



TOWN OF KITTERY

200 Rogers Road, Kittery, ME 03904
Telephone: (207) 475-1329 | Fax: (207) 439-6806
towncomments@kitteryme.org | www.kitteryme.gov

Kittery Town Council March 25, 2024 | 6:00 PM | Council Chambers & Zoom

Meetings may be watched in person, on Channel 22, the Town's website, or Kittery Channel 22 Facebook page.

The public may submit public comments via email, US Mail, or by dropping off written comments at the Town Hall. Emailed comments should be sent to: TownComments@kitteryme.org.

The public may participate in person or via Zoom webinar. **To register for the Zoom webinar, click this link:**

https://us02web.zoom.us/webinar/register/WN_RiSLIMkrSKCcoZqLW-jHNQ

Written comments received by noon on the day of the meeting will become part of the public record and may be read in whole or in summary by the Council Chair.

1. Call to Order
2. Land Acknowledgement & Introductory
3. Pledge of Allegiance
4. Roll Call
5. Agenda Amendment and Adoption
6. Town Manager's Report
7. Acceptance of Previous Minutes
8. Interviews for the Board of Appeals and Planning Board
9. All items involving the town attorney, town engineers, town employees or

other town consultants or requested offices.

a.(030224-01) The Kittery Town Council moves to receive a presentation of the Fiscal Year 2023 Audit by Ron Smith of RHR Smith & Company.

b.(030224-02) The Kittery Town Council moves to receive a report from Fire Chief David O'Brien regarding the Town's most recent Insurance Service Office (ISO) rating.

10. PUBLIC HEARINGS

a.(030224-03) The Kittery Town Council moves to hold a public hearing on a proposed amendment to Title 10 – Seapoint Road.

11. DISCUSSION

a. Discussion by members of the public (three minutes per person)

b. Response to public comment directed to a particular Councilor

c. Chairperson's response to public comments

12. UNFINISHED BUSINESS

13. NEW BUSINESS

a. Donations/gifts received for Council disposition.

b.(030224-04) The Kittery Town Council moves to accept the annual report from the Housing Committee.

c.(030224-05) The Kittery Town Council moves to review the June Town Meeting Warrant Articles.

d.(030224-06) The Kittery Town Council moves adopt the Shellfish Management Plan as recommended by the Shellfish Conservation Commission and required by the Department of Marine Resources.

e.(030224-07) The Kittery Town Council moves to schedule a public hearing on April 8, 2024 to authorize the Town Manager to enter into a lease agreement for two electric vehicles.

14. COUNCILOR ISSUES OR COMMENTS

15. COMMITTEE AND OTHER REPORTS

a. Communications from the Chairperson

b.Committee Reports

16. EXECUTIVE SESSION

17. ADJOURNMENT

Posted: March 21, 2024



TOWN OF KITTERY

Office of the Town Manager

200 Rogers Road, Kittery, ME 03904

Telephone: (207) 475-1329 | Fax: (207) 439-6806

kamaral@kitteryme.org | www.kitteryme.gov

Town Manager's Report to Town Council March 25, 2024

- 1. Market Study Presentation** – The Town commissioned a Market Study in 2023 to help inform a number of initiatives in the queue. A market study identifies trends, opportunities, and constraints for land uses in the region and in local targeted areas. The study analyzes existing economic conditions, real estate trends, incorporates interviews from local business/commercial property owners in targeted areas, and evaluates the data in conjunction with the Town's zoning.

The study was timed to inform a number of Town initiatives including the Comp Plan update, the Route 1 Transportation Corridor study, and the review of the Business Park Zone which currently does not reflect or react to the recently completed hydrological study and modern economic standards.

The consultant will be presenting the Market Study and findings on April 1, 2024 at 6:30PM via Zoom. A recording of the presentation will be broadcast on Channel 22, and be available on the Channel 22 Facebook page and the Town's website.

We encourage anyone interested in the three above mentioned efforts (Comp Plan Update, Route 1 Corridor Study, or Business Park Zone review) to participate or watch the presentation. The valuable information discussed will provide a good foundation of knowledge for the work to come. Visit www.kitteryme.gov/marketstudy to register for the webinar.

- 2. Celebration of Kittery's Business, Volunteer, and Citizen of the Year** – Congratulations to the Kittery 2023 awardees of the York Region Chamber of Commerce's Business, Volunteer, and Citizen of the Year recognition. The York Region Chamber of Commerce, which services Kittery, Eliot, York, South Berwick, and Cape Neddick, recognizes an outstanding business, volunteer, and citizen in each of its member communities for their service and positive impact on their local communities.

The York Region Chamber of Commerce will be honoring Kittery's 2023 Awardees:

Business: MaineMEat

Volunteer: Mainspring Collective Board

Citizen: George Dow IV

The Presentation of Awards will take place Thursday, March 28 at 5PM at the Cliff House. For tickets to the event or more information visit www.gatewaytomaine.org.

Nominations for the awards are accepted each fall. If you know a person or business whose time and talents have enriched the community, consider nominating them for a future award!

- 3. Petitioned Rogers Road Extension Sewer Main Extension** – Abutters letters were sent to connect with all of the potentially impacted properties along the petitioned sewer main extension. The letters asked the property owners to respond with their best contact information so we can ensure they receive meeting invites and updates. So far approximately 19 of the property owners have responded.

We are finalizing the scope with Brown and Caldwell to conduct the hydraulic modeling for Pump Station 2 and develop preliminary cost estimates for implementation of the project. We expect to have the scope and contract locked in by the first week of April.

The consultants first step will be to meet with the Town and the residents of the neighborhood to discuss the project and gather information from the neighborhood that will help them in developing a design.

Notice of the first meeting will be sent to the neighborhood by their provided contact information and by mail. We look forward to having a broad level of engagement throughout the process.

- 4. Lemont Lane Area Stormwater Issues** – As many of the Councilors may be aware, residents on Lemont Lane contacted us about the significant increase in groundwater saturation and stormwater flow they are experiencing on their property. The saturation and frequent rain events are impacting their property to the point of causing extreme settling of their foundation.

Town staff met with the residents and held a broader meeting with property owners that have property along the hill and ridge on which the rain and stormwater are collecting and flowing in the Lemont Lane, Woodlawn Avenue, Friend Street, Keene Circle and Philbrick Road area.

This a particularly challenging area because there is an intermittent low area directly between two higher elevation areas (essentially a valley) beginning at the top of Lemont Lane and running down various private properties to Whipple Road (see map with water flow indicated). Lemont Lane is understood to be predominately ledge around the valley. When the area was developed, stormwater was run under Lemont Lane and onto private property. It was further relocated on request of prior owners to an outfall point further away from the road. The limitation of stormwater infrastructure and location of the outfall is causing increasing challenges for some property owners due to the increased

amount and intensity of rain and storm events caused by climate change. Down-hill changes on private property along this system have also impacted the stormwater flow for those properties that are within the natural flow of water.

The Town has engaged Barton & Loguidice to evaluate the stormwater flow and develop public stormwater infrastructure options and private stormwater management strategies to help mitigate the situation. This project is being advanced as part of the Town's MS4 work and Climate Action Strategies, specifically Strategy 2 that calls for the Town to promote reduction and/or alternatives to impervious surfaces and stormwater runoff to limit groundwater rise and erosion.

- 5. Congratulations Craig Alfis** – Please help me in congratulating Craig Alfis on his promotion to Fire Chief, upon the April 30 retirement of Chief David O'Brien. Craig has been a member of Kittery's Fire Department since 2008, starting first as a Call Firefighter and moving up the ranks to become Assistant Fire Chief in 2019. Craig has also served as the Town's Code Enforcement Officer since 2019.

Craig brings an engineering background and family tradition of fire service to the role of Chief. His talent, disposition, and extensive knowledge of MUBEC and Town Code will benefit the Town as he leads the Fire Department and helps Kittery meet the challenges of growth, climate risks, and evolving means and methods.

Craig's appointment to Chief will be effective May 1, 2024.

- 6. Congratulations Brian Cummer** – Please help me in congratulating Brian Cummer on his recent promotion to Police Sergeant. Brian is filling the open position created by Sgt. Gary Eaton's retirement.

Brian has been a member of the Kittery Police Department since 2006, starting as a Patrol Officer. He was promoted to the role of Detective in the Criminal Investigation Division in 2018. As Detective, he has taken on cold cases including the disappearance of Reeves Johnson, which has reached national attention due to his creative approach.

In addition to his police work, Brian has been the liaison with Special Olympics, and was inducted into the Torch Run Hall of Fame in 2022. He has also helped coordinate community policing events including the annual National Night Out.

Brian was the top candidate following an extensive process including written exam and an interview (oral board) with Kittery Police staff and ranking officers from other Police Departments in the region.

- 7. Congratulations Carrie Varao** – Please help me in congratulating Carrie Varao on her recent promotion to Code Enforcement Officer. Carrie fills the position being vacated by Craig Alfis due to his transition to Fire Chief.

Carrie joined the Town of Kittery Planning and Development Department as the Staff Clerk in 2019. Since joining the team, Carrie has become very knowledgeable in all manner of the department operations from Code to Assessing to Planning. She has been actively studying for the State of Maine's certification tests including Shoreland Zoning, Land Use Planning, Internal Plumbing, Subsurface Wastewater Disposal, Building Standards, and Legal Issues in preparation for the role.

Carrie's experience, understanding of the Town's Code, operations and commitment to excellence in service will be of great value to customers and the team she works with.

Kittery's Code Enforcement team is now entirely women. This is an important milestone as we recognize Women's History Month and all women who have broken through glass ceilings and serve in historically male-dominated careers.

8. Upcoming Dates:

- She's Too Emotional: Overcoming Biases as Women Leaders – March 27, 6PM Kittery Community Center
- Easter Egg Hunt- March 30, 9AM & 10AM, Kittery Community Center
- Market Study Presentation – April 1, 6:30PM, Zoom Webinar
- Become an Upstander: Bystander Intervention – April 3, 5:30PM, Rice Public Library
- Paved Paradise with Author Henry Grabar – April 11, 6PM, Rice Public Library
- Town Offices Closed for Patriots Day – April 15
- Education Scholarship Application Deadline – April 19, Town Clerk

Respectfully Submitted,



Kendra Amaral
Town Manager



Stormwater Effort

Kittery, ME

1 inch = 137 Feet



www.cai-tech.com

March 20, 2024



Data shown on this map is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this map.

THE TOWN OF KITTERY INVITES YOU TO



She's →
TOO EMOTIONAL

OVERCOMING BIASES AS WOMEN LEADERS

AND CLAIMING YOUR SEAT AT THE TABLE



MARCH 27, 2024
6:00 PM

Kittery Community Center Star Theatre
120 Rogers Road - Kittery, Maine

Join the Town of Kittery for a FREE lecture event that shines a light on the critical issue of gender bias in leadership.

Hear from local women leaders as they share their unique perspectives and stories to help break down barriers and inspire women to seize leadership roles and drive positive change in their communities.

OUR SPEAKERS

- Kittery Town Manager, Kendra Amaral
- Black Heritage Trail NH Exec. Director, JerriAnne Boggis
- Portsmouth City Manager, Karen Conard
- Kittery Firefighter, Kellie Huddleston
- Kittery Aroma Joe's Branch Owner, Maryna Shuliakouskaya
- Kittery Town Councilor, Judy Spiller



Learn more by scanning the QR Code above or visiting: www.kitteryme.gov/shestooemotional

TOWN OF KITTERY MARKET STUDY



PUBLIC PRESENTATION

APRIL 1, 2024 | 6:30 PM
ZOOM MEETING



ABOUT THE STUDY

The Town of Kittery has conducted a market study to identify trends, opportunities, and constraints for land uses in the region and in local and targeted areas throughout Town.

This study analyzes existing population and economic conditions, local and regional real estate and economic trends, and local area opportunities and constraints.

The results of this study will provide a basis for zoning and inform the Comprehensive Plan Update scheduled to begin this fall and be used to help evaluate zoning opportunities that meet the needs of the community and reflect the realities of the development market.

LEARN MORE

Join the Town of Kittery and project team for a Public Presentation of the Market Study on Monday, April 1, 2024, at 6:30 PM via Zoom. The meeting will feature an overview of the study and its results, along with a Q&A.



FMI: SCAN THE QR CODE OR VISIT: WWW.KITTERYME.GOV/MARKETSTUDY

THE TOWN OF KITTERY DIVERSITY, EQUITY & INCLUSION COMMITTEE INVITES YOU TO

BECOME AN UPSTANDER

A BYSTANDER INTERVENTION TRAINING EVENT FACILITATED BY PAC MAINE



Have you ever overheard a biased comment or observed someone being harassed and not known what to do? We've all been there, and **Prevention. Action. Change. Maine** can help.

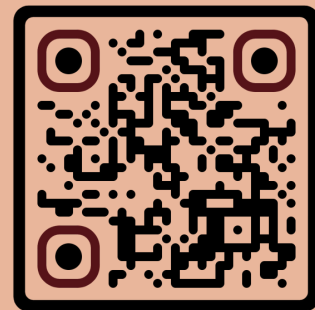
Join your friends and neighbors for a FREE event to learn how to recognize identity-based harassment and intervene safely and effectively.



WEDNESDAY, APRIL 3, 2024
5:30 PM - 8:00 PM



Rice Public Library
8 Wentworth Street, Kittery, ME

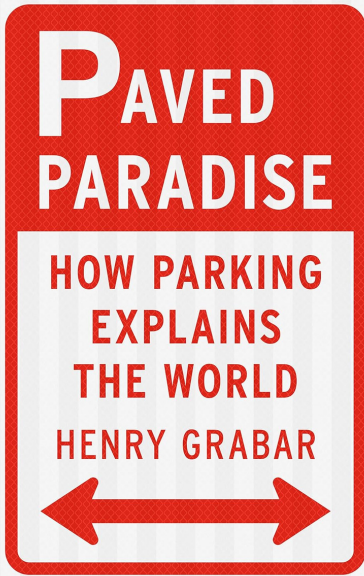


SCAN ME



**FOR MORE INFO OR TO REGISTER, SCAN THE QR CODE ABOVE OR VISIT:
WWW.RICE.LIB.ME.US**

Kittery Books & Big Ideas Presents



“Paved Paradise”

BOOK

DISCUSSION

With Author, Henry Grabar

Parking plays a central role in nearly every aspect of modern life. Parking influences design of new buildings, patterns of traffic and the viability of transit, the quality of public space and so much more.

Is this the best use of our finite resources and space? Is parking really more important than anything?

Join Author, Henry Grabar as he explores these questions and discusses his book, “Paved Paradise”.



April 11, 2024 | 6:00 PM



**Rice Public Library
8 Wentworth Street
Kittery, ME**

Learn more & register by scanning the QR code below or by visiting www.rice.lib.us.



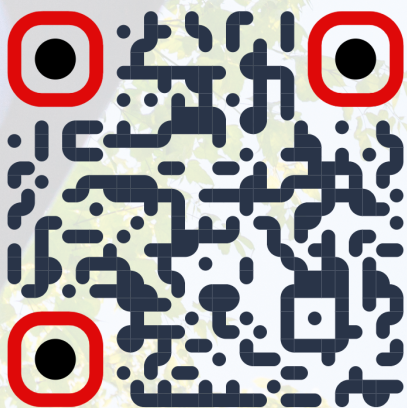


KITTERY EDUCATIONAL SCHOLARSHIP

Funded from generous donations of redeemable containers from Kittery residents at the Kittery Resource Recovery Facility.

To learn more or fill out an application, please scan the QR Code below or visit:

www.kitteryme.gov/scholarship



DEADLINE TO APPLY: APRIL 19, 2024

BOOKS & *Big Ideas*

A KITTERY COMMUNITY READ PROGRAM

By reading and sharing unique perspectives about topics that affect our friends and neighbors, we can foster community understanding and find creative solutions to help Kittery thrive. Our Winter/Spring 2024 subject is:

Climate Action and Sustainability

Read one of our selected titles and join the conversation at one of our upcoming public events.

For more information about what we're reading and why, please visit:

WWW.KITTERYME.GOV/READS





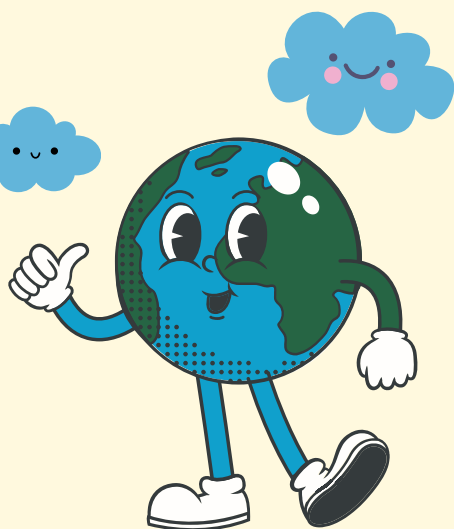
TOWN OF KITTERY

SMALL STEPS, BIG CHANGE WHAT WILL YOU PLEDGE?

Get your green game on and make a climate action pledge to support a more sustainable and resilient Kittery.

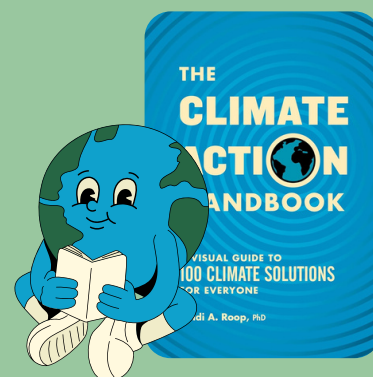
This spring/winter, we are reading about climate action and sustainability in Kittery as part of our Books & Big Ideas Community Read Program.

But why stop there? We invite our community members to read one of our selected titles "The Climate Action Handbook" and become a climate action champion or sustainability superhero by making your very own climate action pledge for Kittery.



READ

Read the Climate Action Handbook by Heidi A. Roop to learn about climate actions and solutions that can be incorporated into your daily life to help reduce the adverse effects of climate change through actions big and small.

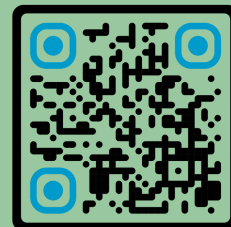


PLEDGE

Select a suggested climate action or solution from the book, or create your own, and pledge to incorporate that action into your daily routines and habits. Submit your pledge at Town Hall and be entered to win 1 of 5 eco-awesome prize packs.

Pledge forms are available online and at Town Hall and should be submitted to hmock@kitteryme.org.

For more info or to submit your pledge, please scan the QR code here for visit visit: www.kitteryme.gov/pledgeit



SCAN ME

THE DEADLINE TO SUBMIT YOUR PLEDGE & BE ENTERED TO WIN IS APRIL 30, 2024.

TOWN OF KITTEERY

SMALL STEPS, BIG CHANGE PLEDGE FORM

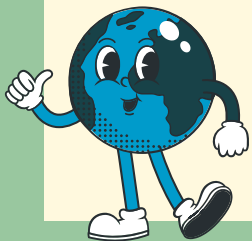
Select a suggested climate action or solution from “The Climate Action Handbook” or create your own, and pledge to incorporate that action into your daily life.

NAME: _____

PHONE NUMBER: _____

EMAIL: _____

TELL US ABOUT YOUR PLEDGE:



**PLEASE SUBMIT COMPLETED PLEDGE FORMS TO HALEY MOCK AT THE
TOWN HALL ADMINISTRATIVE OFFICES OR [HMOCK@KITTERYME.ORG](mailto:hmock@kitteryme.org).**



Proven Expertise & Integrity

March 19, 2024

Town Council
Town of Kittery
200 Rogers Road
Kittery, Maine 03904

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Kittery, Maine for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 24, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Kittery, Maine are described in Note 1 of Notes to Financial Statements. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1 of Notes to Financial Statements, the Town of Kittery, Maine changed accounting policies related to Governmental Accounting Standards Board (GASB Statement) No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, GASB Statement No. “Subscription-Based Information Technology Arrangements” and GASB Statement No. 99 “Omnibus 2022” in 2023. There was no impact in the financial statements based on the cumulative effect of these accounting changes.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Kittery, Maine’s financial statements were:

- Allowance for uncollectible accounts
- Depreciation expense which is based on the estimated useful lives of capital assets
- Pension and PE related assets, liabilities and revenues/expenses which are based on actuarial valuations
- Accrued compensated absences
- Deferred property tax revenues

Management's process for determining the above estimates is based on firm concepts and reasonable assumptions of both historical and future events. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

ertain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reflected in the deposits and investments, capital assets and other long-term obligations footnotes.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. A schedule of any uncorrected misstatements has been presented to management with the management representation letter. We identified and proposed adjustments of misstatements as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated ebruary 15, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

However, we noted certain other matters that we reported to management of the Town of Kittery, Maine in a separate letter dated February 20, 2024.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, Schedule of Proportionate Share of the Net Pension Liability/(Asset), Schedule of Contributions - Pensions, Schedule of Changes in Net PEP Liability - SET Plan, Schedule of Changes in Net PEP Liability - MMEPT Plan, Schedule of Changes in Net PEP Liability and Related Ratios - MMEPT Plan, Schedule of Changes in Net PEP Liability - MEAPT Plan, Schedule of Changes in Net PEP Liability and Related Ratios - MEAPT Plan, Schedule of Contributions - PEP and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

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

Kittery, Maine,

RHR Smith & Company

RHR Smith & Company, PAs



Proven Expertise & Integrity

February 20, 2024

Town Council
Town of Kittery
P. O. Box 808
Kittery, ME 03904

MANAGEMENT LETTER

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Kittery as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Town of Kittery's internal control over financial reporting or compliance.

Management is responsible for the selection and use of appropriate accounting policies and procedures. The significant accounting policies and procedures practiced by the Town of Kittery are described in Note 1 of Notes to Financial Statements. In performing our test work and other auditing procedures, we noted no transactions of the Town of Kittery for the above-mentioned year end audited, for which there was a lack of authoritative guidance or consensus or deviation from best practice.

This report is intended solely for the information and use of the Town Council, management and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2023, where we expressed an unmodified opinion on our independent auditor's report dated March 19, 2024.

We would like to thank Kendra, Beth and all of the staff at the Town of Kittery for their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,

A handwritten signature in black ink that reads "RHR Smith & Company".

RHR Smith & Company, CPAs

Federal Compliance Audit

Town of Kittery, Maine

June 30, 2023



Proven Expertise & Integrity

TOWN OF KITTERY, MAINE

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JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Kittery
Kittery, Maine

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 Kittery, Maine as of June 30, 2023 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of

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internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kittery, Maine's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Kittery, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 13 and 87 through 97 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kittery, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, on our consideration of the Town of Kittery, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Kittery, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Kittery, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
March 19, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(UNAUDITED)

The following management's discussion and analysis of Town of Kittery, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Kittery'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, pension and OPEB schedules 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 regard 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 Kittery 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 sanitation, social services, education, program expenses and grant funds/miscellaneous accounts.
- *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 Kittery include the sewer department.

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 Kittery, 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 Kittery can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 Kittery 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 education fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and education fund are the only funds for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund provide comparisons of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Kittery maintains one proprietary fund, the Sewer Department Fund. This fund is 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.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Kittery. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

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 Changes in Net Position - Fiduciary 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, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pensions, a Schedule

of Proportionate Share of the Net OPEB Liability - SET Plan, a Schedule of Contributions - OPEB, a Schedule of Changes in Net OPEB Liability - MMEHT Plan, a Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan, a Schedule of Changes in Net OPEB Liability - MEABT Plan, a Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan, a Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard 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 net position for governmental activities is \$36,682,007 compared to \$35,037,571 in the prior year, an increase of \$1,644,436. For the business-type activities, total net position is \$10,974,968 compared to \$11,496,779 in the prior year, a decrease of \$521,811.

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 - is \$6,726,994 at the end of this year for governmental activities and \$1,997,188 for the business-type activities.

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

	Governmental Activities		Business-type Activities	
	2022		2023	2022
	2023	(Restated)		
Assets:				
Current Assets	\$ 26,449,984	\$ 26,297,778	\$ 3,692,968	\$ 4,027,232
Noncurrent Assets - Capital Assets	39,736,725	39,462,856	17,876,175	18,675,951
Total Assets	66,186,709	65,760,634	21,569,143	22,703,183
Deferred Outflows of Resources:				
Deferred Outflows Related to Dineen Property	157,666	157,666	-	-
Deferred Outflows Related to Pensions	2,190,746	2,361,415	155,362	179,228
Deferred Outflows Related to OPEB	1,460,156	1,560,791	-	-
Total Deferred Outflows of Resources	3,808,568	4,079,872	155,362	179,228
Liabilities:				
Current Liabilities	4,731,770	5,112,468	753,442	694,725
Noncurrent Liabilities	23,684,671	22,069,561	8,594,810	8,935,120
Total Liabilities	28,416,441	27,182,029	9,348,252	9,629,845
Deferred Inflows of Resources:				
Deferred Revenue	-	-	1,295,551	1,360,409
Prepaid Taxes	295	3,128	-	-
Deferred Inflows Related to Pensions	1,142,381	4,244,759	105,734	395,378
Deferred Inflows Related to OPEB	3,754,153	3,373,019	-	-
Total Deferred Inflows of Resources	4,896,829	7,620,906	1,401,285	1,755,787
Net Position:				
Net Investment in Capital Assets	27,568,729	25,630,155	8,977,780	9,140,575
Restricted	2,386,284	3,248,522	-	-
Unrestricted (Deficit)	6,726,994	6,158,894	1,997,188	2,356,204
Total Net Position	\$ 36,682,007	\$ 35,037,571	\$ 10,974,968	\$ 11,496,779

Revenues and Expenses

Revenues for the Town's governmental activities increased by 0.63%, while total expenses increased by 8.08%. The increase in revenues was primarily due to taxes, grants and contributions not restricted to specific programs and investment income. The increase in expenses was primarily due to public safety, recreation and culture and capital outlay partially offset by decreases in public safety, recreation and culture, education and capital outlay.

Revenues decreased by 21.96% in the Town's business type activities, while the total expenses increased by 17.02%.

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

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 2,740,147	\$ 4,197,725	\$ 2,937,068	\$ 3,755,156
Operating grants and contributions	3,643,619	3,541,322	-	-
<i>General Revenues:</i>				
Taxes	30,706,329	29,250,207	-	-
Grants and contributions not restricted to specific programs	6,066,709	5,711,395	-	-
Investment income	440,387	(25,962)	5,172	4,269
Miscellaneous	1,314,907	1,955,952	5,099	17,217
Total Revenues	<u>44,912,098</u>	<u>44,630,639</u>	<u>2,947,339</u>	<u>3,776,642</u>
Expenses				
General government	5,145,347	5,530,680	-	-
Public safety	4,663,835	4,106,912	-	-
Public works	2,052,150	2,054,468	-	-
Recreation and culture	2,543,995	2,152,783	-	-
Health and sanitation	682,915	625,149	-	-
Social services	175,908	67,095	-	-
Education	20,886,470	20,015,146	-	-
County tax	989,989	1,005,790	-	-
Program expenses	918,159	615,028	-	-
State of Maine on-behalf payments	1,909,188	1,774,450	-	-
Capital outlay	2,707,333	1,475,552	-	-
Grant funds/misc. accounts	288,664	249,933	-	-
Unallocated depreciation (Note 5)*	-	4,860	-	-
Interest on long-term debt	303,709	356,379	-	-
Sewer department	-	-	3,469,150	2,964,647
Total Expenses	<u>43,267,662</u>	<u>40,034,225</u>	<u>3,469,150</u>	<u>2,964,647</u>
Change in Net Position	1,644,436	4,596,414	(521,811)	811,995
Net Position - July 1, Restated	<u>35,037,571</u>	<u>30,441,157</u>	<u>11,496,779</u>	<u>10,684,784</u>
Net Position - June 30	<u>\$ 36,682,007</u>	<u>\$ 35,037,571</u>	<u>\$ 10,974,968</u>	<u>\$ 11,496,779</u>

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 Kittery, Maine
Fund Balances - Governmental Funds
June 30,

	2023	2022 (Restated)	Change Increase (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 285,746	\$ 498,893	\$ (213,147)
Committed	100,000	100,000	-
Unassigned	11,316,745	10,273,357	1,043,388
Education Fund:			
Nonspendable	186,430	158,489	27,941
Assigned	935,190	500,000	435,190
Unassigned	1,627,809	1,680,190	(52,381)
Total Major Funds	\$ 14,451,920	\$ 13,210,929	\$ 1,240,991
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 20,359	\$ 13,617	\$ 6,742
Restricted	937,809	1,204,074	(266,265)
Committed	4,691,778	3,869,741	822,037
Assigned	691,920	665,727	26,193
Unassigned	(934,958)	(232,824)	(702,134)
Capital Projects Funds:			
Restricted	1,158,549	1,285,852	(127,303)
Committed	1,456,175	1,908,116	(451,941)
Permanent Funds:			
Nonspendable	60,000	60,000	-
Restricted	671,029	684,939	(13,910)
Unassigned	(1,538)	(1,538)	-
Total Nonmajor Funds	\$ 8,751,123	\$ 9,457,704	\$ (706,581)

The changes to total fund balances for the general fund, education fund and other governmental funds occurred due to the regular activity of operations.

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 sewer department fund had a decrease in net position of \$521,811 from the prior year due primarily to an operating loss of \$400,227 that exceeded net nonoperating expenses of \$121,584.

Budgetary Highlights

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

The general fund actual revenues exceeded the budget by \$1,689,396. This was a result of all revenue categories being receipted within in or in excess of budgeted amounts.

The general fund actual expenditures were under budget by \$288,845. All expenditure categories were within or under budget with the exception of public works, interest on long-term debt and transfers to other funds.

There was no difference between the original and final budget for the education fund with the exception of the use of assigned fund balances.

The education fund actual revenues exceeded the budget by \$302,413. This was a result of all revenue categories being receipted within or in excess of budgeted amounts with the exception of Medicaid revenue.

The education fund actual expenditures were below budget by \$608,337. All expenditure categories were within or under budget except for transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Town decreased by \$525,907. This decrease is a result of capital additions of \$2,578,675 less current year depreciation expense of \$3,104,582. Refer to Note 5 of Notes to Financial Statements for additional information.

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

	2023	2022
Land	\$ 11,236,886	\$ 11,236,886
Construction in progress	64,225	387,116
Land improvements	877,556	985,606
Buildings and improvements	26,903,808	28,086,462
Machinery, equipment and vehicles	5,687,871	4,669,870
Infrastructure	12,842,554	12,772,867
Total	\$ 57,612,900	\$ 58,138,807

Debt

At June 30, 2023, the Town had \$20,802,847 in bonds and notes from direct borrowings payable versus \$23,368,077 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately nine months, while also maintaining significant reserve accounts for future capital and program needs. The FY 24 School Department budget could be severely impacted by the reduction of funding from the State.

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 Finance Department at 200 Rogers Road, Kittery, Maine 03904.

TOWN OF KITTERY, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 26,895,975	\$ 2,604	\$ 26,898,579
Investments	546,387	-	546,387
Accounts receivable (net of allowance for uncollectibles):			
Taxes	734,505	-	734,505
Other	350,165	1,120,781	1,470,946
Prepaid items	387,194	-	387,194
Inventory	28,676	-	28,676
Tax acquired property	76,665	-	76,665
Internal balances	(2,569,583)	2,569,583	-
Total current assets	<u>26,449,984</u>	<u>3,692,968</u>	<u>30,142,952</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	11,015,131	285,980	11,301,111
Buildings and vehicles net of accumulated depreciation	28,721,594	17,590,195	46,311,789
Total noncurrent assets	<u>39,736,725</u>	<u>17,876,175</u>	<u>57,612,900</u>
TOTAL ASSETS	<u>66,186,709</u>	<u>21,569,143</u>	<u>87,755,852</u>
DEFERRED OUTFLOWS OF RESOURCES			
Dineen property	157,666	-	157,666
Deferred outflows related to pensions	2,190,746	155,362	2,346,108
Deferred outflows related to OPEB	1,460,156	-	1,460,156
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,808,568</u>	<u>155,362</u>	<u>3,963,930</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 69,995,277</u>	<u>\$ 21,724,505</u>	<u>\$ 91,719,782</u>

STATEMENT A (CONTINUED)

TOWN OF KITTERY, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 880,128	\$ 158,767	\$ 1,038,895
Accrued payroll	963,173	-	963,173
Accrued expenses	1,009,447	10,877	1,020,324
Due to other governments	13,997	-	13,997
Escrows	132,951	-	132,951
Current portion of long-term obligations	1,732,074	583,798	2,315,872
Total current liabilities	<u>4,731,770</u>	<u>753,442</u>	<u>5,485,212</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Bonds payable	10,585,264	8,326,376	18,911,640
Notes from direct borrowings payable	102,364	-	102,364
Accrued compensated absences	1,006,827	47,115	1,053,942
Net pension liability/(asset)	2,537,652	221,319	2,758,971
Net OPEB liability	9,452,564	-	9,452,564
Total noncurrent liabilities	<u>23,684,671</u>	<u>8,594,810</u>	<u>32,279,481</u>
TOTAL LIABILITIES	<u>28,416,441</u>	<u>9,348,252</u>	<u>37,764,693</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	1,295,551	1,295,551
Prepaid taxes	295	-	295
Deferred inflows related to pensions	1,142,381	105,734	1,248,115
Deferred inflows related to OPEB	3,754,153	-	3,754,153
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,896,829</u>	<u>1,401,285</u>	<u>6,298,114</u>
NET POSITION			
Net investment in capital assets	27,568,729	8,977,780	36,546,509
Restricted	2,386,284	-	2,386,284
Unrestricted	6,726,994	1,997,188	8,724,182
TOTAL NET POSITION	<u>36,682,007</u>	<u>10,974,968</u>	<u>47,656,975</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 69,995,277</u>	<u>\$ 21,724,505</u>	<u>\$ 91,719,782</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<u>Governmental activities:</u>							
General government	\$ 5,145,347	\$ 573,934	\$ 132,450	\$ -	\$ (4,438,963)	\$ -	\$ (4,438,963)
Public safety	4,663,835	308,221	-	-	(4,355,614)	-	(4,355,614)
Public works	2,052,150	17,814	-	-	(2,034,336)	-	(2,034,336)
Recreation and culture	2,543,995	1,291,834	-	-	(1,252,161)	-	(1,252,161)
Health and sanitation	682,915	153,982	-	-	(528,933)	-	(528,933)
Social services	175,908	-	-	-	(175,908)	-	(175,908)
Education	20,886,470	25,029	1,601,981	-	(19,259,460)	-	(19,259,460)
County tax	989,989	-	-	-	(989,989)	-	(989,989)
Program expenses	918,159	369,333	-	-	(548,826)	-	(548,826)
State of Maine on-behalf payments	1,909,188	-	1,909,188	-	-	-	-
Capital outlay	2,707,333	-	-	-	(2,707,333)	-	(2,707,333)
Grant funds/misc. accounts	288,664	-	-	-	(288,664)	-	(288,664)
Interest on long-term debt	303,709	-	-	-	(303,709)	-	(303,709)
Total governmental activities	<u>43,267,662</u>	<u>2,740,147</u>	<u>3,643,619</u>	<u>-</u>	<u>(36,883,896)</u>	<u>-</u>	<u>(36,883,896)</u>
<u>Business-type activities:</u>							
Sewer department	<u>3,469,150</u>	<u>2,937,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(532,082)</u>	<u>(532,082)</u>
Total business-type activities	<u>3,469,150</u>	<u>2,937,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(532,082)</u>	<u>(532,082)</u>
Total government	<u>\$ 46,736,812</u>	<u>\$ 5,677,215</u>	<u>\$ 3,643,619</u>	<u>\$ -</u>	<u>(36,883,896)</u>	<u>(532,082)</u>	<u>(37,415,978)</u>

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

STATEMENT B (CONTINUED)
TOWN OF KITTEERY, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(36,883,896)	(532,082)	(37,415,978)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	28,539,214	-	28,539,214
Excise taxes	2,167,115	-	2,167,115
Grants and contributions not restricted to specific programs	6,066,709	-	6,066,709
Investment income, net of unrealized gains/(losses)	440,387	5,172	445,559
Miscellaneous	1,314,907	5,099	1,320,006
Total general revenues	<u>38,528,332</u>	<u>10,271</u>	<u>38,538,603</u>
Change in net position	1,644,436	(521,811)	1,122,625
NET POSITION - JULY 1, RESTATED	<u>35,037,571</u>	<u>11,496,779</u>	<u>46,534,350</u>
NET POSITION - JUNE 30	<u>\$ 36,682,007</u>	<u>\$ 10,974,968</u>	<u>\$ 47,656,975</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Education Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 26,732,093	\$ 99,899	\$ 63,983	\$ 26,895,975
Investments	-	-	546,387	546,387
Accounts receivables (net of allowance for uncollectibles):				
Taxes/liens	734,505	-	-	734,505
Other	53,886	47,800	248,479	350,165
Prepaid items	200,764	186,430	-	387,194
Inventory	8,317	-	20,359	28,676
Tax acquired property	76,665	-	-	76,665
Due from other funds	3,445,456	7,181,280	9,112,936	19,739,672
TOTAL ASSETS	31,251,686	7,515,409	9,992,144	48,759,239
DEFERRED OUTFLOWS OF RESOURCES				
Dineen property	157,666	-	-	157,666
TOTAL DEFERRED OUTFLOWS OF RESOURCES	157,666	-	-	157,666
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 31,409,352	\$ 7,515,409	\$ 9,992,144	\$ 48,916,905
LIABILITIES				
Accounts payable	\$ 203,349	\$ 116,052	\$ 560,727	\$ 880,128
Accrued payroll	71,318	891,855	-	963,173
Accrued expenses	16,536	992,911	-	1,009,447
Due to other governments	13,997	-	-	13,997
Escrows	132,951	-	-	132,951
Due to other funds	18,863,799	2,765,162	680,294	22,309,255
TOTAL LIABILITIES	19,301,950	4,765,980	1,241,021	25,308,951
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	295	-	-	295
Deferred tax revenues	404,616	-	-	404,616
TOTAL DEFERRED INFLOWS OF RESOURCES	404,911	-	-	404,911
FUND BALANCES				
Nonspendable	285,746	186,430	80,359	552,535
Restricted	-	-	2,767,387	2,767,387
Committed	100,000	-	6,147,953	6,247,953
Assigned	-	935,190	691,920	1,627,110
Unassigned	11,316,745	1,627,809	(936,496)	12,008,058
TOTAL FUND BALANCES	11,702,491	2,749,429	8,751,123	23,203,043
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 31,409,352	\$ 7,515,409	\$ 9,992,144	\$ 48,916,905

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds
Total Fund Balances	\$ 23,203,043
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	39,736,725
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	404,616
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	2,190,746
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	1,460,156
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(11,904,452)
Notes from direct borrowings payable	(263,544)
Accrued compensated absences	(1,258,533)
Net pension (liability)	(2,537,652)
Net OPEB liability	(9,452,564)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(1,142,381)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(3,754,153)
Net position of governmental activities	\$ 36,682,007

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Education Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
General tax revenue	\$ 13,307,763	\$ 17,511,685	\$ -	\$ 30,819,448
Intergovernmental revenue	2,298,888	2,230,565	3,271,687	7,801,140
Charges for services	2,345,785	25,029	369,333	2,740,147
Investment income, net of unrealized gains/(losses)	399,460	-	40,927	440,387
State of Maine on-behalf payments	-	1,475,562	-	1,475,562
Other revenue	168,796	15,756	1,130,355	1,314,907
TOTAL REVENUES	18,520,692	21,258,597	4,812,302	44,591,591
EXPENDITURES				
Current:				
General government	4,925,832	-	3,655	4,929,487
Public safety	3,915,814	-	371,614	4,287,428
Public works	1,328,399	-	-	1,328,399
Recreation and culture	1,980,821	-	244,283	2,225,104
Health and sanitation	623,906	-	56,500	680,406
Social services	175,908	-	-	175,908
Education	-	18,234,492	2,186,905	20,421,397
County tax	989,989	-	-	989,989
State of Maine on-behalf payments	-	1,475,562	-	1,475,562
Grant funds/misc. accounts	288,664	-	-	288,664
Program expenses	-	-	918,159	918,159
Debt service:				
Principal	890,302	603,500	-	1,493,802
Interest	209,416	94,293	-	303,709
Capital outlay	-	-	4,539,167	4,539,167
TOTAL EXPENDITURES	15,329,051	20,407,847	8,320,283	44,057,181
EXCESS REVENUES OVER (UNDER) EXPENDITURES	3,191,641	850,750	(3,507,981)	534,410
OTHER FINANCING SOURCES				
Transfers in	35,000	-	3,237,599	3,272,599
Transfers (out)	(2,396,400)	(440,000)	(436,199)	(3,272,599)
TOTAL OTHER FINANCING SOURCES (USES)	(2,361,400)	(440,000)	2,801,400	-
NET CHANGE IN FUND BALANCES	830,241	410,750	(706,581)	534,410
FUND BALANCES - JULY 1, RESTATED	10,872,250	2,338,679	9,457,704	22,668,633
FUND BALANCES - JUNE 30	\$ 11,702,491	\$ 2,749,429	\$ 8,751,123	\$ 23,203,043

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 534,410</u>
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:	
Capital asset acquisitions	2,292,425
Depreciation expense	<u>(2,018,556)</u>
	<u>273,869</u>
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:	
Pensions	(170,669)
OPEB	<u>(100,635)</u>
	<u>(271,304)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported:	
Taxes and liens receivable	<u>(113,119)</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	
	<u>(460,591)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>2,125,296</u>
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:	
Pensions	3,102,378
OPEB	<u>(381,134)</u>
	<u>2,721,244</u>
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:	
Accrued compensated absences	(293,696)
Net pension liability/(asset)	(2,716,168)
Net OPEB liability	<u>(155,505)</u>
	<u>(3,165,369)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 1,644,436</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Department</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,604
Accounts receivable (net of allowance for uncollectibles)	1,120,781
Due from other funds	<u>2,569,583</u>
Total current assets	<u>3,692,968</u>
Noncurrent assets:	
Capital assets:	
Land	285,980
Buildings and improvements	19,456,787
Machinery, equipment and vehicles	722,258
Infrastructure	<u>12,009,465</u>
Total capital assets	32,474,490
Less: accumulated depreciation	<u>(14,598,315)</u>
Total noncurrent assets	<u>17,876,175</u>
TOTAL ASSETS	<u>21,569,143</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>155,362</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>155,362</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 21,724,505</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 158,767
Accrued expenses	10,877
Current portion of long-term obligations	<u>583,798</u>
Total current liabilities	<u>753,442</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	8,326,376
Accrued compensated absences	47,115
Net pension liability	<u>221,319</u>
Total noncurrent liabilities	<u>8,594,810</u>
TOTAL LIABILITIES	<u>9,348,252</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	1,295,551
Deferred inflows related to pensions	<u>105,734</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,401,285</u>
NET POSITION	
Net investment in capital assets	8,977,780
Unrestricted	<u>1,997,188</u>
TOTAL NET POSITION	<u>10,974,968</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 21,724,505</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Fund Sewer Department
OPERATING REVENUES	
Charges for services	\$ 2,937,068
Other	5,099
TOTAL OPERATING REVENUES	2,942,167
OPERATING EXPENSES	
Salaries and wages	563,100
Benefits	259,411
Increase (decrease) in expenses related to net pension liability, deferred outflows and inflows of resources related to pensions	(25,943)
Contracted services	129,081
Insurance	31,458
Utilities	195,348
Fuel / motor	29,320
Repairs, maintenance and equipment	45,108
Supplies and office	90,295
Chemicals	161,290
Sludge management	263,167
Depreciation	1,086,026
Other	514,733
TOTAL OPERATING EXPENSES	3,342,394
OPERATING INCOME (LOSS)	(400,227)
NONOPERATING REVENUES (EXPENSES)	
Interest income	5,172
Interest expense	(126,756)
TOTAL NONOPERATING REVENUES (EXPENSES)	(121,584)
CHANGE IN NET POSITION	(521,811)
NET POSITION - JULY 1	11,496,779
NET POSITION - JUNE 30	\$ 10,974,968

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Department</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,777,473
Other receipts	5,099
Internal activity - receipts (payments) from/to other funds	429,048
Payments to employees	(832,677)
Payments to suppliers	(1,334,081)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,044,862</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	5,172
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5,172</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital assets purchased	(286,250)
Interest payments on bond payable	(126,756)
Principal payments on bond payable	(636,981)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,049,987)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	47
CASH AND CASH EQUIVALENTS - JULY 1	<u>2,557</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 2,604</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (400,227)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	1,086,026
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(94,737)
(Increase) decrease in due from other funds	429,048
(Increase) decrease in deferred outflows related to pensions	23,866
(Decrease) increase in accounts payable	123,418
(Decrease) increase in accrued expenses	2,301
(Decrease) increase in accrued compensated absences	(10,166)
(Decrease) increase in deferred revenues	(64,858)
(Decrease) increase in net pension liability	239,835
(Decrease) increase in deferred inflows related to pensions	(289,644)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,044,862</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Custodial Fund</u> Fiscal <u>Agent Fund</u>	<u>Private- Purpose Trust Funds</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 7,367
Due from other governments	<u>6,000</u>	<u>4,680</u>
TOTAL ASSETS	<u><u>\$ 6,000</u></u>	<u><u>\$ 12,047</u></u>
LIABILITIES		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION		
Restricted - held in trust	<u><u>\$ 6,000</u></u>	<u><u>\$ 12,047</u></u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Fund</u> Fiscal Agent Fund	<u>Private- Purpose Trust Funds</u>
ADDITIONS		
Contributions	\$ 6,000	\$ -
TOTAL ADDITIONS	<u>6,000</u>	<u>-</u>
DEDUCTIONS		
Scholarships	-	1,650
TOTAL DEDUCTIONS	<u>-</u>	<u>1,650</u>
CHANGE IN NET POSITION	6,000	(1,650)
NET POSITION - JULY 1	<u>-</u>	<u>13,697</u>
NET POSITION - JUNE 30	<u>\$ 6,000</u>	<u>\$ 12,047</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Kittery was incorporated under the laws of the State of Maine. The Town operates under Town Council-manager form of government and provides the following services: general government, public safety, public works, recreation and culture, health and sanitation, social services, education, program expenses and grant funds/miscellaneous accounts.

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. 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 sewer department and is categorized as a business-type activity. 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) 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 is 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.) excluding fiduciary activities. 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.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 and 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 Education Fund is used to account for all financial resources of the Kittery School Department. Revenue sources are from intergovernmental revenues, charges for services and other revenues.

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.
- 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

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Nonoperating 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.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (custodial and private-purpose trusts). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

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

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the education fund.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$ 19,783,035
Add: On-behalf payments	<u>1,475,562</u>
Total GAAP basis	<u><u>\$ 21,258,597</u></u>
Expenditures per budgetary basis	\$ 19,372,285
Add: On-behalf payments	<u>1,475,562</u>
Total GAAP basis	<u><u>\$ 20,847,847</u></u>

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 Town Council was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Town Council.

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 a cash equivalent. 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 deposit and other evidence of deposits at banks, savings and loan associations
- Prime bankers' acceptances
- Prime commercial papers
- Repurchase agreements whose underlying collateral consist of the foregoing
- Money market mutual funds whose portfolios consist of the foregoing

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the policy of the Town of Kittery, Maine to invest public funds in a manner in which will provide safety of principal with a market rate of return while meeting the daily cash flow demands of the Town and conforming to all state and local statutes governing the investment of public funds.

Receivables

Receivables include amounts due from governmental agencies. 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. The allowance for uncollectible accounts is estimated to be \$40,000 as of June 30, 2023. Accounts receivable netted with allowances for uncollectibles were \$1,470,946 for the year ended June 30, 2023.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). The general fund inventory consists of diesel fuel and gasoline. The school lunch fund inventory consists of school lunch supplies and food on hand at the end of the year.

Tax Acquired Property

Real property becomes tax acquired when tax liens placed on property and associated costs remain unpaid eighteen months after the filing of the tax lien in accordance with 36 M.R.S.A. § 943. The amount of the taxes and associated costs become assets classified as tax acquired property receivables that are secured by the real property that foreclosed.

After real property becomes tax acquired, the Town Manager will seek Town Council approval to dispose of the property. This can be done through sealed bid, public auction or other alternative methods as determined by the Town Manager. The policy and procedures are outlined in the Policy for Collection of Unpaid Property Taxes adopted May 30, 2018.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. 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 capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

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

Estimated useful lives are as follows:

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

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

The accounting treatment of long-term obligations 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 obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences, net pension liability and net OPEB liability.

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

Pensions

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

OPEB

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT) and Maine Education Association Benefits Trust (MEABT), which determined the School's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT and MEABT to complete the actuarial report. Additions to/deductions from the MMEHT and MEABT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT and MEABT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

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

Fund Balance

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 or the Town Council in

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accordance with its charter. The inhabitants of the Town, through Town meetings, are the highest level of decision-making authority of the Town in that they must approve certain annual budgets (School), bonding and appropriation of unassigned fund balance. The Town Council must approve other annual budgets (capital and Town operating) and spending. Commitments may be modified or rescinded in the same manner they were established.

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 given annually by the taxpayers and is expressed by the Town Council.

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.

The Town has a fund balance policy that guides the Town to maintain an unassigned fund balance equal to at least 8.34% but preferable at 12% of the Town's general fund budget, i.e. an amount equal to 2.5 months of operating expenses from the then current operating budget, whichever is higher.

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 three types of this item, deferred outflows related to the Dineen property, which is reported in both the statements of net position and governmental funds balance sheet, deferred outflows related to pensions and deferred outflows related to OPEB, which are reported in the statement of net position.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Deferred tax revenues, which arises only under a modified accrual basis of accounting qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions and OPEB qualify for reporting in this category as well. These items are 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 September 12, 2022 on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Taxes were due on October 31, 2022, February 15, 2023 and May 31, 2023. Interest on unpaid taxes commenced on November 1, 2022, February 16, 2023 and May 31, 2023 at 4% 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 \$651,401 for the year ended June 30, 2023.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

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).

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating/Nonoperating 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.

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 covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2023, the Town's cash balance of \$26,905,946 was comprised of bank deposits amounting to \$27,123,299. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Town's cash and cash equivalents balance. Of these bank deposits, \$679,613 was insured by federal depository insurance and consequently was not exposed to custodial credit risk. All of the bank deposits were insured or collateralized with securities held by the financial institution in the Town's name or with an irrevocable stand-by letter of credit.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 21,471,783
Savings accounts	10,064
Money market accounts	5,616,044
Cash and cash equivalents	25,408
	<u>\$ 27,123,299</u>

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 policy for custodial credit risk for investments. However, in accordance with its investment policy, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers.

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.

Of the Town's investments of \$546,387, all were covered by the Securities Investor Protection Corporation (SIPC) and consequently were not exposed to custodial credit risk.

At June 30, 2023, the Town had the following investments and maturities:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Debt securities:				
Corporate bonds	\$ 95,176	\$ -	\$ 95,176	\$ -
Equity securities:				
Common stock - domestic	165,361	165,361	-	-
Mutual funds:				
Equity - domestic	216,636	216,636	-	-
Equity - foreign	69,214	69,214	-	-
	<u>\$ 546,387</u>	<u>\$ 451,211</u>	<u>\$ 95,176</u>	<u>\$ -</u>

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2023:

	June 30, 2023 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
Corporate bonds	\$ 95,176	\$ -	\$ 95,176	\$ -
Total debt securities	<u>95,176</u>	<u>-</u>	<u>95,176</u>	<u>-</u>
Equity securities:				
Common stock - domestic	165,361	165,361	-	-
Mutual funds - domestic and foreign	285,850	285,850	-	-
Total equity securities	<u>451,211</u>	<u>451,211</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	546,387	<u>\$ 451,211</u>	<u>\$ 95,176</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	25,408			
Total cash equivalents measured at the NAV	<u>25,408</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 571,795</u>			

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level II or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2023 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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 repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 3,445,456	\$ 18,863,799
Education fund	7,181,280	2,765,162
Nonmajor special revenue funds	6,376,899	680,294
Nonmajor capital projects funds	2,616,916	-
Nonmajor permanent funds	119,121	-
Proprietary funds	2,569,583	-
	<u>\$ 22,309,255</u>	<u>\$ 22,309,255</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - INTERFUND TRANSFERS

At June 30, 2023, the Town had the following interfund transfers:

	Transfers From	Transfers To
General fund	\$ 35,000	\$ 2,396,400
Education fund	-	440,000
Nonmajor special revenue funds	2,679,568	46,490
Nonmajor capital projects funds	477,786	244,286
Nonmajor permanent funds	80,245	145,423
	<u>\$ 3,272,599</u>	<u>\$ 3,272,599</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Disposals	Balance, 6/30/23
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 10,950,906	\$ -	\$ -	\$ 10,950,906
Construction in progress	387,116	64,225	(387,116)	64,225
	<u>11,338,022</u>	<u>64,225</u>	<u>(387,116)</u>	<u>11,015,131</u>
Depreciated assets:				
Land improvements	2,551,832	-	-	2,551,832
Buildings and improvements	48,444,611	192,630	-	48,637,241
Machinery, equipment and vehicles	11,813,558	1,922,643	(57,942)	13,678,259
Infrastructure	13,760,312	500,043	-	14,260,355
	<u>76,570,313</u>	<u>2,615,316</u>	<u>(57,942)</u>	<u>79,127,687</u>
Less: accumulated depreciation	(48,445,479)	(2,018,556)	57,942	(50,406,093)
	<u>28,124,834</u>	<u>596,760</u>	<u>-</u>	<u>28,721,594</u>
Net capital assets	<u>\$ 39,462,856</u>	<u>\$ 660,985</u>	<u>\$ (387,116)</u>	<u>\$ 39,736,725</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/22	Additions	Disposals	Balance, 6/30/23
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 285,980	\$ -	\$ -	\$ 285,980
Depreciated assets:				
Buildings and improvements	19,456,787	-	-	19,456,787
Machinery, equipment and vehicles	722,258	-	-	722,258
Infrastructure	11,723,215	286,250	-	12,009,465
	31,902,260	286,250	-	32,188,510
Less: accumulated depreciation	(13,512,289)	(1,086,026)	-	(14,598,315)
	18,389,971	(799,776)	-	17,590,195
Net capital assets	\$ 18,675,951	\$ (799,776)	\$ -	\$ 17,876,175
<u>Current year depreciation expense:</u>				
General government				\$ 121,925
Police				158,760
Fire				217,647
Public works				733,751
Recreation and culture				236,182
Health and sanitation				2,509
Harbormaster				82,709
School department				465,073
Subtotal governmental				2,018,556
Sewer department				1,086,026
Subtotal business-type				1,086,026
Total depreciation expense				\$ 3,104,582

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance, 7/1/2022 (Restated)	Additions	Deletions	Balance, 6/30/23	Due Within One Year
<u>Governmental activities:</u>					
Bonds payable	\$ 13,408,254	\$ -	\$ (1,503,802)	\$ 11,904,452	\$ 1,319,188
Notes from direct borrowings payable	424,447	460,591	(621,494)	263,544	161,180
Total governmental activities	<u>\$ 13,832,701</u>	<u>\$ 460,591</u>	<u>\$ (2,125,296)</u>	<u>\$ 12,167,996</u>	<u>\$ 1,480,368</u>
<u>Business-type activities:</u>					
Bonds payable	<u>\$ 9,535,376</u>	<u>\$ -</u>	<u>\$ (636,981)</u>	<u>\$ 8,898,395</u>	<u>\$ 572,019</u>

The following is a summary of the outstanding bonds and notes from direct borrowings payable:

	<u>Governmental</u>	<u>Business-type</u>
<u>Bonds:</u>		
\$3,268,766, 2010 General Obligation Bond due in annual principal installments and semiannual interest installments through April of 2030. Interest is charged at a fixed rate of 1.00% per annum. Annual principal installments vary from \$148,142 to \$179,346.	\$ -	\$ 1,218,745
\$5,500,000, 2012 General Obligation Bond due in annual principal installments and semiannual interest installments through January of 2032. Interest is charged at a fixed rate ranging from 2.00% to 3.15% per annum. Annual principal installments are \$275,000.	2,475,000	-
\$150,000, 2014 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2034. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments vary from \$6,043 to \$10,111.	99,611	-
\$958,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2025. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments vary from \$95,000 to \$103,000.	285,000	-
\$1,300,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2025. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments are \$130,000.	390,000	-

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

	<u>Governmental</u>	<u>Business-type</u>
\$821,000, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2025. Interest is charged at a fixed rate of 2.00% per annum. Annual principal installments vary from \$80,000 to \$86,000.	240,000	-
\$11,990,025, 2015 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2036. Interest is charged at a fixed rate of 1.00% per annum. Annual principal installments vary from \$377,865 to \$742,381.	-	7,679,650
\$275,000, 2016 General Obligation Bond due in annual principal installments and semiannual interest installments through November of 2036. Interest is charged at a fixed rate ranging from 0.91% to 3.50% per annum. Annual principal installments vary from \$11,352 to \$17,779.	204,841	-
\$1,140,000 2016 General Obligation Bond due in annual principal installments and semiannual interest installments through November 2026. Interest is charged at a fixed rate ranging from 2% to 2.25% per annum. Annual Installments vary from \$147,100 to 111,238.	440,000	-
\$8,960,000 2021 General Obligation Bond due in annual principal and semiannual interest installments through March 2041. Interest is charged at a fixed rate ranging from 1% to 3% per annum. Annual principal installments vary from \$610,000 to \$250,000.	7,770,000	-
Total bonds payable	<u>\$ 11,904,452</u>	<u>\$ 8,898,395</u>
<u>Notes from direct borrowings payable:</u>		
\$131,156, 2016 Capital Lease payable to Norway Savings Bank for photocopiers due in annual installments of \$28,669 through August 2021. Interest is charged at a fixed rate of 3.04% per annum.	\$ 126,165	\$ -
\$44,818, 2021 Capital Lease payable to M.S.T. Government Leasing, LLC. For photocopiers due in annual installments of \$9,580 through August 2025. Interest is charged at a fixed rate of 3.29% per annum.	26,947	-
\$257,595, 2022 Capital Lease payable to Apple Financial Services. For computer equipment due in annual installments of \$85,865 through August 2025. Interest is charged at a fixed rate of 3.29% per annum.	85,865	-
\$49,134, 2022 Capital Lease payable to Apple Financial Services. For computer equipment due in annual installments of \$24,567 through August 2025. Interest is charged at a fixed rate of 3.29% per annum.	24,567	-
Total notes from direct borrowings payable	<u>\$ 263,544</u>	<u>\$ -</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

	Governmental Activities				Total Debt Service
	Bonds Payable		Notes from Direct Borrowings Payable		
	Principal	Interest	Principal	Interest	
2024	\$ 1,319,188	\$ 118,551	\$ 161,180	\$ 887	\$ 1,599,806
2025	1,319,612	99,743	51,034	601	1,470,990
2026	1,320,078	80,802	51,330	305	1,452,515
2027	1,015,590	64,014	-	-	1,079,604
2028	906,161	52,793	-	-	958,954
2029-2033	3,936,400	118,409	-	-	4,054,809
2034-2038	1,337,423	5,564	-	-	1,342,987
2039-2043	750,000	-	-	-	750,000
	<u>\$ 11,904,452</u>	<u>\$ 539,876</u>	<u>\$ 263,544</u>	<u>\$ 1,793</u>	<u>\$ 12,709,665</u>

	Business-type Activities		
	Bonds Payable		Total Debt Service
	Principal	Interest	
2024	\$ 572,019	\$ 119,918	\$ 691,937
2025	744,231	121,627	865,858
2026	751,701	114,156	865,857
2027	759,249	106,610	865,859
2028	766,870	98,988	865,858
2029-2033	3,402,514	356,060	3,758,574
2034-2038	1,901,811	125,177	2,026,988
	<u>\$ 8,898,395</u>	<u>\$ 1,042,536</u>	<u>\$ 9,940,931</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the business-type activities for the year ended June 30, 2023 was \$126,756.

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Due Within One Year
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 964,837	\$ 295,845	\$ (2,149)	\$ 1,258,533	\$ 251,706
Net pension liability	(178,516)	4,058,049	(1,341,881)	2,537,652	-
Net OPEB liability	9,297,059	218,513	(63,008)	9,452,564	-
	<u>\$ 10,083,380</u>	<u>\$ 4,572,407</u>	<u>\$ (1,407,038)</u>	<u>\$ 13,248,749</u>	<u>\$ 251,706</u>
<u>Business-type activities:</u>					
Accrued compensated absences	\$ 69,060	\$ -	\$ (10,166)	\$ 58,894	\$ 11,779
Net pension liability	(18,516)	333,013	(93,178)	221,319	-
	<u>\$ 50,544</u>	<u>\$ 333,013</u>	<u>\$ (103,344)</u>	<u>\$ 280,213</u>	<u>\$ 11,779</u>

Refer to Notes 8, 16, 18 and 20 for more detailed information regarding other long-term obligations.

NOTE 8 - ACCRUED 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 a long-term obligation 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, 2023, the Town's liability for compensated absences is \$1,317,427.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2023:

	Governmental Activities	Business-type Activities
Invested in capital assets	\$ 90,142,818	\$ 32,474,490
Accumulated depreciation	(50,406,093)	(14,598,315)
Outstanding capital related debt	(12,167,996)	(8,898,395)
	<u>\$ 27,568,729</u>	<u>\$ 8,977,780</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION

At June 30, 2023, the Town had the following restricted net position:

Nonmajor special revenue funds (Schedule E):	
Additional snow and ice damages	\$ 37,278
Public safety impact fees	234,605
MMA grants	285
PREPA grant	2,051
Affordable housing fund	150,000
School special revenue funds	72,487
Nonmajor capital projects funds (Schedule I):	
State aid to roads	678,086
Gorges Rd. fire station	480,463
Nonmajor permanent funds:	
Public health trust	26,378
Lester Raynes trust	10,000
Mary Safford Wildes	603,626
George Smart Santa	6,744
Recycling scholarship	25,680
Connie Samuels beautification	58,601
	<u>\$ 2,386,284</u>

NOTE 11 - NONSPENDABLE FUND BALANCES

At June 30, 2023, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 200,764
Inventory	8,317
Tax acquired property	76,665
Education fund:	
Prepaid items	186,430
Nonmajor special revenue funds (Schedule E)	20,359
Nonmajor permanent funds (Schedule I)	60,000
	<u>\$ 552,535</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 - RESTRICTED FUND BALANCES

At June 30, 2023, the Town had the following restricted fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 937,809
Nonmajor capital projects funds (Schedule G)	1,158,549
Nonmajor permanent funds (Schedule I)	671,029
	<u>\$ 2,767,387</u>

NOTE 13 - COMMITTED FUND BALANCES

At June 30, 2023, the Town had the following committed fund balances:

General fund:	
Salary and position adjustment	\$ 100,000
Nonmajor special revenue funds (Schedule E)	4,691,778
Nonmajor capital projects funds (Schedule G)	1,456,175
	<u>\$ 6,247,953</u>

NOTE 14 - ASSIGNED FUND BALANCES

At June 30, 2023, the Town had the following assigned fund balances:

Education fund	\$ 935,190
Nonmajor special revenue funds (Schedule E)	691,920
	<u>\$ 1,627,110</u>

NOTE 15 - DEFICIT FUND BALANCES

At June 30, 2023, the Town had the following deficit fund balances:

Nonmajor funds:	
Police New Officer	\$ 6,280
Oil and More Donations	15
ASA	23,541
Concert in the Park	2,548
Spruce Creek PH5 Grant	16,271
Emery Field PH2 LCWF Grant	313,588
Police Grant Support Det.	9,333
Sewer Betterments	24,000
Highway Vehicle	11,902
Port Authority Equipment	1,304

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFICIT FUND BALANCES (CONTINUED)

PFAS	525,868
School Special Revenue Funds	308
Total	<u>\$ 934,958</u>

NOTE 16 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 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. As of June 30, 2022, there were 311 employers in the plan.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 1.52%.

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 and fire department employees are part of the PLDs special plan "1C" (effective July 1, 2007) and are required to contribute 8.8% of their annual salary, while all other employees are part of regular plan "AC" and are required to contribute 8.1% of their annual salary. The Town is required to contribute the actuarially determined rates of 16.0% for special plan "1C" members' covered payroll and 10.1% for regular 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, 2023 was \$775,288.

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. 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 statute for State employee and teacher members. As of June 30, 2022, there were 239 employers, including the State of Maine, participating in the plan.

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 1.52%.

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 Department's teachers are required to contribute 7.65% of their compensation to the retirement system. The Department's payroll for teachers covered by this program was approximately \$10,325,837 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.29% of the Department's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

\$1,475,562 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated also requires the Department to contribute at an actuarially determined normal cost rate of 3.84%, which totaled \$409,939 for 2023. In addition, the Department is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.89% of compensation and totaled \$55,295 the year ended June 30, 2023.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2023, the Town reported a liability of \$2,758,971 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2022 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, 2022, the Town's proportion was 0.93126%, which was a decrease of 0.04174% from its proportion measured as of June 30, 2021.

SET Plan

At June 30, 2023, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 283,366
State's proportionate share of the net pension liability associated with the Town	<u>10,089,751</u>
Total	<u>\$ 10,373,117</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school units and the State actuarially determined. At June 30, 2022, the Town's proportion was 0.019083%, which was an increase of 0.00852% from its proportion measured as of June 30, 2021.

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

For the year ended June 30, 2023, the Town recognized total pension revenue of \$158,672 for the PLD plan and total pension expense of \$1,532,451 and revenue of \$1,475,562 for support provided by the State of Maine for the SET plan. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan		SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 460,075	\$ -	\$ 14,116	\$ -
Changes of assumptions	502,462	-	55,023	-
Net difference between projected and actual earnings on pension plan investments	-	1,039,025	-	55,810
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	143,682	73,909	9,598
Contributions subsequent to the measurement date	<u>775,288</u>	<u>-</u>	<u>465,235</u>	<u>-</u>
Total	<u>\$ 1,737,825</u>	<u>\$ 1,182,707</u>	<u>\$ 608,283</u>	<u>\$ 65,408</u>

\$775,288 for the PLD plan and \$465,235 for the SET plan were 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:

	PLD Plan	SET Plan
	<hr/>	<hr/>
Plan year ended June 30:		
2023	\$ 207,332	\$ 69,135
2024	(270,019)	(3,236)
2025	(645,500)	(14,581)
2026	488,017	26,323
2027	-	-
Thereafter	-	-

Actuarial Cost Method

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

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

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2022 are as follows:

Investment Rate of Return - For the PLD and State Employee and Teacher Plans, 6.50% per annum for the years ended June 30, 2022 and 2021, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% - 11.48%; teachers, 2.80% - 13.03% per year.

Mortality Rates - For the PLD Consolidated Plan and the State Employee and Teacher Plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2021 model.

Cost of Living Benefit Increases - for PLD Consolidated 1.91% and Teacher Plans, 2.20% per annum for the year ended June 30, 2022.

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, 2022 are summarized in the following table.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.2%
Alternative credit	5.0%	7.4%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2022 for each of the Plans. 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 as of June 30, 2022 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 6.50% for each of the Plans.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	\$ 7,313,642	\$ 2,475,605	\$ (1,523,205)
<u>SET Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability	\$ 554,898	\$ 283,366	\$ 57,287

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, 2022 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, 2022 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors is 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 resource. For 2022 through 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan. For 2022 and 2017, this was three years for the SET Plan.

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings are 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.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are 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, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. 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. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

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 are 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' 2022 Annual Comprehensive Financial Report available online at www.mainepers.org or by contacting the System at (207) 512-3100.

NOTE 17 - DEFERRED COMPENSATION PLAN

MissionSquare Retirement

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the MissionSquare Retirement. The plan, available to all Town employees permits them to defer a portion

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - DEFERRED COMPENSATION PLAN (CONTINUED)

of their salary, in addition to Town contributions, until future years. Employee's participation in this plan is voluntary. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town Council. Effective July 1, 2001, the Town agrees to expand the coverage of the MissionSquare Retirement 457 plan currently in effect. This plan will be available for current employees who are not enrolled in the Maine State Retirement System and any newly-hired employee who wishes to enroll in the MissionSquare Retirement plan instead of the MSRS plan. The Town will match the employee's contribution into the 457 plan, up to a maximum Town contribution of six percent. The Town will make a contribution to either MSRS or the MissionSquare Retirement plan, but not both.

The Town's contributions to the plan for the year ended June 30, 2023 were \$28,533.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all School Department employees as part of a collective bargaining agreement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or 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.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

ALLEGIANT CARE AND MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with Allegiant Care and the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. Allegiant Care and MMEHT are fully funded, self-insured trusts which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2022, the following employees were covered by the benefit terms:

Active members	74
Retirees and spouses	<u>27</u>
Total	<u><u>101</u></u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

	2021-2022			
	Pre 65		Post 65	
	Single	Two Person	Single	Two Person
Allegiant Care - Union	\$ 10,980.00	\$ 23,184.00	\$ 2,107.20	\$ 4,214.40
Allegiant Care - Union Rx	N/A	N/A	\$ 3,132.00	\$ 6,264.00
MME Health Trust - POS A - Non Union	\$ 15,252.84	\$ 34,214.64	\$ 7,141.68	\$ 14,283.48
MME Health Trust - Dental - Non Union	\$ 520.32	\$ 898.20	\$ 530.76	\$ 916.20

	2022-2023			
	Pre 65		Post 65	
	Single	Two Person	Single	Two Person
Allegiant Care - Union	\$ 11,244.00	\$ 23,616.00	\$ 2,107.20	\$ 4,214.40
Allegiant Care - Union Rx	N/A	N/A	\$ 1,018.56	\$ 2,037.12
MME Health Trust - PPO 500 - Non Union	\$ 12,603.24	\$ 28,270.80	\$ 7,206.00	\$ 14,412.00
MME Health Trust - Dental - Non Union	\$ 525.48	\$ 907.20	\$ 536.04	\$ 925.32

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Town reported a liability of \$6,425,964 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2022 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2023, the Town recognized OPEB expense of \$0. An actuarial valuation was not done since the prior fiscal year. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 876,239	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	3,341,625
Total	<u>\$ 876,239</u>	<u>\$ 3,341,625</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan year ended June 30:	
2023	\$ 118,891
2024	118,891
2025	(311,707)
2026	(354,596)
2027	(1,018,462)
Thereafter	(1,018,403)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2022. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.54% per annum for June 30, 2022 was based upon a measurement date of December 30, 2021. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB liability	\$ 7,437,617	\$ 6,425,964	\$ 5,603,492
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 7,437,617</u>	<u>\$ 6,425,964</u>	<u>\$ 5,603,492</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 5,431,216	\$ 6,425,964	\$ 7,698,196
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 5,431,216</u>	<u>\$ 6,425,964</u>	<u>\$ 7,698,196</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2022, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. 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 this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2021, they are as follows:

Discount Rate - 3.54% per annum for year end 2022 reporting. 2.06% per annum for year end 2021 reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2022_fa was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.40%
Rate of Growth in Real Income/GDP per capital 2031+	1.10%
Extra Trend due to Taste/Technology 2031+	1.00%
Expected Health Share of GDP 2031	19.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2022 to 2025 were based on plan design, population weighting, renewal projections and market analysis. For years 2026 to 2030, these are interpolated from 2025 to 2031 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant- Based on 112% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 with the following exceptions:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB 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 OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2021 was \$876,239.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB 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 in the January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 200 Rogers Road, Kittery, Maine 03904.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2022, there were 228 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS' Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2023 were approximately \$29,082.

OPEB Liabilities and OPEB Expense

At June 30, 2023, the School reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School. The total portion of the net OPEB liability that was associated with the School were as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the School		<u>243,997</u>
Total	\$	<u><u>243,997</u></u>

For the year ended June 30, 2023, the District recognized net OPEB expense of \$25,926 and revenue of \$25,926 for support provided by the State of Maine.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

The State of Maine and School retirees contribute to the School's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the School and/or the School retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the School concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits*

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Other Than Pensions. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Active members	159
Retirees and spouses	<u>67</u>
Total	<u><u>226</u></u>

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 55% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 45% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

	<u>Employee</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Family</u>
<u>Pre-Medicare</u>				
Choice Plus	\$ 782.02	\$ 1,762.53	\$ 1,384.00	\$ 2,145.23
Standard \$200 Ded	\$ 844.48	\$ 1,903.52	\$ 1,494.71	\$ 2,316.85
Standard \$500 Ded	\$ 742.91	\$ 1,674.40	\$ 1,314.81	\$ 2,037.97
Standard \$1,000 Ded	\$ 708.51	\$ 1,596.85	\$ 1,253.91	\$ 1,943.58
<u>Medicare</u>				
Medicare-eligible retirees	\$ 387.76	\$ 775.52		

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Town reported a liability of \$2,563,629 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$982,872. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MEABT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 141,108	\$ 396,832
Changes of assumptions	442,809	15,696
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 583,917</u>	<u>\$ 412,528</u>

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

\$0 was reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MEABT</u>
Plan year ended June 30:	
2023	\$ 65,565
2024	81,263
2025	61,192
2026	61,190
2027	(47,365)
Thereafter	(50,456)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2021. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.54% per annum for June 30, 2023 was based upon a measurement date of June 30, 2022. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.54%	3.54%	4.54%
Total OPEB liability	\$ 2,936,785	\$ 2,563,629	\$ 2,258,633
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,936,785</u>	<u>\$ 2,563,629</u>	<u>\$ 2,258,633</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 2,238,054	\$ 2,563,629	\$ 2,967,403
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,238,054</u>	<u>\$ 2,563,629</u>	<u>\$ 2,967,403</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
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Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. 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 this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Assumptions

The demographic actuarial assumptions are the Teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation at June 30, 2021 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

The economic assumptions are based on GASB 75 paragraph 36. Since the Plan is not funded via a qualified trust, the discount rates are selected based on the 20-year tax-exempt bond buyer rates as of the measurement dates. The other economic assumptions, ie trend rates, were developed based on historical and future projections of long term health care rates:

Discount Rate – 3.54% per annum for year-end 2022 reporting, 2.16% per annum for year-end 2021 reporting.

Trend Assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2023_1f. The following assumptions were applied in this model as below:

Trend Assumption Inputs

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.70%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.90%
Year for Limiting Cost Growth to GDP Growth	2042

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. Sample medical trends are listed in the table below.

Pre-Medicare - Initial trend of 7.95% applied in FYE 2023 and 4.00% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Medicare - Initial trend of 0.0% applied in FYE 2023 and 5.62% applied in FYE 2024 grading over 18 years to 4.29% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2021 and based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting. As of June 30, 2022, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

Disability Incidence - Rates vary for plans based on age

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims

Family Enrollment Composition - It is assumed that 80% is married with an eligible spouse.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were inferred using the Maine State Retirement System's Age/Service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Program valuation. Those under 1 year of service, the date was assumed to be January 1, 2022 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

Healthy Annuitants: Based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80
- 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

Rates are projected generationally using the RPEC_2022 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2022 model are those included in the published MP-2022 scale.

Healthy Employees: Based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2022 model as described in the healthy annuitant mortality.

Disabled Annuitants: Based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2022 model described in the healthy annuitant mortality.

Retiree Continuation Percentage:

Retirees who are currently in the Medicare Advantage Plan (Medicare participants) are assumed to remain in the Medicare Advantage Plan.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Retirees who are over the age of 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

Retirees who are currently under the age of 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare Plan until age 64 and enroll in the Medicare Advantage Plan at age 65.

Spouses who are currently in a Pre-Medicare plan will follow the same assumptions as the retired member. Thus if the member is never eligible for Medicare, the spouse is not either.

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2022, they are as follows:

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through July 1, 2022 and projects through June 30, 2023 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard Plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Medicare Advantage Plan are assumed to never be eligible for Medicare, all current actives with a hire date before March 31, 1986 are assumed to never be eligible for Medicare.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 with the following exceptions:

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB 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. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2022, there were no differences between expected and actual experience.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2021. For the fiscal year ended June 30, 2022, there were no changes in assumptions.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 200 Rogers Road, Kittery, Maine 03904.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 21 - EXPENDITURES OVER APPROPRIATIONS

At June 30, 2023, the Town had the following overspent appropriations:

Insurance	\$	101,028
Hydrants		962
Highways		81,336
Parks		33,458
Public health services		480
Debt service - interest		1
Transfers to other funds		845,000
Total	\$	<u>1,062,265</u>

NOTE 22 - CONTINGENCIES

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

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 23 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL

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 carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association.

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, 2023. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS

The Town currently has one tax increment financing district in accordance with Maine statutes to finance development programs in the Town of Kittery. The expenditures generated by these development programs will be recovered in the future years through incremental tax levied upon the districts so-called "captured assessed value". A portion of the incremental tax revenues will be returned to the district to repay costs associated with development of the district.

Municipal Development District (Business Park)

On February 8, 2011, the Kittery Town Council, as well as the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy through commercial development. The area of the District is 132.78 acres. The potential projects that will be implemented under this Development Program include: improvements to roads within and outside the District, trolley's trolley stops and related facilities and improvements, sewer and water system improvements including installation of lines, economic development planning and administrative expenses associated with the development effort. The original assessed value of the property is \$2,105,200. The Town anticipates over the life of the district that new development, rehabilitation and redevelopment will result in approximately \$29,500,000 in new taxable value. Tax increment revenues generated from this value over the life of the district will be approximately \$8,648,766. The Development Program provides for 100% of the increase in assessed value of the District to be captured and designated as captured assessed value. The tax increment revenues will be deposited by the Town into the Development Program Fund for a period of 30 years. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. §5801.

The TIF District will remain in place for a period of 30 years from adoption. The allocation of tax increment revenues, through a credit enhancement agreement, to be paid to owners/developers of specified property, will commence by agreement between the Town and the owner/developer and will continue for a period not to exceed 30 years or the remainder of the term of the District designation, whichever is less. No more than 75% of the property taxes to be generated on the improvements within the District will be returned to the developer. The remaining amount will be retained by the Town and used to fund the development plan of the District. The Council shall determine in its discretion whether it is necessary or appropriate to enter any Credit Enhancement Agreement. The Town will not incur any indebtedness in connection with the Capital Program. The developers of privately-owned property within the District will finance the Capital Program through a combination of the developers' funds, various loans and a

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 24 - TAX INCREMENT FINANCING DISTRICTS (CONTINUED)

portion of the tax increment of the District. The Town anticipates that it may elect, at a future date, to incur indebtedness to finance a portion of the public facilities, improvements and programs costs.

Tax Abatements:

As noted above, the Town of Kittery has established one tax increment financing district (TIF) 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 Town has chosen to disclose information about its tax abatement (credit enhancement) agreements individually and negotiates property tax abatement agreements on an individual basis. The following is a brief description of and total amount of taxes abated for the tax increment financing district:

TIF District	Original Assessed Value	Current Assessed Value	New Taxes
TIF District (Business Park)	\$ 2,105,200	\$ 3,652,600	\$ 27,000

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 25 - COLLATERALIZATION

At June 30, 2023, the Town had 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 July 26, 2023, authorizes multiple and partial draws only up to the amount of \$23,000,000. There were no draws for the year ended June 30, 2023.

NOTE 26 - 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.

TOWN OF KITTERY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 27 - RESTATEMENTS

In 2023, it was determined that certain transactions were incorrectly recorded or omitted. The beginning balance for the nonmajor special revenue funds was restated as of July 1, 2022 by an increase of \$13,178.

The governmental activities net position was also restated to correct the beginning balance of the notes payable from direct borrowings payable to record an additional capital lease. This liability was increased by \$193,487.

These restatements to the governmental activities increased net position from \$35,217,880 to \$35,037,571.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental 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
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Education Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of Proportionate Share of the Net OPEB Liability - SET Plan
- Schedule of Contributions - OPEB
- Schedule of Changes in Net OPEB Liability - MMEHT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MMEHT Plan
- Schedule of Changes in Net OPEB Liability - MEABT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

TOWN OF KITTERY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,872,250	\$ 10,872,250	\$ 10,872,250	\$ -
Resources (Inflows):				
General tax revenue	12,979,246	12,979,246	13,307,763	328,517
Intergovernmental revenue	1,892,800	1,892,800	2,298,888	406,088
Charges for services	1,843,050	1,843,050	2,345,785	502,735
Investment income	20,000	20,000	399,460	379,460
Other revenue	96,200	96,200	168,796	72,596
Transfers from other funds	35,000	35,000	35,000	-
Amounts Available for Appropriation	<u>27,738,546</u>	<u>27,738,546</u>	<u>29,427,942</u>	<u>1,689,396</u>
Charges to Appropriations (Outflows):				
General government	5,104,387	5,164,387	4,925,832	238,555
Public safety	3,740,876	4,138,876	3,915,814	223,062
Public works	1,207,063	1,247,063	1,328,399	(81,336)
Recreation and culture	1,948,128	2,013,128	1,980,821	32,307
Health and sanitation	686,323	686,323	623,906	62,417
Social services	58,420	178,828	175,908	2,920
County tax	989,989	989,989	989,989	-
Debt service:				
Principal	890,302	890,302	890,302	-
Interest	209,415	209,415	209,416	(1)
Overlay	651,401	651,401	-	651,401
Grant funds/misc. accounts	288,592	293,184	288,664	4,520
Transfers to other funds	1,551,400	1,551,400	2,396,400	(845,000)
Total Charges to Appropriations	<u>17,326,296</u>	<u>18,014,296</u>	<u>17,725,451</u>	<u>288,845</u>
Budgetary Fund Balance, June 30	<u>\$ 10,412,250</u>	<u>\$ 9,724,250</u>	<u>\$ 11,702,491</u>	<u>\$ 1,978,241</u>
Utilization of assigned fund balance	<u>\$ 460,000</u>	<u>\$ 1,148,000</u>	<u>\$ -</u>	<u>\$ (1,148,000)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - EDUCATION FUND
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,338,679	\$ 2,338,679	\$ 2,338,679	\$ -
Revenues (Inflows):				
Local assessments	17,511,685	17,511,685	17,511,685	-
Intergovernmental revenues:				
State subsidy	1,578,237	1,578,237	1,601,981	23,744
Medicaid	30,000	30,000	14,448	(15,552)
Impact aid	350,000	350,000	614,136	264,136
Tuition	7,500	7,500	25,029	17,529
Other revenue	-	-	3,212	3,212
Activity/Gate Fees	3,200	3,200	12,544	9,344
Amounts Available for Appropriation	<u>21,819,301</u>	<u>21,819,301</u>	<u>22,121,714</u>	<u>302,413</u>
Charges to Appropriations (Outflows):				
Regular instruction	7,992,346	7,881,466	7,613,780	267,686
Special education	4,392,472	4,336,837	3,884,334	452,503
Career and technical	6,752	8,233	8,233	-
Other instruction	366,157	373,157	371,125	2,032
Student and staff support	2,212,623	2,178,833	2,103,009	75,824
System administration	832,571	829,571	819,645	9,926
School administration	1,112,698	1,150,161	1,150,103	58
Transportation and buses	715,541	751,876	751,876	-
Operations and maintenance	1,411,669	1,532,695	1,532,387	308
Debt service:				
Principal	603,500	603,500	603,500	-
Interest	94,293	94,293	94,293	-
Transfers to other funds	240,000	240,000	440,000	(200,000)
Total Charges to Appropriations	<u>19,980,622</u>	<u>19,980,622</u>	<u>19,372,285</u>	<u>608,337</u>
Budgetary Fund Balance, June 30	<u>\$ 1,838,679</u>	<u>\$ 1,838,679</u>	<u>\$ 2,749,429</u>	<u>\$ 910,750</u>
Utilization of assigned fund balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ (500,000)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>									
Proportion of the net pension liability	0.93%	0.97%	1.03%	1.00%	1.01%	0.98%	0.99%	1.02%	1.00%
Proportionate share of the net pension liability/(asset)	\$ 2,475,605	\$ (312,682)	\$ 4,089,141	\$ 3,064,549	\$ 2,771,205	\$ 4,022,261	\$ 5,257,645	\$ 3,253,198	\$ 1,538,376
Covered payroll	\$ 6,409,801	\$ 5,721,087	\$ 4,732,851	\$ 4,275,045	\$ 4,957,486	\$ 4,621,325	\$ 4,437,060	\$ 4,374,536	\$ 4,052,282
Proportionate share of the net pension liability as a percentage of its covered payroll	38.62%	-5.47%	86.40%	71.68%	55.90%	87.04%	118.49%	74.37%	37.96%
Plan fiduciary net position as a percentage of the total pension liability	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.60%	88.30%	94.10%
<u>SET Plan:</u>									
School Department's proportion of the net pension liability	0.02%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
School Department's proportionate share of the net pension liability	\$ 283,366	\$ 115,650	\$ 172,431	\$ 321,950	\$ 305,986	\$ 317,524	\$ 308,441	\$ 240,362	\$ 204,809
State's proportionate share of the net pension liability associated with the School Department	<u>10,089,751</u>	<u>5,707,190</u>	<u>11,136,868</u>	<u>9,407,634</u>	<u>8,627,532</u>	<u>9,439,716</u>	<u>11,131,629</u>	<u>8,327,329</u>	<u>6,502,031</u>
Total	<u>\$ 10,373,117</u>	<u>\$ 5,822,840</u>	<u>\$ 11,309,299</u>	<u>\$ 9,729,584</u>	<u>\$ 8,933,518</u>	<u>\$ 9,757,240</u>	<u>\$ 11,440,070</u>	<u>\$ 8,567,691</u>	<u>\$ 6,706,840</u>
School Department's covered payroll	\$ 9,930,446	\$ 9,335,191	\$ 8,988,666	\$ 8,204,989	\$ 8,135,669	\$ 8,075,196	\$ 7,602,064	\$ 7,506,846	\$ 6,957,837
School Department's proportionate share of the net pension liability as a percentage of its covered payroll	2.85%	1.24%	1.92%	3.92%	3.76%	3.93%	4.06%	3.20%	2.94%
Plan fiduciary net position as a percentage of the total pension liability	85.79%	90.90%	81.03%	84.52%	85.17%	80.78%	76.21%	81.18%	83.91%

* 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 auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Plan:</u>									
Contractually required contribution	\$ 775,288	\$ 723,239	\$ 663,384	\$ 563,331	\$ 514,920	\$ 562,108	\$ 503,516	\$ 464,330	\$ 416,802
Contributions in relation to the contractually required contribution	<u>(775,288)</u>	<u>(723,239)</u>	<u>(663,384)</u>	<u>(563,331)</u>	<u>(514,920)</u>	<u>(562,108)</u>	<u>(503,516)</u>	<u>(464,330)</u>	<u>(416,802)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,044,862	\$ 6,409,801	\$ 5,721,087	\$ 4,732,851	\$ 4,275,045	\$ 4,957,486	\$ 4,621,325	\$ 4,437,060	\$ 4,374,536
Contributions as a percentage of covered payroll	11.01%	11.28%	11.60%	11.90%	12.04%	11.34%	10.90%	10.46%	9.53%
<u>SET Plan:</u>									
Contractually required contribution	\$ 465,235	\$ 423,227	\$ 415,310	\$ 393,956	\$ 386,762	\$ 355,212	\$ 299,625	\$ 277,171	\$ 220,876
Contributions in relation to the contractually required contribution	<u>(465,235)</u>	<u>(423,227)</u>	<u>(415,310)</u>	<u>(393,956)</u>	<u>(386,762)</u>	<u>(355,212)</u>	<u>(299,625)</u>	<u>(277,171)</u>	<u>(220,876)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Department's covered payroll	\$ 10,325,837	\$ 9,930,446	\$ 9,335,191	\$ 8,988,666	\$ 8,204,989	\$ 8,135,669	\$ 8,075,196	\$ 7,602,064	\$ 7,506,846
Contributions as a percentage of covered payroll	4.51%	4.26%	4.45%	4.38%	4.71%	4.37%	3.71%	3.65%	2.94%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SET PLAN
LAST 10 FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>						
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>243,997</u>	<u>240,532</u>	<u>240,532</u>	<u>237,241</u>	<u>228,880</u>	<u>210,553</u>
Total	<u>\$ 243,997</u>	<u>\$ 240,532</u>	<u>\$ 240,532</u>	<u>\$ 237,241</u>	<u>\$ 228,880</u>	<u>\$ 210,553</u>
Covered payroll	\$ 9,930,446	\$ 9,335,191	\$ 8,988,666	\$ 8,204,989	\$ 8,135,669	\$ 8,075,196
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	62.90%	55.40%	49.51%	49.22%	48.04%

* 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 auditor's report and notes to financial statements.

TOWN OF KITTEERY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MMEHT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/20 (Reporting July 1, 2021)	\$ 6,425,964	\$ -	\$ 6,425,964
Changes for the year:			
Service cost	-	-	-
Interest	-	-	-
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	-	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Net changes	-	-	-
Balances at 7/1/21 (Reporting July 1, 2022)	<u>\$ 6,425,964</u>	<u>\$ -</u>	<u>\$ 6,425,964</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - MMEHT PLAN
LAST 10 FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB liability</u>						
Service cost (BOY)	\$ -	\$ 333,782	\$ 719,758	\$ 704,195	\$ 308,137	\$ 93,836
Interest (includes interest on service cost)	-	214,485	282,953	269,416	239,907	121,824
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(5,519,099)	570,688	686,240	262,710	3,357,298
Changes of assumptions	-	(1,864,338)	(570,688)	4,299,838	-	282,775
Benefit payments, including refunds of member contributions	-	(362,405)	(364,989)	(357,097)	(253,943)	(149,825)
Net change in total OPEB liability	<u>\$ -</u>	<u>\$ (7,197,575)</u>	<u>\$ 637,722</u>	<u>\$ 5,602,592</u>	<u>\$ 556,811</u>	<u>\$ 3,705,908</u>
Total OPEB liability - beginning	\$ 6,425,964	\$ 13,623,539	\$ 12,985,817	\$ 7,383,225	\$ 6,826,414	\$ 3,120,506
Total OPEB liability - ending	<u>\$ 6,425,964</u>	<u>\$ 6,425,964</u>	<u>\$ 13,623,539</u>	<u>\$ 12,985,817</u>	<u>\$ 7,383,225</u>	<u>\$ 6,826,414</u>
<u>Plan fiduciary net position</u>						
Contributions - employer	-	362,405	364,989	357,097	253,943	149,825
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	-	(362,405)	(364,989)	(357,097)	(253,943)	(149,825)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 6,425,964</u>	<u>\$ 6,425,964</u>	<u>\$ 13,623,539</u>	<u>\$ 12,985,817</u>	<u>\$ 7,383,225</u>	<u>\$ 6,826,414</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-	-
Covered payroll	\$ 4,559,321	\$ 4,559,321	\$ 4,515,283	\$ 4,426,748	\$ 4,444,402	\$ 4,357,257
Net OPEB liability as a percentage of covered payroll	140.94%	140.94%	301.72%	293.35%	166.12%	156.67%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2021 (Reporting June 30, 2022)	\$ 2,871,095	\$ -	\$ 2,871,095
Changes for the year:			
Service cost	46,399	-	46,399
Interest	62,341	-	62,341
Changes of benefits	-	-	-
Differences between expected and actual experience	(462,971)	-	(462,971)
Changes of assumptions	109,773	-	109,773
Contributions - employer	-	63,008	(63,008)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(63,008)	(63,008)	-
Administrative expense	-	-	-
Net changes	<u>(307,466)</u>	<u>-</u>	<u>(307,466)</u>
Balances at 6/30/2022 (Reporting June 30, 2023)	<u>\$ 2,563,629</u>	<u>\$ -</u>	<u>\$ 2,563,629</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - MEABT PLAN
LAST 10 FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Total OPEB liability</u>					
Service cost (BOY)	\$ 46,399	\$ 47,703	\$ 23,756	\$ 19,953	\$ 21,415
Interest (includes interest on service cost)	62,341	62,601	80,861	84,343	81,110
Changes of benefit terms	-	-	(270,272)	-	-
Differences between expected and actual experience	(462,971)	-	246,939	-	-
Changes of assumptions	109,773	21,632	512,972	120,416	(94,186)
Benefit payments, including refunds of member contributions	(63,008)	(90,987)	(100,447)	(94,776)	(91,500)
Net change in total OPEB liability	<u>\$ (307,466)</u>	<u>\$ 40,949</u>	<u>\$ 493,809</u>	<u>\$ 129,936</u>	<u>\$ (83,161)</u>
Total OPEB liability - beginning	\$ 2,871,095	\$ 2,830,146	\$ 2,336,337	\$ 2,206,401	\$ 2,289,562
Total OPEB liability - ending	<u>\$ 2,563,629</u>	<u>\$ 2,871,095</u>	<u>\$ 2,830,146</u>	<u>\$ 2,336,337</u>	<u>\$ 2,206,401</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	63,008	90,987	100,447	94,776	91,500
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(63,008)	(90,987)	(100,447)	(94,776)	(91,500)
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 2,563,629</u>	<u>\$ 2,871,095</u>	<u>\$ 2,830,146</u>	<u>\$ 2,336,337</u>	<u>\$ 2,206,401</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-	-
Covered payroll	\$ 7,460,068	\$ 7,631,982	\$ 7,445,836	\$ 7,718,042	\$ 7,511,476
Net OPEB liability as a percentage of covered payroll	34.4%	37.6%	38.0%	30.3%	29.4%

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,325,837	\$ 9,930,446	\$ 9,335,191	\$ 8,988,666	\$ 8,204,989	\$ 8,135,669
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>MMEHT:</u>						
Employer contributions	\$ -	\$ 362,405	\$ 364,989	\$ 357,097	\$ 253,943	\$ 149,825
Benefit payments	-	(362,405)	(364,989)	(357,097)	(253,943)	(149,825)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ 4,559,321	\$ 4,515,283	\$ 4,426,748	\$ 4,444,402	\$ 4,357,257
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>MEABT:</u>						
Employer contributions	\$ 63,008	\$ 90,987	\$ 100,447	\$ 94,776	\$ 91,500	
Benefit payments	(63,008)	(90,987)	(100,447)	(94,776)	(91,500)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 7,460,068	\$ 7,631,982	\$ 7,445,836	\$ 7,718,042	\$ 7,511,476	
Contributions as a percentage of covered payroll	0.84%	1.19%	1.35%	1.23%	1.22%	

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

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Changes of Assumptions

MEPERS PLD Plan:

There were no changes of assumptions.

MEPERS SET Plan:

There were no changes of assumptions.

MMEHT OPEB Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MEPERS OPEB SET Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MEABT OPEB Plan

There was a change in the discount rate from 2.16% to 3.54% per GASB 75 discount rate selection.

Other Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- 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
- Combining Schedule of Fiduciary Net Position - Private-Purpose Trust Funds
- Combining Schedule of Changes in Fiduciary Net Position - Private-Purpose Trust Funds
- Combining Schedule of Changes in Agency Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF KITTERY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 11,023,246	\$ 11,023,246	\$ 11,140,648	\$ 117,402
Vehicle excise taxes	1,936,000	1,936,000	2,097,392	161,392
Boat excise taxes	20,000	20,000	69,723	49,723
Intergovernmental revenues:				
State revenue sharing	1,125,000	1,125,000	1,404,494	279,494
Homestead exemption	325,346	325,346	425,474	100,128
BETE	96,499	96,499	-	(96,499)
GMH Housing	310,000	310,000	321,655	11,655
General assistance	20,000	20,000	132,450	112,450
Other	15,955	15,955	14,815	(1,140)
Charges for services:				
Recreation fees	580,000	580,000	753,605	173,605
Library fees	2,000	2,000	3,986	1,986
Code enforcement fees	350,000	350,000	483,823	133,823
Registration fees	30,000	30,000	44,094	14,094
Town clerk fees	27,400	27,400	37,319	9,919
Planning fees	9,000	9,000	8,698	(302)
Solid waste/recycling	90,000	90,000	63,949	(26,051)
Solid waste/permits	80,000	80,000	90,033	10,033
Fort Foster fees	325,000	325,000	355,963	30,963
Dispatching services	166,000	166,000	208,650	42,650
Police department	29,950	29,950	96,267	66,317
Animal control	3,600	3,600	3,304	(296)
Public works	1,500	1,500	17,814	16,314
Mooring/launch fees	142,500	142,500	174,433	31,933
Harbor fees	6,100	6,100	3,847	(2,253)
Investment income:				
Investment income	20,000	20,000	399,460	379,460
Other income:				
Interest/fees on taxes	49,000	49,000	59,292	10,292
Payment in lieu of taxes	3,200	3,200	-	(3,200)
Rent	25,000	25,000	25,000	-
Other reimbursements	19,000	19,000	84,504	65,504
Transfers from other funds:				
Permanent funds	35,000	35,000	35,000	-
Total Revenues	<u>\$ 16,866,296</u>	<u>\$ 16,866,296</u>	<u>\$ 18,555,692</u>	<u>\$ 1,689,396</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
General government					
Administration	\$ 1,233,937	\$ 60,000	\$ 1,293,937	\$ 1,262,518	\$ 31,419
Code enforcement	616,949	-	616,949	576,961	39,988
Benefits	1,335,571	-	1,335,571	1,073,922	261,649
Insurance	1,891,580	-	1,891,580	1,992,608	(101,028)
Elections	20,700	-	20,700	16,358	4,342
Council	5,650	-	5,650	3,465	2,185
	<u>5,104,387</u>	<u>60,000</u>	<u>5,164,387</u>	<u>4,925,832</u>	<u>238,555</u>
Public safety					
Police department	2,746,211	73,000	2,819,211	2,816,476	2,735
Fire department	670,715	325,000	995,715	787,779	207,936
Street lights	55,000	-	55,000	41,647	13,353
Hydrants	268,950	-	268,950	269,912	(962)
	<u>3,740,876</u>	<u>398,000</u>	<u>4,138,876</u>	<u>3,915,814</u>	<u>223,062</u>
Public works					
Highways	1,207,063	40,000	1,247,063	1,328,399	(81,336)
	<u>1,207,063</u>	<u>40,000</u>	<u>1,247,063</u>	<u>1,328,399</u>	<u>(81,336)</u>
Recreation and culture					
Parks	253,043	-	253,043	286,501	(33,458)
Fort Foster	189,369	-	189,369	133,710	55,659
Recreation	890,025	-	890,025	884,951	5,074
Library	484,931	46,000	530,931	528,543	2,388
Harbormaster	130,760	19,000	149,760	147,116	2,644
	<u>1,948,128</u>	<u>65,000</u>	<u>2,013,128</u>	<u>1,980,821</u>	<u>32,307</u>
Health and sanitation					
Solid waste	686,323	-	686,323	623,906	62,417
	<u>686,323</u>	<u>-</u>	<u>686,323</u>	<u>623,906</u>	<u>62,417</u>

TOWN OF KITTERY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
Social services					
General assistance	50,000	120,408	170,408	170,408	-
Community agencies	7,900	-	7,900	4,500	3,400
Public health services	520	-	520	1,000	(480)
	<u>58,420</u>	<u>120,408</u>	<u>178,828</u>	<u>175,908</u>	<u>2,920</u>
County tax	<u>989,989</u>	<u>-</u>	<u>989,989</u>	<u>989,989</u>	<u>-</u>
Debt service					
Principal	890,302	-	890,302	890,302	-
Interest	209,415	-	209,415	209,416	(1)
	<u>1,099,717</u>	<u>-</u>	<u>1,099,717</u>	<u>1,099,718</u>	<u>(1)</u>
Overlay	<u>651,401</u>	<u>-</u>	<u>651,401</u>	<u>-</u>	<u>651,401</u>
Grant funds/misc. accounts					
Miscellaneous accounts	164,080	4,592	168,672	-	168,672
EPA stormwater program	-	-	-	25,116	(25,116)
Memorial day activities	-	-	-	128	(128)
Computer repair	-	-	-	87,197	(87,197)
Mosquito/tick control	-	-	-	32,793	(32,793)
EV charging electricity	-	-	-	1,703	(1,703)
PSAP paid to York police dept.	-	-	-	36,184	(36,184)
Bank fees	500	-	500	43	457
Adult education	105,500	-	105,500	105,500	-
TIF financing	18,512	-	18,512	-	18,512
	<u>288,592</u>	<u>4,592</u>	<u>293,184</u>	<u>288,664</u>	<u>4,520</u>

TOWN OF KITTERY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Budget Adjustments	Final Available	Actual	Variance Positive (Negative)
Transfers to other funds					
Special revenue funds	-	-	-		-
Capital projects funds	1,551,400	-	1,551,400	2,396,400	(845,000)
	<u>1,551,400</u>	<u>-</u>	<u>1,551,400</u>	<u>2,396,400</u>	<u>(845,000)</u>
 Total Departmental Operations	 <u>\$ 17,326,296</u>	 <u>\$ 688,000</u>	 <u>\$ 18,014,296</u>	 <u>\$ 17,725,451</u>	 <u>\$ 288,845</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTEERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 63,983	\$ 63,983
Investments	-	-	546,387	546,387
Accounts receivable (net of allowance for uncollectibles)	248,479	-	-	248,479
Inventory	20,359	-	-	20,359
Due from other funds	6,376,899	2,616,916	119,121	9,112,936
TOTAL ASSETS	\$ 6,645,737	\$ 2,616,916	\$ 729,491	\$ 9,992,144
LIABILITIES				
Accounts payable	\$ 558,535	\$ 2,192	\$ -	\$ 560,727
Due to other funds	680,294	-	-	680,294
TOTAL LIABILITIES	1,238,829	2,192	-	1,241,021
FUND BALANCES				
Nonspendable	20,359	-	60,000	80,359
Restricted	937,809	1,158,549	671,029	2,767,387
Committed	4,691,778	1,456,175	-	6,147,953
Assigned	691,920	-	-	691,920
Unassigned	(934,958)	-	(1,538)	(936,496)
TOTAL FUND BALANCES	5,406,908	2,614,724	729,491	8,751,123
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,645,737	\$ 2,616,916	\$ 729,491	\$ 9,992,144

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 1,993,945	\$ 1,277,742	\$ -	\$ 3,271,687
Charges for services	369,333	-	-	369,333
Investment income, net of unrealized gains/(losses)	-	-	40,927	40,927
Other income	1,040,675	75,684	13,996	1,130,355
TOTAL REVENUES	3,403,953	1,353,426	54,923	4,812,302
EXPENDITURES				
General government	-	-	3,655	3,655
Public safety	371,614	-	-	371,614
Health and sanitation	56,500	-	-	56,500
Recreation and culture	244,283	-	-	244,283
Education	2,186,905	-	-	2,186,905
Capital outlay	2,374,509	2,164,658	-	4,539,167
Other	916,647	1,512	-	918,159
TOTAL EXPENDITURES	6,150,458	2,166,170	3,655	8,320,283
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,746,505)	(812,744)	51,268	(3,507,981)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,679,568	477,786	80,245	3,237,599
Transfers (out)	(46,490)	(244,286)	(145,423)	(436,199)
TOTAL OTHER FINANCING SOURCES (USES)	2,633,078	233,500	(65,178)	2,801,400
NET CHANGE IN FUND BALANCES	(113,427)	(579,244)	(13,910)	(706,581)
FUND BALANCES - JULY 1, RESTATED	5,520,335	3,193,968	743,401	9,457,704
FUND BALANCES - JUNE 30	\$ 5,406,908	\$ 2,614,724	\$ 729,491	\$ 8,751,123

See accompanying independent auditor's 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 expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Senior Tax Program	Additional Snow and Ice Damages	Fire Hazmat Spill Cleanup	Police New Officer	Oil and More Donations	Accrued Compensated Absences	Ballot Counting Machines	Kittery Block Party
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	104,000	37,278	7,156	-	-	256,120	6,078	31,363
TOTAL ASSETS	\$ 104,000	\$ 37,278	\$ 7,156	\$ -	\$ -	\$ 256,120	\$ 6,078	\$ 31,363
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105
Due to other funds	-	-	-	6,280	15	-	-	-
TOTAL LIABILITIES	-	-	-	6,280	15	-	-	105
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	37,278	-	-	-	-	-	-
Committed	104,000	-	7,156	-	-	256,120	6,078	31,258
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(6,280)	(15)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	104,000	37,278	7,156	(6,280)	(15)	256,120	6,078	31,258
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 104,000	\$ 37,278	\$ 7,156	\$ -	\$ -	\$ 256,120	\$ 6,078	\$ 31,363

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	ASA	Concert in the Park	Open Space	Conservation Committee	Wetland Mitigation	Kittery Community Center	Police Forfeiture	D.A.R.E.
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	-	-	25,000	568	16,703	8,343	80	216
TOTAL ASSETS	\$ -	\$ -	\$ 25,000	\$ 568	\$ 16,703	\$ 8,343	\$ 80	\$ 216
LIABILITIES								
Accounts payable	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	23,532	2,548	-	-	-	-	-	-
TOTAL LIABILITIES	23,541	2,548	-	-	-	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	25,000	568	16,703	8,343	80	216
Assigned	-	-	-	-	-	-	-	-
Unassigned	(23,541)	(2,548)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(23,541)	(2,548)	25,000	568	16,703	8,343	80	216
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ 25,000	\$ 568	\$ 16,703	\$ 8,343	\$ 80	\$ 216

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	TIF Financial Plan	Channel 22	KCC Playgrounds	Covid Grant	Spruce Creek PH5 Grant	Emery Field PH 2 LCWF Grant	Billable Police Details	Pol. Grant Support Det.
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	95,477	222,917	64,718	39,188	-	-	44,330	-
TOTAL ASSETS	\$ 95,477	\$ 222,917	\$ 64,718	\$ 39,188	\$ -	\$ -	\$ 44,330	\$ -
LIABILITIES								
Accounts payable	\$ -	\$ 6,122	\$ -	\$ -	\$ 3,181	\$ 125,383	\$ 234	\$ -
Due to other funds	-	-	-	-	13,090	188,205	-	9,333
TOTAL LIABILITIES	-	6,122	-	-	16,271	313,588	234	9,333
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	95,477	216,795	64,718	39,188	-	-	44,096	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(16,271)	(313,588)	-	(9,333)
TOTAL FUND BALANCES (DEFICITS)	95,477	216,795	64,718	39,188	(16,271)	(313,588)	44,096	(9,333)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 95,477	\$ 222,917	\$ 64,718	\$ 39,188	\$ -	\$ -	\$ 44,330	\$ -

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	Sewer Impact Fees	Sewer Betterments	Fort Foster Invasives	Legion Invasives	DPW Right of Way Reserve	Recreational Vehicle	Highway Vehicle	Fire Dept. Vehicle
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ 16,840	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	-	-	22,581	19,089	489,520	23,050	-	-
TOTAL ASSETS	<u>\$ 16,840</u>	<u>\$ 9,000</u>	<u>\$ 22,581</u>	<u>\$ 19,089</u>	<u>\$ 489,520</u>	<u>\$ 23,050</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 4,480	\$ 58,664	\$ -	\$ 608	\$ -
Due to other funds	16,840	33,000	-	-	-	-	11,294	-
TOTAL LIABILITIES	<u>16,840</u>	<u>33,000</u>	<u>-</u>	<u>4,480</u>	<u>58,664</u>	<u>-</u>	<u>11,902</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	22,581	14,609	430,856	23,050	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(24,000)	-	-	-	-	(11,902)	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>(24,000)</u>	<u>22,581</u>	<u>14,609</u>	<u>430,856</u>	<u>23,050</u>	<u>(11,902)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 16,840</u>	<u>\$ 9,000</u>	<u>\$ 22,581</u>	<u>\$ 19,089</u>	<u>\$ 489,520</u>	<u>\$ 23,050</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Storm Drain Mapping	Port Authority Boat	Recreational Equipment	Computer	Police Vehicle Equipment	Records Preservation	Municipal Facility Reserve	Public Safety Impact Fees
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	40,191	18,325	64,079	122,946	110,100	15,510	352,551	237,393
TOTAL ASSETS	\$ 40,191	\$ 18,325	\$ 64,079	\$ 122,946	\$ 110,100	\$ 15,510	\$ 352,551	\$ 237,393
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 2,030	\$ -	\$ -	\$ -	\$ 2,788
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	2,030	-	-	-	2,788
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	234,605
Committed	40,191	18,325	64,079	120,916	110,100	15,510	352,551	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	40,191	18,325	64,079	120,916	110,100	15,510	352,551	234,605
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 40,191	\$ 18,325	\$ 64,079	\$ 122,946	\$ 110,100	\$ 15,510	\$ 352,551	\$ 237,393

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>Parks Buildings and Grounds</u>	<u>Kittery Community Center 5 Year</u>	<u>Port Authority Equipment</u>	<u>Fire Equipment Reserve</u>	<u>Tax Acquired Properties</u>	<u>KCC Visual Arts Committee</u>	<u>York Hospital</u>	<u>Thresher Memorial</u>
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	26,807	49,107	-	241,529	-	4,612	31,951	3,930
TOTAL ASSETS	<u>\$ 26,807</u>	<u>\$ 49,107</u>	<u>\$ -</u>	<u>\$ 241,529</u>	<u>\$ -</u>	<u>\$ 4,612</u>	<u>\$ 31,951</u>	<u>\$ 3,930</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,304	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>1,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	26,807	49,107	-	241,529	-	4,612	31,951	3,930
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	(1,304)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>26,807</u>	<u>49,107</u>	<u>(1,304)</u>	<u>241,529</u>	<u>-</u>	<u>4,612</u>	<u>31,951</u>	<u>3,930</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 26,807</u>	<u>\$ 49,107</u>	<u>\$ -</u>	<u>\$ 241,529</u>	<u>\$ -</u>	<u>\$ 4,612</u>	<u>\$ 31,951</u>	<u>\$ 3,930</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Library Donations	MMA Grants	Mass Transit Reserve Fund	Keep Maine Healthy Grant	ARPA Fund	PREPA Grant	Affordable Housing Fund	PFAS
ASSETS								
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	-
Due from other funds	9,427	285	17,500	867	441,103	2,051	150,000	-
TOTAL ASSETS	\$ 9,427	\$ 285	\$ 17,500	\$ 867	\$ 441,103	\$ 2,051	\$ 150,000	\$ -
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 353,347
Due to other funds	-	-	-	-	-	-	-	172,521
TOTAL LIABILITIES	-	-	-	-	-	-	-	525,868
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	285	-	-	441,103	2,051	150,000	-
Committed	9,427	-	17,500	867	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(525,868)
TOTAL FUND BALANCES (DEFICITS)	9,427	285	17,500	867	441,103	2,051	150,000	(525,868)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 9,427	\$ 285	\$ 17,500	\$ 867	\$ 441,103	\$ 2,051	\$ 150,000	\$ -

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	375th Celebration	Real Estate	Memorial Field Assessment	Bike/Ped Master Plan	School Special Revenue Funds	Total
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ 222,639	\$ 248,479
Inventory	-	-	-	-	20,359	20,359
Due from other funds	4,757	898,926	7,366	97,706	1,914,105	6,376,899
TOTAL ASSETS	<u>\$ 4,757</u>	<u>\$ 898,926</u>	<u>\$ 7,366</u>	<u>\$ 97,706</u>	<u>\$ 2,157,103</u>	<u>\$ 6,645,737</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,584	\$ 558,535
Due to other funds	-	-	-	-	202,332	680,294
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,916</u>	<u>1,238,829</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	20,359	20,359
Restricted	-	-	-	-	72,487	937,809
Committed	4,757	898,926	7,366	97,706	1,168,729	4,691,778
Assigned	-	-	-	-	691,920	691,920
Unassigned	-	-	-	-	(308)	(934,958)
TOTAL FUND BALANCES (DEFICITS)	<u>4,757</u>	<u>898,926</u>	<u>7,366</u>	<u>97,706</u>	<u>1,953,187</u>	<u>5,406,908</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 4,757</u>	<u>\$ 898,926</u>	<u>\$ 7,366</u>	<u>\$ 97,706</u>	<u>\$ 2,157,103</u>	<u>\$ 6,645,737</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Senior Tax Program	Additional Snow and Ice Damages	Fire Hazmat Spill Cleanup	Police New Officer	Oil and More Donations	Accrued Compensated Absences	Ballot Counting Machines	Kittery Block Party
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other income	-	-	-	7,863	-	-	-	49,450
TOTAL REVENUES	-	-	-	7,863	-	-	-	49,450
EXPENDITURES								
Public safety	-	-	4,071	7,630	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	31,407
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	33,620	-	-
TOTAL EXPENDITURES	-	-	4,071	7,630	-	33,620	-	31,407
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(4,071)	233	-	(33,620)	-	18,043
OTHER FINANCING SOURCES (USES)								
Transfers in	100,000	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	100,000	-	(4,071)	233	-	(33,620)	-	18,043
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	4,000	37,278	11,227	(6,513)	(15)	289,740	6,078	13,215
FUND BALANCES (DEFICITS) - JUNE 30	\$ 104,000	\$ 37,278	\$ 7,156	\$ (6,280)	\$ (15)	\$ 256,120	\$ 6,078	\$ 31,258

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	ASA	Concert in the Park	Open Space	Conservation Committee	Wetland Mitigation	Kittery Community Center	Police Forfeiture	D.A.R.E.
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other income	52,558	-	-	-	-	8,738	1,368	-
TOTAL REVENUES	<u>52,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,738</u>	<u>1,368</u>	<u>-</u>
EXPENDITURES								
Public safety	-	-	-	-	-	-	3,580	-
Health and sanitation	-	-	-	-	-	-	-	-
Recreation and culture	77,514	4,195	-	-	-	9,943	-	-
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>77,514</u>	<u>4,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,943</u>	<u>3,580</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,956)</u>	<u>(4,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,205)</u>	<u>(2,212)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(24,956)</u>	<u>(4,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,205)</u>	<u>(2,212)</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>1,415</u>	<u>1,647</u>	<u>25,000</u>	<u>568</u>	<u>16,703</u>	<u>9,548</u>	<u>2,292</u>	<u>216</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (23,541)</u>	<u>\$ (2,548)</u>	<u>\$ 25,000</u>	<u>\$ 568</u>	<u>\$ 16,703</u>	<u>\$ 8,343</u>	<u>\$ 80</u>	<u>\$ 216</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	TIF Financial Plan	Channel 22	KCC Playgrounds	Covid Grant	Spruce Creek PH5 Grant	Emery Field PH 2 LCWF Grant	Billable Police Details	Pol. Grant Support Det.
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	172,740	18,708
Other income	-	98,761	-	-	-	-	-	-
TOTAL REVENUES	-	98,761	-	-	-	-	172,740	18,708
EXPENDITURES								
Public safety	-	-	-	-	-	-	149,523	6,529
Health and sanitation	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	664,124	-	-
Other	49,832	73,145	-	-	18,623	-	-	-
TOTAL EXPENDITURES	49,832	73,145	-	-	18,623	664,124	149,523	6,529
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,832)	25,616	-	-	(18,623)	(664,124)	23,217	12,179
OTHER FINANCING SOURCES (USES)								
Transfers in	25,000	-	-	-	-	-	-	-
Transfers (out)	-	(35,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	25,000	(35,000)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(24,832)	(9,384)	-	-	(18,623)	(664,124)	23,217	12,179
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	120,309	226,179	64,718	39,188	2,352	350,536	20,879	(21,512)
FUND BALANCES (DEFICITS) - JUNE 30	\$ 95,477	\$ 216,795	\$ 64,718	\$ 39,188	\$ (16,271)	\$ (313,588)	\$ 44,096	\$ (9,333)

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Sewer Impact Fees	Sewer Betterments	Fort Foster Invasives	Legion Invasives	DPW Right of Way Reserve	Recreational Vehicle	Highway Vehicle	Fire Dept. Vehicle
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other income	-	-	-	35,457	65,474	-	18,801	-
TOTAL REVENUES	-	-	-	35,457	65,474	-	18,801	-
EXPENDITURES								
Public safety	-	-	-	-	-	-	-	-
Health and sanitation	-	24,000	-	-	-	-	-	-
Recreation and culture	-	-	31,421	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	263,786	-	559,113	460,591
Other	-	-	-	12,768	-	-	-	-
TOTAL EXPENDITURES	-	24,000	31,421	12,768	263,786	-	559,113	460,591
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(24,000)	(31,421)	22,689	(198,312)	-	(540,312)	(460,591)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	37,000	-	600,000	-	340,000	460,000
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	37,000	-	600,000	-	340,000	460,000
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(24,000)	5,579	22,689	401,688	-	(200,312)	(591)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	-	17,002	(8,080)	29,168	23,050	188,410	591
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ (24,000)	\$ 22,581	\$ 14,609	\$ 430,856	\$ 23,050	\$ (11,902)	\$ -

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Storm Drain Mapping	Port Authority Boat	Recreational Equipment	Computer	Police Vehicle Equipment	Records Preservation	Municipal Facility Reserve	Public Safety Impact Fees
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	76,930
Other income	-	10,000	-	-	1,000	-	-	-
TOTAL REVENUES	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>76,930</u>
EXPENDITURES								
Public safety	-	-	-	-	-	-	-	200,281
Public works	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital outlay	13,590	381	13,914	84,040	126,848	-	107,171	-
Other	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>13,590</u>	<u>381</u>	<u>13,914</u>	<u>84,040</u>	<u>126,848</u>	<u>-</u>	<u>107,171</u>	<u>200,281</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,590)</u>	<u>9,619</u>	<u>(13,914)</u>	<u>(84,040)</u>	<u>(125,848)</u>	<u>-</u>	<u>(107,171)</u>	<u>(123,351)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	40,000	-	55,000	70,000	140,000	12,000	235,000	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>40,000</u>	<u>-</u>	<u>55,000</u>	<u>70,000</u>	<u>140,000</u>	<u>12,000</u>	<u>235,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	26,410	9,619	41,086	(14,040)	14,152	12,000	127,829	(123,351)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>13,781</u>	<u>8,706</u>	<u>22,993</u>	<u>134,956</u>	<u>95,948</u>	<u>3,510</u>	<u>224,722</u>	<u>357,956</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 40,191</u>	<u>\$ 18,325</u>	<u>\$ 64,079</u>	<u>\$ 120,916</u>	<u>\$ 110,100</u>	<u>\$ 15,510</u>	<u>\$ 352,551</u>	<u>\$ 234,605</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Parks Buildings and Grounds	Kittery Community Center 5 Year	Port Authority Equipment	Fire Equipment Reserve	Tax Acquired Properties	KCC Visual Arts Committee	York Hospital	Thresher Memorial
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	820	-	-
TOTAL REVENUES	-	-	-	-	-	820	-	-
EXPENDITURES								
Public safety	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Recreation and culture	16,060	-	-	-	-	629	-	-
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	50,286	30,665	-	-	-	-
Other	-	-	-	-	200	-	20,451	1,639
TOTAL EXPENDITURES	16,060	-	50,286	30,665	200	629	20,451	1,639
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,060)	-	(50,286)	(30,665)	(200)	191	(20,451)	(1,639)
OTHER FINANCING SOURCES (USES)								
Transfers in	20,000	25,000	3,500	60,400	45,178	-	20,000	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	20,000	25,000	3,500	60,400	45,178	-	20,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	3,940	25,000	(46,786)	29,735	44,978	191	(451)	(1,639)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	22,867	24,107	45,482	211,794	(44,978)	4,421	32,402	5,569
FUND BALANCES (DEFICITS) - JUNE 30	\$ 26,807	\$ 49,107	\$ (1,304)	\$ 241,529	\$ -	\$ 4,612	\$ 31,951	\$ 3,930

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Library Donations	MMA Grants	Mass Transit Reserve Fund	Keep Maine Healthy Grant	ARPA Fund	PREPA Grant	Affordable Housing Fund	PFAS
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,920	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Other income	9,509	-	-	-	-	-	-	-
TOTAL REVENUES	<u>9,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,920</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and sanitation	-	-	32,500	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	50,000	-
Education	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other	13,773	-	-	-	163,223	2,479	-	501,966
TOTAL EXPENDITURES	<u>13,773</u>	<u>-</u>	<u>32,500</u>	<u>-</u>	<u>163,223</u>	<u>2,479</u>	<u>50,000</u>	<u>501,966</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,264)</u>	<u>-</u>	<u>(32,500)</u>	<u>-</u>	<u>(163,223)</u>	<u>7,441</u>	<u>(50,000)</u>	<u>(501,966)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	50,000	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(4,264)</u>	<u>-</u>	<u>(32,500)</u>	<u>-</u>	<u>(163,223)</u>	<u>7,441</u>	<u>-</u>	<u>(501,966)</u>
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>13,691</u>	<u>285</u>	<u>50,000</u>	<u>867</u>	<u>604,326</u>	<u>(5,390)</u>	<u>150,000</u>	<u>(23,902)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 9,427</u>	<u>\$ 285</u>	<u>\$ 17,500</u>	<u>\$ 867</u>	<u>\$ 441,103</u>	<u>\$ 2,051</u>	<u>\$ 150,000</u>	<u>\$ (525,868)</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES and CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	375th Celebration	Real Estate	Memorial Field Assessment	Bike/Ped Master Plan	School Special Revenue Funds	Total
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 1,984,025	\$ 1,993,945
Charges for services	-	-	-	-	100,955	369,333
Other income	21,927	340,413	-	-	318,536	1,040,675
TOTAL REVENUES	<u>21,927</u>	<u>340,413</u>	<u>-</u>	<u>-</u>	<u>2,403,516</u>	<u>3,403,953</u>
EXPENDITURES						
Public safety	-	-	-	-	-	371,614
Health and sanitation	-	-	-	-	-	56,500
Recreation and culture	23,114	-	-	-	-	244,283
Education	-	-	-	-	2,186,905	2,186,905
Capital outlay	-	-	-	-	-	2,374,509
Other	-	-	22,634	2,294	-	916,647
TOTAL EXPENDITURES	<u>23,114</u>	<u>-</u>	<u>22,634</u>	<u>2,294</u>	<u>2,186,905</u>	<u>6,150,458</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,187)</u>	<u>340,413</u>	<u>(22,634)</u>	<u>(2,294)</u>	<u>216,611</u>	<u>(2,746,505)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	30,000	-	311,490	2,679,568
Transfers (out)	-	-	-	-	(11,490)	(46,490)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>300,000</u>	<u>2,633,078</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,187)	340,413	7,366	(2,294)	516,611	(113,427)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>5,944</u>	<u>558,513</u>	<u>-</u>	<u>100,000</u>	<u>1,436,576</u>	<u>5,520,335</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 4,757</u>	<u>\$ 898,926</u>	<u>\$ 7,366</u>	<u>\$ 97,706</u>	<u>\$ 1,953,187</u>	<u>\$ 5,406,908</u>

See accompanying independent auditor's report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust fund.

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Fort Foster Bench	State Aid to Roads	Rice Building Rehab	Fire Department Facility	Government St. Pier Reserve	Street Lights Project	Abatement Reserve	Climate Action
ASSETS								
Due from other funds	\$ 10,986	\$ 678,086	\$ 119,268	\$ 37,319	\$ 6,363	\$ 49,687	\$ 264,712	\$ 65,000
TOTAL ASSETS	<u>\$ 10,986</u>	<u>\$ 678,086</u>	<u>\$ 119,268</u>	<u>\$ 37,319</u>	<u>\$ 6,363</u>	<u>\$ 49,687</u>	<u>\$ 264,712</u>	<u>\$ 65,000</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	678,086	-	-	-	-	-	-
Committed	10,986	-	119,268	37,319	6,363	49,687	264,712	65,000
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>10,986</u>	<u>678,086</u>	<u>119,268</u>	<u>37,319</u>	<u>6,363</u>	<u>49,687</u>	<u>264,712</u>	<u>65,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,986</u>	<u>\$ 678,086</u>	<u>\$ 119,268</u>	<u>\$ 37,319</u>	<u>\$ 6,363</u>	<u>\$ 49,687</u>	<u>\$ 264,712</u>	<u>\$ 65,000</u>

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Police Equipment Reserve	Roadside Landscaping	Gorges Rd. Fire Station	Town Facilities	Covid Vaccine Clinics	School Capital Projects Funds	Total
ASSETS							
Due from other funds	\$ 2,000	\$ 38,330	\$ 480,463	\$ -	\$ 13,645	\$ 851,057	\$ 2,616,916
TOTAL ASSETS	<u>\$ 2,000</u>	<u>\$ 38,330</u>	<u>\$ 480,463</u>	<u>\$ -</u>	<u>\$ 13,645</u>	<u>\$ 851,057</u>	<u>\$ 2,616,916</u>
LIABILITIES							
Accounts payable	\$ -	\$ 2,192	\$ -	\$ -	\$ -	\$ -	\$ 2,192
TOTAL LIABILITIES	<u>-</u>	<u>2,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,192</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	480,463	-	-	-	1,158,549
Committed	2,000	36,138	-	-	13,645	851,057	1,456,175
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,000</u>	<u>36,138</u>	<u>480,463</u>	<u>-</u>	<u>13,645</u>	<u>851,057</u>	<u>2,614,724</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,000</u>	<u>\$ 38,330</u>	<u>\$ 480,463</u>	<u>\$ -</u>	<u>\$ 13,645</u>	<u>\$ 851,057</u>	<u>\$ 2,616,916</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Fort Foster Bench	State Aid to Roads	Rice Building Rehab	Fire Department Facility	Government St. Pier Reserve	Street Lights Project	Abatement Reserve	Climate Action
REVENUES								
Intergovernmental revenue	\$ -	\$ 459,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	75,684	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>459,177</u>	<u>75,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Capital outlay	-	1,066,963	538,077	-	10,760	61,952	-	-
Other	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>1,066,963</u>	<u>538,077</u>	<u>-</u>	<u>10,760</u>	<u>61,952</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(607,786)</u>	<u>(462,393)</u>	<u>-</u>	<u>(10,760)</u>	<u>(61,952)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	8,500	75,000	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(607,786)	(462,393)	-	(2,260)	13,048	-	-
FUND BALANCES - JULY 1, RESTATED	<u>10,986</u>	<u>1,285,872</u>	<u>581,661</u>	<u>37,319</u>	<u>8,623</u>	<u>36,639</u>	<u>264,712</u>	<u>65,000</u>
FUND BALANCES - JUNE 30	<u>\$ 10,986</u>	<u>\$ 678,086</u>	<u>\$ 119,268</u>	<u>\$ 37,319</u>	<u>\$ 6,363</u>	<u>\$ 49,687</u>	<u>\$ 264,712</u>	<u>\$ 65,000</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Police Equipment Reserve	Roadside Landscaping	Gorges Rd. Fire Station	Town Facilities	Covid Vaccine Clinics	School Capital Projects Funds	Total
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ 818,565	\$ -	\$ -	\$ -	\$ 1,277,742
Other income	-	-	-	-	-	-	75,684
TOTAL REVENUES	-	-	818,565	-	-	-	1,353,426
EXPENDITURES							
Capital outlay	18,000	18,862	338,102	-	-	111,942	2,164,658
Other	-	-	-	-	1,512	-	1,512
TOTAL EXPENDITURES	18,000	18,862	338,102	-	1,512	111,942	2,166,170
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,000)	(18,862)	480,463	-	(1,512)	(111,942)	(812,744)
OTHER FINANCING SOURCES (USES)							
Transfers in	10,000	-	-	-	-	384,286	477,786
Transfers (out)	-	-	-	-	-	(244,286)	(244,286)
TOTAL OTHER FINANCING SOURCES (USES)	10,000	-	-	-	-	140,000	233,500
NET CHANGE IN FUND BALANCES	(8,000)	(18,862)	480,463	-	(1,512)	28,058	(579,244)
FUND BALANCES - JULY 1, RESTATED	10,000	55,000	-	-	15,157	822,999	3,193,968
FUND BALANCES - JUNE 30	\$ 2,000	\$ 36,138	\$ 480,463	\$ -	\$ 13,645	\$ 851,057	\$ 2,614,724

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Kittery, 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 cemeteries and school department scholarships.

TOWN OF KITTERY, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS

JUNE 30, 2023

	Public Health Trust	Mary Safford Wildes	Lester Raynes Trust	George Smart Santa	Recycling Scholarship	Connie Samuels Beautification	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ 57,239	\$ -	\$ 6,744	\$ -	\$ -	\$ 63,983
Investments	-	546,387	-	-	-	-	546,387
Due from other funds	26,378	-	8,462	-	25,680	58,601	119,121
TOTAL ASSETS	<u>\$ 26,378</u>	<u>\$ 603,626</u>	<u>\$ 8,462</u>	<u>\$ 6,744</u>	<u>\$ 25,680</u>	<u>\$ 58,601</u>	<u>\$ 729,491</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	10,000	-	-	50,000	60,000
Restricted	26,378	603,626	-	6,744	25,680	8,601	671,029
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(1,538)	-	-	-	(1,538)
TOTAL FUND BALANCES	<u>26,378</u>	<u>603,626</u>	<u>8,462</u>	<u>6,744</u>	<u>25,680</u>	<u>58,601</u>	<u>729,491</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,378</u>	<u>\$ 603,626</u>	<u>\$ 8,462</u>	<u>\$ 6,744</u>	<u>\$ 25,680</u>	<u>\$ 58,601</u>	<u>\$ 729,491</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Public Health Trust	Mary Safford Wildes	Lester Raynes Trust	George Smart Santa	Recycling Scholarship	Connie Samuels Beautification	Total
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ -	\$ 40,927	\$ -	\$ -	\$ -	\$ -	\$ 40,927
Other income	-	-	-	-	13,996	-	13,996
TOTAL REVENUES	-	40,927	-	-	13,996	-	54,923
EXPENDITURES							
Other	-	90	-	3,565	-	-	3,655
TOTAL EXPENDITURES	-	90	-	3,565	-	-	3,655
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	40,837	-	(3,565)	13,996	-	51,268
OTHER FINANCING SOURCES (USES)							
Transfers in	-	75,340	-	4,905	-	-	80,245
Transfers (out)	-	(145,423)	-	-	-	-	(145,423)
TOTAL OTHER FINANCING SOURCES (USES)	-	(70,083)	-	4,905	-	-	(65,178)
NET CHANGE IN FUND BALANCES	-	(29,246)	-	1,340	13,996	-	(13,910)
FUND BALANCES - JULY 1	26,378	632,872	8,462	5,404	11,684	58,601	743,401
FUND BALANCES - JUNE 30	\$ 26,378	\$ 603,626	\$ 8,462	\$ 6,744	\$ 25,680	\$ 58,601	\$ 729,491

See accompanying independent auditor's report and notes to financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town as an agent for individuals, private organizations or other governmental units. These assets are not available to support Town programs.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2023

	Adult Ed Scholarships	Bob Whitten	William Dennett
ASSETS			
Cash and cash equivalents	\$ -	\$ 4,870	\$ 32
Due from other governments	4,680	-	-
TOTAL ASSETS	<u>\$ 4,680</u>	<u>\$ 4,870</u>	<u>\$ 32</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted - held in trust	4,680	4,870	32
TOTAL NET POSITION	<u>4,680</u>	<u>4,870</u>	<u>32</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,680</u>	<u>\$ 4,870</u>	<u>\$ 32</u>

TOWN OF KITTERY, MAINE
COMBINING SCHEDULE OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2023

	Priscilla Guy	Louise Whelton Art	Total
ASSETS			
Cash and cash equivalents	\$ 1,996	\$ 469	\$ 7,367
Due from other governments	-	-	4,680
TOTAL ASSETS	<u>\$ 1,996</u>	<u>\$ 469</u>	<u>\$ 12,047</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted - held in trust	1,996	469	12,047
TOTAL NET POSITION	<u>1,996</u>	<u>469</u>	<u>12,047</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,996</u>	<u>\$ 469</u>	<u>\$ 12,047</u>

See accompanying independent auditor’s report and notes to financial statements.

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Adult Ed Scholarships	Bob Whitten	William Dennett
ADDITIONS			
Interest	\$ -	\$ -	\$ -
Contributions	-	-	-
TOTAL ADDITIONS	<u>-</u>	<u>-</u>	<u>-</u>
DEDUCTIONS			
Scholarships	<u>700</u>	<u>750</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>700</u>	<u>750</u>	<u>-</u>
CHANGE IN NET POSITION	(700)	(750)	-
NET POSITION - JULY 1	<u>5,380</u>	<u>5,620</u>	<u>32</u>
NET POSITION - JUNE 30	<u>\$ 4,680</u>	<u>\$ 4,870</u>	<u>\$ 32</u>

TOWN OF KITTERY, MAINE

COMBINING SCHEDULE OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Priscilla Guy	Louise Whelton Art	Total
ADDITIONS			
Interest	\$ -	\$ -	\$ -
Contributions	-	-	-
TOTAL ADDITIONS	<u>-</u>	<u>-</u>	<u>-</u>
DEDUCTIONS			
Scholarships	<u>200</u>	<u>-</u>	<u>1,650</u>
TOTAL DEDUCTIONS	<u>200</u>	<u>-</u>	<u>1,650</u>
CHANGE IN NET POSITION	(200)	-	(1,650)
NET POSITION - JULY 1	<u>2,196</u>	<u>469</u>	<u>13,697</u>
NET POSITION - JUNE 30	<u>\$ 1,996</u>	<u>\$ 469</u>	<u>\$ 12,047</u>

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

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

TOWN OF KITTERY, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2023

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ -	\$ 2,933,449	\$ 455,090	\$ 8,479	\$ 3,397,018
Police	13,577	191,130	1,686,397	-	1,891,104
Fire	353,200	2,678,208	4,019,996	100,501	7,151,905
Public works	8,593,148	3,601,461	5,480,634	13,215,990	30,891,233
Health and sanitation	-	58,183	175,502	-	233,685
Recreation and culture	1,989,284	14,721,231	485,963	-	17,196,478
Harbor master	-	928,751	131,409	935,385	1,995,545
School department	65,922	26,076,660	1,243,268	-	27,385,850
Sewer department	285,980	19,456,787	722,258	12,009,465	32,474,490
Total General Capital Assets	11,301,111	70,645,860	14,400,517	26,269,820	122,617,308
Less: Accumulated Depreciation	-	(42,864,496)	(8,712,646)	(13,427,266)	(65,004,408)
Net General Capital Assets	<u>\$ 11,301,111</u>	<u>\$ 27,781,364</u>	<u>\$ 5,687,871</u>	<u>\$ 12,842,554</u>	<u>\$ 57,612,900</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KITTERY, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2023

	General Capital Assets 7/1/22	Additions	Deletions	General Capital Assets 6/30/23
General government	\$ 3,370,874	\$ 26,144	\$ -	\$ 3,397,018
Police	1,541,494	349,610	-	1,891,104
Fire	6,609,697	542,208	-	7,151,905
Public works	30,186,925	704,308	-	30,891,233
Health and sanitation	58,183	175,502	-	233,685
Recreation and culture	16,889,035	307,443	-	17,196,478
Harbor master	1,939,803	55,742	-	1,995,545
School department	27,312,324	131,468	(57,942)	27,385,850
Sewer department	32,188,240	286,250	-	32,474,490
Total General Capital Assets	120,096,575	2,578,675	(57,942)	122,617,308
Less: Accumulated Depreciation	<u>(61,957,768)</u>	<u>(3,104,582)</u>	<u>57,942</u>	<u>(65,004,408)</u>
Net General Capital Assets	<u>\$ 58,138,807</u>	<u>\$ (525,907)</u>	<u>\$ -</u>	<u>\$ 57,612,900</u>

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance Description

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's 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
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

TOWN OF KITTERY, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed-through State of Maine - Department of Education and Cultural Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	3014	\$ -	\$ 55,258
National School Lunch Program	10.555	3022	-	104,072
National School Lunch Program	10.555	3024	-	76,791
National School Lunch Program	10.555	6662	-	33,264
Summer Food Service Program for Children	10.559	3016	-	3,315
Summer Food Service Program for Children	10.559	3016	-	32,005
Subtotal Child Nutrition Cluster			<u>-</u>	<u>304,705</u>
Pandemic EBT Administrative Costs	10.649	6184	<u>-</u>	<u>1,884</u>
Total U.S. Department of Agriculture			<u>-</u>	<u>306,589</u>
U.S. Department of Transportation				
Passed-through State of Maine - Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	CSN #29499	<u>-</u>	<u>644,142</u>
Subtotal Highway Planning and Construction Cluster			<u>-</u>	<u>644,142</u>
Total U.S. Department of Transportation			<u>-</u>	<u>644,142</u>
U.S. Department of Treasury				
Passed-through State of Maine - Department of Health and Human Services				
Coronavirus Capital Projects Fund	21.029	N/A	<u>-</u>	<u>163,223</u>
Total U.S. Department of Treasury			<u>-</u>	<u>163,223</u>

TOWN OF KITTERY, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Education				
Passed-through State of Maine - Department of Education and Cultural Services:				
Title I Grants to Local Educational Agencies	84.010A	N/A	-	124,978
Title I Grants to Local Educational Agencies	84.010A	3107	-	35,505
			-	<u>160,483</u>
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	3046	-	228,960
Special Education Grants to States	84.027X	7170	-	22,722
Subtotal Special Education Cluster (IDEA)			-	<u>251,682</u>
Improving Teacher Quality State Grants				
Student Support and Academic Enrichment Program	84.367A	3042	-	30,597
	84.424	3345	-	<u>19,055</u>
Education Stabilization Fund				
Education Stabilization Fund	84.425D	7051	-	61,065
Education Stabilization Fund	84.425D	7071	-	350,840
Education Stabilization Fund	84.425D	7041	-	1,250
Education Stabilization Fund	84.425D	Multilingual Learners	-	21,896
			-	<u>435,051</u>
Total U.S. Department of Education				
			-	<u>896,868</u>
TOTAL FEDERAL ASSISTANCE			\$ -	<u>\$ 2,010,822</u>

TOWN OF KITTERY, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Kittery, Maine under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Kittery, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Kittery, Maine.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Town of Kittery, Maine has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



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INDEPENDENT AUDITOR'S 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

Town Council
Town of Kittery
Kittery, Maine

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Kittery, Maine as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Kittery, Maine's basic financial statements and have issued our report thereon dated March 19, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Kittery, 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 Kittery, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Kittery, 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.

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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.

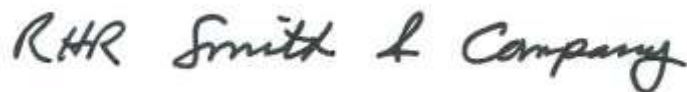
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Kittery, 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*. We noted certain other matters that we reported to management of the Town of Kittery, Maine in a separate letter dated February 20, 2024.

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.

A handwritten signature in cursive script that reads "RHR Smith & Company".

Buxton, Maine
March 19, 2024



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Town Council
Town of Kittery
Kittery, Maine

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Kittery, Maine's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Kittery, Maine's major federal programs for the year ended June 30, 2023. The Town of Kittery, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Kittery, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility section of our report.

We are required to be independent of the Town of Kittery, Maine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Kittery, Maine's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Kittery, Maine's federal programs.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the Town of Kittery, Maine's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Kittery, Maine's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Kittery, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Kittery, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kittery, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
March 19, 2024

TOWN OF KITTERY, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? yes no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None



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INDEPENDENT AUDITOR'S REPORT ON STATE REQUIREMENTS

Town Council
Town of Kittery
Kittery, Maine

We have audited the financial statements of Town of Kittery, Maine for the year ended June 30, 2023 and have issued our report thereon dated March 19, 2024. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Town of Kittery, Maine's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Kittery, Maine complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Kittery, Maine was in noncompliance with or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Town of Kittery, Maine and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the Maine Department of Education.

This report is intended solely for the information of the Town Council, School Board, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
March 19, 2024

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KITTERY SCHOOL DEPARTMENT

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
 SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2023

	General Fund (1000)	Special Revenue Funds (2000) & (6000)	Capital Projects Funds (4000)	Agency Funds (9000)	Total
June 30, 2023 Balance per MEFS	\$ 2,749,429	\$ 1,953,187	\$ 851,057	\$ -	\$ 5,553,673
Other adjustments:					
Fund Balances:					
General fund	2,749,429	-	-	-	2,749,429
Special revenue funds	-	1,953,187	-	-	1,953,187
Capital projects funds	-	-	851,057	-	851,057
Audited GAAP Basis Fund Balance June 30, 2023	<u>\$ 2,749,429</u>	<u>\$ 1,953,187</u>	<u>\$ 851,057</u>	<u>\$ -</u>	<u>\$ 5,553,673</u>



TOWN OF KITTERY

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REPORT TO TOWN COUNCIL

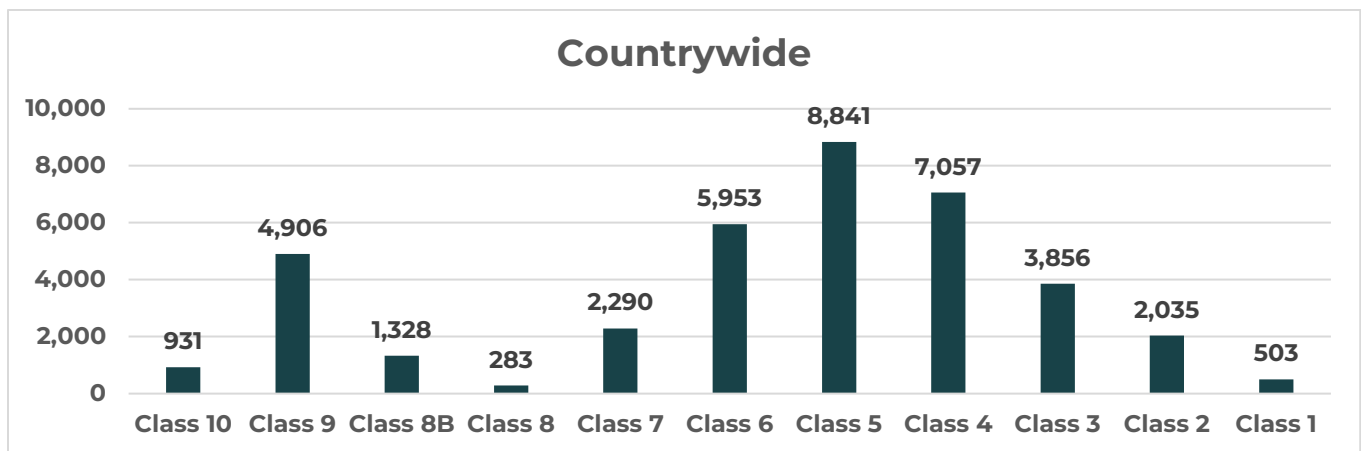
Meeting Date: March 25, 2024
From: Daivd O'Brien, Fire Chief
CC: Kendra Amaral, Town Manager
Subject: Insurance Service Office (ISO) Public Protection Classification (PPC) Survey
Councilor Sponsor: N/A

OVERVIEW

The PPC survey accomplished by ISO every five years is an analysis of the structural firefighting suppression delivery system provided in our community. The survey measures our water supply, dispatch, and firefighting capabilities. Insurance companies use the PPC program in underwriting and setting premium pricing for personal and commercial property insurance.

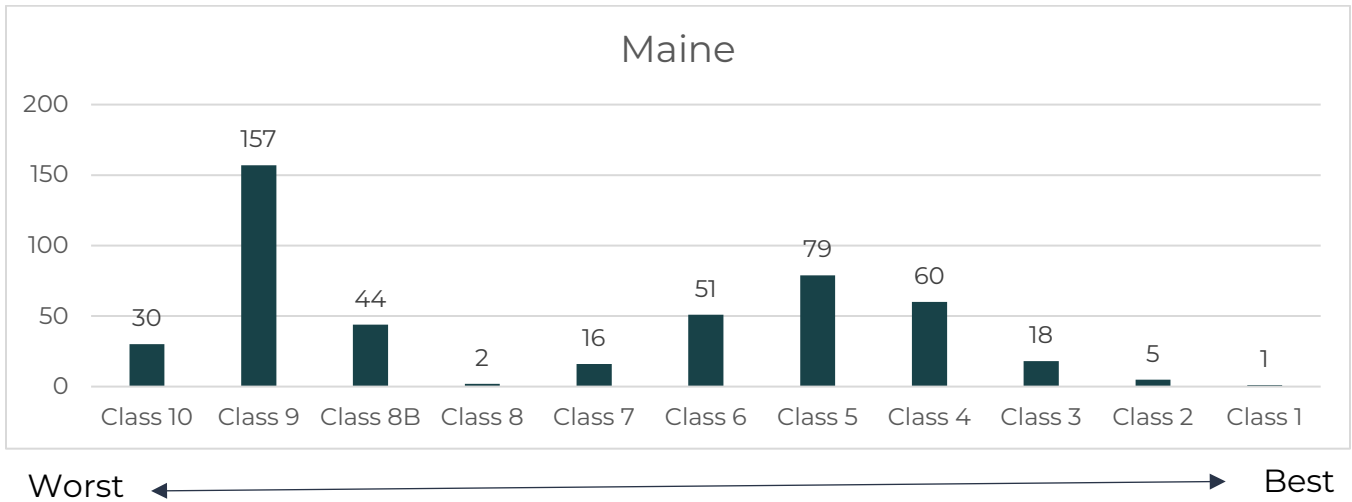
The classification is numerically reported between a "Class 1" (best) to a "Class 10" (worst). ISO conducted a survey of Kittery in April 2023 with results posted in January 2024. An improved classification of "Class 3" was awarded the Town of Kittery and will go into effect on May 01, 2024.

The "Class 3" classification shows a continual improvement in our firefighting suppression delivery system since year 1999 when Kittery was a "Class 6" community. In 2005 we improved to a "Class 5", and in 2018 Kittery was upgraded to a "Class 4". Comparing Kittery's "Class 3" to the rest of the country shows Kittery in the upper 16.7% with only 6.6% of the 38,195 fire departments surveyed having a better classification.



Worst ← → Best

In Maine of the 463 communities surveyed only 24 (5.2%) fall within the “Class 1” to “Class 3” range and only 6 or 1.3% have a better classification than Kittery.



The “Class 3” classification is a result of the Kittery Fire Department understanding the need to continually improve in all aspects of firefighting suppression.

PROPOSED SOLUTION/RECOMMENDATION

None

ATTACHMENTS

- ISO Cover Letter and PPC Summary Report



1000 Bishops Gate Blv. Ste 300
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t1.800.444.4554 Opt.2
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January 22, 2024

Mrs. Kendra Amaral, Township Manager
Kittery
200 Rogers Road
Kittery, Maine, 03904

RE: Kittery, York County, Maine
Public Protection Classification: 03/3Y
Effective Date: May 01, 2024

Dear Mrs. Kendra Amaral,

We wish to thank you and Mr. David O'Brien for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

ISO's Public Protection Classification Program (PPC) plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision-making when deciding what business to write, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" — formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."
- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."

- Communities graded with single “9” or “8B” classifications will remain intact.
- Properties over 5 road miles from a recognized fire station would receive a class 10.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

Alex Shubert

Alex Shubert
Manager -National Processing Center

cc: Mr. David O'Brien, Chief, Kittery Fire Department
Chief Robert Richter, Police Chief, Kittery Police Department
Mr. Michael Rogers, Water Superintendent, Kittery Water District

**Public Protection Classification
(PPC®)
Summary Report**

Kittery

MAINE

Prepared by

**Insurance Services Office, Inc.
1000 Bishops Gate Blvd., Ste. 300
P.O. Box 5404
Mt. Laurel, New Jersey 08054-5404
1-800-444-4554**

**Report Created January 2024
Effective May 1, 2024**

Background Information

Introduction

ISO collects and evaluates information from communities in the United States on their structure fire suppression capabilities. The data is analyzed using our Fire Suppression Rating Schedule (FSRS) and then a Public Protection Classification (PPC®) grade is assigned to the community. The surveys are conducted whenever it appears that there is a possibility of a PPC change. As such, the PPC program provides important, up-to-date information about fire protection services throughout the country.

The FSRS recognizes fire protection features only as they relate to suppression of first alarm structure fires. In many communities, fire suppression may be only a small part of the fire department's overall responsibility. ISO recognizes the dynamic and comprehensive duties of a community's fire service, and understands the complex decisions a community must make in planning and delivering emergency services. However, in developing a community's PPC grade, only features related to reducing property losses from structural fires are evaluated. Multiple alarms, simultaneous incidents and life safety are not considered in this evaluation. The PPC program evaluates the fire protection for small to average size buildings. Specific properties with a Needed Fire Flow in excess of 3,500 gpm are evaluated separately and assigned an individual PPC grade.

A community's investment in fire mitigation is a proven and reliable predictor of future fire losses. Statistical data on insurance losses bears out the relationship between excellent fire protection – as measured by the PPC program – and low fire losses. So, insurance companies use PPC information for marketing, underwriting, and to help establish fair premiums for homeowners and commercial fire insurance. In general, the price of fire insurance in a community with a good PPC grade is substantially lower than in a community with a poor PPC grade, assuming all other factors are equal.

ISO is an independent company that serves insurance companies, communities, fire departments, insurance regulators, and others by providing information about risk. ISO's expert staff collects information about municipal fire suppression efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data and assigns a PPC grade – a number from 1 to 10. Class 1 represents an exemplary fire suppression program, and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.

ISO's PPC program evaluates communities according to a uniform set of criteria, incorporating nationally recognized standards developed by the National Fire Protection Association and the American Water Works Association. A community's PPC grade depends on:

- **Needed Fire Flows**, which are representative building locations used to determine the theoretical amount of water necessary for fire suppression purposes.
- **Emergency Communications**, including emergency reporting, telecommunicators, and dispatching systems.
- **Fire Department**, including equipment, staffing, training, geographic distribution of fire companies, operational considerations, and community risk reduction.
- **Water Supply**, including inspection and flow testing of hydrants, alternative water supply operations, and a careful evaluation of the amount of available water compared with the amount needed to suppress fires up to 3,500 gpm.

Data Collection and Analysis

ISO has evaluated and classified over 39,000 fire protection areas across the United States using its FSRS. A combination of meetings between trained ISO field representatives and the dispatch center coordinator, community fire official, and water superintendent is used in conjunction with a comprehensive questionnaire to collect the data necessary to determine the PPC grade. In order for a community to obtain a grade better than a Class 9, three elements of fire suppression features are reviewed. These three elements are Emergency Communications, Fire Department, and Water Supply.

A review of the **Emergency Communications** accounts for 10% of the total classification. This section is weighted at **10 points**, as follows:

- Emergency Reporting 3 points
- Telecommunicators 4 points
- Dispatch Circuits 3 points

A review of the **Fire Department** accounts for 50% of the total classification. ISO focuses on a fire department's first alarm response and initial attack to minimize potential loss. The fire department section is weighted at **50 points**, as follows:

- Engine Companies 6 points
- Reserve Pumpers 0.5 points
- Pump Capacity 3 points
- Ladder/Service Companies 4 points
- Reserve Ladder/Service Trucks 0.5 points
- Deployment Analysis 10 points
- Company Personnel 15 points
- Training 9 points
- Operational considerations 2 points
- Community Risk Reduction 5.5 points (in addition to the 50 points above)

A review of the **Water Supply** system accounts for 40% of the total classification. ISO reviews the water supply a community uses to determine the adequacy for fire suppression purposes. The water supply system is weighted at **40 points**, as follows:

- Credit for Supply System 30 points
- Hydrant Size, Type & Installation 3 points
- Inspection & Flow Testing of Hydrants 7 points

There is one additional factor considered in calculating the final score – **Divergence**.

Even the best fire department will be less than fully effective if it has an inadequate water supply. Similarly, even a superior water supply will be less than fully effective if the fire department lacks the equipment or personnel to use the water. The FSRs score is subject to modification by a divergence factor, which recognizes disparity between the effectiveness of the fire department and the water supply.

The Divergence factor mathematically reduces the score based upon the relative difference between the fire department and water supply scores. The factor is introduced in the final equation.

PPC Grade

The PPC grade assigned to the community will depend on the community's score on a 100-point scale:

PPC	Points
1	90.00 or more
2	80.00 to 89.99
3	70.00 to 79.99
4	60.00 to 69.99
5	50.00 to 59.99
6	40.00 to 49.99
7	30.00 to 39.99
8	20.00 to 29.99
9	10.00 to 19.99
10	0.00 to 9.99

The classification numbers are interpreted as follows:

- Class 1 through (and including) Class 8 represents a fire suppression system that includes an FSRs creditable dispatch center, fire department, and water supply.
- Class 8B is a special classification that recognizes a superior level of fire protection in otherwise Class 9 areas. It is designed to represent a fire protection delivery system that is superior except for a lack of a water supply system capable of the minimum FSRs fire flow criteria of 250 gpm for 2 hours.
- Class 9 is a fire suppression system that includes a creditable dispatch center, fire department but no FSRs creditable water supply.
- Class 10 does not meet minimum FSRs criteria for recognition, including areas that are beyond five road miles of a recognized fire station.

New PPC program changes effective July 1, 2014

We have revised the PPC program to capture the effects of enhanced fire protection capabilities that reduce fire loss and fire severity in Split Class 9 and Split Class 8B areas (as outlined below). This new structure benefits the fire service, community, and property owner.

New classifications

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new PPC classes will improve the predictive value for insurers while benefiting both commercial and residential property owners. Here are the new classifications and what they mean.

Split classifications

When we develop a split classification for a community — for example 5/9 — the first number is the class that applies to properties within 5 road miles of the responding fire station and 1,000 feet of a creditable water supply, such as a fire hydrant, suction point, or dry hydrant. The second number is the class that applies to properties within 5 road miles of a fire station but beyond 1,000 feet of a creditable water supply. We have revised the classification to reflect more precisely the risk of loss in a community, replacing Class 9 and 8B in the second part of a split classification with revised designations.

What's changed with the new classifications?

We've published the new classifications as "X" and "Y" — formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently displayed as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9".
- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B".
- Communities graded with single "9" or "8B" classifications will remain intact.

Prior Classification	New Classification
1/9	1/1X
2/9	2/2X
3/9	3/3X
4/9	4/4X
5/9	5/5X
6/9	6/6X
7/9	7/7X
8/9	8/8X
9	9

Prior Classification	New Classification
1/8B	1/1Y
2/8B	2/2Y
3/8B	3/3Y
4/8B	4/4Y
5/8B	5/5Y
6/8B	6/6Y
7/8B	7/7Y
8/8B	8/8Y
8B	8B

What's changed?

As you can see, we're still maintaining split classes, but it's how we represent them to insurers that's changed. The new designations reflect a reduction in fire severity and loss and have the potential to reduce property insurance premiums.

Benefits of the revised split class designations

- To the fire service, the revised designations identify enhanced fire suppression capabilities used throughout the fire protection area
- To the community, the new classes reward a community's fire suppression efforts by showing a more reflective designation
- To the individual property owner, the revisions offer the potential for decreased property insurance premiums

New water class

Our data also shows that risks located more than 5 but less than 7 road miles from a responding fire station with a creditable water source within 1,000 feet had better loss experience than those farther than 5 road miles from a responding fire station with no creditable water source. We've introduced a new classification —10W — to recognize the reduced loss potential of such properties.

What's changed with Class 10W?

Class 10W is property-specific. Not all properties in the 5-to-7-mile area around the responding fire station will qualify. The difference between Class 10 and 10W is that the 10W-graded risk or property is within 1,000 feet of a creditable water supply. Creditable water supplies include fire protection systems using hauled water in any of the split classification areas.

What's the benefit of Class 10W?

10W gives credit to risks within 5 to 7 road miles of the responding fire station and within 1,000 feet of a creditable water supply. That's reflective of the potential for reduced property insurance premiums.

What does the fire chief have to do?

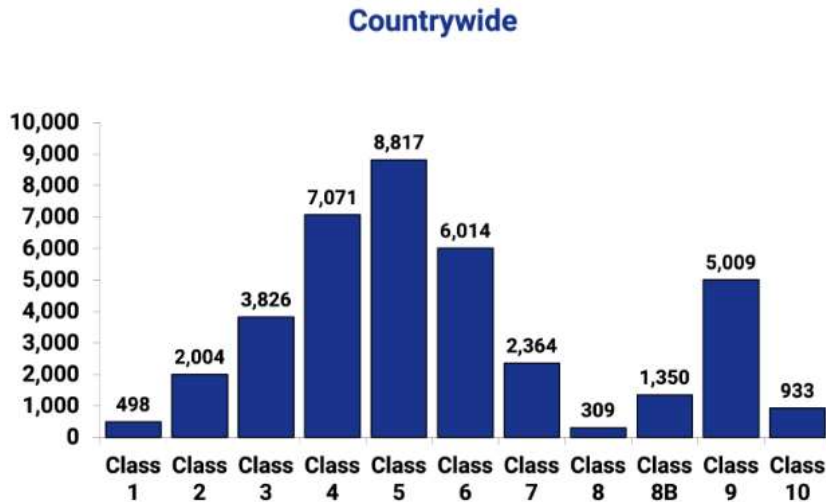
Fire chiefs don't have to do anything at all. The revised classifications went in place automatically effective July 1, 2014 (July 1, 2015 for Texas).

What if I have additional questions?

Feel free to contact ISO at 800.444.4554 or email us at PPC-Cust-Serv@iso.com.

Distribution of PPC Grades

The 2023 published countrywide distribution of communities by the PPC grade is as follows:



Assistance

The PPC program offers help to communities, fire departments, and other public officials as they plan for, budget, and justify improvements. ISO is also available to assist in the understanding of the details of this evaluation.

The PPC program representatives can be reached by telephone at (800) 444-4554. The technical specialists at this telephone number have access to the details of this evaluation and can effectively speak with you about your questions regarding the PPC program. What's more, we can be reached via the internet at www.isomitigation.com/talk/.

We also have a website dedicated to our Community Hazard Mitigation Classification programs at www.isomitigation.com. Here, fire chiefs, building code officials, community leaders and other interested citizens can access a wealth of data describing the criteria used in evaluating how cities and towns are protecting residents from fire and other natural hazards. This website will allow you to learn more about the PPC program. The website provides important background information, insights about the PPC grading processes and technical documents. ISO is also pleased to offer Fire Chiefs Online — a special, secured website with information and features that can help improve your PPC grade, including a list of the Needed Fire Flows for all the commercial occupancies ISO has on file for your community. Visitors to the site can download information, see statistical results and also contact ISO for assistance.

In addition, on-line access to the FSRs and its commentaries is available to registered customers for a fee. However, fire chiefs and community chief administrative officials are given access privileges to this information without charge.

To become a registered fire chief or community chief administrative official, register at www.isomitigation.com.

PPC Review

ISO concluded its review of the fire suppression features being provided for Kittery. The resulting community classification is **Class 03/3Y**.

If the classification is a single class, the classification applies to properties with a Needed Fire Flow of 3,500 gpm or less in the community. If the classification is a split class (e.g., 6/XX):

- The first class (e.g., “6” in a 6/XX) applies to properties within 5 road miles of a recognized fire station and within 1,000 feet of a fire hydrant or alternate water supply.
- The second class (XX or XY) applies to properties beyond 1,000 feet of a fire hydrant but within 5 road miles of a recognized fire station.
- Alternative Water Supply: The first class (e.g., “6” in a 6/10) applies to properties within 5 road miles of a recognized fire station with no hydrant distance requirement.
- Class 10 applies to properties over 5 road miles of a recognized fire station.
- Class 10W applies to properties within 5 to 7 road miles of a recognized fire station with a recognized water supply within 1,000 feet.
- Specific properties with a Needed Fire Flow in excess of 3,500 gpm are evaluated separately and assigned an individual classification.

FSRS Feature	Earned Credit	Credit Available
Emergency Communications		
414. Credit for Emergency Reporting	2.70	3
422. Credit for Telecommunicators	4.00	4
432. Credit for Dispatch Circuits	1.72	3
440. Credit for Emergency Communications	8.42	10
Fire Department		
513. Credit for Engine Companies	5.10	6
523. Credit for Reserve Pumpers	0.00	0.50
532. Credit for Pump Capacity	3.00	3
549. Credit for Ladder Service	4.00	4
553. Credit for Reserve Ladder and Service Trucks	0.00	0.50
561. Credit for Deployment Analysis	5.52	10
571. Credit for Company Personnel	7.84	15
581. Credit for Training	3.02	9
730. Credit for Operational Considerations	2.00	2
590. Credit for Fire Department	30.48	50
Water Supply		
616. Credit for Supply System	28.55	30
621. Credit for Hydrants	2.81	3
631. Credit for Inspection and Flow Testing	3.20	7
640. Credit for Water Supply	34.56	40
Divergence	-5.09	--
1050. Community Risk Reduction	3.20	5.50
Total Credit	71.57	105.50

Emergency Communications

Ten percent of a community's overall score is based on how well the communications center receives and dispatches fire alarms. Our field representative evaluated:

- Communications facilities provided for the general public to report structure fires
- Enhanced 9-1-1 Telephone Service including wireless
- Computer-aided dispatch (CAD) facilities
- Alarm receipt and processing at the communication center
- Training and certification of telecommunicators
- Facilities used to dispatch fire department companies to reported structure fires

	Earned Credit	Credit Available
414. Credit Emergency Reporting	2.70	3
422. Credit for Telecommunicators	4.00	4
432. Credit for Dispatch Circuits	1.72	3
Item 440. Credit for Emergency Communications:	8.42	10

Item 414 - Credit for Emergency Reporting (3 points)

The first item reviewed is Item 414 "Credit for Emergency Reporting (CER)". This item reviews the emergency communication center facilities provided for the public to report fires including 911 systems (Basic or Enhanced), Wireless Phase I and Phase II, Voice over Internet Protocol, Computer Aided Dispatch and Geographic Information Systems for automatic vehicle location. ISO uses National Fire Protection Association (NFPA) 1221, *Standard for the Installation, Maintenance and Use of Emergency Services Communications Systems* as the reference for this section.

Item 410. Emergency Reporting (CER)	Earned Credit	Credit Available
<p>A./B. Basic 9-1-1, Enhanced 9-1-1 or No 9-1-1</p> <p>For maximum credit, there should be an Enhanced 9-1-1 system, Basic 9-1-1 and No 9-1-1 will receive partial credit.</p>	20.00	20
<p>1. E9-1-1 Wireless</p> <p>Wireless Phase I using Static ALI (automatic location identification) Functionality (10 points); Wireless Phase II using Dynamic ALI Functionality (15 points); Both available will be 25 points</p>	25.00	25
<p>2. E9-1-1 Voice over Internet Protocol (VoIP)</p> <p>Static VoIP using Static ALI Functionality (10 points); Nomadic VoIP using Dynamic ALI Functionality (15 points); Both available will be 25 points</p>	25.00	25
<p>3. Computer Aided Dispatch</p> <p>Basic CAD (5 points); CAD with Management Information System (5 points); CAD with Interoperability (5 points)</p>	5.00	15
<p>4. Geographic Information System (GIS/AVL)</p> <p>The PSAP uses a fully integrated CAD/GIS management system with automatic vehicle location (AVL) integrated with a CAD system providing dispatch assignments.</p> <p>The individual fire departments being dispatched <u>do not</u> need GIS/AVL capability to obtain this credit.</p>	15.00	15
<p>Review of Emergency Reporting total:</p>	90.00	100

Item 422- Credit for Telecommunicators (4 points)

The second item reviewed is Item 422 "Credit for Telecommunicators (TC)". This item reviews the number of Telecommunicators on duty at the center to handle fire calls and other emergencies. All emergency calls including those calls that do not require fire department action are reviewed to determine the proper staffing to answer emergency calls and dispatch the appropriate emergency response. The 2013 Edition of NFPA 1221, *Standard for the Installation, Maintenance and Use of Emergency Services Communications Systems*, recommends that ninety-five percent of emergency calls shall be answered within 15 seconds and ninety-nine percent of emergency calls shall be answered within 40 seconds. In addition, NFPA recommends that eighty percent of emergency alarm processing shall be completed within 60 seconds and ninety-five percent of alarm processing shall be completed within 106 seconds of answering the call.

To receive full credit for operators on duty, ISO must review documentation to show that the communication center meets NFPA 1221 call answering and dispatch time performance measurement standards. This documentation may be in the form of performance statistics or other performance measurements compiled by the 9-1-1 software or other software programs that are currently in use such as Computer Aided Dispatch (CAD) or Management Information System (MIS).

Item 420. Telecommunicators (CTC)	Earned Credit	Credit Available
<p>A1. Alarm Receipt (AR)</p> <p>Receipt of alarms shall meet the requirements in accordance with the criteria of NFPA 1221</p>	20.00	20
<p>A2. Alarm Processing (AP)</p> <p>Processing of alarms shall meet the requirements in accordance with the criteria of NFPA 1221</p>	20.00	20
<p>B. Emergency Dispatch Protocols (EDP)</p> <p>Telecommunicators have emergency dispatch protocols (EDP) containing questions and a decision-support process to facilitate correct call categorization and prioritization.</p>	20.00	20
<p>C. Telecommunicator Training and Certification (TTC)</p> <p>Telecommunicators meet the qualification requirements referenced in NFPA 1061, <i>Standard for Professional Qualifications for Public Safety Telecommunicator</i>, and/or the Association of Public-Safety Communications Officials - International (APCO) <i>Project 33</i>. Telecommunicators are certified in the knowledge, skills, and abilities corresponding to their job functions.</p>	20.00	20
<p>D. Telecommunicator Continuing Education and Quality Assurance (TQA)</p> <p>Telecommunicators participate in continuing education and/or in-service training and quality-assurance programs as appropriate for their positions</p>	20.00	20
<p>Review of Telecommunicators total:</p>	100.00	100

Item 432 - Credit for Dispatch Circuits (3 points)

The third item reviewed is Item 432 “Credit for Dispatch Circuits (CDC)”. This item reviews the dispatch circuit facilities used to transmit alarms to fire department members. A “Dispatch Circuit” is defined in NFPA 1221 as “A circuit over which an alarm is transmitted from the communications center to an emergency response facility (ERF) or emergency response units (ERUs) to notify ERUs to respond to an emergency”. All fire departments (except single fire station departments with full-time firefighter personnel receiving alarms directly at the fire station) need adequate means of notifying all firefighter personnel of the location of reported structure fires. The dispatch circuit facilities should be in accordance with the general criteria of NFPA 1221. “Alarms” are defined in this Standard as “A signal or message from a person or device indicating the existence of an emergency or other situation that requires action by an emergency response agency”.

There are two different levels of dispatch circuit facilities provided for in the Standard – a primary dispatch circuit and a secondary dispatch circuit. In jurisdictions that receive 730 alarms or more per year (average of two alarms per 24-hour period), two separate and dedicated dispatch circuits, a primary and a secondary, are needed. In jurisdictions receiving fewer than 730 alarms per year, a second dedicated dispatch circuit is not needed. Dispatch circuit facilities installed but not used or tested (in accordance with the NFPA Standard) receive no credit.

The score for Credit for Dispatch Circuits (CDC) is influenced by monitoring for integrity of the primary dispatch circuit. There are up to 0.90 points available for this Item. Monitoring for integrity involves installing automatic systems that will detect faults and failures and send visual and audible indications to appropriate communications center (or dispatch center) personnel. ISO uses NFPA 1221 to guide the evaluation of this item. ISO's evaluation also includes a review of the communication system's emergency power supplies.

Item 432 “Credit for Dispatch Circuits (CDC)” = 1.72 points

Fire Department

Fifty percent of a community's overall score is based upon the fire department's structure fire suppression system. ISO's field representative evaluated:

- Engine and ladder/service vehicles including reserve apparatus
- Equipment carried
- Response to reported structure fires
- Deployment analysis of companies
- Available and/or responding firefighters
- Training

	Earned Credit	Credit Available
513. Credit for Engine Companies	5.10	6
523. Credit for Reserve Pumpers	0.00	0.5
532. Credit for Pumper Capacity	3.00	3
549. Credit for Ladder Service	4.00	4
553. Credit for Reserve Ladder and Service Trucks	0.00	0.5
561. Credit for Deployment Analysis	5.52	10
571. Credit for Company Personnel	7.84	15
581. Credit for Training	3.02	9
730. Credit for Operational Considerations	2.00	2
Item 590. Credit for Fire Department:	30.48	50

Basic Fire Flow

The Basic Fire Flow for the community is determined by the review of the Needed Fire Flows for selected buildings in the community. The fifth largest Needed Fire Flow is determined to be the Basic Fire Flow. The Basic Fire Flow has been determined to be 3000 gpm.

Item 513 - Credit for Engine Companies (6 points)

The first item reviewed is Item 513 "Credit for Engine Companies (CEC)". This item reviews the number of engine companies, their pump capacity, hose testing, pump testing and the equipment carried on the in-service pumpers. To be recognized, pumper apparatus must meet the general criteria of NFPA 1901, *Standard for Automotive Fire Apparatus* which include a minimum 250 gpm pump, an emergency warning system, a 300 gallon water tank, and hose. At least 1 apparatus must have a permanently mounted pump rated at 750 gpm or more at 150 psi.

The review of the number of needed pumpers considers the response distance to built-upon areas; the Basic Fire Flow; and the method of operation. Multiple alarms, simultaneous incidents, and life safety are not considered.

The greatest value of A, B, or C below is needed in the fire district to suppress fires in structures with a Needed Fire Flow of 3,500 gpm or less: **3 engine companies**

- a) **2 engine companies** to provide fire suppression services to areas to meet NFPA 1710 criteria or within 1½ miles.
- b) **3 engine companies** to support a Basic Fire Flow of 3000 gpm.
- c) **3 engine companies** based upon the fire department's method of operation to provide a minimum two engine response to all first alarm structure fires.

The FSRS recognizes that there are **3 engine companies** in service.

The FSRS also reviews Automatic Aid. Automatic Aid is considered in the review as assistance dispatched automatically by contractual agreement between two communities or fire districts. That differs from mutual aid or assistance arranged case by case. ISO will recognize an Automatic Aid plan under the following conditions:

- It must be prearranged for first alarm response according to a definite plan. It is preferable to have a written agreement, but ISO may recognize demonstrated performance.
- The aid must be dispatched to all reported structure fires on the initial alarm.
- The aid must be provided 24 hours a day, 365 days a year.

FSRS Item 512.D "Automatic Aid Engine Companies" responding on first alarm and meeting the needs of the city for basic fire flow and/or distribution of companies are factored based upon the value of the Automatic Aid plan (up to 1.00 can be used as the factor). The Automatic Aid factor is determined by a review of the Automatic Aid provider's communication facilities, how they receive alarms from the graded area, inter-department training between fire departments, and the fire ground communications capability between departments.

For each engine company, the credited Pump Capacity (PC), the Hose Carried (HC), the Equipment Carried (EC) all contribute to the calculation for the percent of credit the FSRS provides to that engine company.

Item 513 "Credit for Engine Companies (CEC)" = 5.10 points

Item 523 - Credit for Reserve Pumpers (0.50 points)

The item is Item 523 “Credit for Reserve Pumpers (CRP)”. This item reviews the number and adequacy of the pumpers and their equipment. The number of needed reserve pumpers is 1 for each 8 needed engine companies determined in Item 513, or any fraction thereof.

Item 523 “Credit for Reserve Pumpers (CRP)” = 0.00 points

Item 532 – Credit for Pumper Capacity (3 points)

The next item reviewed is Item 532 “Credit for Pumper Capacity (CPC)”. The total pump capacity available should be sufficient for the Basic Fire Flow of 3000 gpm. The maximum needed pump capacity credited is the Basic Fire Flow of the community.

Item 532 “Credit for Pumper Capacity (CPC)” = 3.00 points

Item 549 – Credit for Ladder Service (4 points)

The next item reviewed is Item 549 “Credit for Ladder Service (CLS)”. This item reviews the number of response areas within the city with 5 buildings that are 3 or more stories or 35 feet or more in height, or with 5 buildings that have a Needed Fire Flow greater than 3,500 gpm, or any combination of these criteria. The height of all buildings in the city, including those protected by automatic sprinklers, is considered when determining the number of needed ladder companies. Response areas not needing a ladder company should have a service company. Ladders, tools and equipment normally carried on ladder trucks are needed not only for ladder operations but also for forcible entry, ventilation, salvage, overhaul, lighting and utility control.

The number of ladder or service companies, the height of the aerial ladder, aerial ladder testing and the equipment carried on the in-service ladder trucks and service trucks is compared with the number of needed ladder trucks and service trucks and an FSRS equipment list. Ladder trucks must meet the general criteria of NFPA 1901, *Standard for Automotive Fire Apparatus* to be recognized.

The number of needed ladder-service trucks is dependent upon the number of buildings 3 stories or 35 feet or more in height, buildings with a Needed Fire Flow greater than 3,500 gpm, and the method of operation.

The FSRS recognizes that there are **1 ladder companies** in service. These companies are needed to provide fire suppression services to areas to meet NFPA 1710 criteria or within 2½ miles and the number of buildings with a Needed Fire Flow over 3,500 gpm or 3 stories or more in height, or the method of operation.

The FSRS recognizes that there are **0 service companies** in service.

Item 549 “Credit for Ladder Service (CLS)” = 4.00 points

Item 553 – Credit for Reserve Ladder and Service Trucks (0.50 points)

The next item reviewed is Item 553 “Credit for Reserve Ladder and Service Trucks (CRLS)”. This item considers the adequacy of ladder and service apparatus when one (or more in larger communities) of these apparatus are out of service. The number of needed reserve ladder and service trucks is 1 for each 8 needed ladder and service companies that were determined to be needed in Item 540, or any fraction thereof.

Item 553 “Credit for Reserve Ladder and Service Trucks (CRLS)” = 0.00 points

Item 561 – Deployment Analysis (10 points)

Next, Item 561 “Deployment Analysis (DA)” is reviewed. This Item examines the number and adequacy of existing engine and ladder-service companies to cover built-upon areas of the city.

To determine the Credit for Distribution, first the Existing Engine Company (EC) points and the Existing Engine Companies (EE) determined in Item 513 are considered along with Ladder Company Equipment (LCE) points, Service Company Equipment (SCE) points, Engine-Ladder Company Equipment (ELCE) points, and Engine-Service Company Equipment (ESCE) points determined in Item 549.

Secondly, as an alternative to determining the number of needed engine and ladder/service companies through the road-mile analysis, a fire protection area may use the results of a systematic performance evaluation. This type of evaluation analyzes computer-aided dispatch (CAD) history to demonstrate that, with its current deployment of companies, the fire department meets the time constraints for initial arriving engine and initial full alarm assignment in accordance with the general criteria of in NFPA 1710, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*.

A determination is made of the percentage of built upon area within 1½ miles of a first-due engine company and within 2½ miles of a first-due ladder-service company.

Item 561 “Credit Deployment Analysis (DA)” = 5.52 points

Item 571 – Credit for Company Personnel (15 points)

Item 571 “Credit for Company Personnel (CCP)” reviews the average number of existing firefighters and company officers available to respond to reported first alarm structure fires in the city.

The on-duty strength is determined by the yearly average of total firefighters and company officers on-duty considering vacations, sick leave, holidays, “Kelley” days and other absences. When a fire department operates under a minimum staffing policy, this may be used in lieu of determining the yearly average of on-duty company personnel.

Firefighters on apparatus not credited under Items 513 and 549 that regularly respond to reported first alarms to aid engine, ladder, and service companies are included in this item as increasing the total company strength.

Firefighters staffing ambulances or other units serving the general public are credited if they participate in fire-fighting operations, the number depending upon the extent to which they are available and are used for response to first alarms of fire.

On-Call members are credited on the basis of the average number staffing apparatus on first alarms. Off-shift career firefighters and company officers responding on first alarms are considered on the same basis as on-call personnel. For personnel not normally at the fire station, the number of responding firefighters and company officers is divided by 3 to reflect the time needed to assemble at the fire scene and the reduced ability to act as a team due to the various arrival times at the fire location when compared to the personnel on-duty at the fire station during the receipt of an alarm.

The number of Public Safety Officers who are positioned in emergency vehicles within the jurisdiction boundaries may be credited based on availability to respond to first alarm structure fires. In recognition of this increased response capability the number of responding Public Safety Officers is divided by 2.

The average number of firefighters and company officers responding with those companies credited as Automatic Aid under Items 513 and 549 are considered for either on-duty or on-call company personnel as is appropriate. The actual number is calculated as the average number of company personnel responding multiplied by the value of AA Plan determined in Item 512.D.

The maximum creditable response of on-duty and on-call firefighters is 12, including company officers, for each existing engine and ladder company and 6 for each existing service company.

Chief Officers are not creditable except when more than one chief officer responds to alarms; then extra chief officers may be credited as firefighters if they perform company duties.

The FSRs recognizes **4.48 on-duty personnel** and an average of **22.00 on-call personnel** responding on first alarm structure fires.

Item 571 “Credit for Company Personnel (CCP)” = 7.84 points

Item 581 – Credit for Training (9 points)

Training	Earned Credit	Credit Available
<p>A. Facilities, and Use</p> <p>For maximum credit, each firefighter should receive 18 hours per year in structure fire related subjects as outlined in NFPA 1001.</p>	7.70	35
<p>B. Company Training</p> <p>For maximum credit, each firefighter should receive 16 hours per month in structure fire related subjects as outlined in NFPA 1001.</p>	6.25	25
<p>C. Classes for Officers</p> <p>For maximum credit, each officer should be certified in accordance with the general criteria of NFPA 1021. Additionally, each officer should receive 12 hours of continuing education on or off site.</p>	6.71	12
<p>D. New Driver and Operator Training</p> <p>For maximum credit, each new driver and operator should receive 60 hours of driver/operator training per year in accordance with NFPA 1002 and NFPA 1451.</p>	5.00	5
<p>E. Existing Driver and Operator Training</p> <p>For maximum credit, each existing driver and operator should receive 12 hours of driver/operator training per year in accordance with NFPA 1002 and NFPA 1451.</p>	2.50	5
<p>F. Training on Hazardous Materials</p> <p>For maximum credit, each firefighter should receive 6 hours of training for incidents involving hazardous materials in accordance with NFPA 472.</p>	0.33	1
<p>G. Recruit Training</p> <p>For maximum credit, each firefighter should receive 240 hours of structure fire related training in accordance with NFPA 1001 within the first year of employment or tenure.</p>	5.00	5
<p>H. Pre-Fire Planning Inspections</p> <p>For maximum credit, pre-fire planning inspections of each commercial, industrial, institutional, and other similar type building (all buildings except 1-4 family dwellings) should be made annually by company members. Records of inspections should include up-to date notes and sketches.</p>	0.05	12

Item 580 “Credit for Training (CT)” = 3.02 points

Item 730 – Operational Considerations (2 points)

Item 730 “Credit for Operational Considerations (COC)” evaluates fire department standard operating procedures and incident management systems for emergency operations involving structure fires.

Operational Considerations	Earned Credit	Credit Available
Standard Operating Procedures The department should have established SOPs for fire department general emergency operations	50	50
Incident Management Systems The department should use an established incident management system (IMS)	50	50
Operational Considerations total:	100	100

Item 730 “Credit for Operational Considerations (COC)” = 2.00 points

Water Supply

Forty percent of a community's overall score is based on the adequacy of the water supply system. The ISO field representative evaluated:

- the capability of the water distribution system to meet the Needed Fire Flows at selected locations up to 3,500 gpm.
- size, type and installation of fire hydrants.
- inspection and flow testing of fire hydrants.

	Earned Credit	Credit Available
616. Credit for Supply System	28.55	30
621. Credit for Hydrants	2.81	3
631. Credit for Inspection and Flow Testing	3.20	7
Item 640. Credit for Water Supply:	34.56	40

Item 616 – Credit for Supply System (30 points)

The first item reviewed is Item 616 “Credit for Supply System (CSS)”. This item reviews the rate of flow that can be credited at each of the Needed Fire Flow test locations considering the supply works capacity, the main capacity and the hydrant distribution. The lowest flow rate of these items is credited for each representative location. A water system capable of delivering 250 gpm or more for a period of two hours plus consumption at the maximum daily rate at the fire location is considered minimum in the ISO review.

Where there are 2 or more systems or services distributing water at the same location, credit is given on the basis of the joint protection provided by all systems and services available.

The supply works capacity is calculated for each representative Needed Fire Flow test location, considering a variety of water supply sources. These include public water supplies, emergency supplies (usually accessed from neighboring water systems), suction supplies (usually evidenced by dry hydrant installations near a river, lake or other body of water), and supplies developed by a fire department using large diameter hose or vehicles to shuttle water from a source of supply to a fire site. The result is expressed in gallons per minute (gpm).

The normal ability of the distribution system to deliver Needed Fire Flows at the selected building locations is reviewed. The results of a flow test at a representative test location will indicate the ability of the water mains (or fire department in the case of fire department supplies) to carry water to that location.

The hydrant distribution is reviewed within 1,000 feet of representative test locations measured as hose can be laid by apparatus.

For maximum credit, the Needed Fire Flows should be available at each location in the district. Needed Fire Flows of 2,500 gpm or less should be available for 2 hours; and Needed Fire Flows of 3,000 and 3,500 gpm should be obtainable for 3 hours.

Item 616 “Credit for Supply System (CSS)” = 28.55 points

Item 621 – Credit for Hydrants (3 points)

The second item reviewed is Item 621 “Credit for Hydrants (CH)”. This item reviews the number of fire hydrants of each type compared with the total number of hydrants.

There are a total of 327 hydrants in the graded area.

620. Hydrants, - Size, Type and Installation	Number of Hydrants
A. With a 6 -inch or larger branch and a pumper outlet with or without 2½ - inch outlets	246
B. With a 6 -inch or larger branch and no pumper outlet but two or more 2½ -inch outlets, or with a small foot valve, or with a small barrel	81
C./D. With only a 2½ -inch outlet or with less than a 6 -inch branch	0
E./F. Flush Type, Cistern, or Suction Point	0

Item 621 “Credit for Hydrants (CH)” = 2.81 points

Item 630 – Credit for Inspection and Flow Testing (7 points)

The third item reviewed is Item 630 “Credit for Inspection and Flow Testing (CIT)”. This item reviews the fire hydrant inspection frequency, and the completeness of the inspections. Inspection of hydrants should be in accordance with AWWA M-17, *Installation, Field Testing and Maintenance of Fire Hydrants*.

Frequency of Inspection (FI): Average interval between the 3 most recent inspections.

Frequency	Points
1 year	30
2 years	20
3 years	10
4 years	5
5 years or more	No Credit

Note: The points for inspection frequency are reduced by 10 points if the inspections are incomplete or do not include a flushing program. An additional reduction of 10 points are made if hydrants are not subjected to full system pressure during inspections. If the inspection of cisterns or suction points does not include actual drafting with a pumper, or back-flushing for dry hydrants, 20 points are deducted.

Total points for Inspections = 3.20 points

Frequency of Fire Flow Testing (FF): Average interval between the 3 most recent inspections.

Frequency	Points
5 years	40
6 years	30
7 years	20
8 years	10
9 years	5
10 years or more	No Credit

Total points for Fire Flow Testing = 0.00 points

Item 631 “Credit for Inspection and Fire Flow Testing (CIT)” = 3.20 points

Divergence = -5.09

The Divergence factor mathematically reduces the score based upon the relative difference between the fire department and water supply scores. The factor is introduced in the final equation.

Community Risk Reduction

	Earned Credit	Credit Available
1025. Credit for Fire Prevention and Code Enforcement (CPCE)	1.46	2.2
1033. Credit for Public Fire Safety Education (CFSE)	0.96	2.2
1044. Credit for Fire Investigation Programs (CIP)	0.78	1.1
Item 1050. Credit for Community Risk Reduction	3.20	5.50

Item 1025 – Credit for Fire Prevention Code Adoption and Enforcement (2.2 points)	Earned Credit	Credit Available
Fire Prevention Code Regulations (PCR) Evaluation of fire prevention code regulations in effect.	10.00	10
Fire Prevention Staffing (PS) Evaluation of staffing for fire prevention activities.	1.72	8
Fire Prevention Certification and Training (PCT) Evaluation of the certification and training of fire prevention code enforcement personnel.	0.00	6
Fire Prevention Programs (PCP) Evaluation of fire prevention programs.	14.80	16
Review of Fire Prevention Code and Enforcement (CPCE) subtotal:	26.52	40

Item 1033 – Credit for Public Fire Safety Education (2.2 points)	Earned Credit	Credit Available
Public Fire Safety Educators Qualifications and Training (FSQT) Evaluation of public fire safety education personnel training and qualification as specified by the authority having jurisdiction.	0.00	10
Public Fire Safety Education Programs (FSP) Evaluation of programs for public fire safety education.	17.50	30
Review of Public Safety Education Programs (CFSE) subtotal:	17.50	40

Item 1044 – Credit for Fire Investigation Programs (1.1 points)	Earned Credit	Credit Available
Fire Investigation Organization and Staffing (IOS) Evaluation of organization and staffing for fire investigations.	4.00	8
Fire Investigator Certification and Training (IQT) Evaluation of fire investigator certification and training.	4.20	6
Use of National Fire Incident Reporting System (IRS) Evaluation of the use of the National Fire Incident Reporting System (NFIRS) for the 3 years before the evaluation.	6.00	6
Review of Fire Investigation Programs (CIP) subtotal:	14.20	20

Summary of PPC Review
for
Kittery

FSRS Item	Earned Credit	Credit Available
Emergency Communications		
414. Credit for Emergency Reporting	2.70	3
422. Credit for Telecommunicators	4.00	4
432. Credit for Dispatch Circuits	1.72	3
440. Credit for Emergency Communications	8.42	10
Fire Department		
513. Credit for Engine Companies	5.10	6
523. Credit for Reserve Pumpers	0.00	0.5
532. Credit for Pumper Capacity	3.00	3
549. Credit for Ladder Service	4.00	4
553. Credit for Reserve Ladder and Service Trucks	0.00	0.5
561. Credit for Deployment Analysis	5.52	10
571. Credit for Company Personnel	7.84	15
581. Credit for Training	3.02	9
730. Credit for Operational Considerations	2.00	2
590. Credit for Fire Department	30.48	50
Water Supply		
616. Credit for Supply System	28.55	30
621. Credit for Hydrants	2.81	3
631. Credit for Inspection and Flow Testing	3.20	7
640. Credit for Water Supply	34.56	40
Divergence	-5.09	--
1050. Community Risk Reduction	3.20	5.50
Total Credit	71.57	105.5

Final Community Classification = 03/3Y



TOWN OF KITTERY

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Telephone: (207) 475-1329 | Fax: (207) 439-6806
towncomments@kitteryme.org | www.kitteryme.gov

REPORT TO TOWN COUNCIL

Meeting Date: March 11, 2024
Update: March 25, 2024
From: Kendra Amaral, Town Manager
Subject: Title 10 – Seapoint Road Parking Clarification
Councilor Sponsor: Chairperson Judy Spiller

OVERVIEW

The Town received requests to address issues with parking along the roadside and adjacent to the protected marshland on Seapoint Road.

In addition and in conjunction with reviewing the complaints Police Chief Richter noted the current ordinance references pole numbers that are no longer present along this road.

The proposed amendment will clarify where parking is prohibited and allow the Town to install signage that is clearer about parking areas.

In conjunction with the work on the parking regulations, the staff will install natural barriers (aka boulders) along the curve adjacent to the bridge to prevent parking along this section of road. The town currently posts temporary no-parking signage during peak season; however the signage is often moved, blown over, or thrown into the creek. The natural barriers will be more effective in preventing parking at this busy curve.

PROCESS

Staff met with residents in the immediate area to learn more about the challenges, investigate pole numbers, and observe the erosion of road embankment and deterioration of the adjacent marshland.

Staff also met with representatives from the National Fish and Wildlife Service responsible for the management of the Rachel Carson Reservation to discuss parking, access to the trail, and measures to help protect the natural areas.

Finally, a letter was sent to the abutters of Seapoint Road outlining the proposed changes and seeking input and feedback. As of February 26th, only one resident has responded, and their feedback was in support of the proposed amendments and measures.

UPDATES

No updates.

PROPOSED SOLUTION/RECOMMENDATION

Adopt the amendment as proposed.

ATTACHMENTS

- Draft Title 10 – Seapoint Road Parking Clarification
- Draft Title 10 – Seapoint Road Parking Clarification Enactment
- Map of Impacted Area
- Sample Abutter Letter

**TITLE 10: VEHICLES AND TRAFFIC
STOPPING AND STANDING
SEAPOINT ROAD**

1. AMEND § 10.3.1.1 Prohibited at all times as follows:

Parking is prohibited at all hours in the following locations:

Seapoint Road, ~~north side, from the New England Telephone pole number 4 in a westerly direction for 2,298 feet~~excepting in areas designed by the Town.

~~Seapoint Road, south side, from the New England Telephone pole number 4 in a westerly direction for 250 feet~~

~~Seapoint Road, western end of the designated parking area along Seapoint Road, a distance of 220 feet in a westerly direction~~

KITTERY TOWN CODE
TITLE 10
STOPPING AND STANDING
SEAPOINT ROAD

1 **AN ORDINANCE** relating to the municipality's authority for Town governance to give
2 due and proper attention to its many demands pursuant to the Town Charter,
3 Federal law, and Maine Revised Statutes, and more particularly where set forth in
4 Maine Revised Statutes Title 30-A, Municipalities and Counties.

5 **WHEREAS**, the Kittery Town Council is authorized to enact this Ordinance, as
6 specified in Sections 1.01 and 2.07(3) of the Town Charter; 30-A MRS §3001, pursuant
7 to its powers that authorize the town, under certain circumstances, to provide for
8 the public health, welfare, morals, and safety, and does not intend for this Ordinance
9 to conflict with any existing state or federal laws; and

10 **WHEREAS**, the Town was alerted to safety concerns of adjacent neighbors relative
11 to parking in restricted areas on Seapoint Road; and

12 **WHEREAS**, it was found, upon reviewing the ordinance, that utility poles, used as
13 delineators of areas and distances for parking restrictions, no longer exist on the
14 road; and

15 **WHEREAS**, the Town desires to ensure the parking regulations for Seapoint Road
16 are clear to motorists and enforcement personnel;

17 **NOW THEREFORE**, IN ACCORDANCE WITH TITLES 30-A MRS §3001 AND TOWN
18 CHARTER §2.14, THE TOWN OF KITTERY HEREBY ORDAINS AMENDMENT TO TITLE
19 10 OF THE TOWN CODE, AS PRESENTED.

20 **INTRODUCED** and read in a public session of the Town Council on the ____ day of
21 _____, 20____, by:_____ {NAME} Motion to approve by Councilor
22 _____ {NAME}, as seconded by Councilor _____ {NAME} and
23 passed by a vote of _____.

24 **THIS ORDINANCE IS DULY AND PROPERLY ORDAINED** by the Town Council of
25 Kittery, Maine on the ____ day of _____, 20____, {NAME}, _____ ,
26 Chairperson

27 **Attest:** {NAME}, _____Town Clerk



Kittery, ME

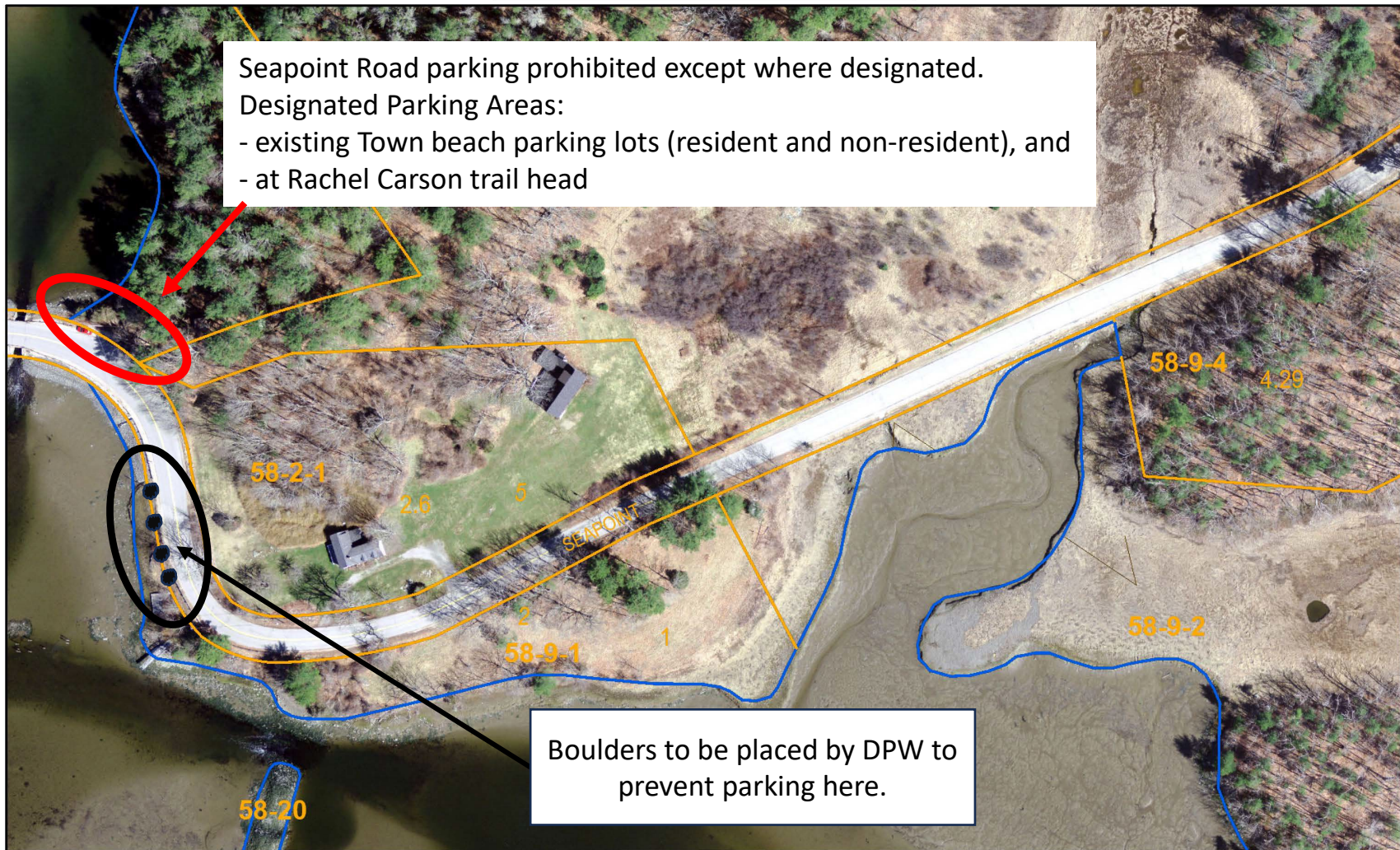
1 inch = 137 Feet

0 137 274 411



www.cai-tech.com

Seapoint Road parking prohibited except where designated.
Designated Parking Areas:
- existing Town beach parking lots (resident and non-resident), and
- at Rachel Carson trail head



Boulders to be placed by DPW to prevent parking here.

Data shown on this map is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this map.



TOWN OF KITTERY

Office of the Town Manager

200 Rogers Road, Kittery, ME 03904

Telephone: 207-475-1329 Fax: 207-439-6806

kamaral@kitteryme.org | www.kitteryme.gov

February 7, 2024

Dear Property Owner,

This letter is to inform you the Town is considering proposing an amendment to Town Code Title 10: Vehicles and Traffic to clarify and reinforce the parking restrictions on Seapoint Road from the bridge to the beach. This amendment is being considered at the request of residents in the neighborhood.

Enclosed please find a map indicating what the proposed Title 10 amendments will accomplish in terms of parking regulations/restrictions. The Town is also considering installing boulders in the area indicated on the map, to physically prevent cars from parking at this dangerous curve. Parking regulations are decided upon by the Town Council, following a posted public hearing.

We are reaching out to invite you to share your thoughts on the potential parking regulations and control measures the Town is considering. If the neighborhood in the impacted area is not opposed to the changes, we anticipate moving forward the proposal to the Town Council at their March 11, 2024 meeting.

Please note: For the purpose of engaging direct abutters, this notice was sent to all property owners with frontage on Seapoint Road, and property owners within 500 feet of the bridge. There is no intent to exclude potential interested community members. The information provided herein is public record. Any action of the Council will take place in open session, with the agenda posted in advance on the Town website, at the Kittery Resource Recovery Facility, Town Hall, and the local post offices.

If you have any questions, support or oppose the proposed change, or wish to discuss the proposed change in greater detail, please do not hesitate to contact me at 207-475-1329 or kamaral@kitteryme.org. To stay current on Town meetings, agenda, and activities please consider signing up for E-Alerts at www.kitteryme.gov, follow us on Facebook and Instagram @KitteryTownHall, and on LinkedIn @town-of-kittery-maine, and watch Channel 22 on Comcast.

Sincerely,

Kendra Amaral
Town Manager



TOWN OF KITTERY

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REPORT TO TOWN COUNCIL

Meeting Date: March 25, 2024
From: Kendra Amaral, Town Manager
CC: Matt Brock, Chairperson, Housing Committee
Subject: Housing Committee Year in Review Report
Councillor Sponsor: N/A

OVERVIEW

The Kittery Housing Committee is pleased to offer the following year in review report to the Council. The purpose is to outline the work of the Housing Committee and acknowledge the progress made in addressing the affordable housing crisis in Kittery.

The Housing Committee was established as a formal standing committee in November of 2020. However, its work began in 2019, as a working group. Since its formation, the Housing Committee has developed and recommended land use code amendments to remove barriers to and incentivize creation of affordable housing in town, developed affordable housing opportunities through grants and use of tax acquired property, and engaged in public outreach and education efforts to bring attention to the housing crisis, causes, and solutions.

COMMITTEE ACTIONS

Land Use Code Amendments

- Developed amendments to Title 16 to meet and in some cases exceed state mandated affordable housing opportunities. The amendments approved by the Council included increasing the number of ADUs, allowed by right in targeted growth areas, from 1 to 2 per parcel and adjusted the residential density calculation to allow for greater density within the developable uplands of a parcel.
- Affordable housing units required for new subdivisions.
- 46 ADUs have been approved since adoption of the Housing Committee's permissive ADU ordinance; up from 33 the

Affordable Housing Education

- Hosted John Egan from the Genesis Fund to talk about technical assistance for small scale affordable housing projects in Maine.
- Established an Affordable Housing Education Subcommittee to engage the broader community around affordable housing topics.
- Served as inaugural topic for Books & Big Ideas program. Books and Big

Ideas focuses on the “community book club” model and offered multiple book recommendations for all reading levels, author talks, and other programs.

- Developed Affordable Housing in Kittery photo essay and installed at Town Hall and Library and online. The photo essay demonstrated that multi-family is a vital part of Kittery’s aesthetic in multiple neighborhoods throughout town.
- Connected with NYU Furman Center Local Housing Solutions Lab to host mini video vignettes that describe what affordable housing is, how it is created, what the barriers are, and what the impacts of a lack of affordable housing mean to communities.
- Hosted Citizen Planner Academy in partnership with Urban Land Institute of Boston. The Citizen Planner Academy offered a hands-on experience for 25 participants to play the role of project developer, and puzzle through the challenge of trying to meet all the needs and expectations placed on a project from financial, to zoning, to community needs and demands.
- Hosted Affordable Housing Bootcamp in partnership with Seacoast Workforce Housing Coalition. The Bootcamp guided participants through exercises to learn how to be good advocates for affordable housing in our community.

Affordable Housing Unit Generation

- First ADU from the ADU grant program came online. Second awardee withdrew. Next awardee from the wait list notified.
- Drafted revisions to the ADU grant program and prepared it for the second round of funding.
- Received Brownfields grant to conduct hazardous materials mitigation on 42 – 44 Old Post. The demolition process is underway in accordance with EPA requirements and guidelines. Fair Tide is in the process of applying for funding approval from Maine Housing for the development portion of the property.
- 46 ADUs have been approved since adoption of the Housing Committee’s permissive ADU ordinance; up from 33 the year prior.

Other

- Participated in Climate Action Plan conversations and offered housing perspective on climate adaptation, resiliency and reduction in GHG emissions.

Impacts of Housing Committee efforts

- Inclusionary housing land use ordinance changes leading to:
 - Construction of six new affordable housing units on Shapleigh Road
 - Incorporation of ten affordable housing units in Route 1 project
 - Payment in lieu fee required for subdivision on Cutts Road
 - Continued increase in accessory dwelling unit generation throughout

town.

HOUSING RESERVE FUND

Councilor Hamm successfully advocated for \$50,000 of the annual operating surplus to be allocated to the Housing Reserve Fund.

2024 PRIORITIES

The Housing Committee has developed an ambitious set of priorities for the coming year and is eager to advance the work on them.

The 2024 priorities include:

- Committee Engagement in Business Park Zoning Review
- Review all zones and look for opportunities and determine priorities for zoning amendments that remove barriers to and incentivize affordable housing development, look further into Affordable Housing TIF District opportunities including streamlining permitting process, reducing lot size requirements, and adjusting parking requirements.
- Advocate for amendments to Maine Housing QAP for low-income tax credit financing and legislative changes to expand support for affordable housing in Kittery.
- Investigate opportunities for funding to advance more affordable housing projects in town.
- Develop and host annual community outreach and information forums.
- Revisit concept of forming a Housing Authority, including inviting back York Housing officials to talk about their programs, challenges and successes.
- Discuss/engage in Comp Plan Update process around housing and affordable housing needs.

**TOWN OF KITTERY
TOWN MEETING WARRANT
June 11, 2024**

To Robert V. Richter, a Constable of the Town of Kittery, in the County of York, State of Maine.

In the name of the State of Maine, you are hereby required to notify and warn the inhabitants of the Town of Kittery in said county and state, qualified by law to vote in town affairs:

To meet, in said town, on Monday the 10th day of June 2024, at 6:00 p.m. to hold a public hearing on Articles 2 through 10.

To hold a **Municipal Election** at the Kittery Community Center Gymnasium, in said town, on Tuesday, the 11th day of June, 2024 at 8 a.m. to:

Act on Article 1 to elect a moderator by written ballot and to act on Articles 2 through 10 by secret ballot

The polls will be open from 8:00 a.m. until 8:00 p.m.

Absentee ballots will be processed centrally at 9:00 a.m., 10:00 a.m., 11:00 a.m., 12:00 p.m., 1:00 p.m., 2:00 p.m., 3:00 p.m., 4:00 p.m., 5:00 p.m., 6:00 p.m., 7:00 p.m., and 8:00 p.m.

Article 1. To elect a moderator to preside at said meeting and to vote by written ballot.

Article 2. Shall the town vote to authorize the Town Council to transfer up to \$125,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$125,000 when necessary to maintain a positive fund balance in the Compensated Absences account and to pay for accrued vacation and/or sick leave to settle any unpaid benefits owed to retired or terminated employees in the fiscal year?

Explanation:

The purpose of this article is to provide funds from the town's unassigned funds (unencumbered surplus) to pay for accrued benefits owed when a municipal employee retires or leaves. The reserve account balance is currently \$88,844. The unassigned fund balance (unencumbered surplus) is currently \$11,316,745.

Article 3. Shall the town vote to authorize the Town Council to transfer up to \$25,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$25,000 when necessary for the purpose of paying the town's cost on accepted insurance claims against the town?

Explanation:

The purpose of this article is to provide funds from the town's unassigned funds (unencumbered surplus) to pay the deductible and other associated costs on insurance claims that may be made in the fiscal year. The unassigned fund balance (unencumbered surplus) is currently \$11,316,745.

Article 4. Shall the town vote to authorize the Town Council to transfer up to \$500,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$500,000 when necessary for the purpose of providing the town's match to federal, state, and non-profit grants?

Explanation:

Grant applications are filed by different town departments to assist with the operations and capital projects of the Town. These grants, if successful, often require a local match to be raised. The purpose of this article is to provide funds from the town's unassigned funds (unencumbered surplus) when and if necessary, for the purpose of meeting grant match requirements. The unassigned fund balance (unencumbered surplus) is currently \$10,273,357.

Article 5. Shall the town vote to authorize the Town Council to transfer up to \$80,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$80,000 when necessary for the purpose of covering shortfalls in the town departments' fuel accounts due to the unpredictable fuel pricing markets?

Explanation:

The purpose of this article is to provide departments, who have exhausted their allocated fuel budgets in the fiscal year, access to funds for fuel needs. The Town Council favored keeping the fiscal year fuel and utility accounts as low as possible, with this article making available surplus funds as a safety net in case of an unstable market for fuel. The unassigned fund balance (unencumbered surplus) is currently \$11,316,745.

Article 6. Shall the town vote to authorize the Town Council to transfer up to \$100,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$100,000 when necessary for the purpose of providing for the town's General Assistance Program as required by town, state, and federal laws in the fiscal year?

Explanation:

The General Assistance Program is budgeted from the town's operational budget each year. The program assists town citizens with welfare type services by following very strict state and federal guidelines for income eligibility within the General Assistance Ordinance. The purpose of this article is to create a method for the Town Council to supplement the General Assistance budget if needed. The unassigned fund balance (unencumbered surplus) is currently \$11,316,745.

Article 7. Shall the town vote to authorize the Town Council to transfer up to \$50,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$50,000 when necessary for the purpose of paying for emergency repairs and energy efficiency improvements to town-owned facilities that are not contemplated in the regular fiscal year operating budget?

Explanation:

Occasionally, repairs to town facilities are needed that have not been budgeted. In addition, energy efficiency projects are being identified to further save the town funds. The purpose of this article is to allow the Town Council to make unplanned

emergency facility repairs and undertake energy efficiency projects that may arise in the fiscal year. The unassigned fund balance (unencumbered surplus) is currently \$11,316,745.

Article 8. Shall the town vote to authorize the Town Council to transfer up to \$50,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$50,000 for a Municipal Property Tax Assistance program to credit property taxes owed by certain residents that meet the program requirements?

Explanation:

The Senior Tax Credit program allows for taxpayers that qualify to receive a credit on their property taxes each year. The program assists seniors with their property tax obligations. The unassigned fund balance (unencumbered surplus) is currently \$11,316,745.

Article 9.

Shall the town vote to authorize the Town Council to transfer up to \$1,500,000 from unassigned funds (unencumbered surplus) and appropriate and expend up to \$1,500,000 for the purchase of a replacement ladder truck for the Kittery Fire Department?

Explanation:

The current Ladder Truck is a 2009 Peirce Arrow XT 75ft Quint fire apparatus. It will be at its end of life in 2027-2028. At present, the timeframe to manufacture ladder trucks is exceeding three years from date of order. This funding request, if approved this will allow the Town to order the vehicle now for anticipated delivery in the 2027 – 2028 timeframe as needed. Paying for the vehicle in full at the time of order will also help lock in the cost and avoid future inflationary cost increases, exceeding 10% per year at present for fire apparatus. Finally, paying at time of order comes with discounts on the total cost that help save the Town money on the purchase. The purchase contract will include customary performance guarantees to ensure the receives delivery of the apparatus if it pays up front. The unassigned fund balance (unencumbered surplus) is currently \$11,316,745.

The Registrar of Voters will hold office hours while the polls are open to correct any error in, or change a name or address on, the voting list; to accept registration of any person who becomes 18 years of age on Election Day or after the close of registration prior to it; and to accept new enrollments.

A person who is not registered as a voter may not vote in any election.

Dated at Kittery this ____ day of April, 2024.

_____	_____
_____	_____
_____	_____

Municipal Officers

A true copy

ATTEST: _____
Town Clerk



TOWN OF KITTERY

200 Rogers Road, Kittery, ME 03904
Telephone: (207) 475-1329 | Fax: (207) 439-6806
towncomments@kitteryme.org | www.kitteryme.gov

REPORT TO TOWN COUNCIL

Meeting Date: March 25, 2024
From: Kendra Amaral, Town Manager
CC: Todd Rollins, Chairperson, Shellfish Conservation Committee
Subject: Shellfish Management Plan
Councilor Sponsor: Chairperson Judy Spiller

OVERVIEW

The Department of Marine Resources (DMR) requires municipalities with a shellfish conservation program to adopt a Shellfish Management Plan.

The Shellfish Conservation Committee worked with DMR to develop the plan and to align it with regulations and intent of the program.

The Shellfish Conservation Committee approved the plan at their February 21, 2024 meeting.

The next step is for the Town Council to review and approve the plan.

The final step will be for DMR to review and issue an approval.

We are grateful to the Shellfish Conservation Committee and the Shellfish Warden for all of their diligent effort in this matter.

PROPOSED SOLUTION/RECOMMENDATION

Approve the plan as proposed.

ATTACHMENTS

- Shellfish Management Plan
- Department of Marine Resources Regulations – Chapter 7 Requirements for Municipalities having Shellfish Conservation Programs
- Notes from February 21, 2024 Shellfish Conservation Committee Meeting



Town of Kittery Shellfish Management Plan

Approved by Kittery Shellfish Conservation Committee: February 24, 2028
Approved by Kittery Town Council:
Approved by Maine DMR:

SHELLFISH MANAGEMENT PLAN for Town of Kittery

Town of Kittery submits the following information as required by DMR Regulations Chapter 7.20, which states that the Shellfish Management Plan shall consist of:

- A. A written statement of goals and objectives the municipality plans to achieve as a result of its conservation program.
- B. A description of the various conservation measures the municipality intends to employ to reach those goals.

Statement of Management Goals and Objectives

It is the goal of Kittery's Shellfish Management Plan, working with the Town of Kittery, Shellfish Conservation Committee, to maintain sustainable populations of harvestable shellfish, specifically softshell clams, within the Town's intertidal area. We will emphasize maximizing the opportunity for local recreational harvesters while restricting harvest where we find evidence of overharvesting. Providing opportunities for local harvesters includes (i) maintaining access to mudflats, (ii) working to improve water quality or change potential sources of pollution to open currently closed areas, and (iii) work with partners to maintain water quality in open areas.

Description of Conservation Measures

Description of specific measures we plan on taking to achieve these goals include:

- Provide recreational licenses for residents and non-residents.
- The actual number of licenses issued annually will be determined by the Shellfish Conservation Committee after review of current soft-shell clam stock to ensure over harvesting does not occur. The town will seek outside advice as necessary to assist in determining this.
- The Town will perform an annual clam population survey at Brave Boat Harbor:
 - Selection by the Committee of sample areas of approximately three feet (3') by three feet (3') by two feet (2') deep in fifteen (15) locations strategically identified throughout Brave Boat Harbor.
 - A record of all clams located in the dig area will be collected and noted as two inch or less ("x"< 2") and over two inch ("x"> 2").

- A density survey will then be maintained.
- Only clams that exceed two inches (2"), per DMR measurement standards, can be harvested.
- Only one peck, per harvester shall be taken daily and harvesting shall occur on Sunday only, December 1-April 30 annually, plus legal holidays.
- Through town-wide limits to harvest or through conservation closures (including rain runoff) in consultation with our DMR area biologist.
- Explore collaborative work with the Town of York and Town of Eliot including research, education, and management of marine resources.
- The Town will work collaboratively with DMR to seek additional areas within the Town that can be available for clam harvesting.
- The Town will maintain a schedule of actual harvesters and actual amount harvested for each harvest day in order to monitor activity.
- Continue to improve access to the flats at both public and private points.

DEPARTMENT OF MARINE RESOURCES - PROCEDURAL RULES

CHAPTER 7

REQUIREMENTS FOR MUNICIPALITIES HAVING
SHELLFISH CONSERVATION PROGRAMS

TITLE INDEX

- 7.10 Definitions
- 7.20 Shellfish Management Plan
- 7.30 Management Responsibilities
- 7.35 Revocation of Municipal Shellfish Conservation Ordinance
- 7.40 Municipal Licensing of Shellfish Harvesters
- 7.50 Municipal Shellfish Conservation Activities
- 7.70 Intertidal Mussel Harvesting by Drag or Dredge
- 7.80 Municipal Aquaculture Activities Report

DEPARTMENT OF MARINE RESOURCES

Chapter 7 - Requirements for Municipalities having Shellfish Conservation Programs

7.10 Definitions

In addition to the definitions set forth in 12 M.R.S. §6001, the following definitions shall apply in interpretation of Chapter 7.

1. "Shellfish" means shellstock clams (surf clams, razor clams and soft-shelled clams; 12 M.R.S. §6001(41)), quahogs other than mahogany quahogs, and oyster shellstock (12 M.R.S. §6601(6)).
2. "Municipal Conservation Closures" means an area closed to shellfish harvesting by a municipality or regional program under a municipal ordinance and a municipal management plan, with permission from the Department, separate from the Growing Area classification, for specific reasons, such as, but not limited to, shellfish seeding, flat rotation or winter harvesting.
3. "Shellfish Management Plan" is a written description of the biological measures used to accomplish the management provisions in the municipal shellfish conservation ordinance, including but not limited to an annual review, budget, and objectives for the following year.
4. "Municipal Shellfish Conservation Ordinance" means a shellfish conservation program formally adopted by a municipality in accordance with 12 M.R.S. §6671(2) and (4) and follows the management provisions in accordance with 12 M.R.S. §6671(3).
5. "Municipal Shellfish Transplant Permit" means a permit issued to a municipality or regional program by the Department to possess undersized shellfish from areas classified as approved, conditionally approved, restricted, conditionally restricted or prohibited. The permit allows the municipality or regional program to possess undersized shellfish for the purpose of reseeded shellfish areas. In the absence of a permit, the harvesters and the municipal or regional program are in violation of 12 M.R.S. §6681.
6. "Period of issuance" means any twelve month period designated by the municipality, unless a municipality chooses to limit the number of licenses it issues in which case it shall mean the first 90 days during which a municipality issues shellfish harvest licenses each year.

7.20 Shellfish Management Plan

1. Any municipality that implements a municipal shellfish conservation program as authorized under 12 M.R.S. §6671, must, with the assistance of the Department of Marine Resources (Department), prepare and adopt a shellfish management plan which consists of:
 - A. A written statement of goals and objectives the municipality plans to achieve as a result of its conservation program; and
 - B. A description of the various conservation measures the municipality intends to employ to reach those goals. The measures may include but are not limited to licensing, limiting the number of shellfish harvesters, restricting the time (hours, days or portion of the year) and area where harvesting is permitted, limiting the minimum size of soft-shell clams, limiting the species or amount of shellfish taken daily by a license class of harvester, transplanting or seeding of shellfish, and protecting the resource from predators by fencing, trapping or other means.
2. The Shellfish Management Plan must be accepted by the Department prior to the Departments' approval of a Municipal Shellfish Conservation Ordinance.

7.30 Management Responsibilities

Municipalities that have an approved Municipal Shellfish Conservation Ordinance shall meet the requirements under 12 M.R.S. §6671 and the goals, objectives and conservation measures outlined in their Shellfish Management Plan; and they must implement the requirements outlined in this section. The municipality may appoint or elect a shellfish conservation committee to assist the municipality in executing its responsibilities. Municipal responsibilities include:

1. Establishing annually with approval from the Department at least 30 days prior to the period of issuance the number, type and fees of shellfish harvesting licenses to be issued using a Department-approved form.
2. Municipalities with an approved Shellfish Management Plan may be required to conduct resource surveys on a periodic basis of the commercially productive areas within the municipality classified as approved or conditionally approved, using Department-approved methods. The Department may require the municipality to conduct resource surveys prior to approving changes to their Municipal Shellfish Conservation Ordinance. The Department may also conduct resource surveys in lieu of or in conjunction with the municipalities.
3. Enforcing the municipal shellfish conservation ordinance by a Department certified Shellfish Warden including but not limited to requirements involving licensing and closures to shellfish harvest; and
4. Submitting annually, on a Department approved form, by April 1st, a complete and accurate Municipal Shellfish Management Plan Review, to the Department including the following information: statement of management goals and implementation actions, members of the shellfish committee or staff, shellfish committee meeting schedule, conservation credit information, summary of conservation closures/opening, summary of transplant activities, details on survey data, shellfish management activities undertaken, e.g. spat fall enhancement, predator controls, etc. and related expenses, number of shellfish harvest licenses sold, revenue from license sales and fines, funds raised or appropriated for shellfish management, and summaries of municipal wardens' activities for municipally managed areas.

7.35 Revocation of Municipal Shellfish Conservation Ordinance

If a municipality violates or fails to enforce any provision of Chapter 7 or of the approved Municipal Shellfish Conservation Ordinance, or fails to meet Shellfish Management Plan objectives, the Commissioner may revoke approval of the Municipal Shellfish conservation ordinance. Prior to such revocation, the Commissioner shall give written notice to the municipality of the violation or failure, by certified mail, and of the Department's intention to revoke its approval and the basis for the revocation. The municipality has 30 days to respond in writing as to how it may correct the violation or failure or may request a hearing on the matter in accordance with the following paragraph.

The Commissioner shall advise the municipality it has the right to request that an adjudicatory hearing be held before the Department in conformity with 5 M.R.S., Chapter 375 subchapter IV prior to a making a final decision whether to revoke approval. The hearing request must be in writing and must be received by the Department no later than 10 days after receipt by the municipality of the notice of the Commissioner's intent to revoke the approval of that municipality's shellfish conservation ordinance.

If the Commissioner revokes their approval, the Municipal Shellfish Conservation Ordinance shall, as of the date specified in the Commissioner's revocation notice, no longer be in effect and the area shall thereafter be governed by applicable state law and Department regulation.

7.40 Municipal Licensing of Shellfish Harvesters

1. The number of shellfish licenses allocated to municipal residents and nonresidents shall be established by the municipality and approved by the Commissioner prior to the period of issuance (Chapter 7.10(6)). Licenses unsold after the period of issuance shall be made available to residents and nonresidents alike on a first come, first served basis or by lottery using an official, written list that is posted publicly. Licenses unsold during the period of issuance shall be issued for the original allocated fee in each category regardless of residency. The period of issuance for resident and nonresident licenses for municipalities with limited license allocations shall be the same in accordance with 12 M.R.S. §6671(3-A). The total number of non-resident licenses to be issued by a municipality shall be made available from the start of the period of issuance.
2. Towns with unlimited commercial license allocations shall make available and issue if applicable on the first day of license sales, to qualifying non-residents, no less than 10% of the total number of resident licenses issued in the previous year. Thereafter, non-resident licenses will be issued according to the 10% rule in accordance with 12 MRS 6671(3-A)(E) and (F).
3. In accordance with 12 M.R.S. §6671(3-A)(E) and (F), the application of the minimum 10% ratio for allocation and issuance of nonresident commercial licenses is summarized in Table 1. Municipalities may issue more than the minimum number of non-resident licenses listed.

Table 1.

Number of Resident licenses:	Number of Non-resident licenses:
1-5	0
6-10	1
11-20	2
21-30	3 etc.

4. Municipal shellfish license applicants who complete conservation time (or conservation credit activities) in order to be eligible for a municipal shellfish license according to the Municipal Shellfish Conservation Ordinance, shall remain eligible until they have been issued or offered a shellfish license by the municipality so long as the applicant applies annually for the license.

7.50 Municipal Shellfish Conservation Activities

1. Request for Municipal Shellfish Conservation Closure/Opening

A. Municipal Shellfish Conservation Closure/Opening applications will be reviewed by the Department and permits will be issued based on the applicant's ability to meet the criteria for any conservation action.

B. Municipalities must apply at least 20 days prior to the requested date, in writing on Department approved forms to the Department for a conservation closure or opening.

C. Notification

The Municipality shall provide sufficient notification to the public of any conservation closure or opening by publishing, advertising and/ or posting in public places, an official municipal closure or opening notice signed by the Shellfish Warden or the Department issued permit,

five (5) days prior to the initial closure or opening date. The method of notification must be approved by the Department prior to issuance of the permit.

2. Municipal Shellfish Transplant Permit Requirements

- A. A municipality or regional program with a Municipal Shellfish Conservation Ordinance must have a permit from the Department to possess seed regardless of source (wild or hatchery). In the absence of a permit, the harvesters and the municipal or regional program are in violation of 12 M.R.S. §6681. Municipalities must apply at least 20 days prior to the requested date in writing on Department approved forms to the Department for a Shellfish Transplant Permit.

The supervisor must keep accurate records on a Department approved form (Activity Log) and a copy of the Activity Log must be sent to the Department within 20 days of the activity.

- B. Shellfish moved from Growing Areas classified as restricted, conditionally restricted in the open status or prohibited must be planted to areas closed by the Department for specified amounts of time. Only seed may be transferred from Growing Areas classified as prohibited. If product larger than seed is proposed to be transplanted by a municipality from areas classified as restricted or conditionally restricted in the open status, the Department may issue a permit for such activities at the Commissioner's discretion based on an assessment of the overall performance of the Municipal Shellfish Conservation Ordinance and the municipality's ability to control restricted area transplant activities and enforce closed areas. In order to transplant shellfish larger than seed:
1. The Municipality must have a Warden with a minimum of 100 hour MCJA training and certification.
 2. The warden must be employed by the town for a minimum of 20 hours a week.
- C. Seed purchased from out-of-state hatcheries require an Application for Importation, Introduction and/or Relay of Shellfish Into Maine Coastal Waters pursuant to Chapter 24.10. Municipalities or regional programs must apply at least 30 days prior to the requested event, in writing, to the Department.
- D. Once a permit is issued, a municipality or regional program must adhere to the following requirements while transplanting shellfish from Growing Areas classified as restricted, conditionally restricted in the open status, or prohibited areas:
- (1) The transplanting must take place during daylight hours.
 - (2) The transplanting may only take place on the day(s) designated in the permit unless the municipal or regional program secures written permission from the Department.
 - (3) The transplanting may only take place under the supervision of the municipal shellfish warden, Department staff member or Department authorized relay supervisor.
 - (4) The transplant supervisor shall have a copy of the permit with them at all times during the activity. Absence of a permit shall be prima facie evidence of a violation of this regulation.
 - (5) The harvest crew must remain in the permitted source area under immediate supervision of the municipal shellfish warden, Department staff member or Department authorized relay supervisor at all times.

- (6) Any harvesting violation shall nullify and void the permit. Any failure to comply with permit conditions shall be grounds for refusal of future permit applications until the Commissioner deems the municipality can meet the permit conditions.
- (7) Once a permit is issued, the permit holder must notify Marine Patrol the morning of the transplant. The information required for Marine Patrol includes, but is not limited to, the following:
 - (a) The name and contact information of the transplant supervisor.
 - (b) The source area and the transplant area
 - (c) The method and route of the transportation of seed to the transplant area.
 - (d) The departure point from the harvest area and the point of arrival for the transplant area.

7.70 Intertidal mussel harvesting by drag or dredge

1. Municipal responsibilities

A municipality with an approved municipal shellfish conservation program may specify intertidal areas to be limited for mussel harvesting by drag in accordance with 12 M.R.S. §6671. The municipality's specified intertidal areas and procedures for enforcement shall be submitted to the Commissioner for approval as part of its Municipal Shellfish Conservation Ordinance. Once these specified areas are approved, they will be posted on the Department's website. The municipality shall provide sufficient notification to the public of any area limited for mussel harvesting by drag by publishing, advertising and/or posting in public places, an official municipal notice signed by the shellfish warden five (5) days prior to the initial implementation date. The method of notification must be approved by the Department prior to approval of areas limited for mussel harvesting by drag.

Upon receipt of a request for a recommendation regarding a permit, presented in accordance with Chapter 7.70(2), the municipality shall provide its recommendations to the applicant within 21 days.

2. Intertidal mussel harvesting permits

Prior to issuance of an Intertidal Mussel Harvest permit in an approved, municipally defined area(s), the applicant shall submit their application to the Department who will forward it to the municipality. The completed permit application, and municipal recommendation must be provided to the Department by the respective party for permit consideration, in accordance with 12 M.R.S. §6671(3)(A)(5).

The application shall include the harvester's name, address, business phone, email address, fax number, vessel name and registration number, mussel harvesting license number, locations selected, start and end dates of harvest activity, targeted quantity of seed mussels and or market size product, and date of application.

3. Compliance

Any failure to comply with permit conditions shall be grounds for refusal of future permit applications until the Commissioner deems the applicant can meet the permit conditions.

7.80 Municipal aquaculture activities report

In accordance with 12 M.R.S. §6673(3) the municipality shall submit an annual report, on forms provided by the Department, to the Commissioner on its permitted aquaculture sites.

CHAPTER 7

REQUIREMENTS FOR MUNICIPALITIES HAVING
SHELLFISH CONSERVATION PROGRAMS

INDEX

EFFECTIVE DATE:

April 1, 1986

AMENDED:

August 25, 1998 – Section 10, 30, and 40

May 18, 1999 – Section 40

November 24, 2008 – Section 70 added

October 7, 2014- Sections 10, 20 30, 40, 50, 60 (becomes 35), 70 amended; Section 80 added

August 21, 2018-Sections 10(6), 20, 30, 40, 50, 70 amended

Town of Kittery-Shellfish Conservation Committee

Notes from 2/21/2024 Meeting.

Present: Todd Rollins, Daniel Clapp, Daniel O'Reilly, Tessa Corsetti, Tim Carven,
Erin Kempster, Barry Hayes
Absent: none
Staff: Chuck Moran, Warden
Guests:
Public: none

- Called to order at 5:00p.
- Roll call
- Introduction of new member to the committee, Barry Hayes
- Acceptance of the 11/1/2023 minutes unanimous.
- Representatives from The Nature Conservancy were originally scheduled to present to the committee about the possibility of seeding oysters at Brave Boat Harbor. Unfortunately, they have decided to focus on seeding in Phippsburg where a current permit already exists, the water is warmer and more conducive to success.
- Warden Update:
 - 16 Harvesting weeks:
 - Average of 24.75 clammers per week. High of 34 and low of 7 (snow) Last season had average of 15 per day.
 - 371.5 pecks dug, average of 23 pecks per day. Last season dug 362.75 pecks for average of 14 pecks per day
 - Sold a total of 68-day passes (8 "no shows"), average of 5.6 per day. High of 8, low of 1. Dug 53.5 pecks.
 - One person has been every day, 3 all but one day.
 - No violations issued, 2 warnings for having over a peck.
- The committee voted unanimous approval of Shellfish Management Plan as amended with changes to definition of clam survey and addition of collaboration with the Town of Eliot. Copy of amended Plan attached.
- Meeting adjourned at 5:50p.



TOWN OF KITTERY

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towncomments@kitteryme.org | www.kitteryme.gov

REPORT TO TOWN COUNCIL

Meeting Date: March 25, 2024
From: Kendra Amaral, Town Manager
Subject: Electric Vehicle Leases – Code/Admin Fleet Cars
Councilor Sponsor: Chairperson Judy Spiller

OVERVIEW

The leases for the two electric vehicles used by Code, Planning and the Town Hall staff are expiring at the end of April. The Town must decide whether to buy out the leases, lease or purchase new vehicles, or some other alternative.

The Town's Climate Action Strategies, Strategy 23 Action Item calls for the transition of municipal, school, and public transit fleets to EVs. The Town currently has three EVs in service, including the two mentioned above, and one EV police admin vehicle. The Town is planning to transition Police cruisers to hybrid and/or hybrid plug-ins as much as possible.

OPTIONS

The two leased EVs were approved by Council in April of 2021. At the time, dealer incentives and Efficiency Maine rebate programs allowed the Town to lease the vehicles for \$609 per year per vehicle, for a total annual cost of \$1,218.

The residual value/buy out cost for each vehicle is \$17,464. Total combined mileage on the vehicles is 13,828 after 34 months of operation.

The two vehicles are used by staff in Town Hall for transportation to inspections, site visits, and meetings. Having two vehicles allows the two Code Enforcement Officers to be out concurrently on inspections, and to have an EV available for other staff to use to go on site visits or attend offsite meetings when one or both of the Code Enforcement Officers are working in office.

The Town issued a bid earlier this year for replacement vehicles, seeking both lease and purchase options. Two bids were received. The lowest bid came from Bill Dodge Auto Group for replacement Nissan Leaf EVs.

Unfortunately, current dealer incentives are significantly less than three years ago. The annual lease cost per vehicle, with Efficiency Maine and dealer incentives, was bid at approximately \$2,868 per vehicle, for a combined annual cost of \$5,736.

The options are:

- **Lease two EVs** for \$5,736 annually for three years. Maine's Climate Council is advocating for more funding to go towards electrification of vehicles and fleets. It is possible lease terms will improve by 2027. COST: \$5,736 per year.
- **Buyout existing EVs.** The vehicles are in good shape and have relatively low mileage. There is no dedicated funding to pay for the buy-out; these vehicles were expected to be more advantageous as leases in general.

To accomplish a buyout, Council would have to authorize the repurposing of funding from other vehicle reserve funds. The reason Kittery uses the reserve fund approach to capital is for the flexibility to act and react to the market and operational needs, such as this. Possible funds include the KCC Vehicle Reserve, with a balance of \$23,050. The KCC van will not need to be replaced for a number of years, allowing sufficient time to rebuild that fund until needed. The DPW Equipment Reserve can cover the remaining \$12,000 with its projected year-end surplus. Typically that surplus helps buffer against price variation between estimates and final bids each year. The surplus is built into the calculated funding needs in future years, and could impact the CIP funding request in a future year. COST: \$17,463 per vehicle or a total of \$34,926.

- **Reduce the EV fleet to 1 vehicle and Lease or Buyout.** This would impact the productivity of the Planning and Development Department, as well as increase greenhouse gas emissions in Town operations. When the one vehicle is in use, others needing transportation for inspections, site visits, or meetings would need to either forgo until the EV becomes available, reducing the number of inspections/site visits that can be done in a day, or more likely, use their personal vehicle (which are currently predominately combustion engine). COST: Annual lease cost for one vehicle is \$2,868, buyout of one vehicle is \$17,463; plus negotiated vehicle stipend and/or mileage reimbursement for staff using their own vehicles for Town purposes.
- **Release the vehicles and not replace** – This would require staff to use their own vehicles for Town purposes. It is expected impact bargaining for Code Enforcement staff will be needed, as it is a change in work conditions requiring them to use their personal vehicles for a significant portion of their work duties. For those who use their vehicles intermittently for work purposes, staff can be reimbursed in accordance with the IRS reimbursement rate, which is currently at \$0.67 per mile. This option would likely increase greenhouse gas emissions in Town operations for the reasons noted above. COST: TBD but likely \$5,000 or more annually for vehicle stipends and mileage reimbursements.

PROPOSED SOLUTION/RECOMMENDATION

It is recommended the Council either authorize the lease of two new EVs or authorize the use of other reserve funds for the buyout of the two existing EVs.

In either case, a public hearing is needed in accordance with Town Charter. Use of reserve funds for equipment not specified in the CIP is being treated as a transfer for the purposes of adhering to the Charter.

ATTACHMENTS

- EV Lease Bid
- Other Funds Report
- April 2021 - EV Lease RTC (for background/history)
- Town Charter

The Enactment will be drafted once the Council signals the approach it plans to pursue.



Lease Agreement

NISSAN LEAF S Model
Lease option

Todd Hilton
Bill Dodge Auto Group
2 Saunders Way
Westbrook, ME 04092

Buyer	Co-Buyer	Vehicle
Town Of Kittery Maine Town of Kittery Maine 200 Rogers Rd Kittery, ME 03904 D: (207) 475-1309, E: (207) 475-1309 kamaral@kitteryme.org		2024 Nissan LEAF VIN: 1N4AZ1BV2RC550939 Stock #: NS150398 Mileage: 9 Color: Deep Blue Pearl

Amount Paid by Customer		
0.00	3,000.00	4,000.00

Term	Residual	Payments		
36	53%	\$214 to \$239	\$118 to \$143	\$86 to \$111

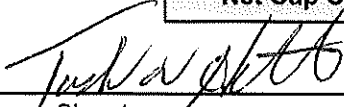
Lease Details	
Retail Price:	29,985.00
Sales Price:	28,809.00
Savings:	1,176.00
Accessories:*	374.00
Service Contract:	0.00
Government Fees:	52.50
Proc/Doc Fees:	599.00
Capitalized Taxes:	0.00
Security Deposit:	0.00
Acquisition Fee:	695.00
Gross Cap Cost:	30,529.50
Trade Allowance:	0.00
Trade Payoff:	0.00
Trade Equity:	0.00
Rebate:	12,250.00
Cash Down:	0.00
Net Cap Cost:	18,279.50

Mileage	
Plan:	12,000 mi 0%
Expected:	

Selected Terms	
Term:	36 Monthly
Residual:	53%
Payment:	\$214 to \$239
Upfront Taxes:	0.00
Amount Due:	213.93

X _____
Customer Signature

Date

X 
Manager Signature
02/09/24

Date

Disclaimer:

Printed 2/1/24 1:42 PM



Purchase Agreement

*NISSAN LEAF S MODEL
purchase option*

Todd Hilton
 Bill Dodge Auto Group
 2 Saunders Way
 Westbrook, ME 04092

Buyer	Co-Buyer	Vehicle
Town Of Kittery Maine Town of Kittery Maine 200 Rogers Rd Kittery, ME 03904 D: (207) 475-1309, E: (207) 475-1309 kamaral@kitteryme.org		2024 Nissan LEAF VIN: 1N4AZ1BV2RC550939 Stock #: NS150398 Mileage: 9 Color: Deep Blue Pearl

Purchase Details	
Retail Price:	\$29,985.00
Sales Price:	\$28,809.00
Savings:	\$1,176.00
Accessories*:	\$374.00
Service Contract:	\$0.00
Government Fees:	\$52.50
Proc/Doc Fees:	\$599.00
Total Taxes:	\$0.00
Total Sales Price:	\$29,834.50
Trade Allowance:	\$0.00
Trade Payoff:	\$0.00
Trade Equity:	\$0.00
Rebate:	\$9,000.00
Cash Down:	\$0.00
Cash Price:	\$20,834.50

X _____
 Customer Signature

X *Todd Hilton*
 Manager Signature

 Date

02/08/24

 Date

* Accessories: WHEEL LOCKS: \$125.00, ALL WEATHER FLOOR MATS: \$249.00

Disclaimer:

Printed 2/8/24 10:10 AM



2024 NISSAN LEAF

S - EPA Range

up to 149 miles+++

100% ELECTRIC

Scan QR code for general model information & options



Standard Equipment Included at No Extra Charge

- MECHANICAL & PERFORMANCE**
 147HP (110KW) AC Synchronous Motor
 40 kWh Lithium-Ion Battery
 5.6 kW Onboard Charger
 Quick Charge Port
 Portable Charge Cable (120V/240V EVSE)
 Regenerative Braking System
 e-Pedal Mode & Hill Start Assist

- SAFETY & SECURITY**
 Nissan Safety Shield 360
 High Beam Assist
 Automatic Emergency Braking with Lane Departure Warning
 Blind Spot Warning
 Rear Automatic Braking
 Rear Cross Traffic Alert

- COMFORT & CONVENIENCE**
 Intelligent Auto Headlights
 Rear View Monitor
 Rear Door Alert
 Nissan Intelligent Key® System w/ Charge Port Door Release

- AUDIO & INFOTAINMENT**
 NissanConnect™
 Apple CarPlay™
 Android Auto™
 SiriusXM® Radio w/ Advanced Audio Features
 Smart Eyes Front™
 Bluetooth® Hands-Free Phone System
 Streaming Audio Via Bluetooth®
 Hands-Free Text Messaging Assistant

EXTERIOR FEATURES
 16" Steel Wheels w/ Wheel Covers
 Dual Power Outside Mirrors
 Charge Port Light and Lock

***For More Information, See Dealer Owner's Manual or www.NissanUSA.com/connect/legal
 **Actual Range Will Vary With Trim Levels, Options, & Driving Conditions
 See Customer Disclosure Form For Details

Manufacturer's Suggested Retail Base Price:	\$28,140.00
Options Included by Manufacturer:	245.00
Spash Guards	285.00
Carpeted Floor Mats & Cargo Area Mat	120.00
Rear Cupholders	100.00
3 Sash Ties	
Safety Kit	
First Aid Kit	
Emergency Kit	
DESTINATION CHARGES	1,095.00
Total	\$29,935.00

Does not include dealer installed options and accessories, local taxes or license fees. This label has been applied pursuant to federal law. Do not remove prior to delivery to the ultimate purchaser.

**Not actual Monroney Label. Provided for informational purposes only. Vehicle features, pricing and other information subject to change, may vary from actual vehicle content and/or Monroney label description. While Nissan makes reasonable efforts to ensure accuracy of information, Nissan is not responsible for changes, errors or omissions. See actual vehicle and/or verify information in question with your Nissan dealer.

EPA Fuel Economy and Environment DOT

Electric Vehicle

Fuel Economy

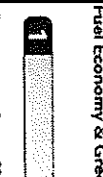
111

MPGe 149
 123 city, 99 highway
 30 kWh/100 miles
 149 miles per charge (range)

Annual fuel cost \$700

123 city
 99 highway
 30 kWh/100 miles
 149 miles per charge (range)

Fuel Economy & Greenhouse Gas Rating (range per kWh)



149 miles per charge (range)



100 and 100

You Save \$3,500

in fuel costs over 5 years compared to the average new vehicle.

Actual results will vary for many reasons, including driving conditions and how you drive and maintain your vehicle. The EPA fuel economy estimates are based on a 15,000 mile per year at 50.15 per kWh. MPGe is miles per gasoline gallon equivalent. Vehicle emissions are a significant cause of climate change and smog.

Calculates personalized estimates and compare vehicles

GOVERNMENT 5-STAR SAFETY RATINGS

Overall Vehicle Score ★★★★★
 Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Crash ★★★★★
 Driver Passenger ★★★★★

Side Crash ★★★★★
 Front seat Rear seat ★★★★★

Rollover ★★★★★
 Based on the risk of rollover in a single-vehicle crash.

Star ratings range from 1 to 5 stars (★★★★★) with 5 being the highest.
 Source: National Highway Traffic Safety Administration (NHTSA)
 www.safercar.gov or 1-888-327-4226

This vehicle qualifies for Nissan's

Security+Plus Extended Protection Plan

The only service agreement backed by Nissan Extended Services North America. Ask your dealer for details or call 1-800-NISSAN-1 for more information.

PARTS CONTENT INFORMATION FOR VEHICLES IN THIS CABLINE:

U.S./CANADIAN PARTS CONTENT: 30%
 MAJOR SOURCES OF FOREIGN PARTS CONTENT: JAPAN: 45%

NOTE: PARTS CONTENT DOES NOT INCLUDE FINAL ASSEMBLY, DISTRIBUTION OR OTHER NON-PARTS COSTS.

FOR THIS VEHICLE:
 FINAL ASSEMBLY POINT: SMYRNA, TN, USA
 COUNTRY OF ORIGIN: ENGINE: JAPAN
 TRANSMISSION: JAPAN

Dealer	Year	Model	MSRP	MSRP
2024 NISSAN LEAF	2024	LEAF	28,140	29,935
2024 NISSAN LEAF	2024	LEAF	28,140	29,935
2024 NISSAN LEAF	2024	LEAF	28,140	29,935



2024 NISSAN LEAF

S - EPA Range

up to 149 miles***

100% ELECTRIC

Scan QR code for general model information & options



Standard Equipment Included at No Extra Charge

MECHANICAL & PERFORMANCE

- 147HP (110kW) AC Synchronous Motor
- 40 kWh Lithium-Ion Battery
- 5.6 kWh Onboard Charger
- Quick Charge Port
- Regenerative Braking System
- 4-Door Mode & Hill Start Assist

SAFETY & SECURITY

- Nissan Safety Shield 360
- High Beam Assist
- Autonomic Emergency Braking with Pedestrian Detection
- Lane Departure Warning
- Blind Spot Warning
- Rear Automatic Braking
- Rear Cross Traffic Alert

COMFORT & CONVENIENCE

- Intelligent Auto Headlights
- RearView Monitor
- Rear Door Alert
- Nissan Intelligent Key® System w/ Charge Port Door Release

AUDIO & INFOTAINMENT

- NissanConnect®
- Apple CarPlay®
- Android Auto™
- SynsXAV® Radio w/ Advanced Audio Features
- Star Eyes™ Free
- Bluetooth® Hands-Free Phone System
- Streaming Audio via Bluetooth®
- Hands-Free Text Messaging Assistant

EXTERIOR FEATURES

- 16" Steel Wheels w/ Wheel Covers
- Dual Power Outside Mirrors
- Charge Port Light and Lock

***For More Information, See Dealer Owner's Manual or www.NissanUSA.com/connectlegal

***Actual Range Will Vary With Tire Levels, Options, & Driving Conditions See Customer Disclosure Form For Details

Manufacturer's Suggested Retail Base Price: \$28,140.00

Options Included by Manufacturer*

- Spash Guards 245.00
- Carpeted Floor Mats & Cargo Area Mat 285.00
- Rear Cupholders & Storage Tray 120.00
- Safety Kit 100.00
- First Aid Kit
- Emergency Kit

DESTINATION CHARGES

Total \$29,985.00

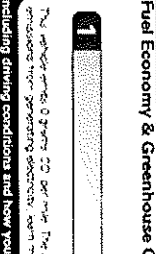
EPA Fuel Economy and Environment

Electric Vehicle

Fuel Economy 111 MPGe

combined city/hwy
Driving Range
Charge Time: 8 hours (220V)

Annual fuel cost \$700



You save \$3,500

in fuel costs over 5 years compared to the average new vehicle.

Fuel Economy & Greenhouse Gas Rating (national only)



fuel economy.gov

Calculate personalized estimates and compare vehicles



GOVERNMENT 5-STAR SAFETY RATINGS

Overall Vehicle Score *****
Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Crash	Driver	*****
Frontal Crash	Passenger	*****
Side Crash	Front seat	*****
Side Crash	Rear seat	*****
Rollover		*****

Star ratings range from 1 to 5 stars (*****), with 5 being the highest. Source: National Highway Traffic Safety Administration (NHTSA) www.safercar.gov or 1-888-327-4226

Parts Content Information for Vehicles in this Carline: U.S./Canadian Parts Content: 30% Major Sources of Foreign Parts Content: Japan: 45%

NOTE: PARTS CONTENT DOES NOT INCLUDE FINAL ASSEMBLY, DISTRIBUTION, OR OTHER NON-PARTS COSTS. FOR THIS VEHICLE: FINAL ASSEMBLY POINT: SMYRNA, TN, USA COUNTRY OF ORIGIN: JAPAN ENGINE: JAPAN TRANSMISSION: JAPAN

Security+Plus Extended Protection Plan

This vehicle qualifies for Nissan's Security+Plus Extended Protection Plan. The only service agreement backed by Nissan Extended Services North America! Ask your dealer for details, or call 1-800-NISSAN-1 for more information.

Dealer	Model	Year	MSRP	MSRP	MSRP	MSRP	MSRP	MSRP	MSRP

Does not include dealer installed options and accessories, local taxes or license fees. This label has been applied pursuant to federal law. Do not remove prior to delivery to the ultimate purchaser.

*Not actual Monroney Label. Provided for informational purposes only. Vehicle features, pricing and other information subject to change. May vary from actual vehicle content and/or Monroney Label description. While Nissan makes reasonable efforts to ensure accuracy of information, Nissan is not responsible for changes, errors or omissions. See actual vehicle and/or verify information in question with your Nissan dealer.

Bill Dodge Auto Group

Clarifications

- 1) Actual vehicles submitted for bid are subject to change. We will do our best to keep replacement vehicles at the same figures.
- 2) Vehicles are not held until bids are awarded.
- 3) Current bids are based on February incentives with Nissan. These incentives are honored through March 4th of 2024. If the lease or purchase takes place after the 4th of March, new incentives will come into play and awarded bid prices are not guaranteed.
- 4) Lease options are based upon Nissan approval. Your payments could fluctuate up or down based upon approval through Nissan.
- 5) Only 1 bid for lease and purchase is enclosed for the S model and SV Plus model. Each bid will be the same per unit of same model. In other words, if you go with the SV Plus model, each vehicle is priced the same.
- 6) Leases require 1st payment due at signing.
- 7) Purchase option payment is expected at signing. Exceptions can be made with advance notice.

Bill Dodge Auto Group

Incentives for leasing

- 1) Efficiency Maine Rebates \$7,500.00
- 2) Nissan Rebate \$3,750.00 Lease Cash
- 3) Nissan Rebate \$1,000.00 Customer Bonus Cash

Total		\$12,250.00
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2024 Nissan LEAF Features and Specifications
 Printed 02/08/2024

Warranty Coverage (limited)*	
New Vehicle	
Basic coverage	3/36,000
Powertrain coverage	5/60,000
Corrosion coverage (original body panels/perforation)	5/Unlimited
Lithium-ion battery coverage	8/100,000
<p>The Nissan lithium-ion battery and battery capacity limited warranty includes coverage for defects in materials or workmanship for 96 months/100,000 miles (whichever occurs first) as well as protection against capacity loss below 9 segments of capacity (out of 12) as shown on the vehicle's capacity gauge for a period of 96 months/100,000 miles (whichever occurs first). For complete information concerning coverage, conditions, limitations, and exclusions, see your Nissan dealer and read your vehicle's Warranty Information Booklet.</p>	
<p>* Expressed in years/miles (whichever occurs first). For complete information concerning warranty coverage, conditions and exclusions, see your Nissan dealer or INFINITI retailer and read your vehicle's Warranty Information Booklet.</p>	
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<p>This website is intended for general descriptive and informational purposes only. It is subject to change and does not constitute an offer, representation or warranty (express or implied) by Nissan North America, Inc. Interested parties should confirm the accuracy of any information in this website as it relates to a vehicle directly with Nissan North America, Inc. before relying on it to make a purchase decision. Nissan North America, Inc. reserves the right to make changes, at any time, without prior notice, in prices, colors, materials, equipment, specifications, and models and to discontinue models or equipment. Due to continuous product development and other pre- and post-production factors, actual vehicle, materials and specifications may vary from this website. Some vehicles shown with optional equipment. See the actual vehicle for complete accuracy. Availability and delivery times for particular models or equipment may vary. Specifications, options and accessories may differ in Hawaii, U.S. territories and other countries. For additional information on availability, options or accessories, contact your Nissan dealer or INFINITI retailer, or Nissan North America, Inc.</p>	

Town of Kittery FISCAL YEAR 2024
Fund Balances - Capital Projects and Special Revenues
Through: March 14, 2024

Fund Type	New #	Account Name	Ending Fund Balance 6/30/2023	CIP Appropriation 7/1/2024	Transfers FY24	YTD Expense	YTD Revenue	Ending Fund Balance
SR	5504	ARPA	441,103.49			(441,103.49)		-
SR	5505	PREPA Grant	2,050.62					2,050.62
SR	5506	Affordable Housing	100,000.00		50,000.00			150,000.00
SR	5507	PFAS Support	(173,709.55)		341,103.49	(905,524.92)	24,701.08	(713,429.90)
SR	5508	375th Celebration	4,757.32			(12,839.70)	224.55	(7,857.83)
SR	5024	COVID-19 Vaccine Clinics	13,644.91					13,644.91
SR	5509	Real Estate Transactions	898,925.81					898,925.81
SR	5511	Bike/Ped Master Plan	97,705.88			(2,162.93)		95,542.95
SR	5513	Gorges Road Fire Station	480,463.23			(976,493.15)		(496,029.92)
SR	5514	Fiscal Agent Fund	6,000.00			(5,231.60)	1,000.00	1,768.40
Total Special Revenue			3,141,678.72	-	1,011,179.49	(3,288,892.45)	725,508.80	2,565,967.71

CIP Programs

CP	2057	Open space	25,000.00					25,000.00
CP	2903	Invasives Fort Foster	22,581.00		97,000.00	(19,180.00)		100,401.00
CP	4002	Right of Way Reserve	144,605.53	600,000.00		(837,504.89)	171,670.50	78,771.14
CP	4011	KCC Vehicle Reserve	23,049.66					23,049.66
CP	4012	Public Works Vehicles/Equipment	(11,901.82)	450,000.00		(192,621.38)		245,476.80
CP	4013	Fire Apparatus Reserve	-	50,000.00				50,000.00
CP	4017	MS4 Compliance	40,190.78	40,000.00		(39,027.82)	523.00	41,685.96
CP	4018	Harbormaster Boat Reserve	18,324.68	40,000.00		(42,367.01)	4,000.00	19,957.67
CP	4019	KCC Equipment Reserve	64,078.95	40,000.00		(19,560.84)		84,518.11
CP	4020	Municipal Technology Reserve	120,915.58	70,000.00		(86,021.87)		104,893.71
CP	4022	Police Vehicle/Equipment	110,099.77	155,000.00		(230,160.96)		34,938.81
CP	4026	Records Preservation	15,510.13	15,000.00				30,510.13
CP	4027	Municipal Facility Reserve	352,550.70	75,000.00		(67,162.73)		360,387.97
CP	4043	Parks Building & Grounds	26,806.61	20,000.00		(14,806.00)		32,000.61
CP	4051	KCC Facility Reserve	49,106.98	25,000.00				74,106.98
CP	4055	Harbormaster Equipment Reserve	(1,304.47)	15,000.00		(1,043.08)		12,652.45
CP	4056	Fire Dept Equipment Reserve	241,529.14	60,400.00		(224,726.00)		77,203.14
CP	4100	Fire Dept Facility Reserve	37,318.84	25,000.00				62,318.84
CP	4116	Harbormaster Facility Reserve	6,362.98	10,000.00				16,362.98
CP	4060	Rice Rehab/Expansion	119,268.07			(44,944.97)	199,444.69	273,767.79
CP	4123	LED Conversion	49,686.58	-	100,000.00	(156,663.50)		(6,976.92)
CP	4129	Police Equipment Reserve	2,000.00	15,000.00		(10,040.00)		6,960.00
CP	5512	Roadside Landscaping	36,138.80			(906.18)		35,232.62
CP	5510	Memorial Field Assessment	7,366.00			(7,206.00)		160.00
CP	2904	Legion Pond Restoration	14,609.00			(13,592.00)		1,017.00



TOWN OF KITTERY
200 Rogers Road, Kittery, ME 03904
Telephone: 207-475-1329

REPORT TO TOWN COUNCIL

Date: April 12, 2021
From: Kendra Amaral, Town Manager
Subject: Electric Vehicle Leases – Code Cars
Councilor Sponsor: Vice Chairperson Judy Spiller

EXECUTIVE SUMMARY

The Town of Kittery is engaged in a multi-pronged approach to improve the community's climate sustainability and coastal resiliency. One of the objectives, under the category of mobility, is to reduce greenhouse gas emissions from municipal operations by prioritizing electric vehicles for the municipal fleet.

The Town currently needs to replace the administrative vehicle (Code Enforcement vehicle). The condition of the car is deteriorated to a point where it is becoming very expensive to keep on the road. In accordance with the objective noted above, this vehicle should be replaced with an electric vehicle (EV).

An EV is ideal for this type of vehicle because it is primarily used for transportation to site inspections and onsite meetings with residents, contractors, and vendors. It is not needed to haul equipment or construction material, and is not used in emergency response settings or sand and ice operations. Travel in this vehicle is primarily within the Town borders.

Given current rebates and financial incentives the Town can lease an EV for \$608.79 per year per vehicle. The recommendation is to lease two EVs for 36 months each, for a combined annual cost of \$1,217.58.

PROPOSED VEHICLES

Efficiency Maine is offering rebates for governmental agencies to convert to EVs. The rebates apply to both purchases and leases. Additionally, the vehicle manufactures are providing financial incentives for EVs through qualified dealers.

The Town is proposing that two Nissan Leaf vehicles be leased as part of this effort. With two Code Enforcement staff, inspections cannot occur concurrently using municipal vehicles. When both staff need to be out of the office, one is required to use their own vehicle which creates a financial liability. With both staff members having access to EVs to perform their work, we increase productivity without increasing greenhouse gas generation.

The residual value at the end of the lease will be \$17,463.60 per vehicle, which the Town can pay at any time during the lease; or the Town can trade in the vehicles for new leases at the end of the 36 months.

The Town has also been awarded a \$16,000 grant from CMP for four, Level 2, EV chargers. Implementation of the chargers is being schedule. The Town will be able to use standard plugs for charging the new EVs until the charging stations are installed.

PROPOSED SOLUTION/RECOMMENDATION

Approve the Town Manager to enter into lease agreements for two electric vehicles

ATTACHMENTS

- Lease Authorization Enactment
- Lease Price Sheets and details
- Kittery - 2020 Sustainability and Coastal Resilience Assessment

**KITTERY TOWN CODE –
ELECTRIC VEHICLE
LEASE AUTHORIZATION**

1 **AN ORDINANCE** relating to the municipality’s authority for Town governance to give due and
2 proper attention to its many demands pursuant to the Town Charter, Federal law, and Maine
3 Revised Statutes, and more particularly where set forth in Maine Revised Statutes Title 30-A,
4 Municipalities and Counties.

5 **WHEREAS**, the Kittery Town Council is authorized to enact this Ordinance, as specified in
6 Sections 1.01, 2.07(3), and 6.11(3) of the Town Charter; and 30-A MRS §3001, pursuant to its
7 powers that authorize the town, under certain circumstances, to provide for the public health,
8 welfare, morals, and safety, and does not intend for this Ordinance to conflict with any existing
9 state or federal laws; and

10 **WHEREAS**, the Town of Kittery is interested in leasing two electric vehicles to replace an
11 existing internal combustion engine vehicle that has exceeded its end of useful life; and

12 **WHEREAS**, by leasing the vehicles the Town may take advantage of various rebates and
13 financial incentives available through Efficiency Maine and the vehicle manufacturers;

14 **NOW THEREFORE**, IN ACCORDANCE WITH TITLE 30-A MRS §3001, AND TOWN
15 CHARTER §§2.14 and 6.11(3), THE TOWN OF KITTERY HEREBY ORDAINS APPROVAL
16 FOR THE TOWN MANAGER TO EXECUTE LEASE AGREEMENTS FOR TWO ELECTRIC
17 VEHICLES.

18 **INTRODUCED** and read in a public session of the Town Council on the ____ day of _____,
19 20____, by: _____ {NAME} Motion to approve by Councilor
20 _____ {NAME}, as seconded by Councilor _____ {NAME} and
21 passed by a vote of _____.

22 **THIS ORDINANCE IS DULY AND PROPERLY ORDAINED** by the Town Council of Kittery,
23 Maine on the ____ day of _____, 20____, {NAME}, _____, Chairperson

24 **Attest:** {NAME}, _____ Town Clerk



WESTBROOK (207) 854-3200
 BRUNSWICK (207) 721-8300
 SACO (207) 283-3999

WWW.BILLDODGEAUTOGROUP.COM

WESTBROOK • BRUNSWICK • SACO

BUYER

Name: Suzanne Esposito
 Home #: (207) 475-1309
 Cell #:
 Email: seposito@kitteryme.org

CO-BUYER

Name:
 Home #:
 Cell #:

SALES INFORMATION

Print Time: 04/01/2021 03:38 PM
 Manager: Nissan Saco Manager
 Client Advisor:

VEHICLE INFORMATION

New Used Certified Pre-Owned

Stock#: NS158936 VIN: 1N4BZ1BV3MC552793
 Mileage: 6
 Description: 2021 Nissan LEAF

TRADE-IN INFORMATION

VIN: Mileage:
 Year:
 Make:
 Model:

CASH OPTION	
MSRP:	\$39,690.00
Discount:	\$0.00
Sale Price:	\$39,690.00
Options / Accessories	
WHEEL LOCKS :	\$99.00
:	
:	
:	
:	
:	

LEASE PAYMENTS (ESTIMATED)			
Out of pocket	36 months	months	months
+ 1st	\$78.51		
+ 1st	\$78.51		
+ 1st	\$78.51		
Lease Cash	\$22,100.00		
Mileage (Per Year)	12,000	12,000	12,000
Residual	44 %		

Sales Price Sub-Total:	\$39,789.00
Rebate:	\$22,100.00
Trade Allowance:	\$0.00
Difference:	\$17,689.00
Tax:	\$0.00
Tag & Title Fees:	\$34.00
Inspection Fee:	\$18.50
Documentation Fee:	\$549.00
Trade Payoff:	

Residual Value
 \$17,463.60

This is an initial proposal. The figures presented are based on estimates. Rates subject to credit approval.

Customer _____ Date _____ *Tom Hilton* _____ Date *04/01/21* _____
 Manager



WESTBROOK (207) 854-3200
 BRUNSWICK (207) 721-8300
 SACO (207) 283-3999

WWW.BILLDODGEAUTOGROUP.COM
 WESTBROOK • BRUNSWICK • SACO

BUYER

Name: Suzanne Esposito
 Home #: (207) 475-1309
 Cell #:
 Email: seposito@kitteryme.org

CO-BUYER

Name:
 Home #:
 Cell #:

SALES INFORMATION

Print Time: 04/01/2021 03:36 PM
 Manager: Nissan Saco Manager
 Client Advisor:

VEHICLE INFORMATION

New Used Certified Pre-Owned
 Stock#: NS159061 VIN: 1N4BZ1BV5MC553086
 Mileage: 6
 Description: 2021 Nissan LEAF

TRADE-IN INFORMATION

VIN: Mileage:
 Year:
 Make:
 Model:

CASH OPTION

MSRP: \$39,690.00
Discount: \$0.00
Sale Price: \$39,690.00

Options / Accessories
 WHEEL LOCKS : \$99.00

Sales Price Sub-Total: \$39,789.00
Rebate: \$22,100.00
Trade Allowance: \$0.00
Difference: \$17,689.00

Tax: \$0.00
Tag & Title Fees: \$34.00
Inspection Fee: \$18.50
Documentation Fee: \$549.00
Trade Payoff:

LEASE PAYMENTS (ESTIMATED)

Out of pocket	36 months	months	months
+ 1st	\$78.51		
+ 1st	\$78.51		
+ 1st	\$78.51		
Lease Cash	\$22,100.00		
Mileage (Per Year)	12,000	12,000	12,000
Residual	44 %		

Residual Value
 \$17,463.60

This is an initial proposal. The figures presented are based on estimates. Rates subject to credit approval.

Customer

Date

Manager

Date

Kendra Amaral

From: Todd Hilton <todd.hilton@billdodgeautogroup.com>
Sent: Thursday, April 1, 2021 4:44 PM
To: Kendra Amaral
Subject: Re: Nissan Leaf's

100% correct. Just remember, the check back for \$1,000 is once the deal is funded by Nissan. Usually take about 3 weeks to get funded. We will mail it to you once we get funded. It will show on paperwork that we owe it to you.

Todd Hilton
Commercial & Fleet Manager
Bill Dodge Auto Group
207-857-4949 Westbrook
207-710-2616 Saco
207-400-0084 Cell

From: Kendra Amaral <KAmaral@kitteryme.org>
Sent: Thursday, April 1, 2021 4:08 PM
To: Todd Hilton
Subject: RE: Nissan Leaf's

Thank you Todd.

Just to confirm these new rates would work out to (based on the original price sheets):

78.51 X 36 Months = \$2,826.36
- \$1000 check back = \$1,826.36
Divided by three years = \$608.79 per year to vehicle

The Council will be voting on the lease authorization on April 12th.

Thank you again!
Kendra

-----Original Message-----

From: Todd Hilton <todd.hilton@billdodgeautogroup.com>
Sent: Thursday, April 1, 2021 3:55 PM
To: Kendra Amaral <KAmaral@kitteryme.org>
Subject: Nissan Leaf's

?Hi Kendra, attached are the new price sheets for the 2 Nissan Leaf's. Aprils incentives changed a little but in your favor. It actually lowered the monthly payment by about \$5 per month. Let me know if you need anything else to help you out in presenting to the Town Council. Otherwise, I'll wait to hear back from you mid month.

Good luck.



§ 6.09. Amendments after adoption.

- (1) Supplemental appropriations. If during the fiscal year the manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the council by ordinance may make supplemental appropriations for the year up to the amount of such excess, but not to exceed an aggregate amount of \$125,000.
- (2) Emergency appropriations. To meet a public emergency affecting life, health, property or the public peace, the council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of § 2.15. To the extent that there are no available unappropriated revenues to meet such appropriations, the council may by such emergency ordinance authorize the issuance of emergency notes, which may be renewed from time to time, but the emergency notes and renewals of any fiscal year must be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.
- (3) Reduction of appropriations. If at any time during the fiscal year it appears probable to the manager that the revenues available will be insufficient to meet the amount appropriated, the manager shall report to the council without delay, indicating the estimated amount of the deficit, any remedial action taken and recommendations as to any other steps to be taken. The council shall then take such further action as it deems necessary to prevent or minimize any deficit and for that purpose it may, by ordinance, reduce one or more appropriations.
- (4) **Transfer of appropriations.** At any time during the fiscal year or within 60 days of the fiscal year closure, the manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the manager, the council may by ordinance transfer a part or all of any unencumbered appropriation balance from one department, office or agency to another.
- (5) Limitations; effective date. No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

§ 6.11. Administration of budget.

- (1) Work programs and allotments. At such time as the manager may specify, each department, office or agency shall submit work programs for the ensuing fiscal year showing the requested allotments of its appropriation by periods within the year. The manager must review and authorize such allotments with or without revision as early as possible in the fiscal year. The manager may revise such allotments during the year if the manager deems it desirable and revise them to be in accord with any supplemental, emergency, reduced or transferred appropriation made pursuant to § 6.09.
- (2) Payments and obligations prohibited. No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the manager or his designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefrom are or will be

available to cover the claim or meet the obligation when it becomes due and payable. Any authorization of payment or incurring of obligation in violation of the provisions of this charter shall be void and any payment so made illegal. Such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such obligations, and the officer shall also be liable to the town for any amount so paid.

- (3) **Issuance of bonds and multi-year contracts.** Except where prohibited by law, nothing in this charter may be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, provided that such action was made or approved by ordinance. Where a non-appropriation of funds clause is incorporated into a contract with termination and there is no penalty if not appropriated, and any renewal year is automatic with an approved appropriation, the contract is not considered multi-year.