
<tr>
<td></td>
<td>4,234,685</td>
<td>8,950</td>
<td>4,243,635</td>
<td>4,106,933</td>
<td>136,702</td>
</tr>
</tbody>
</table>

---

**SCHEDULE A (CONTINUED)**

**TOWN OF KENNEBUNK, MAINE**

**SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2017**

---

The table above details the budget adjustments and actual expenses for various agencies and public safety departments for the year ended June 30, 2017. The variance column shows the difference between the original and actual figures, with positive values indicating overruns and negative values indicating underspending.
TOWN OF KENNEBUNK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Unclassified -</th>
<th>Original Budget</th>
<th>Budget Adjustments</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Contingency</td>
<td>-</td>
<td>15,420</td>
<td>15,420</td>
<td>2,045</td>
<td>13,375</td>
</tr>
<tr>
<td>Historian</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Harbormaster</td>
<td>16,524</td>
<td>-</td>
<td>16,524</td>
<td>16,524</td>
<td>-</td>
</tr>
<tr>
<td>Tree Warden</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
<td>5,372</td>
<td>(372)</td>
</tr>
<tr>
<td>Matching Grant Funds</td>
<td>-</td>
<td>41,200</td>
<td>41,200</td>
<td>771</td>
<td>40,429</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>800</td>
<td>-</td>
<td>800</td>
<td>-</td>
<td>800</td>
</tr>
<tr>
<td>Stevens Comm</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>(13)</td>
</tr>
<tr>
<td>Facilities</td>
<td>102,946</td>
<td>-</td>
<td>102,946</td>
<td>102,632</td>
<td>314</td>
</tr>
<tr>
<td>Overlay</td>
<td>412,451</td>
<td>-</td>
<td>412,451</td>
<td>-</td>
<td>412,451</td>
</tr>
<tr>
<td></td>
<td>538,221</td>
<td>56,620</td>
<td>594,841</td>
<td>127,357</td>
<td>467,484</td>
</tr>
</tbody>
</table>

| Transfers to Other Funds -               |                 |                    |              |        |          |
| Special Revenue Funds                    | 1,143,613       | -                  | 1,143,613    | 1,105,699| 37,914   |
| Capital Projects Funds                   | 660,000         | 893,333            | 1,553,333    | 1,553,333| -        |
| Proprietary Funds                        | -               | 87,000             | 87,000       | 87,000 | -        |
|                                          | 1,803,613       | 980,333            | 2,783,946    | 2,746,032| 37,914   |

| Totals                                   | $ 37,728,971    | $ 1,162,396        | $ 38,891,367 | $ 38,176,881| $ 714,486 |

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

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TOWN OF KENNEBUNK, MAINE  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Special Revenue Funds</th>
<th>Capital Projects Funds</th>
<th>Permanent Funds</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 12,265</td>
<td>$ 12,265</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>55,985</td>
<td>55,985</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>1,383,490</td>
<td>2,273,086</td>
<td>-</td>
<td>3,656,576</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 1,383,490</td>
<td>$ 2,273,086</td>
<td>$ 68,250</td>
<td>$ 3,724,826</td>
</tr>
</tbody>
</table>

|                      |                       |                        |                |                                  |
| **LIABILITIES**      |                       |                        |                |                                  |
| Accounts payable     | $ -                   | $ -                    | -              | -                                |
| Due to other funds   | 55,872                | 287,997                | 10,186         | 354,055                          |
| **TOTAL LIABILITIES**| 55,872                | 287,997                | 10,186         | 354,055                          |

|                      |                       |                        |                |                                  |
| **FUND BALANCES (DEFICITS)** |                   |                        |                |                                  |
| Nonspendable         | -                     | -                      | -              | -                                |
| Restricted           | 1,239,095             | 310,530                | 58,064         | 1,607,689                        |
| Committed            | -                     | 1,962,556              | -              | 1,962,556                        |
| Assigned             | 144,395               | -                      | -              | 144,395                          |
| Unassigned           | (55,872)              | (287,997)              | -              | (343,869)                        |
| **TOTAL FUND BALANCES (DEFICITS)** | 1,327,618         | 1,985,089              | 58,064         | 3,370,771                        |

|                      |                       |                        |                |                                  |
| **TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)** | $ 1,383,490     | $ 2,273,086            | $ 68,250       | $ 3,724,826                      |

See accompanying independent auditors' report and notes to financial statements.
TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Special Revenue Funds</th>
<th>Capital Projects Funds</th>
<th>Permanent Funds</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$</td>
<td>-</td>
<td>$ 17,550</td>
<td>$ 17,550</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>337</td>
<td>337</td>
</tr>
<tr>
<td>Other</td>
<td>144,098</td>
<td>27,602</td>
<td></td>
<td>171,700</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>144,098</td>
<td>45,152</td>
<td>337</td>
<td>189,587</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>290,934</td>
<td>99,620</td>
<td>-</td>
<td>390,554</td>
</tr>
<tr>
<td>Public works</td>
<td>20,342</td>
<td>3,667</td>
<td>-</td>
<td>24,009</td>
</tr>
<tr>
<td>Public safety</td>
<td>-</td>
<td>7,572</td>
<td>-</td>
<td>7,572</td>
</tr>
<tr>
<td>Recreation</td>
<td>-</td>
<td>54,545</td>
<td>-</td>
<td>54,545</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>404,125</td>
<td>874,875</td>
<td>-</td>
<td>1,279,000</td>
</tr>
<tr>
<td>Interest</td>
<td>124,770</td>
<td>221,163</td>
<td>-</td>
<td>345,933</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>61,729</td>
<td>889,438</td>
<td>-</td>
<td>951,167</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>901,900</td>
<td>2,150,880</td>
<td>-</td>
<td>3,052,780</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(757,802)</td>
<td>(2,105,728)</td>
<td>337</td>
<td>(2,863,193)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>1,178,613</td>
<td>1,428,546</td>
<td>-</td>
<td>2,607,159</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(37,914)</td>
<td>(55,213)</td>
<td>(4,000)</td>
<td>(97,127)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>1,140,699</td>
<td>1,373,333</td>
<td>(4,000)</td>
<td>2,510,032</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCES</strong></td>
<td>382,897</td>
<td>(732,395)</td>
<td>(3,663)</td>
<td>(353,161)</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JULY 1</strong></td>
<td>944,721</td>
<td>2,717,484</td>
<td>61,727</td>
<td>3,723,932</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JUNE 30</strong></td>
<td>$1,327,618</td>
<td>$1,985,089</td>
<td>$58,064</td>
<td>$3,370,771</td>
</tr>
</tbody>
</table>

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, 2017

### ASSETS

<table>
<thead>
<tr>
<th>Fund</th>
<th>Conservation Land Purchase</th>
<th>Building Revenues</th>
<th>Harbor-master TIF</th>
<th>Route 1 TIF</th>
<th>West Kennebunk TIF</th>
<th>Lower Village TIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>3,430</td>
<td>33,198</td>
<td>107,767</td>
<td>938,135</td>
<td>300,960</td>
<td>-</td>
<td>1,383,490</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 3,430</td>
<td>$ 33,198</td>
<td>$ 107,767</td>
<td>$ 938,135</td>
<td>$ 300,960</td>
<td>-</td>
<td>1,383,490</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Fund</th>
<th>Accounts payable</th>
<th>-</th>
<th>$ -</th>
<th>$ -</th>
<th>$ -</th>
<th>$ -</th>
<th>$ -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55,872</td>
<td>55,872</td>
<td>55,872</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55,872</td>
<td>55,872</td>
<td>55,872</td>
</tr>
</tbody>
</table>

### FUND BALANCES (DEFICITS)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Nonspendable</th>
<th>Nonspendable</th>
<th>Restricted</th>
<th>938,135</th>
<th>300,960</th>
<th>-</th>
<th>1,239,095</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assigned</td>
<td>3,430</td>
<td>33,198</td>
<td>107,767</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>144,395</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(55,872)</td>
<td>(55,872)</td>
</tr>
<tr>
<td>TOTAL FUND BALANCES (DEFICITS)</td>
<td>3,430</td>
<td>33,198</td>
<td>107,767</td>
<td>938,135</td>
<td>300,960</td>
<td>(55,872)</td>
<td>1,327,618</td>
</tr>
</tbody>
</table>

### TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Conservation Land Purchase</th>
<th>Building Revenues</th>
<th>Harbor-master TIF</th>
<th>Route 1 TIF</th>
<th>West Kennebunk TIF</th>
<th>Lower Village TIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 3,430</td>
<td>$ 33,198</td>
<td>$ 107,767</td>
<td>$ 938,135</td>
<td>$ 300,960</td>
<td>-</td>
<td>$ 1,383,490</td>
<td></td>
</tr>
</tbody>
</table>

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

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## 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, 2017**

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

### REVENUES

<table>
<thead>
<tr>
<th>Land Purchase</th>
<th>Building Revenues</th>
<th>Harbor-master</th>
<th>Route 1 TIF</th>
<th>West Kennebunk TIF</th>
<th>Lower Village TIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other</strong></td>
<td>$</td>
<td>-</td>
<td>$ 12,814</td>
<td>$ 131,284</td>
<td>$ -</td>
<td>$ 144,098</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>-</td>
<td>-</td>
<td>$ 12,814</td>
<td>$ 131,284</td>
<td>-</td>
<td>$ 144,098</td>
</tr>
</tbody>
</table>

### EXPENDITURES

<table>
<thead>
<tr>
<th>Administration</th>
<th>Public works</th>
<th>Debt service: Principal</th>
<th>Interest</th>
<th>Capital outlay</th>
<th><strong>TOTAL EXPENDITURES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>$ 255,440</td>
<td>- $ 18,842</td>
<td>- $ 61,729</td>
<td>$ 901,900</td>
</tr>
</tbody>
</table>

### EXCESS OF REVENUE OVER (UNDER) EXPENDITURES

| **TOTAL OTHER FINANCING SOURCES (USES)** | - | $ 12,814 | $ (469,958) | $ (210,890) | $ (89,768) | $ (757,802) |

### NET CHANGE IN FUND BALANCES (DEFICITS)

$ - $ 12,814 $ 299,186 $ 52,479 $ 18,418 $ 382,897

### FUND BALANCES (DEFICITS), JULY 1

<table>
<thead>
<tr>
<th>Conservation</th>
<th>Land Purchase</th>
<th>Building Revenues</th>
<th>Harbor-master</th>
<th>Route 1 TIF</th>
<th>West Kennebunk TIF</th>
<th>Lower Village TIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 3,430</td>
<td>$ 33,198</td>
<td>$ 94,953</td>
<td>$ 638,949</td>
<td>$ 248,481</td>
<td>(74,290)</td>
<td>$ 944,721</td>
</tr>
</tbody>
</table>

### FUND BALANCES (DEFICITS), JUNE 30

<table>
<thead>
<tr>
<th>Conservation</th>
<th>Land Purchase</th>
<th>Building Revenues</th>
<th>Harbor-master</th>
<th>Route 1 TIF</th>
<th>West Kennebunk TIF</th>
<th>Lower Village TIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 3,430</td>
<td>$ 33,198</td>
<td>$ 107,767</td>
<td>$ 938,135</td>
<td>$ 300,960</td>
<td>(55,872)</td>
<td>$ 1,327,618</td>
</tr>
</tbody>
</table>
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.
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>West Kennebunk Fire Station</th>
<th>Dry Fire Station</th>
<th>Dorothy Stevens Center</th>
<th>Public Works Equipment</th>
<th>Police Vehicles &amp; Equipment</th>
<th>Town Hall Roof Repair</th>
<th>Signs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$65,085</td>
<td>$15,000</td>
<td>$12,000</td>
<td>$15,000</td>
<td>$12,000</td>
<td>$15,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>$129,845</td>
<td>$12,000</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$12,000</td>
<td>$15,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$31,926</td>
<td>$9,969</td>
<td>$258</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$10,275</td>
<td>0</td>
</tr>
</tbody>
</table>

| LIABILITIES     | Due to other funds | $129,845 | $12,000 | $15,000 | $15,000 | $12,000 | $15,000 | $12,000 |
| TOTAL LIABILITIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| FUND BALANCES (DEFICITS) | Nonspendable | Restricted | Committed | Assigned | Unassigned | TOTAL FUND BALANCES (DEFICITS) | 0 | 0 |
|-------------------------|--------------|-----------|-----------|----------|------------|-----------------------------| 0 | 0 |
| $129,845 | $12,000 | $15,000 | $15,000 | $12,000 | $15,000 | $12,000 | $15,000 | $15,000 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)

$31,926 | $9,969 | $258 | $15,000 | $15,000 | $10,275 | 0 | 0 |

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### SCHEDULE F (CONTINUED)

**TOWN OF KENNEBUNK, MAINE**

**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS**

**JUNE 30, 2017**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Cash and cash equivalents</th>
<th>$</th>
<th>-</th>
<th>$</th>
<th>-</th>
<th>$</th>
<th>-</th>
<th>-</th>
<th>$</th>
<th>-</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from other funds</td>
<td>41,385</td>
<td>846,282</td>
<td>48,900</td>
<td>97,050</td>
<td>384,932</td>
<td>77,200</td>
<td>15,231</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$41,385</td>
<td>$846,282</td>
<td>$48,900</td>
<td>$97,050</td>
<td>$384,932</td>
<td>$77,200</td>
<td>$15,231</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| LIABILITIES | Due to other funds | $ | - | $ | - | $ | - | $ | - | $ | - | - |
| TOTAL LIABILITIES | - | - | - | - | - | - | - |

| FUND BALANCES (DEFICITS) | Nonspendable | - | - | - | - | - | - |
| Restricted | - | - | - | 97,050 | - | - | - |
| Committed | 41,385 | 846,282 | 48,900 | - | 384,932 | 77,200 | 15,231 |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | 41,385 | 846,282 | 48,900 | 97,050 | 384,932 | 77,200 | 15,231 |

| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | $41,385 | $846,282 | $48,900 | $97,050 | $384,932 | $77,200 | $15,231 |
TOWN OF KENNEBUNK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Budget Board</th>
<th>Public Works Projects</th>
<th>West Kennebunk</th>
<th>Town Garage &amp; Transfer</th>
<th>Fire Ambulance Equipment</th>
<th>HVAC Systems &amp; Insulation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>$147,443</td>
<td>$182,581</td>
<td>$14,746</td>
<td>$30,899</td>
<td>$71,333</td>
<td>$53,326</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$147,443</td>
<td>$182,581</td>
<td>$14,746</td>
<td>$30,899</td>
<td>$71,333</td>
<td>$53,326</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to other funds</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>FUND BALANCES (DEFICITS)</strong></td>
<td>$147,443</td>
<td>$182,581</td>
<td>$14,746</td>
<td>$30,899</td>
<td>$71,333</td>
<td>$53,326</td>
</tr>
<tr>
<td>Nonspendable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Restricted</td>
<td>$147,443</td>
<td>$182,581</td>
<td>$14,746</td>
<td>$30,899</td>
<td>$71,333</td>
<td>$53,326</td>
</tr>
<tr>
<td>Assigned</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Unassigned</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCES (DEFICITS)</strong></td>
<td>$147,443</td>
<td>$182,581</td>
<td>$14,746</td>
<td>$30,899</td>
<td>$71,333</td>
<td>$53,326</td>
</tr>
</tbody>
</table>

TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) $147,443 $182,581 $14,746 $30,899 $71,333 $53,326 $42,068
## COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

**JUNE 30, 2017**

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Town Hall Computer Hardware &amp; Software</th>
<th>Land - Municipal Employee Parking</th>
<th>Parks &amp; Recreation Capital Projects</th>
<th>Capital Reserve/Impr.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ - $</td>
<td>- $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>- $ 100,000</td>
<td>- $</td>
<td>- $ 67,282</td>
<td>- $ 2,273,086</td>
<td>$ 2,273,086</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ $ - $</td>
<td>$ 100,000</td>
<td>$ - $ 67,282</td>
<td>$ - $ 2,273,086</td>
<td>$ 2,273,086</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>Due to other funds</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>$ - $ 287,997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$ 13,798</td>
<td>-</td>
<td>$ 141,544</td>
<td>-</td>
<td>-</td>
<td>$ 287,997</td>
</tr>
</tbody>
</table>

### FUND BALANCES (DEFICITS)

<table>
<thead>
<tr>
<th></th>
<th>Nonspendable</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>$ - 100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 67,282</td>
<td>1,962,556</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>(13,798)</td>
<td>-</td>
<td>(141,544)</td>
<td>-</td>
<td>-</td>
<td>(287,997)</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCES (DEFICITS)</strong></td>
<td>(13,798)</td>
<td>100,000</td>
<td>(141,544)</td>
<td>67,282</td>
<td>-</td>
<td>1,985,089</td>
</tr>
</tbody>
</table>

### TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)

|                        | $ - $ 100,000 | $ - $ 67,282 | $ - $ 2,273,086 |

See accompanying independent auditors' report and notes to financial statements.
## TOWN OF KENNEBUNK, MAINE

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

#### NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Fire/Ambulance Projects</th>
<th>West Kennebunk Fire Station</th>
<th>Dry Hydrants</th>
<th>Dorothy Stevens Center</th>
<th>Public Works Equipment &amp; Equipment</th>
<th>Police Vehicles</th>
<th>Town Hall Roof Repair</th>
<th>Signs</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>509,965</td>
<td>105,335</td>
<td>1,927</td>
<td>27,728</td>
</tr>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,927</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,572</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recreation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt service: Principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>509,965</td>
<td>97,763</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>509,965</td>
<td>105,335</td>
<td>1,927</td>
<td>27,728</td>
</tr>
<tr>
<td>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(509,965)</td>
<td>(105,335)</td>
<td>(1,927)</td>
<td>(27,728)</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(68,000)</td>
<td>112,080</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>112,080</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(20,215)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47,787</td>
<td>112,080</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NET CHANGE IN FUND BALANCES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(462,178)</td>
<td>6,745</td>
<td>(1,927)</td>
<td>(27,728)</td>
</tr>
<tr>
<td>FUND BALANCES (DEFICITS), JULY 1</td>
<td>31,926</td>
<td>9,969</td>
<td>258</td>
<td>332,333</td>
<td>3,530</td>
<td>1,927</td>
<td>24,918</td>
</tr>
<tr>
<td>FUND BALANCES (DEFICITS), JUNE 30</td>
<td>$31,926</td>
<td>$9,969</td>
<td>$258</td>
<td>$(129,845)</td>
<td>$10,275</td>
<td>$-</td>
<td>$(2,810)</td>
</tr>
</tbody>
</table>
### Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

**Nonmajor Capital Projects Funds**

For the Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Town Hall Equipment</th>
<th>Debt Service &amp; Town Hall Lease/Purchase</th>
<th>Town Skateboard Park</th>
<th>Park St. &amp; Cousens Sch. Purchase</th>
<th>Ordinance Rewrites &amp; Codification, Comp Plan &amp; Public Safety Building Study</th>
<th>Storage Area at Town Garage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>27,602</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>-</td>
<td>27,602</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>14,319</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,500</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recreation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>- 874,875</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>- 221,163</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>8,542</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>22,861</td>
<td>1,096,038</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,500</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(22,861)</td>
<td>(1,068,436)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(12,500)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td>55,000</td>
<td>1,026,253</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>-</td>
<td>-</td>
<td>(35,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>55,000</td>
<td>1,026,253</td>
<td>(35,000)</td>
<td>-</td>
<td>-</td>
<td>(12,500)</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCES</strong></td>
<td>32,139</td>
<td>(42,183)</td>
<td>(35,000)</td>
<td>-</td>
<td>-</td>
<td>(12,500)</td>
</tr>
<tr>
<td>Fund Balances (Deficits), July 1</td>
<td>9,246</td>
<td>888,465</td>
<td>83,900</td>
<td>97,050</td>
<td>384,932</td>
<td>89,700</td>
</tr>
<tr>
<td>Fund Balances (Deficits), June 30</td>
<td>$41,385</td>
<td>$846,282</td>
<td>$46,900</td>
<td>$97,050</td>
<td>$384,932</td>
<td>$77,200</td>
</tr>
</tbody>
</table>
## 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, 2017

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Budget Board</th>
<th>Public Works Projects</th>
<th>West Kennebunk Field</th>
<th>Town Garage &amp; Transfer Station</th>
<th>Fire Ambulance Systems &amp; Equipment</th>
<th>HVAC Systems &amp; Insulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$</td>
<td>$ 17,550</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$ 17,550</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

| EXPENDITURES        |             |                       |                      |                                 |                                   |                           |
| Administration      | $ 39,996    | $                    |                      |                                 |                                   | $ 3,150                   |
| Public works        | $           | $                    |                      |                                 |                                   |                           |
| Public safety       | $           | $                    |                      |                                 |                                   |                           |
| Recreation          | $           | $                    |                      |                                 |                                   |                           |
| Debt service:       |             |                       |                      |                                 |                                   |                           |
| Principal           | $           | $                    |                      |                                 |                                   |                           |
| Interest            | $           | $                    |                      |                                 |                                   |                           |
| Capital outlay      | $           | $                    |                      |                                 |                                   | $ 26,010                  |
| TOTAL EXPENDITURES  | $ 39,996    | $                    |                      |                                 |                                   | $ 3,150                   |

| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | $ (39,996) | $ 17,550 | $           | $           | $ (3,667) | $ (26,010) | $ (3,150) |

| OTHER FINANCING SOURCES (USES) |             |                       |                      |                                 |                                   |                           |
| Transfers in             | $ 50,000    | $                    |                      |                                 |                                   | $ 10,000                  |
| Transfers (out)          | $           | $                    |                      |                                 |                                   |                           |
| TOTAL OTHER FINANCING SOURCES (USES) | $ 50,000 | $                    |                      |                                 |                                   | $ 10,000                  |

| NET CHANGE IN FUND BALANCES | $ 10,004 | $ 17,550 | $ 9,000 | $ 15,000 | $ (3,667) | $ 71,333 | $ 42,068 |

| FUND BALANCES (DEFICITS), JULY 1 | $ 137,439 | $ 165,031 | $ 5,746 | $ 15,899 | $ 75,000 | $ 51,336 | $ 35,218 |

| FUND BALANCES (DEFICITS), JUNE 30 | $ 147,443 | $ 182,581 | $ 14,746 | $ 30,899 | $ 71,333 | $ 53,326 | $ 42,068 |

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## TOWN OF KENNEBUNK, MAINE

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**NONMAJOR CAPITAL PROJECTS FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2017**

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.


## SCHEDULE H

**TOWN OF KENNEBUNK, MAINE**

**COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS**

**JUNE 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Littlefield Educational Trust</th>
<th>Cemetery Trust Monument Lot</th>
<th>Cemetery Trust Centennial Lot</th>
<th>Martha Bragdon Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ -</td>
<td>$ 2,551</td>
<td>$ 3,528</td>
<td>$ 6,186</td>
<td>$ 12,265</td>
</tr>
<tr>
<td>Investments</td>
<td>55,985</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55,985</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 55,985</td>
<td>$ 2,551</td>
<td>$ 3,528</td>
<td>$ 6,186</td>
<td>$ 68,250</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to other funds</td>
<td>$ 4,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 6,186</td>
<td>$ 10,186</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>4,000</td>
<td>-</td>
<td>-</td>
<td>6,186</td>
<td>10,186</td>
</tr>
<tr>
<td><strong>FUND BALANCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted</td>
<td>51,985</td>
<td>2,551</td>
<td>3,528</td>
<td>-</td>
<td>58,064</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCES</strong></td>
<td>51,985</td>
<td>2,551</td>
<td>3,528</td>
<td>-</td>
<td>58,064</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND FUND BALANCES</strong></td>
<td>$ 55,985</td>
<td>$ 2,551</td>
<td>$ 3,528</td>
<td>$ 6,186</td>
<td>$ 68,250</td>
</tr>
</tbody>
</table>

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

84
TOWN OF KENNEBUNK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Littlefield Educational Trust</th>
<th>Cemetery Trust Monument Lot</th>
<th>Cemetery Trust Centennial Lot</th>
<th>Martha Bragdon Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$335</td>
<td>$1</td>
<td>$1</td>
<td>-</td>
<td>$337</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$335</td>
<td>$1</td>
<td>$1</td>
<td>-</td>
<td>$337</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>$335</td>
<td>$1</td>
<td>$1</td>
<td>-</td>
<td>$337</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(4,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4,000)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>(4,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4,000)</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCES</strong></td>
<td>(3,665)</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>(3,663)</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JULY 1</strong></td>
<td>55,650</td>
<td>2,550</td>
<td>3,527</td>
<td>-</td>
<td>61,727</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JUNE 30</strong></td>
<td>$51,985</td>
<td>$2,551</td>
<td>$3,528</td>
<td>-</td>
<td>$58,064</td>
</tr>
</tbody>
</table>

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

85
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, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Land and Non-depreciable Assets</th>
<th>Buildings, Building Improvements &amp; Land Improvements</th>
<th>Furniture, Fixtures, Equipment &amp; Vehicles</th>
<th>Infrastructure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$2,091</td>
<td>$701,019</td>
<td>$1,051,636</td>
<td>$-</td>
<td>$1,754,746</td>
</tr>
<tr>
<td>Police</td>
<td>75,100</td>
<td>1,650,222</td>
<td>1,800,185</td>
<td>-</td>
<td>3,525,507</td>
</tr>
<tr>
<td>Fire</td>
<td>97,900</td>
<td>2,244,199</td>
<td>4,428,639</td>
<td>-</td>
<td>6,770,738</td>
</tr>
<tr>
<td>Public Works</td>
<td>124,300</td>
<td>396,316</td>
<td>3,892,238</td>
<td>23,729,269</td>
<td>28,142,123</td>
</tr>
<tr>
<td>Recreation and Culture</td>
<td>79,100</td>
<td>406,385</td>
<td>924,300</td>
<td>-</td>
<td>1,409,785</td>
</tr>
<tr>
<td>Town-wide</td>
<td>2,148,845</td>
<td>4,851,852</td>
<td>258,356</td>
<td>1,090,881</td>
<td>8,349,934</td>
</tr>
<tr>
<td><strong>Total General Capital Assets</strong></td>
<td><strong>2,527,336</strong></td>
<td><strong>10,249,993</strong></td>
<td><strong>12,355,354</strong></td>
<td><strong>24,820,150</strong></td>
<td><strong>49,952,833</strong></td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>-</td>
<td>(6,550,988)</td>
<td>(8,800,722)</td>
<td>(11,661,455)</td>
<td>(27,013,165)</td>
</tr>
<tr>
<td><strong>Net General Capital Assets</strong></td>
<td>$2,527,336</td>
<td>$3,699,005</td>
<td>$3,554,632</td>
<td>$13,158,695</td>
<td>$22,939,668</td>
</tr>
</tbody>
</table>

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, 2017

<table>
<thead>
<tr>
<th>General Capital Assets</th>
<th>7/1/16</th>
<th>Additions</th>
<th>Deletions</th>
<th>6/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$1,754,746</td>
<td>$</td>
<td>$</td>
<td>$1,754,746</td>
</tr>
<tr>
<td>Police</td>
<td>3,390,152</td>
<td>135,355</td>
<td>-</td>
<td>3,525,507</td>
</tr>
<tr>
<td>Fire</td>
<td>6,742,164</td>
<td>28,574</td>
<td>-</td>
<td>6,770,738</td>
</tr>
<tr>
<td>Public Works</td>
<td>27,561,887</td>
<td>580,236</td>
<td>-</td>
<td>28,142,123</td>
</tr>
<tr>
<td>Recreation and Culture</td>
<td>1,249,831</td>
<td>159,954</td>
<td>-</td>
<td>1,409,785</td>
</tr>
<tr>
<td>Town-wide</td>
<td>7,788,135</td>
<td>561,799</td>
<td>-</td>
<td>8,349,934</td>
</tr>
<tr>
<td><strong>Total General Capital Assets</strong></td>
<td>48,486,915</td>
<td>1,465,918</td>
<td>-</td>
<td>49,952,833</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(24,906,998)</td>
<td>(2,106,167)</td>
<td>-</td>
<td>(27,013,165)</td>
</tr>
<tr>
<td><strong>Net General Capital Assets</strong></td>
<td>$23,579,917</td>
<td>$(640,249)</td>
<td>$0</td>
<td>$22,939,668</td>
</tr>
</tbody>
</table>

See accompanying independent auditors' report and notes to financial statements.
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Selectmen
Town of Kennebunk
Kennebunk, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the 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, 2017, and the related notes to the financial statements, which collectively comprise the Town of Kennebunk, Maine’s basic financial statements, and have issued our report thereon dated March 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Kennebunk, Maine’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kennebunk, Maine’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Kennebunk, Maine’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Kennebunk Maine’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Riverside Smith & Company

Buxton, Maine
March 14, 2018
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
## TOWN OF KENNEBUNK, MAINE

REGIONAL SCHOOL UNIT (RSU) 21’S SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>School</th>
<th>Location</th>
<th>Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kennebunk Elementary</td>
<td>Kennebunk</td>
<td>K-3</td>
</tr>
<tr>
<td>Mildred L Day</td>
<td>Arundel</td>
<td>K-5</td>
</tr>
<tr>
<td>Kennebunkport Consolidated</td>
<td>Kennebunkport</td>
<td>K-5</td>
</tr>
<tr>
<td>Sea Road School</td>
<td>Kennebunk</td>
<td>4-5</td>
</tr>
<tr>
<td>Middle School of the Kennebunks</td>
<td>Kennebunk</td>
<td>6-8</td>
</tr>
<tr>
<td>Kennebunk High School</td>
<td>Kennebunk</td>
<td>9-12</td>
</tr>
</tbody>
</table>
### Table 2

**Town of Kennebunk, Maine**

**Enrollment Data of the Municipalities in the RSU for the Years Ended June 30,**

<table>
<thead>
<tr>
<th></th>
<th>Town of Arundel</th>
<th>Town of Kennebunk</th>
<th>Town of Kennebunkport</th>
<th>Total RSU 21 Students(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Students</td>
<td>%</td>
<td>Students</td>
<td>%</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td>324</td>
<td>14.3%</td>
<td>1,571</td>
<td>69.3%</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>328</td>
<td>15.0%</td>
<td>1,555</td>
<td>69.1%</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td>312</td>
<td>14.8%</td>
<td>1,615</td>
<td>69.4%</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td>313</td>
<td>13.2%</td>
<td>1,646</td>
<td>69.5%</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td>313</td>
<td>13.2%</td>
<td>1,640</td>
<td>69.1%</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td>308</td>
<td>13.1%</td>
<td>1,625</td>
<td>68.9%</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td>321</td>
<td>13.3%</td>
<td>1,665</td>
<td>69.0%</td>
</tr>
<tr>
<td><strong>2009</strong></td>
<td>317</td>
<td>12.8%</td>
<td>1,727</td>
<td>69.4%</td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td>340</td>
<td>13.4%</td>
<td>1,751</td>
<td>69.0%</td>
</tr>
<tr>
<td><strong>2007</strong></td>
<td>343</td>
<td>13.4%</td>
<td>1,760</td>
<td>68.7%</td>
</tr>
<tr>
<td><strong>2006</strong></td>
<td>326</td>
<td>12.5%</td>
<td>1,825</td>
<td>69.9%</td>
</tr>
</tbody>
</table>

(1) State of Maine Department of Education's October 1 Annual Census

(2) For years 2008 and prior, the RSU 21 member municipalities were not consolidated into RSU 21. Arundel was a separate school administrative unit.

---

### Notes

- For years 2008 and prior, the RSU 21 member municipalities were not consolidated into RSU 21. Arundel was a separate school administrative unit.

- Calendar year average counts are two years behind the fiscal year.
**TABLE 3**

**TOWN OF KENNEBUNK, MAINE**

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Town of Arundel</th>
<th>Town of Kennebunk</th>
<th>Town of Kennebunkport</th>
<th>Total RSU 21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ESV (000)</td>
<td>ESV (000)</td>
<td>ESV (000)</td>
<td>ESV(000)</td>
</tr>
<tr>
<td>2017</td>
<td>$450,400 9.4%</td>
<td>$2,318,900 48.4%</td>
<td>$2,018,400 42.2%</td>
<td>$4,787,700</td>
</tr>
<tr>
<td>2016</td>
<td>438,000 9.5%</td>
<td>2,245,800 48.6%</td>
<td>1,938,350 41.9%</td>
<td>4,622,150</td>
</tr>
<tr>
<td>2015</td>
<td>420,600 9.5%</td>
<td>2,159,200 49.0%</td>
<td>1,831,600 41.5%</td>
<td>4,411,400</td>
</tr>
<tr>
<td>2014</td>
<td>411,950 9.5%</td>
<td>2,085,300 48.2%</td>
<td>1,832,450 42.3%</td>
<td>4,329,700</td>
</tr>
<tr>
<td>2013</td>
<td>413,500 9.6%</td>
<td>2,097,550 48.5%</td>
<td>1,810,500 41.9%</td>
<td>4,321,550</td>
</tr>
<tr>
<td>2012</td>
<td>415,950 9.6%</td>
<td>2,128,300 49.0%</td>
<td>1,801,850 41.4%</td>
<td>4,346,100</td>
</tr>
<tr>
<td>2011</td>
<td>429,150 9.6%</td>
<td>2,126,200 47.3%</td>
<td>1,938,250 43.1%</td>
<td>4,493,600</td>
</tr>
<tr>
<td>2010</td>
<td>449,900 9.6%</td>
<td>2,288,950 49.1%</td>
<td>1,923,750 41.3%</td>
<td>4,662,600</td>
</tr>
<tr>
<td>2009</td>
<td>433,350 9.5%</td>
<td>2,360,650 51.5%</td>
<td>1,784,950 39.0%</td>
<td>4,578,950</td>
</tr>
<tr>
<td>2008</td>
<td>NA NA</td>
<td>2,326,650 56.0%</td>
<td>1,828,650 44.0%</td>
<td>4,155,300</td>
</tr>
<tr>
<td>2007</td>
<td>NA NA</td>
<td>2,239,800 57.2%</td>
<td>1,677,500 42.8%</td>
<td>3,917,300</td>
</tr>
</tbody>
</table>

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

(1) Years 2007 – 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,**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Arundel</td>
<td>3,693,011</td>
<td>3,918,960</td>
<td>4,199,823</td>
<td>4,071,486</td>
<td>4,126,255</td>
<td>4,307,675</td>
<td>4,529,366</td>
</tr>
<tr>
<td>Kennebunk</td>
<td>19,252,939</td>
<td>19,503,442</td>
<td>19,544,108</td>
<td>20,660,409</td>
<td>20,829,596</td>
<td>21,698,081</td>
<td>22,708,581</td>
</tr>
<tr>
<td>Kennebunkport</td>
<td>6,260,773</td>
<td>6,107,648</td>
<td>6,677,507</td>
<td>7,521,509</td>
<td>8,015,486</td>
<td>8,015,486</td>
<td>9,055,448</td>
</tr>
<tr>
<td>Total</td>
<td>29,206,723</td>
<td>29,530,050</td>
<td>30,331,438</td>
<td>32,253,404</td>
<td>32,793,384</td>
<td>34,021,242</td>
<td>36,293,395</td>
</tr>
</tbody>
</table>
### TABLE 5

#### TOWN OF KENNEBUNK, MAINE

**BUILDING PERMITS**

FOR THE YEARS ENDED JUNE 30,

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Commercial</th>
<th>Residential</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Permits</td>
<td>Estimated Cost</td>
<td>Number of Permits</td>
</tr>
<tr>
<td>2017</td>
<td>167</td>
<td>$ 7,423,915</td>
<td>418</td>
</tr>
<tr>
<td>2016</td>
<td>195</td>
<td>$ 44,410,905</td>
<td>370</td>
</tr>
<tr>
<td>2015</td>
<td>119</td>
<td>$ 6,632,868</td>
<td>432</td>
</tr>
<tr>
<td>2014</td>
<td>221</td>
<td>$ 2,612,550</td>
<td>391</td>
</tr>
<tr>
<td>2013</td>
<td>193</td>
<td>$ 3,296,267</td>
<td>311</td>
</tr>
<tr>
<td>2012</td>
<td>237</td>
<td>$ 46,144,062</td>
<td>402</td>
</tr>
<tr>
<td>2011</td>
<td>152</td>
<td>$ 3,861,200</td>
<td>412</td>
</tr>
<tr>
<td>2010</td>
<td>182</td>
<td>$ 4,144,062</td>
<td>419</td>
</tr>
<tr>
<td>2009</td>
<td>180</td>
<td>$ 8,732,861</td>
<td>435</td>
</tr>
<tr>
<td>2008</td>
<td>119</td>
<td>$ 6,871,227</td>
<td>483</td>
</tr>
<tr>
<td>2007</td>
<td>135</td>
<td>$ 10,469,441</td>
<td>511</td>
</tr>
</tbody>
</table>

**SOURCE:** Town of Kennebunk, Maine Code Enforcement Office
# TABLE 6

## TOWN OF KENNEBUNK, MAINE

### EMPLOYMENT

FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Representative Employer</th>
<th>Type of Business</th>
<th>Approximate Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSU 21</td>
<td>School Administrative Unit</td>
<td>475</td>
</tr>
<tr>
<td>Corning</td>
<td>Medical Lab Equipment Manufacturer</td>
<td>360</td>
</tr>
<tr>
<td>Kennebunk Savings Bank</td>
<td>Bank &amp; Insurance</td>
<td>289</td>
</tr>
<tr>
<td>Home Instead Care Services</td>
<td>Home Care Services</td>
<td>170</td>
</tr>
<tr>
<td>Sunrise Senior Living</td>
<td>Assisted Living Facility</td>
<td>150</td>
</tr>
<tr>
<td>Southern Maine Medical / PrimeCare</td>
<td>Health Care</td>
<td>150</td>
</tr>
<tr>
<td>Town of Kennebunk</td>
<td>Town Government</td>
<td>130</td>
</tr>
<tr>
<td>RiverRidge Center</td>
<td>Brain Injury Rehab Center</td>
<td>122</td>
</tr>
<tr>
<td>Kennebunk Ctr for Health &amp; Rehab</td>
<td>Assisted Living Facility &amp; Rehabilitation</td>
<td>110</td>
</tr>
<tr>
<td>HMS Host</td>
<td>Turnpike Service</td>
<td>100</td>
</tr>
<tr>
<td>Northeast Coatings</td>
<td>Surface Coatings</td>
<td>97</td>
</tr>
<tr>
<td>The Hissong Group</td>
<td>Construction &amp; Property Management</td>
<td>94</td>
</tr>
<tr>
<td>Plixer</td>
<td>Software</td>
<td>85</td>
</tr>
<tr>
<td>Hannaford</td>
<td>Food &amp; Pharmacy</td>
<td>60</td>
</tr>
<tr>
<td>Atria</td>
<td>Assisted Living Facility</td>
<td>50</td>
</tr>
<tr>
<td>Downeast Energy</td>
<td>Petroleum Distributor</td>
<td>50</td>
</tr>
<tr>
<td>Garrett Pillsbury</td>
<td>Plumbing, Heating and Petroleum Distrib</td>
<td>45</td>
</tr>
<tr>
<td>KKW Water District</td>
<td>Water Utility</td>
<td>41</td>
</tr>
<tr>
<td>Tom's of Maine</td>
<td>Consumer Products</td>
<td>40</td>
</tr>
<tr>
<td>Bergen &amp; Parkinson</td>
<td>Law Firm</td>
<td>37</td>
</tr>
</tbody>
</table>
TOWN OF KENNEBUNK, MAINE

FUND BALANCE
FOR THE YEARS ENDED JUNE 30,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assigned and Unassigned(1) General Fund Balance</td>
<td>$7,091,796</td>
<td>$7,138,394</td>
<td>$7,576,962</td>
<td>$8,254,400</td>
<td>$7,857,723</td>
<td>$8,455,629</td>
<td>$8,751,126</td>
</tr>
<tr>
<td>Total Revenues (Current Year)</td>
<td>32,338,176</td>
<td>32,371,733</td>
<td>33,365,015</td>
<td>35,121,495</td>
<td>35,361,083</td>
<td>36,944,282</td>
<td>38,644,618</td>
</tr>
<tr>
<td>Fund Balance as % Revenues</td>
<td>21.93%</td>
<td>22.05%</td>
<td>22.71%</td>
<td>23.50%</td>
<td>22.22%</td>
<td>22.89%</td>
<td>22.65%</td>
</tr>
<tr>
<td>Unassigned(2) General Fund Balance</td>
<td>$6,873,273</td>
<td>$7,011,232</td>
<td>$7,444,341</td>
<td>$8,154,810</td>
<td>$7,724,589</td>
<td>$8,245,414</td>
<td>$8,587,397</td>
</tr>
<tr>
<td>Budgeted Revenue</td>
<td>31,609,916</td>
<td>32,213,394</td>
<td>32,031,797</td>
<td>34,269,730</td>
<td>34,877,723</td>
<td>36,035,230</td>
<td>37,728,971</td>
</tr>
<tr>
<td>Fund Balance as % Budgeted Revenue</td>
<td>21.74%</td>
<td>21.76%</td>
<td>23.24%</td>
<td>23.80%</td>
<td>22.15%</td>
<td>22.88%</td>
<td>22.76%</td>
</tr>
</tbody>
</table>

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”.

98
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Equalized State Valuation (000)</th>
<th>Assessed Valuation (000)</th>
<th>Tax Rate (000)</th>
<th>Tax Levy (000)</th>
<th>Collections (After Supplements and Abatements)</th>
<th>Year End (000)</th>
<th>% of Levy</th>
<th>% of Levy a/o 08/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$2,316,900</td>
<td>$2,061,351</td>
<td>$15.90</td>
<td>$32,775</td>
<td>$32,086</td>
<td>97.9%</td>
<td>99.0%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2,245,800</td>
<td>2,043,619</td>
<td>15.30</td>
<td>31,267</td>
<td>30,567</td>
<td>97.8%</td>
<td>99.5%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2,159,200</td>
<td>2,029,269</td>
<td>14.90</td>
<td>30,236</td>
<td>29,337</td>
<td>97.0%</td>
<td>99.8%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>2,085,300</td>
<td>1,991,757</td>
<td>14.95</td>
<td>29,777</td>
<td>29,067</td>
<td>97.6%</td>
<td>99.8%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>2,097,550</td>
<td>1,944,205</td>
<td>14.40</td>
<td>27,997</td>
<td>27,257</td>
<td>97.4%</td>
<td>99.9%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>2,128,300</td>
<td>1,936,881</td>
<td>14.40</td>
<td>27,891</td>
<td>27,085</td>
<td>97.1%</td>
<td>99.9%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>2,126,200</td>
<td>1,922,409</td>
<td>14.30</td>
<td>27,490</td>
<td>26,816</td>
<td>97.6%</td>
<td>99.9%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2,288,950</td>
<td>1,897,950</td>
<td>13.95</td>
<td>26,476</td>
<td>25,781</td>
<td>97.4%</td>
<td>99.8%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>2,360,650</td>
<td>1,886,460</td>
<td>13.85</td>
<td>26,135</td>
<td>25,360</td>
<td>97.4%</td>
<td>99.9%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>2,326,650</td>
<td>1,866,643</td>
<td>12.85</td>
<td>23,986</td>
<td>23,290</td>
<td>97.1%</td>
<td>99.9%</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>2,239,800</td>
<td>1,840,781</td>
<td>12.05</td>
<td>22,181</td>
<td>21,506</td>
<td>97.0%</td>
<td>99.9%</td>
<td></td>
</tr>
</tbody>
</table>
TABLE 9

TOWN OF KENNEBUNK, MAINE
TEN LARGEST TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Business</th>
<th>Real Estate</th>
<th>Personal Property</th>
<th>Assessed Total</th>
<th>Property Tax</th>
<th>% of Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Maine Power Co</td>
<td>Electric Utility</td>
<td>$49,656,600</td>
<td>$10,300</td>
<td>$49,666,900</td>
<td>$821,987</td>
<td>2.40%</td>
</tr>
<tr>
<td>Corning Inc</td>
<td>Lab Equipment Manf</td>
<td>10,009,400</td>
<td>10,043,200</td>
<td>20,052,600</td>
<td>331,871</td>
<td>0.97%</td>
</tr>
<tr>
<td>Shape Drive Medical Ctr LLC</td>
<td>Medical Facility</td>
<td>19,464,400</td>
<td></td>
<td>19,464,400</td>
<td>322,136</td>
<td>0.94%</td>
</tr>
<tr>
<td>Sunrise Kennebunk Sr Lvg LLC</td>
<td>Ass'td Living Facility</td>
<td>17,855,500</td>
<td></td>
<td>17,855,500</td>
<td>295,509</td>
<td>0.86%</td>
</tr>
<tr>
<td>Kennebunk Savings Bank</td>
<td>Bank &amp; Insurance</td>
<td>12,893,900</td>
<td>2,701,700</td>
<td>15,595,600</td>
<td>258,107</td>
<td>0.75%</td>
</tr>
<tr>
<td>Maritimes &amp; Northeast Pipeline</td>
<td>Natural Gas Pipeline</td>
<td>8,000,000</td>
<td></td>
<td>8,000,000</td>
<td>132,400</td>
<td>0.39%</td>
</tr>
<tr>
<td>VTR Kennebunk LLC</td>
<td>Ass'td Living Facility</td>
<td>7,604,400</td>
<td></td>
<td>7,604,400</td>
<td>125,853</td>
<td>0.37%</td>
</tr>
<tr>
<td>Farley, William F</td>
<td>Private Residence</td>
<td>5,575,900</td>
<td></td>
<td>5,575,900</td>
<td>92,281</td>
<td>0.27%</td>
</tr>
<tr>
<td>HMS Host Family Restaurant</td>
<td>Turnpike Service Ctr</td>
<td>4,645,800</td>
<td>851,300</td>
<td>5,497,100</td>
<td>90,977</td>
<td>0.27%</td>
</tr>
<tr>
<td>Hannaford</td>
<td>Comm Prop/Grocery</td>
<td>3,714,400</td>
<td>1,566,000</td>
<td>5,280,400</td>
<td>87,391</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

Top Ten Taxpayers $154,592,800 $2,558,512 7.45%
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population(1)</th>
<th>Equalized State Val. (000)</th>
<th>Assessed Valuation (000)</th>
<th>Total Debt</th>
<th>Debt as % Eq. Val.</th>
<th>Per Capita Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>10,798</td>
<td>$2,316,900</td>
<td>$2,061,351</td>
<td>$10,330,000</td>
<td>0.45%</td>
<td>$956.66</td>
</tr>
<tr>
<td>2016</td>
<td>10,798</td>
<td>2,245,800</td>
<td>2,043,619</td>
<td>11,609,000</td>
<td>0.52%</td>
<td>1,075.11</td>
</tr>
<tr>
<td>2015</td>
<td>10,798</td>
<td>2,159,200</td>
<td>2,029,269</td>
<td>9,535,000</td>
<td>0.44%</td>
<td>883.03</td>
</tr>
<tr>
<td>2014</td>
<td>10,798</td>
<td>2,085,300</td>
<td>1,991,757</td>
<td>10,764,000</td>
<td>0.52%</td>
<td>996.85</td>
</tr>
<tr>
<td>2013</td>
<td>10,798</td>
<td>2,097,550</td>
<td>1,944,205</td>
<td>6,685,000</td>
<td>0.32%</td>
<td>619.10</td>
</tr>
<tr>
<td>2012</td>
<td>10,798</td>
<td>2,128,300</td>
<td>1,936,881</td>
<td>7,445,000</td>
<td>0.35%</td>
<td>689.48</td>
</tr>
<tr>
<td>2011</td>
<td>10,798</td>
<td>2,126,200</td>
<td>1,922,409</td>
<td>8,200,000</td>
<td>0.39%</td>
<td>759.40</td>
</tr>
<tr>
<td>2010</td>
<td>10,798</td>
<td>2,288,950</td>
<td>1,897,950</td>
<td>8,957,000</td>
<td>0.39%</td>
<td>829.51</td>
</tr>
<tr>
<td>2009</td>
<td>10,476</td>
<td>2,360,650</td>
<td>1,886,460</td>
<td>3,075,000</td>
<td>0.13%</td>
<td>293.53</td>
</tr>
<tr>
<td>2008</td>
<td>10,476</td>
<td>2,326,650</td>
<td>1,866,643</td>
<td>3,445,000</td>
<td>0.15%</td>
<td>328.85</td>
</tr>
<tr>
<td>2007</td>
<td>10,476</td>
<td>2,239,800</td>
<td>1,840,781</td>
<td>3,810,000</td>
<td>0.17%</td>
<td>363.69</td>
</tr>
</tbody>
</table>

NOTE: (1) U.S. Census
TABLE 11

TOWN OF KENNEBUNK, MAINE

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service from Capital Fund:</td>
<td>$ 858,674</td>
<td>$ 777,486</td>
<td>$ 1,202,982</td>
<td>$ 1,069,507</td>
<td>$ 795,354</td>
<td>$ 1,096,038</td>
<td>$ 1,058,771</td>
<td>$ 1,058,771</td>
<td>$ 1,058,771</td>
<td>$ 1,058,771</td>
<td>$ 1,058,771</td>
<td>$ 1,058,771</td>
<td>$ 1,058,771</td>
<td>$ 1,058,771</td>
</tr>
<tr>
<td>Debt Service from TIF Funds:</td>
<td>223,582</td>
<td>221,362</td>
<td>260,610</td>
<td>484,490</td>
<td>474,809</td>
<td>528,897</td>
<td>672,039</td>
<td>672,039</td>
<td>672,039</td>
<td>672,039</td>
<td>672,039</td>
<td>672,039</td>
<td>672,039</td>
<td>672,039</td>
</tr>
<tr>
<td>Total Current Year Debt Service:</td>
<td>$ 1,082,256</td>
<td>$ 998,848</td>
<td>$ 1,463,592</td>
<td>$ 1,553,997</td>
<td>$ 1,270,163</td>
<td>$ 1,624,934</td>
<td>$ 1,730,810</td>
<td>$ 1,730,810</td>
<td>$ 1,730,810</td>
<td>$ 1,730,810</td>
<td>$ 1,730,810</td>
<td>$ 1,730,810</td>
<td>$ 1,730,810</td>
<td>$ 1,730,810</td>
</tr>
<tr>
<td>Debt Service as % Operating Expense:</td>
<td>3.47%</td>
<td>3.18%</td>
<td>4.37%</td>
<td>4.53%</td>
<td>3.62%</td>
<td>4.39%</td>
<td>4.53%</td>
<td>4.53%</td>
<td>4.53%</td>
<td>4.53%</td>
<td>4.53%</td>
<td>4.53%</td>
<td>4.53%</td>
<td>4.53%</td>
</tr>
</tbody>
</table>
## TABLE 12

**TOWN OF KENNEBUNK, MAINE**

**PROPERTY TAX LEVY LIMIT**

**FOR THE YEARS ENDED JUNE 30,**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Personal Income Factor:</strong></td>
<td>1.78%</td>
<td>1.66%</td>
<td>1.43%</td>
<td>1.05%</td>
<td>1.09%</td>
<td>0.86%</td>
<td>0.75%</td>
</tr>
<tr>
<td><strong>Local Property Growth Factor:</strong></td>
<td>1.26%</td>
<td>1.27%</td>
<td>0.75%</td>
<td>0.80%</td>
<td>2.53%</td>
<td>2.04%</td>
<td>2.67%</td>
</tr>
<tr>
<td><strong>Growth Limitation Factor:</strong></td>
<td>3.04%</td>
<td>2.93%</td>
<td>2.18%</td>
<td>1.85%</td>
<td>3.62%</td>
<td>2.90%</td>
<td>3.42%</td>
</tr>
<tr>
<td><strong>Property Tax Levy Limit:</strong></td>
<td>$6,499,627</td>
<td>$6,690,067</td>
<td>$6,767,007</td>
<td>$6,892,197</td>
<td>$7,141,695</td>
<td>$7,348,804</td>
<td>$7,577,302</td>
</tr>
<tr>
<td><strong>Property Tax Levy:</strong></td>
<td>6,065,431</td>
<td>6,050,698</td>
<td>6,120,059</td>
<td>6,313,472</td>
<td>6,584,061</td>
<td>6,870,620</td>
<td>7,163,063</td>
</tr>
<tr>
<td><strong>Over/(below) Prop Tax Levy Limit:</strong></td>
<td>$(434,196)</td>
<td>$(639,369)</td>
<td>$(646,948)</td>
<td>$(578,725)</td>
<td>$(557,634)</td>
<td>$(478,184)</td>
<td>$(414,239)</td>
</tr>
</tbody>
</table>

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