

TOWN OF MILLINOCKET, MAINE



**113TH ANNUAL REPORT OF THE
MUNICIPAL OFFICERS
FISCAL YEAR 2017
(JULY 1, 2016 TO JUNE 30, 2017)**

TOWN OF MILLINOCKET

John Davis, Town Manager

197 Penobscot Avenue, Millinocket, Maine 04462

Telephone 207-723-7000 FAX 207-723-7002

Web Site: www.millinocket.org

To the Taxpayers and Residents of Millinocket:

I am pleased to present to you my third annual report on the condition of the Town of Millinocket for Fiscal Year 2017 (July 1, 2016 to June 30, 2017).

Unfortunately, for Fiscal Year 2017, we were not able to keep the mil rate below \$30.00; despite the layoff of One Fireman and a reduction in the Recreation budget of \$15,000. There are a number of reasons for this. Expenses were up, revenues were down, and the Homestead Exemption was increased from \$10,000 to \$15,000. What this means is that someone owning a home that is assessed at \$50,000, will only pay taxes on \$35,000. So even though the mil rate increased, the dollar amount those residents that qualify and are signed up for the Homestead Exemption, will actually be less. Taxpayers who do not qualify for the Homestead Exemption, especially businesses, will pay a rate of \$31.30 per \$1,000 of value. The increase in the Homestead dropped the valuation of the Town by about \$5,000,000, which in turn caused the mil rate to increase. The Homestead Exemption will increase to \$20,000 next year causing another drop in value of approximately \$5,000,000.

A major infrastructure project was completed in late October of 2016. The Smith Brook Interceptor Project replaced the sewer line from Bates Street to the Pines Pump Station. This was an \$800,000 undertaking, with \$640,000 coming by way of a CDBG Grant, and \$160,000 appropriated from the Wastewater Treatment Plant Reserve Account. This should greatly decrease the Inflow and infiltration and prevent the raw sewage overflows that have been occurring in the Smith Brook sewer area.

Currently, Designlab is doing a marketing study for the Town of Millinocket. They will look at ways to promote jobs in the manufacturing, retail, and tourism industries. Designlab has done work for a number of municipalities and businesses in the area and we will be looking forward to the benefit they can provide for us.

On August 24, President Obama designated 87,500 acres of land in the North Maine Woods as a National Monument. The land was donated to the Federal Government by the Roxanne Quimby Foundation, Ellitsville Plantation, Inc., and will be managed by the National Park Service (NPS). The NPS has opened an office on 200 Penobscot Avenue in Millinocket. As of this writing, nobody is certain where all of the entrance points are going to be located.

We are still dealing with a number of residential properties that continue to default on taxes and sewer invoices. Over the past year, the Town has sold 17 tax acquired properties for a total of \$71,000, which was applied against outstanding taxes and sewer related administrative fees.

After foreclosure and before the Town takes possession of the property, we have the option of sending one more letter giving the homeowner one last chance to keep their property. This process forces the owner to pay all outstanding taxes, sewer fees, legal expenses, and any other cost associated with the foreclosure procedure.

The marathon and a half that was sponsored by Gary Allen and took place in Millinocket on December 10th, 2016, was a great success. Despite the frigid temperatures, over 500 contestants participated in the event. On behalf of the Town, I would like to thank Mr. Allen and all the runners who provided Millinocket with some entertainment and a good deal of economic activity.

I hope you enjoyed the information in the this letter. There are numerous other activities going on in Town but time constraints limit the amount of information we can provide through this method of communication.

If you are in the Town Office, please take the time to stop and share your thoughts and concerns with me.

Respectfully Submitted,

John Davis

**John Davis
Millinocket Town Manager**

ANGUS S. KING, JR.
MAINE

133 HART SENATE OFFICE BUILDING
(207) 224-5344
Website: <http://www.King.Senate.gov>

United States Senate

WASHINGTON, DC 20510

COMMITTEES
ARMED SERVICES
BUDGET
ENERGY AND
NATURAL RESOURCES
INTELLIGENCE
RULES AND ADMINISTRATION

Dear Friends of Millinocket:

Since being sworn into the Senate in 2013, I have made it my mission to address at the federal level the most important issues facing our great state. Working closely with my colleagues in the Maine Congressional Delegation, we've been able to successfully secure a number of legislative victories that support our state's economy, our rich traditions, and the hardworking people I am proud to represent. In an increasingly polarized Congress, my goal as an Independent is to put partisanship aside, build consensus and further common-sense solutions to address the needs of the American people. To this end, I have co-founded the Former Governors Caucus, a group of former state executives who are frustrated with legislative gridlock and eager to find bipartisan solutions. And as always, I aim to bridge the partisan divide by hosting barbeque dinners in Washington with colleagues ranging from Ted Cruz to Elizabeth Warren. If you know a person's children, then you see them as a mother or father and not a rival vote, and working to further personal dialogue and build relationships can lay the foundation for successful legislation.

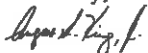
One of the accomplishments of which I am most proud is the legislative victory that protects our college students and their families from an expensive hike in student loan interest rates. In 2013, as students faced a significant spike in interest rates that would have taken thousands of dollars out of their pockets, I brought together colleagues from across the political spectrum to broker compromise legislation called the Bipartisan Student Loan Certainty Act. Thanks to this bill, students will save \$50 billion over the next 10 years by lowering their interest rates, which means that a student in Maine will now save between \$3,000 and \$6,000 over the life of their loan.

Being an Independent in the Senate has allowed me to make calls and vote on policies that are best for Maine, but it has also made it possible to play key roles in finding simple solutions and legislative fixes that make good commonsense to both parties. Of course, much of what we do in the Senate doesn't happen on the Senate floor, or even in committee. Instead, it involves working across all levels of government to ensure the State of Maine receives attention and support from the federal government. Take, for example, the opioid and heroin epidemic devastating communities across our state. While Congress has passed legislative solutions aimed at expanding access to medical treatment, I've also pressed for other changes that can be accomplished more quickly and make a more immediate difference in Maine. For example, I successfully urged the U.S. Department of Health and Human Services to increase the number of patients to whom a doctor can provide medication-assisted treatment, and in 2015 brought the Director of the Office of National Drug Control Policy to Brewer to meet directly with Mainers and hear their stories. I've also engaged law enforcement – including the Drug Enforcement Agency – to crack down on the production of opioids and work to limit their diversion. Together, Senator Collins and I helped pass the Northern Border Security Review Act to combat drug and human trafficking along our border with Canada. While the opioid epidemic is certainly our biggest public health crisis, job loss in Maine is still our number one economic problem and that's why we need to focus on bringing good paying jobs back to Maine and protecting the ones we still have. As a member of the Armed Services Committee, I teamed up with Senator Collins and Representative Poliquin to successfully secure a provision in the defense bill that can help domestic shoe manufacturers like New Balance. The three of us also worked together with the Department of Commerce to establish an Economic Development Assessment Team, known as an EDAT, to assist Maine's forest industry in the wake of several mill closures. We have an incredible spirit of innovation and ingenuity in Maine and I believe finding ways to invest in that spirit will reignite Maine's forest products sector and our economy. Part of our economic path forward must also include expanding access to high-speed broadband, which can help connect our businesses and communities to information and economic opportunities.

As a member of the Senate Armed Services and Intelligence Committees, I work to keep Maine and our nation safe. Part of that important work means continuing to work for funding for the construction of Navy ships that will be used to protect American interests across the globe. We all know that "Bath Built is Best Built," which is why I've fought to authorize funding for Navy ships built at BIW. The best way to preserve peace is by deterring war through unassailable strength, and to do that we must support our shipbuilders and our brave service members and invest in our military. I strive to meet this solemn responsibly every day as a member of these committees, which is why I hardly ever miss a hearing and take great care in overseeing the agencies sworn to keep us safe. Armed Services Chairman John McCain called me "one of the most serious and hard-working members" of the Committee, and that's a humbling compliment from a true American hero.

As always, please call or write me with thoughts or concerns with matters currently before Congress, or if you need assistance navigating a federal agency. Please call my toll-free line at 1-800-432-1599 or local office: (207) 622-8292, or write me on our website at www.king.senate.gov/contact. It is an honor and a privilege serving the people of Maine in the Senate, and I look forward to working with you in our search for a more perfect Union.

Sincerely,



Angus S. King, Jr., United States Senator

128th Legislature
Senate of Maine
Senate District 5

Senator James Dill
3 State House Station
Augusta, ME 04333-0003
(207) 287-1515
Jamesdill207@gmail.com

Dear Friends in Millinocket,

Thank you for the opportunity to serve as your state senator. I appreciate the faith you have placed in me and I promise to work hard to represent you in Augusta.

The 127th Legislature was very successful. We extended tax relief for Maine's teachers and homeowners, approved funds to fix our roads and bridges and boost Maine's technology sector, passed sensible welfare reform, and created the Invest in Maine Capital Fund, which will bring more businesses – and jobs – to Maine. We closed a \$15 million school budget shortfall, funded more Maine State Grants to help our kids succeed in college, and expanded Opportunity Maine, our program to help Mainers pay off their student loans.

This year I have once again been assigned to the Agriculture, Conservation and Forestry committee. I'm happy to be serving on this committee and working on your behalf on issues that are important to folks in Penobscot County. These issues include making sure the new limits on opioid prescriptions do not have a harmful impact on those who need to maintain current levels and adjusting school curricula in order to reflect the need for more technology-based skills. These items might be of interest to you as well:

Unclaimed Property: Every year, the Treasurer's Office produces a list of unclaimed property, which consists of money and other personal assets that are considered lost or abandoned when an owner cannot be located after a specified period of time. Visit www.maine.gov/unclaimed or call 1-888-283-2808 to see if you have any unclaimed property.

Honorary Page Program: provides students a unique chance to observe and participate in the legislative process. Students deliver messages, distribute documents, interact with the senators, and take part in a real legislative learning experience. If you know of a student who may be interested, or would like more information, please contact me. It would be my honor to meet with the student and his/her family during the visit to the State House.

Legislative Update: is part of my effort to keep you informed about what's happening in the Legislature. This periodic email allows me to share information that is useful and informative to you and our district. Please go to <http://www.mainesenate.org/newsletter-signup> to sign up.

Feel free to call me anytime. I can be reached at home at (207) 827-3498 or at the State House at (207) 287-1515. Additionally, you can email me at Jim.Dill@legislature.maine.gov. I look forward to working with you in 2017!

Sincerely,



Senator James Dill
District 5



Stephen S. Stanley

614 Pattagumpus Road

Medway, ME 04460

Residence: (207) 746-5371

Cell Phone: (207) 461-4761

Stephen.Stanley@legislature.maine.gov

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION

AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: (207) 287-4469

LETTER TO THE TOWN OF MILLINOCKET

Dear Neighbors:

It is a privilege to serve you in the Maine House of Representatives.

As your voice in Augusta, I will continue to work to create more economic opportunities for the people in the community I serve and to ensure that our schools, hospitals, public infrastructure and natural resources are sustained and protected.

I was honored to be reappointed to the Legislature's Taxation Committee. The committee oversees policy relating to tax matters including: sales, use and excise taxes, the Bureau of Revenue Services, property taxes, tax exemptions and credits, property valuation and assessment and municipal revenue sharing.

As you read this letter, the Legislature will be preparing for our second session when we will consider important bills focused on addressing the opiate crisis, creating a regulatory framework for recreational marijuana, affordable energy, economic development and good-paying jobs. Democrats and Republicans need to work together and keep Maine moving in the right direction.

Please feel free to contact me with any questions or concerns or if you need assistance with state government. I can be reached by email at stanleyss@twc.com or by phone either at home (746-5371) or at the State House (1-800-423-2900).

Once again, I am honored and grateful for the opportunity to serve you.

Sincerely,

Stephen S. Stanley
State Representative

District 143 East Millinocket, Medway, Millinocket and Patten, plus part of the unorganized territory of North Penobscot (including Herseytown and Long A Townships)

DIRECTORY OF MUNICIPAL OFFICERS AND OFFICIALS

TOWN COUNCIL

Joseph E Clark	2016-2018
Jesse Dumais- resigned 2017	2015-2018
Cody McEwen	2016-2019
Michael Madore	2014-2017
Louis Pelletier	2015-2017
Charles Pray	2016-2019
Gilda Stratton	2014-2017
Paul Sannicandro- resigned 2016	2015-2018

SCHOOL BOARD

Jeffrey Gordon	2016-2019
Kevin Gregory	2014-2017
Michael Jewers	2016-2019
Margaret Manzo	2014-2017
Warren Steward	2015-2018

TOWN MANAGER

Harold Davis Jr.	2015-Indef
------------------	------------

TREASURER

Mary Alice Cullen	2015-Indef.
-------------------	-------------

SUPERINTENDENT OF SCHOOLS

Frank Boynton	2014-Indef.
---------------	-------------

ASSESSOR

Michael Noble	2002-Indef.
---------------	-------------

FIRE CHIEF

Steve Kenyon	2014-Indef
--------------	------------

POLICE CHIEF

Steve Kenyon	2013-Indef
--------------	------------

TAX COLLECTOR

Lorene Cyr	1989-2016
Diana M. Campbell	2016-2017
Jesse O. Dumais	2017-Indef.

TOWN CLERK

Roxanne Johnson	2003-2017
-----------------	-----------

CODE ENFORCEMENT OFFICER

Michael Noble	2015-2016
---------------	-----------

SEALER OF WEIGHTS & MEASURES

State of Maine

GENERAL ASSISTANCE DIRECTOR

Lori Santerre	1997-Indef.
---------------	-------------

BOARD OF APPEALS

Michael Wallace	2016-2019
Michael Jewers	2016-2019
Charles Cirame	2016-2019
Terrance Leavitt	2016-2019
George Martin Jr.	2016-2019

CEMETERY COMMITTEE

Joel Neal Sr.	2012-2017
James Nyman	2012-2017
Linda Campbell	2012-2017
Francis Megno	2012-2017
David Manzo	2016-2021

BOARD OF ASSESSMENT REVIEW

Charles Cirame	2015-2018
Charles Pray	2015-2018
George Martin Jr.	2015-2018

PERSONNEL APPEALS BOARD

Lisa Arsenault	2016-2019
Anthony Filauro	2016-2019
Esther Gass	2016-2019

PLANNING BOARD

Albert Berube	2011-2016.
Charles Cirame	2014-2019
Jon Crawford	2015-2020
Avern Danforth	2015-2020
Anthony Filauro (Chair)	2014-2019
Joseph Clark	2015-2016
Susan Walsh	2015-2020

RECREATION COMMISSION

Debbie Levesque	2015-2018
Jane Danforth	2016-2019
Thomas Malcolm	2014-2017
Richard Rideout	2015-2018
Warren Steward	2015-2018
Robin Stevens	2016-2019
Ian Shearer	2015-2018

DOG CONSTABLE

Lorri Haskell

2014-Indef.

PLUMBING INSPECTOR

Michael Noble

2016-2017

ELECTRICAL INSPECTOR

Jon Crawford

1996-Indef.

REGISTRAR OF VOTERS

Roxanne E. Johnson

2015-2017

HEALTH OFFICER

Michael Noble

2015-2017

Diana M. Campbell

2017-2019

MILK INSPECTOR

Patrick Welch

1969-Indef.

PUBLIC WORKS DIRECTOR

Ralph Soucier

2011-Indef.

RECREATION DIRECTOR

Frank Clukey

2005-2016

Jody Nelson

2016-Indef.

WASTEWATER DIRECTOR

James Charette

2001-Indef.

PERSONNEL DIRECTOR

Lori Santerre

1997-Indef.

DIRECTORY OF COMMITTEES AND COMMISSONS**July 1, 2016 - June 30, 2017****TOWN COUNCILORS**

Joseph E Clark	447-6901
Cody McEwen	731-8023
Michael Madore	723-8937
Louis Pelletier	723-5460
Charles Pray	731-4017
Gilda Stratton	723-3110

SCHOOL BOARD

Jeffrey Gordon	447-6888
Kevin Gregory	723-5178
Michael Jewers	723-4193
Margaret Manzo	723-5964
Warren Steward	723-5491

CEMETERY COMMITTEE

Linda Campbell	723-5524
Francis Megno	723-8238
Joel Neal Sr.	723-9049
James Nyman	723-5559
David Manzo	723-9695

BOARD OF ASSESSMENT REVIEW

Charles Cirame	723-8700
George Martin	723-4078
Charles Pray	723-8893

PERSONNEL APPEALS BOARD

Lisa Arsenault	723-9586
Anthony Filauro	723-9401
Esther Gass	723-6206

PLANNING BOARD

Albert Berube	723-8490
Charles Cirame	723-8700
Jon Crawford	723-4836
Avern Danforth	723-9536
Anthony Filauro (chair)	723-9401
Joseph E Clark	447-6901
Susan Walsh	723-5573

BOARD OF APPEALS

Charles Cirame	723-8700
Michael Jewers	723-9627
Terrance Leavitt	723-4740
George Martin Jr.	723-4078
Michael Wallace	0

RECREATION COMMISSION

Debbie Levesque	723-9659
Thomas Malcolm	723-4193
Jane Danforth	723-5773
Richard Rideout	723-8497
Ian Shearer (alternate)	723-6399
Robin Stevens	723-5465
Warren Steward	723-5491

EMERGENCY	911
------------------	------------

POLICE CHIEF

(NON EMERGENCY)	723-7019
-----------------	----------

Animal Control Officer (Lorri Haskell)	723-9731
---	----------

CODE ENFORCEMENT	723-7005
-------------------------	----------

TOWN MANAGER	723-7000
---------------------	----------

TOWN FAX	723-7002
-----------------	----------

TAX ASSESSOR	723-7005
---------------------	----------

TOWN CLERK	723-7007
-------------------	----------

TAX COLLECTOR	723-7006
----------------------	----------

PUBLIC WORKS DIRECTOR	723-7030
------------------------------	----------

RECREATION DIRECTOR	746-3553
----------------------------	----------

SOLID WASTE DIRECTOR	723-7037
-----------------------------	----------

WASTEWATER DIRECTOR	723-7040
----------------------------	----------

GENERAL ASSISTANCE	723-7000
---------------------------	----------

AIRPORT FIXED BASE OPERATOR	723-6649
------------------------------------	----------

SUPERINTENDENT OF SCHOOLS	723-6400
----------------------------------	----------

TREASURER	723-7000
------------------	----------

REPORT OF THE TOWN CLERK

The following Vital Records were recorded during Fiscal Year 2016/2017:

BIRTHS TO MILLINOCKET RESIDENTS: 21

In Bangor: 19

In Millinocket: 1

In Portland: 1

DEATHS: 93

Residents in Millinocket: 49

Residents in Augusta: 1

Residents in Bangor: 15

Residents in Indian Purchase Twp: 2

Residents in Lewiston: 2

Residents in Lincoln: 6

Residents in Lowell: 1

Residents in Patten: 1

Residents in Togus USVA: 1

Residents in Portland: 1

Non-Residents in Millinocket

Bethlehem: 1

Crystal: 1

East Millinocket: 3

Foster: 1

Medway: 3

Mt. Vernon: 1

Patten: 2

Sherman: 2

Stacyville: 1

MARRIAGES: 34

Residents in Millinocket: 14

Residents in Brownville: 1

Residents in Brunswick: 1

Residents in Embden: 1

Residents in Mercer: 1

Residents in T1R9 WELS: 6

Residents in Mattawamkeag: 1

Residents/License Expired: 2

Non –Residents in Greenbush: 1

Non-Residents in Millinocket: 3

Non-Residents in Indian Purchase Twp: 3

DOG LICENSES: 538

Dogs: 536

Kennels: 2

MISCELLANEOUS LICENSES: 58

Victualer's: 21

Entertainment: 16

3-Day Peddlers: 2

90-Day Peddlers: 19

License and Registration totals for each month.

	GAME LICENSES	BOAT REGS	ATV REGS	SNOWMOBILE
July	18	88	64	0
August	23	41	24	0
September	51	6	8	0
October	62	0	10	7
November	30	1	4	19
December	301	2	0	294
January	58	7	3	152
February	20	1	2	59
March	12	13	4	15
April	27	58	0	0
May	43	349	20	0
June	30	229	94	0
Totals	675	795	233	546

Respectfully submitted,

Diana M. Campbell
Town Clerk

REPORT OF THE REGISTRAR OF VOTERS

Voter enrollments were accepted during regular business hours as well as when the polls were open.

Three elections were held during FY17. The School Budget Validation Referendum Election was held June 26, 2016 the General Election was held November 8, 2016, and the Special Referendum Election was held June 13, 2017 the breakdown as of June 30, 2017 of the total number of Registered Voters for the Town of Millinocket and the Unorganized Territories is as follows:

RESIDENTS OF:	<u>TOWN OF MILLINOCKET</u>	<u>UNORGANIZED TOWNSHIPS</u>
Democratic Party	1180	86
Republican Party	751	72
Green Independent	74	3
Un-enrolled Voters	1201	127
Libertarian	7	0
<hr/>	<hr/>	<hr/>
Total Registered Voters	3213	288

Respectfully submitted,

Diana M. Campbell
Town Clerk

**REPORT OF THE TAX COLLECTOR
JULY 1ST, 2016 - JUNE 30TH, 2017**

COMMITTED - \$5,322,552.48

COLLECTED - \$5,048,292.59

UNCOLLECTED BALANCE -	\$274,260.09
REAL ESTATE	\$269,529.38
PERSONAL PROP.	4,730.71

% OF TOTAL TAXES COLLECTED - 95%

SUPPLEMENTAL TOTAL -	\$7,167.70
REAL ESTATE	\$438.20
PESONAL PROP.	\$6,729.50

TAXES COLLECTED FOR MOTOR VEHICLE AND BOAT EXCISE FROM 7/1/2016 - 6/30/2017

MOTOR VEHICLE	\$780,028.45
BOATS	\$7,071.80
TOTAL -	\$787,100.25

ABATEMENT TOTALS -	\$26,762.92
REAL ESTATE	\$17,732.87
PERSONAL PROP.	\$9,030.05

RESPECTFULLY SUBMITTED BY :

TAX COLLECTOR

JESSE O. DUMAIS

2017 TAX LIENS REAL ESTATE UNPAID AS OF 6/30/2017

ADAMS, JEFFREY M.	947.69	DAIGLE, RHODA	2,070.31
AFRIDI, ASAD KHAN	830.31	DAVIS, DEREK C.	1,290.08
ALLEN, LYNN M & MELVIN B.	850.75	DELOGE, RICKEY SR.	478.63
ARORA, SANDEEP	558.94	DIFREDERICO, LOUIS R.	1,127.02
ARROW TRUST, V. ZAHARIEVA	1,231.40	DOWNS, ALLEN E.	1,167.96
ARRUDA, RYAN	1,259.34	DOYLE, ETHEL M.	1,156.45
AULETTA, RAYMOND	202.69	DOYLE, JOAN M.	1,206.52
BAKER, MONICA L.	1,518.29	DUCAT, JOHN S. JR	546.65
BAKER, RUSSELL V. JR.	866.18	DUVAL, HELENE M.	549.26 *
BARNETT, LYNN	667.28	DUVAL, ROBERT	351.00
BERUBE, PATRICIA L.	1,319.43	DUVAL, ROBERT	519.96
BLAUTH, PETER J.	1,140.14	DUVAL, ROBERT	1,480.56 *
BODDY, RICHARD G.	2,199.78	DUVAL, ROBERT	871.63
BOONE, NEAL	148.89	DUVAL, ROBERT	663.28
BOUCHARD, RONALD	1,456.37	DUVAL, ROBERT	1,733.52
BOYINGTON, WILLIAM R.	1,147.48	EURICH, W C LLC	1,303.12
BROSNAN, TERENCE B.	1,052.03	FAILLE, JAMES	869.07
BUCKINGHAM, ERIC E. JR.	718.96	FARRAR, JAMES	714.58
BULLEY, JERRY O.	1,270.47 *	FERLAND, MELVIN F.	3,931.08
CAMERON, CATHERINE HEIRS	1,472.64	FERLAND, WAYNE	1,782.38
CARNEY, PAUL	178.22 *	FERLAND, WAYNE	1,642.19
CARR, VALERIE A.	650.99	FLANDERS, JAMES J.	595.55
CARRIER, RYAN J.	650.95	FREEMAN, ELIZABETH	1,224.84
CARTER, JACQUELINE L.	873.54	GARAND, DONALD R. JR.	536.90
CHARETTE, GARY M.	732.49	GEBOW, DAVID G.	967.26
CHARETTE, DAVID R.	1,524.81	GEORGE, ERIC E.	2,176.95
CHESSON, WAYNE F.	673.63	GHIGLIERI, NATE	1,077.73
COLE, BRENT J.	702.23	GILBERT, JOANN	725.10
COLEMAN, SUSAN E.	768.36	GLIDDEN, JON	2,591.11
COLOMBO, ELAINE O.	479.52 *	GNP HOLDING 2 LLC	823.82
COMBS, WILLIAM E.	569.47	GNP HOLDING 2 LLC	99.99
COOPER, BONNIE H.	907.66	GNP HOLDING 2 LLC	973.82
COTE, RODERICK H.	637.94	GNP HOLDING 2 LLC	311.92
COTE, STEPHEN H.	739.01	GNP HOLDING 2 LLC	298.88
COTE, STEPHEN H.	429.26	GNP HOLDING 2 LLC	168.46
CUMMINGS, JUSTIN S.	1,916.11	GNP HOLDING 2 LLC	223.89
CVD LLC	786.37	GNP HOLDING 2 LLC	1,228.14
CYR, GALEN F.	897.73 *	GNP HOLDING 2 LLC	442.34
CYR, HOLLIE M.	1,159.62	GNP HOLDING 2 LLC	201.06
		GNP HOLDING 2 LLC	468.42
GNP WEST INC	7,582.99	LAMBERT, TIMOTHY J.	1,089.81
GNP WEST INC	103.28	LANDRY, JEANNOT	434.66
GNP WEST INC	30,556.79	LANGLAIS, LINDA M.	1,306.39
GNP WEST INC	3,249.71	LAVOIE, JOSEPH O. JR.	770.73 *
GNP WEST INC	1,039.07	LEBLOND, KEVIN K.	480.37
GNP WEST INC	259.79	LEET, TERRY M. SR. EST. OF	1,668.35
GNP WEST INC	158.72	LEET, TRACY	1,394.39
GNP WEST INC	155.45	LEINO, VALERIE R.	1,978.03
GNP WEST INC	119.59	LEVASSEUR, CODY	250.11

GNP WEST INC	161.98	LYONS, CURT	1,811.85
GNP WEST INC	100.03	M & L PROPERTIES LLC	1,306.39
GNP WEST INC	357.60	M & L PROPERTIES LLC	1,469.42
GOULET, JENNIFER J.	620.67	M & L PROPERTIES LLC	1,250.95
GRANT, MERLE H.	622.16	MACDONALD, ROBERT J.	1,705.29 *
GRAY, RICHARD ALLEN	1,138.69	MACKIN, JOHN E.	1,185.70
GREGORY, KEVIN A. JR.	712.81	MAGLIARDITI, JOSEPH W.	899.11
GUREWICZ, EUGENE A.	1,339.00	MANZO, EUGENE A. III	1,588.06
HALL, JAMES A. JR.	479.95	MANZO, FRANKLIN R. JR.	1,179.23
HARMON, RICHARD	1,740.08	MARBLE, JOHN ADDISON	356.31
HARTLY, JASON C.	830.34	MARINO, RONALD J.	768.36
HARTLEY, LANCE	579.25	MASKELL, JOSEPH SR.	1,860.65
HARTLEY, MADELINE M.	348.34	MATTEWS, ADDISON G. III	1,342.25
HARVEY, BLAINE D.	317.83	MATTEWS, ADDISON G. III	769.42
HASKELL, LAWRENCE J.	533.15	MCCAUSLIN, MARJORIE G	70.17
HAYES, DALE F. JR.	1,055.28	MCGREEVY, BEVERLY	819.22 *
HERSEY, KRIS	761.84	MCINNIS, DONALD E. JR.	875.99
HEWES, MARY J.	1,244.39	MCLAIN, HAROLD	416.87
HIGGINS, MELANIE JOY	719.18	MCLAUGHLIN, JOHN A.	1,107.49
HUGHES, PAULA A.	2,085.13	MCLEAN, GRACE	652.45
HUNTER, BILLIE JO	339.68	MELLO, SUSAN L.	1,665.01
HYNES, THOMAS J.	658.14	MICHAUD, TAMMY J.	1,205.27
INFINITY FED. CRED. UNION	700.57	MILLER, ROBERT H.	1,162.88
INGERSOLL, DARCY	255.08	MODERY, KIETH L.	1,045.77 *
ISAAC, PAMELA D.	1,192.31	MOHOFF, NICOLE	986.98
JAMESON, THOMAS R.	1,055.33	MORNEAULT, MARIO	1,567.23
JAMO, LAURIE	261.54	MORRISON, CATHY	869.43
JANDREAU, AARON T.	1,363.43 *	MORRISON, DONNA I.	996.60
JANDREAU, CHRISTOPHER	147.95	MORRISON, STANLEY J.	980.34
JASPER, CINDE L.	950.95	MORROW, CLINT D.	495.49 *
KAHYAOGLU, ERGUDER	1,894.07	MORROW, CLINTON D.	1,146.58
KELLY MOBILE HOMES	90.16	MORROW, CLINTON D. & KELLY	859.66
KELLY, TERRY	299.07 *	MORROW, KELLY	719.44
KFCU LIQUIDATING LLC	4,036.75 *	MURRAY, THERESA	1,231.40
KITTRICK, JANNIFER	497.78	NASSCOND INC	1,459.60
KITTRICK, NORA	1,110.76	NELSON, DANIEL R.	194.54
KUNKLE, KENNETH MARTIN SF	393.40	NELSON, DANIEL R.	879.26
OAKES, AARON	46.24	NELSON, DANIEL R.	690.15
OKANE, PATRICK	1,733.48	NELSON, NANCY	1,453.07
PAHILAN, ABE N. & NOVAL	2,340.03	NUTTING, BRIAN A.	1,291.74
PANAKIS, ATHANASIOS	1,299.83	NUTTING, JENNIFER L.	1,547.63
PELKEY, DAVID	259.71	PRINCETON COMMERCIAL HLD	6,904.71
PELKEY, MAYNARD	980.34	RAYMOND, ROBERT C.	220.62
PELKEY, PETER	184.73	REID, STEVEN R.	135.49 *
PELLETIER, DANA S.	580.12	ROGAN, TERRENCE C.	739.05
PETERS, VICTOR N.	1,470.84 *	ROGERS, CARYN L.	1,447.35
PINEAU, RICKY	950.99	ROSS, BRIAN A.	1,254.23
PINETTE, JOANNE C.	284.43 *	ROY, JEFFERY L.	1,368.33
PLOURDE, HAROLD	711.62 *	RUEST, JOSEPH	608.59
PLOURDE, JOHN	1,132.18	RUSH, ANDREA J.	550.99
POTVIN, JERRY L.	748.74	RUSH, F W & SONS INC	2,013.96
PREO, JONATHAN MICHAEL	467.27	RUSH, F W & SONS INC	491.29

SCHMID, MICHAEL P.	1,749.78
SEAMANS, DENNIS J.	1,577.02
SERBANOS, JAMES	1,257.48
SHAW, GLORIA J.	194.32
SHAW, STEPHEN W.	876.03
SIRIOS, NELSON J.	1,454.55 *
SMITH, DENNIS WILLIAM	624.90
SMITH, DENNIS WILLIAM	2,463.84
SMITH, DENNIS WILLIAM	967.26
SOON PARTNERS LLC	1,319.43
SOON PARTNERS LLC	1,211.83
SPINGEL, JASON	1,070.27

WEYMOUTH, RICHARD	743.64 *
WEYMOUTH, ROSANNE G.	522.68
WHEATON, PEARLY E.	2,176.95
WIDEN, ANDREW	1,500.09 *

STANLEY, DUSTIN	1,997.58
STANLEY, WILLIAM F.	1,701.08 *
STAPLES, CORY	699.92
STEARNS ASSISTED HOUSING	3,622.73 *
STODDARD, EUGENE JR.	494.50
TAPLEY, EDWARD JR.	878.14
THOMPSON, GENE A.	716.66
TYSON, JOHN P. SR.	562.05 *
VICKERY, EARL W.	1,729.75
VIGUE, KRIS L.	1,016.19
WACEKEN, STEPHEN A.	922.02
WELLS FARGO BANK, NAT. AS S	59.68

WILSON, CHARLES	801.33
WILSON, RICHARD CALVIN II	139.89
WILSON, TERRENCE F JR.	1,010.35
WYMAN, JEANNIE	344.48

* INDICATES PAID AFTER 6/30/2017

2017 UNPAID PERSONAL PROPERTY TAXES AS OF 6/30/2017

AIRPORT CABINS	18.78
AUTOMATIC VENDING & GAMES	109.55
CATALINA MARKETING CORP.	(0.16)
COINSTAR INC	(0.20)
DAYLE ROLLINS PLUMMING	127.84
DUVAL ROBERT	31.30
ED CYR & SON INC.	78.25
FERLAND, WAYNE	140.83
FUJIFILM MEDICAL SYSTEMS	350.56
H.P. FINANCIAL SERVICES	21.91
HILLCREST GOLG CLUB INC.	1,323.99 *
LANDRY, RICHARD	25.04
LAPIERRE'S CLEANING SERV.	46.95
MCMANUS, CONNIE	21.91
MICHAUD VENDING SERV.	190.93
MISIURA, PETER	131.46
MOSIMOS AMERICAS, INC.	460.11
NELSON, GEORGE	34.43
PELLETIER, GEORGE	422.55
SIEMENS DIAGNOSTIC FI. CO.	547.75
SURE WINNER FOODS	75.12
WINDWARD PETROLIUM INC.	435.07

* INDICATES PAID AFTER 6/30/2017

MILLINOCKET POLICE DEPARTMENT

197 PENOBSCOT AVENUE

MILLINOCKET, MAINE 04462

FY 2017 Annual Report

Chief Steven J. Kenyon

During fiscal year 2017 (July1, 2016 thru June 30, 2017) the Millinocket Police Department handled 4,128 incidents, made 214 adult arrests or summons issued, 35 warrant arrests, and made 16 juvenile arrests. The department also handled 97 reportable motor vehicle traffic accidents and as part of our community service we were involved with 154 ambulance and fire call assists, 248 agency assists, 137 citizen assists, 200 welfare checks, and 986 property checks.

Some of the more common complaints that were handled this year were:

- | | |
|--|-------------------------------|
| • Suspicious persons/circumstances – 105 | OUI - 14 |
| • Harassment – 61 | Mental Problem - 11 |
| • Fraud complaints – 57 | Thefts - 52 |
| • Erratic Vehicle Complaint – 77 | Parking Problems - 51 |
| • Trespassing – 37 | Civil Disputes - 45 |
| • Disorderly Conduct – 47 | Simple Assaults - 23 |
| • Noise Problem – 33 | Suicide Attempts/Threats - 13 |
| • Family Fight – 42 | |
| • Juvenile Problem – 47 | |
| • Criminal Mischief – 36 | |

Traffic citations issued - 56

Traffic warnings issued - 425

During this fiscal year our Animal Control Officer (ACO) responded to 191 animal calls issuing a number of summonses for dogs on the loose, failure to register dogs, barking dogs and keeping a dangerous dog. This year was another busy year for dog bite issues with 8 dog bites this year. Dog bites place a significant burden on the ACO as these animals have to be quarantined until it is determined there is no chance of the animal having rabies and prosecution may involve euthanizing the animal.

Dare Officer Kevin Ingersol instructed the Granite Street School fifth grade class from January to May and graduated 34 students from the 2016 Dare program.

Grants applied for and received were:

1. 2016 Fall ATV grant - \$2,665.00
2. 2017 Spring/Summer ATV Grant - \$3,000.00
3. Byrne Jag Grant - \$834.00

Grants applied for in FY 2017 and accepted were:

1. Homeland Security Grant - \$2,600.00 to be spent in FY 2018

Respectfully Submitted,

Chief Steven Kenyon

MILLINOCKET FIRE & RESCUE

*222 Aroostook Ave
MILLINOCKET, MAINE 04462*

FY 2017 Annual Report

Chief Steven J. Kenyon

During fiscal year 2017 (July 1, 2016 thru June 30, 2017) the Millinocket Fire & Rescue Department handled 933 EMS calls along with 55 Fire calls. EMS continues to have a run rate of close to 1000 calls per year even though the population is declining. The EMS call demographics show that 76.7% of our calls deal with people over the age of 55 with the average patient age being 68. We also continue to contractually support and respond to the surrounding unorganized territories of Penobscot and Piscataquis counties. This year we responded to 16 calls in the unorganized territories, 13 for Piscataquis and 3 for Penobscot County.

Of the 933 EMS calls 464 were ALS level, 242 were BLS level, 95 no treatment required, 19 Specialty Care, and 28 PIFT transfers. We also had 211 Inter-facility transfers.

Of the 55 fire calls, we had two structure fires and one chimney fire. Other calls included 12 public assists, six smoke calls, six electrical calls, four CO2 calls, one grass/wood fires, four vehicle fires, and seven building alarms.

During this fiscal year the ambulance service received \$392,521 in revenue from billings of \$648,105.

Apparatus:

We continued with our maintenance programs for fire trucks, our 2002 KME Pumper and our 2011 Metal Fab pumper. Both units are in very good condition, have completed their annual pump testing and meet all UL inspection requirements.

This year we maintained the ambulance fleet of three vehicles with no new replacements. Current units include: 2014 Chevrolet E-450 Rebox, 2009 Ford E-450, and a 2007 Ford E-450.

Personnel:

Due to town budgetary issues the Fire Department was required to reduce its staff again this year by one person going from six to five EMT/Firefighters. Our current staff consists of a shared Chief and five EMS/Fire personnel of whom two are paramedics, two intermediates, and one basic level officer. Four of these EMT/Firefighters work a 24 hour shifts with the deputy chief working days except when filling in on vacation, PTO, and sick days. Much of this year was operated at a reduced level with one of our paramedics out on medical leave for much of the year. This put a heavy burden on the remaining staff however they stepped up and were able to handle all of our local ambulance calls and most of our transfer calls, as evident by the revenues taken in this year. We are very appreciative of their commitment to provide this extra support during those difficult times.

Training:

We continued with the regional fire department trainings in an effort to combine resources while offering alternate training programs to all involved. This year we held a regional mass casualty training event in May. The exercise was a full scale exercise on Route 116 near Ebhorse Stream. The exercise participants were East Millinocket Fire Department, East Millinocket EMS, Millinocket Public Safety, Penobscot County Sheriff's Office, Penobscot Valley Hospital, Millinocket Regional Hospital, Penobscot County EMA, Northeastern Maine Regional Resource Center, PRCC, RACES, Mattawamkeag Fire, Orono RRT, DEP, and the Maine Emergency Management Agency.

The event demonstrated our ability to respond to a mass casualty incident, the ability to determine the need for a hazmat response, the ability to DECON, the ability to triage, transport and account for victims.

Facilities:

This year we connected the Fire Departments computer systems with the Town office network system allowing us to ensure all Fire Department files are backed up backup and secure.

Grants:

Applied for and accepted in FY 2017

Homeland Security Grants:

1. One portable high volume water pump, core capability - Fire Management & suppression, equipment list # 03SR-02-TPEL -----\$3,065.00 monies to be spent in FY2018
This will replace our 35 year old portable pump.
2. One thermal imaging camera, core capability - Fire Management & suppression, equipment list # 030E-02-TILA -----\$6,557.00 monies to be spent in FY2018
This will replace our 20 year old thermal imaging camera.

Respectfully Submitted,
Chief Steven Kenyon



TOWN OF MILLINOCKET
PUBLIC WORKS DEPARTMENT

20 Cedar Street

Millinocket, Maine

Tel. (207)723-7030 Fax (207)723-7029

E-Mail: publicworks@millinocket.org Web Site: www.millinocket.org

To the Citizens of Millinocket:

I would like to thank the citizens of Millinocket for their cooperation while the departments worked to serve their needs. I recognize the inconvenience we create in the roadway while doing line painting, storm drain repair, and sewer line repair work. We truly try to minimize any confusion. Please consider our safety when driving by our work zones. Several MDOT workers are struck and killed each year by vehicles on the highways in Maine.

The Public Works Department was kept busy this year with mowing and trimming roadside, parks, and many other areas around town including the Airport. The department also repaired many deteriorated storm drain basins, flushed sewer lines, replaced culverts, and kept up with equipment maintenance.

The Solid Waste and Recycling Facility crew were very busy with a majority of the residence separating out of their trash recyclables and other special waste items. Thank you for participating in recycling because this truly does reduce the disposal costs by keeping them out of the trash stream. We recycled about 250 tons of product last year, which generated \$41K. Our target was 30K. The public has been inquiring about clear plastic containers and glass. We don't receive any revenue from them, so we focus on packaging the colored plastic and milk containers which pay very well. Any recyclables we don't have a market for like clear plastic containers are incinerated at PERC and used to make electricity. No trash is sent to the landfill.

Trash going into the compactor hoppers continues to be a problem. We really need the public's cooperation to make this work. Recycle items need to be separated out of the trash so that we can make money with the recycle items instead of having to pay to dispose of them. This will reduce the amount of trash we haul away. It will reduce our budgets and reduce our taxes needed to run the facility. *The biggest savings is to keep recyclables out of the trash!* We haul about 2500 tons a year of trash to the PERC facility in Orrington at a cost of \$79/ton. That's almost \$200,000!

Please remember a yearly permit is required for the usage of the transfer facility and can be purchased at the Town Office starting Jan 1st each year, and is good until December 31st. Most residents prefer not to display their permit stickers on the corner of their windshield. This makes it hard for us to check for permits, and also gives others a false impression that maybe they don't have a permit if it is not visible.

The Town's Cemetery was busy this past season with approximately 70 burials. Revenue has been strong and balances out the operating costs. We were able to apply Grub Control and Fertilizer this past spring which has made a big difference in the grass appearance, and reduced the Beetle Bug infestation.

We applied for an Airport FAA grant, and are successful to build a SRE building for our snow removal equipment starting in 2017.

I would like to thank all of the members of my four departments, for the job they do all year long. Without them, this work would not be completed for our community.

For further information please refer to the Town's Web Site at www.millinocket.org

Respectfully,

Ralph Soucier, Director of Public Works

RECREATION DEPARTMENT
East Millinocket , Medway, Millinocket, Woodville
53 Main St., East Millinocket, Maine 04430
(207) 746-3553

Dear Millinocket Residents,

The 2017 season was very successful. The pool was very busy this past summer, we averaged around 95 swimmers per day. We served on average 50 summer lunches each day at the swimming pool. We still offer a large number of programs that continue to be well attended. These programs are either directly run by the Recreation Department, a Sponsored Program or Endorsed Program. Some of these programs are as Listed: We write and Administer Snow mobile grants for the three communities, youth soccer, travel soccer, flag football, football, field hockey, quilting, monthly senior citizen meals, Halloween activities, youth basketball, travel team basketball, wreath lighting at the schools, Santa calling, vacation open gyms, open gyms on Sunday, vacation movie trips, basketball tournaments, indoor soccer, K-2 basketball, Easter egg hunt, Father/ Daughter Dance, Mother /Son Dance, Lassie league softball, Lifeguard training class, Water Safety Instructor class, Mt. Katahdin Basketball Camp, Summer High School Basketball Festival, Baseball Camp, Field Hockey Camp, Soccer Camp, summer bus trips, one to the movies and the other to the water park in Trenton, train all recreation staff and other town employees, we also manage 2 pools, one in Millinocket and the other in East Millinocket and the water front in Medway, with the help of a generous volunteer we were able to continue the arts and crafts program for three days a week, we managed the

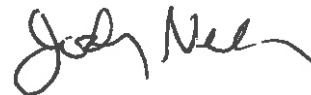
A Quality Provider of Leisure Services.

parade and fireworks over the 4th of July, wrote a Gloria C. Mackenzie Grant for repairs to the maintenance building. The programs we offer are available for all three communities to enjoy.

We want to thank all of the individuals who have volunteered for us; they donate countless hours and without these wonderful people we would not be able to accomplish what we do.

The Recreation Commission has contributed many hours of there time, and has been a considerable help. It is our goal to keep the Recreation Department as a vital part of the Katahdin Region. We are looking forward to a strong 2018 season and as always appreciate your support.

Sincerely Yours,

A handwritten signature in black ink, appearing to read "Jody Nelson", with a stylized, cursive script.

Jody Nelson

Director of Recreation

Code Enforcement Assessing Annual Report FY 17

Michael F. Noble CEO, CMA, LPI, LHO

Code Enforcement

Permit Activity:

Once again this years building activity closely reflected that of last year. The majority of the building permits were for accessory structures (decks, sheds garages, etc.) Demolition permits have become more and more prevalent as our housing stock is reduced to meet our population base.

Permits Issued 2016:

Type	Number Issued
Principal Structure	2
Accessory Structure	17
Electrical	29
Fence	9
Sign	5
Demo	17
Other	19
Totals	98

Assessing

As we continue to face a declining tax base difficult times are apparent in the budget process. Housing values remain consistent we simply lack the benefit of new construction to supplement the depleting tax base. The additional Homestead Exemption increase places further burden on municipal budgets by depleting the tax base and shifting the tax burden to non-Homestead properties and businesses. Valuation base for this year was down over \$6,000,000 The mil rate was set at \$31.30 per thousand.

Valuation at a Glance:

Valuations as of 04/01/2016	
<i>Real Estate</i>	
Land	\$34,854,100
Buildings	\$91,925,700
Total	\$126,779,800
<i>Personal Property</i>	
Machinery & Equip.	\$36,741,700
Furniture & Fixture	\$2,050,900
Other	\$4,477,200
Total	\$43,269,800
Grand Total	\$170,049,600

Training:

In an effort to help wherever I can in the office, this year I learned the basics of payroll processing to be able to fill in on an as needed basis. This year's Code Enforcement training was very sparse, the training program offered by the State has diminished significantly from years past with very little training offered in this area. Going forward it appears online training or extended travel may be required. As I do every year I also attended the annual Tax School, this year held in Belfast. All of the training that I attend is required to maintain my Assessing and Code Enforcement certification.

Respectfully Submitted,



Michael F. Noble

Assessor, CEO, LPI,
Health Officer

GENERAL ASSISTANCE

NOTE/STATEMENT **

The General Assistance Program is an emergency service administered by the Town. The program is to provide aid to eligible persons who are unable to provide the basic necessities essential to maintaining themselves and their families. The requirements of the program are eligibility standards and levels of assistance pursuant to applicable State of Maine statutes, and the Town of Millinocket General Assistance Ordinance as ordered by the Town Council. The General Assistance program is reimbursed by the State of Maine at 70% for its expenditures. The program is confidential therefore aggregate numbers are used.

In fiscal year 2016-2017, \$26,800 was appropriated for General Assistance, \$22,324.68 was expended and \$15,627.28 was received in reimbursement from the State of Maine.

In fiscal year 2016- 2017, the General Assistance Program financially assisting 62 households. These households consisted of 71 individuals. The number of appointments for 2016-2017 was 80.

Aspire, a state run program, has assisted in helping individuals become employed and more self sufficient. The program requires TANF clients, to work as a volunteer in their community a certain amount of hours as an eligibility requirement for their TANF checks. This has increased the amount of people actually going out and becoming employed, which will help decreased their need for General Assistance. This office continues to assist individuals in applying for Social Security, Temporary Aid to Needy Families, Women Infants Children Program, Fuel Assistance Program, Food Stamps, Rent/Tax Rebate Forms and other programs. The office has a Workfare program, which is an eligibility requirement for applicants to receive General Assistance. Applicants are assigned to work at one of the Towns Department sites.

****The Millinocket Public Welfare Department's goal is to help more clients to become self sufficient, therefore decreasing the need for public assistance.**

Respectfully Submitted,



Lori A. Santerre
Welfare Director

PERSONNEL OFFICE

NOTE/STATEMENT**

The Personnel Office oversees monitors and participates in the application and employment process for all Town of Millinocket personnel. The Personnel officer also implements and review's the Affirmative Action Plan of the Town and other duties as designated by the Town Manager.

The office is responsible for updating all job descriptions annually and preparation of all advertisements for positions within the Town of Millinocket. Screening of applications, scheduling and administration of all testing used in the selection process. Participation in interviews with appropriate department heads assist in the determination of the best-qualified applicant according to the criteria set forth.

Personnel is responsible for all personnel records and prepares monthly reports of vacations, personal time off and sick leave taken. Participates in the Grievance Procedure as outline in Personnel Policy. Responsible for preparation and presentation of annual budget.

Daily written and oral communication with Maine State Retirement System, Maine Municipal Employee Health Trust, Workers' Compensation, Unum, Vendors, Community Service Organization and Town employees to inquiry or to retrieve information essential to the Town of Millinocket or its employee's.

**The Personnel Offices goal is to continue to service the employee's and correspondence in a courteous and efficient manner.

Respectfully, Submitted,

A handwritten signature in black ink, appearing to read "Lora A. Santerre". The signature is fluid and cursive, with the first name "Lora" being more prominent.

Lora A. Santerre
Personnel Director



Annual Report
MILLINOCKET
WASTEWATER TREATMENT FACILITY
2016-2017

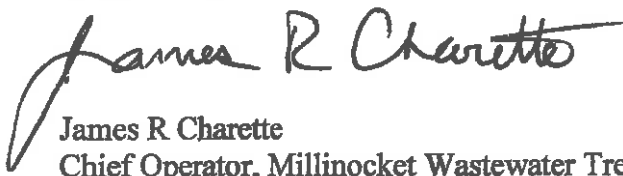
To The Rate Payers Of Millinocket:

In the past year, the Wastewater Treatment Facility collected and effectively treated 272,167,000 gallons of wastewater. Removal rates of 91 percent for BOD (Biochemical Oxygen Demand) and 93 percent for TSS (Total Suspended Solids) were achieved.

Additionally in this past year at the Pines Lift Station, in December of 2016 it was necessary to replace the 40 year old Caterpillar generator set with a new Onan Cummins generator. The Smith Brook Interceptor upgrade project was started in July of 2016. This project replaced the old clay sewer piping that was very deteriorated and leaking. The project was completed in November of 2016.

The Wastewater Treatment Facility continues to provide adequate treatment for our community's sewerage. The percentage of removal at the treatment facility continues to show the dedication of the three person staff along with their commitment of excellence in the preservation of our waterways.

Respectfully Submitted,



James R Charette
Chief Operator, Millinocket Wastewater Treatment Facility

TOWN OF MILLINOCKET, MAINE

Annual Financial Report

For the Year Ended June 30, 2016

TOWN OF MILLINOCKET, MAINE
Annual Financial Report
For the Year Ended June 30, 2016

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-9
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	13
Statement of Activities	2	14
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6	18
Statement of Net Position - Proprietary Funds	7	19
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	8	20
Statement of Cash Flows - Proprietary Funds	9	21
Statement of Fiduciary Net Position - Fiduciary Funds	10	22
Notes to Basic Financial Statements		23-44
Required Supplementary Information:		
Schedule of Funding Progress - Retiree Healthcare Plan		45
Schedule of Town's Proportionate Share of Net Pension Liability		46
Schedule of Town Contributions		47
Notes to Required Supplementary Information		48
	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Statements:		
General Fund:		
Comparative Balance Sheets	A-1	51
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	52-54
All Other Governmental Funds:		
Combining Balance Sheet	B-1	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	58
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	62
Town Capital Reserve Fund:		
Combining Balance Sheet	D-1	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	66

TOWN OF MILLINOCKET, MAINE
Annual Financial Report
For the Year Ended June 30, 2016

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Statements, Continued:		
Nonmajor Permanent Funds:		
Combining Balance Sheet	E-1	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	70

Independent Auditor's Report

**Town Council
Town of Millinocket, Maine**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Millinocket, Maine, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Millinocket, Maine, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

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

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016 on our consideration of the Town of Millinocket, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Millinocket, Maine's internal control over financial reporting and compliance.



December 19, 2016
South Portland, Maine

TOWN OF MILLINOCKET, MAINE
Management's Discussion and Analysis
June 30, 2016

The Town of Millinocket's annual financial report is hereby submitted for Fiscal Year 2016, which covers the period of July 1, 2015 to June 30, 2016. The Town is the responsible party to ensure the accuracy, completeness, and fairness of the data and other information presented. It is the belief of management that all the information contained herein is accurate in all material respects and reflects fairly the financial position and operations of the Town. This Management's Discussion and Analysis is designed to offer further explanation of the information contained herein.

FINANCIAL STATEMENTS

The audit contains several major components. The Basic Financial Statements reflect the activities in the Town's general fund, its proprietary account for Wastewater, and its fiduciary funds. Other related accounts include reserve funds that are set aside for special, specific purposes. Notes to the Financial Statements offer explanations of various entries, policies, and obligations of the Town. These include items such as the tax commitment, long-term debt, etc. Finally, the Combining and Individual Fund Statements address balance sheets and statements of revenues, expenditures, and changes in fund balances for the various funds (general, special, reserve, and permanent). The Table of Contents in the front section of the audit provides the specific pages where the various statements and exhibits can be found.

Governmental fund accounts use the modified accrual basis of accounting. This method measures cash and all other financial assets that can be converted to cash in a quick manner. Governmental activities are reported in the Statement of Net position and the Statement of Activities, which both use the accrual method because the information is cast in a context similar to the method used by most private sector companies. Each of these statements report changes in the Town's net position. Net position is simply the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources and this difference becomes one way to measure the financial position of the Town. Other factors include changes in the property tax base and the condition of the Town's infrastructure. Proprietary funds are also maintained on an accrual accounting basis, as they are treated as business-type accounts.

Comparative figures between this year and last are used to add clarity to the Town's condition and to provide the reader with more information.

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

CONDENSED PRESENTATION OF FINANCIAL INFORMATION

The following information is condensed from Statement 1, Statement of Net Position for Fiscal 2016 compared to Fiscal 2015. It distinguishes between capital and other assets, notes the Town's general liabilities and debt service, and shows the Town's net position by restricted and unrestricted amounts. This information is for the Town's Governmental Activities, Business-type Activities, and Component Unit.

	2016 Govt Activities	2016 Bus-type Activities	2016 Component Unit (MPL)	2016 Total Primary Govt. and Component Unit	2015 Govt Activities	2015 Bus-type Activities	2015 Total
Assets:							
Current and other assets	\$ 6,594,309	1,409,109	83,672	8,087,090	\$ 6,111,313	1,204,030	7,315,343
Capital assets	10,148,554	3,926,611	-	14,075,165	10,749,700	4,020,752	14,770,452
Total assets	16,742,863	5,335,720	83,672	22,162,255	16,861,013	5,224,782	22,085,795
Deferred outflows of resources	394,749	-	-	394,749	276,225	-	276,225
Liabilities:							
Other liabilities	4,884,116	79,111	1,573	4,964,800	4,819,183	67,447	4,886,630
Long-term debt	4,548,261	953,504	-	5,501,765	4,382,166	1,137,489	5,519,655
Total liabilities	9,432,377	1,032,615	1,573	10,466,565	9,201,349	1,204,936	10,406,285
Deferred inflows of resources	350,690	-	-	350,690	690,219	-	690,219
Net position:							
Net invested in capital assets	7,208,686	2,973,107	-	10,181,793	7,229,631	2,883,263	10,112,894
Restricted	703,974	-	-	703,974	506,878	-	506,878
Unrestricted	(558,115)	1,329,998	82,099	853,982	(490,839)	1,136,583	645,744
Total net position	\$ 7,354,545	4,303,105	82,099	11,739,749	7,245,670	4,019,846	11,265,516

TYPES OF ACTIVITIES BY FISCAL YEAR

The information in the following chart is drawn from Statement 2, Statement of Activities. While total expenses for all departments (including Wastewater) of the primary government totaled \$13,276,584, other revenues contributed to make the net amount raised by property taxes \$5,139,187. Put another way, property taxes financed 39% in FY16 compared to FY15's 46% of the total costs of providing municipal, school, county, and wastewater expenses. It should be noted that Wastewater is entirely self-financed through user fees and other related revenues and does not use any property taxes to support its budget. Under GASB #34, however, it is necessary to include its revenues and expenses in these totals.

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

TYPES OF ACTIVITIES BY FISCAL YEAR

	2016 Govt. Activities	2016 Bus-type Activities	2016 Comp. Unit (MPL)	2016 Total Primary Govt. and Comp. Unit	2015 Govt. Activities	2015 Bus-type Activities	2015 Total
Revenues:							
Program revenues:							
Charges for services-							
Municipal	\$ 795,404	-	-	795,404	\$ 778,757	-	778,757
School	605,073	-	-	605,073	414,227	-	414,227
Wastewater	-	848,741	-	848,741	-	799,858	799,858
Millinocket Public Library	-	-	3,500	3,500	-	-	-
Operating contributions	4,513,089	-	41,240	4,554,329	4,506,497	-	4,506,497
Capital grants and contributions	-	-	53,182	53,182	-	-	-
General revenues:							
Property taxes	5,139,187	-	-	5,139,187	5,829,756	-	5,829,756
Motor vehicle excise taxes	768,873	-	-	768,873	717,804	-	717,804
Interest and lien costs	47,211	-	-	47,211	189,096	-	189,096
Homestead/BETE exemption	224,616	-	-	224,616	408,263	-	408,263
Other state aid	25,047	-	-	25,047	110,046	-	110,046
State revenue sharing	451,651	-	-	451,651	399,294	-	399,294
Investment earnings	12,009	166	51	12,226	9,474	291	9,765
Miscellaneous	237,651	-	3,431	241,082	435,466	-	435,466
Total revenues	12,819,811	848,907	101,404	13,770,122	13,798,620	800,149	14,598,769
Expenses:							
General government	1,090,474	-	-	1,090,474	403,708	-	403,708
Protection	1,497,139	-	-	1,497,139	1,532,913	-	1,532,913
Town services	951,540	-	-	951,540	973,208	-	973,208
Community services	633,070	-	-	633,070	791,006	-	791,006
Education	6,636,782	-	-	6,636,782	6,649,096	-	6,649,096
On-behalf payment - MPERS	234,832	-	-	234,832	289,225	-	289,225
Insurance/fringe benefits	1,045,426	-	-	1,045,426	808,277	-	808,277
County tax	234,733	-	-	234,733	234,311	-	234,311
Food service	261,138	-	-	261,138	288,583	-	288,583
Interest on debt	80,607	-	-	80,607	110,739	-	110,739
Loss on disposal of assets	14,373	-	-	14,373	47,012	-	47,012
Unclassified	-	-	-	-	(3,454)	-	(3,454)
Capital maintenance expenses	49,222	-	-	49,222	73,069	-	73,069
Wastewater treatment plant	-	547,248	-	547,248	-	556,269	556,269
Millinocket Public Library	-	-	19,305	19,305	-	-	-
Total expenses	12,729,336	547,248	19,305	13,295,889	12,197,693	556,269	12,753,962
Transfers	18,400	(18,400)	-	-	18,400	(18,400)	-
Change in net position	108,875	283,259	82,099	474,233	1,619,327	225,480	1,844,807
Net position beginning of year	7,245,670	4,019,846	-	11,265,516	5,626,943	3,794,366	9,420,709
Net position end of year	\$ 7,354,545	4,303,105	82,099	11,739,749	7,245,670	4,019,846	11,265,516

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

ANALYSIS OF TOWN POSITION AND OPERATIONS

In all material respects, the position and operations of the Town of Millinocket general fund increased during FY16. It has been reported to the Town Council, School Board and to the Citizens in a variety of open meetings, that the Town has a severely limited cash flow. The Town's 2016 unassigned fund balance has systematically increased to \$2,387,775 from 2015's unassigned fund balance of \$1,743,482. This could interrupt operations for both Town and School if not managed well.

The mil rate for FY16 was \$29.66 per \$1,000 in valuation compared to 29.60 rate in FY15. The primary driver of the mil rate is the assessed value of the mill. The Town raised \$12,814 in overlay and received \$29,854 in BETE reimbursement.

While the Town has historically secured a Tax Anticipation Note (TAN) in the amount of \$1 million, it was decided not to renew the TAN after it expired. The Town chose to manage its cash flow and expenditures to avoid borrowing monies that would be required repayment. The increased unassigned fund balance over 2015 also helped the avoidance of a TAN in 2016.

Cate Street Capital (Great Northern Paper) did not make any tax payments to the Town in 2016; and as of June 30, 2016, owes the Town approximately \$1.1 million in taxes and costs for FY15 and FY16 assessments. Through various communications with Cate Street, a FY16 payment was anticipated, which this did not happen. While communications between the Town and Cate Street Capital Management continue, the delinquent tax issue remains unresolved. The aggressive demolition and auction of the machinery and equipment resulted in a valuation loss of approximately \$44 million in FY16. This significant taxable value loss directly resulted in significant budget reductions.

There was no change in the status of Cate Street Capital's Thermogen project in 2016. This is a project which would manufacture a coal substitute for use in Europe that will help coal-burning plants there to reduce their carbon footprint. These wood pellets are called "torrefied wood" and will help diversify the area's economy while still using our prime resource - wood.

Reflecting the economic circumstances of the area, the level of property tax collections was 94.20% compared to 77.93% in 2015, 65.60% in 2014, and 78.56% in 2013. The decline on property tax collections in the prior years is due to the timing of tax payments collected from GNP West, Inc., GNP West, Inc.-Cate Street Capital and GNP Holdings II, LLC. Their taxes still remain unpaid for FY16 and FY15 as of June 30, 2016. All of the unpaid properties, which are listed in 30 separate accounts, have a real estate lien filed with the Penobscot Registry of Deeds. The unpaid personal property has a UCC lien filed with the Maine and Delaware Secretaries of State.

In addition, the Town is also dealing with a number of other residential properties that continue to default on taxes and sewer invoices owed. Over the past year, the Town has sold 17 tax-acquired properties for \$71,000, which was applied against outstanding taxes and sewer and related administrative fees. Some owners of record paid to retain ownership, others were sold in a sealed bid process and the remaining are being offered to abutters for demolition in an effort to enhance the abutters property.

SIGNIFICANT BUDGET VARIANCES

Property taxes were committed on September 1, 2015. As usual, there were a number of variances between what was budgeted by functional area and what was actually received in revenues or spent in expenditures. The Council appropriated monies from reserve to aid economic development and expansion of existing businesses in Millinocket.

SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

For the past several years, the Town has developed and maintained a Capital Improvement Plan (CIP). This Plan was updated in FY17 to include a five-year plan projection and was reviewed to determine what would be incorporated into the upcoming budget. For FY16, budget capital items for equipment and paving was either spent or carried forward into FY17.

LONG-TERM DEBT

The State allows municipalities to borrow up to 15% of their total state valuation. Since the value of the Town was \$176,526,400 in FY16, the town's debt limit is at 2.17% as compared to 2.47% in FY15. Our current bonded debt is \$3,835,258. This debt includes \$2,096,463 in school projects, \$785,291 for municipal purposes (including the new pool, energy improvements and fire trucks) and \$953,504 for Wastewater. The Wastewater debt is repaid through user fees, not property tax revenues.

Current Wastewater debt expires in 2028. The last school loan will be repaid in 2018 and the school boiler general obligation bond in 2026. The municipal loans are for the new pool that is a 15-year obligation, energy improvements will be paid off in 2020, a 2011 new fire pumper tanker (matures in 2020) and a 2002 Fire Kovatch Truck (matures 2018).

The strategic use of debt has become more important for key projects in recent years. The Town has been judicious with debt. The use of debt spreads out the costs of needed improvements of a capital nature as opposed to the current method of mostly paying as we go. Debt, however, becomes a fixed cost going forward and limits the flexibility that is sometimes needed to finance an operating budget. However, as the total valuation continues to decline, the percent of the total indebtedness compared to the total valuation will increase placing a larger burden on the remaining property owners to continue to fund.

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

FUTURE SIGNIFICANT IMPACTS

The future for Millinocket looks challenging and will be a success only if the community joins in with local officials to seek a new economic vitality. Caution should be employed when reducing municipal and school operations so as to enable any opportunity for rebound should economic activities take place.

The decreased tax valuation will negatively impact the ability of the Town and School to continue to operate "business as usual" and the services offered by the Town will require continued scrutiny. The Town Council and School Committee will need to work together to develop a strategic plan of services as well as work with the businesses and citizens to define operations and future developments as part of redefining what the Town of Millinocket will be for future generations.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Millinocket's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, Town of Millinocket, Maine, 197 Penobscot Avenue, Millinocket, Maine 04462 or at manager@millinocket.org.

Respectfully submitted,

Harold "John" Davis
Millinocket Town Manager

BASIC FINANCIAL STATEMENTS

TOWN OF MILLINOCKET, MAINE
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	Total	Component Unit Millinocket Public Library
ASSETS				
Cash and cash equivalents	\$ 3,932,537	328,513	4,261,050	83,672
Investments	273,056	371,552	644,608	-
Receivables:				
Accounts, net of allowance of \$50,000	201,696	655,312	857,008	-
Intergovernmental	369,847	-	369,847	-
Taxes receivable	1,297,567	-	1,297,567	-
Tax liens	248,174	-	248,174	-
Notes receivable	295,106	-	295,106	-
Internal balances	(51,063)	51,063	-	-
Inventory	26,363	-	26,363	-
Prepaid expenses	1,026	-	1,026	-
Other	-	2,669	2,669	-
Capital assets, not being depreciated	283,317	67,365	350,682	-
Capital assets, net of accumulated depreciation	9,865,237	3,859,246	13,724,483	-
Total assets	16,742,863	5,335,720	22,078,583	83,672
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	394,749	-	394,749	-
Total deferred outflows of resources	394,749	-	394,749	-
LIABILITIES				
Cash overdraft	84,934	-	84,934	-
Accounts payable and other current liabilities	117,093	14,859	131,952	-
Unearned revenue	18,885	-	18,885	-
Accrued wages and benefits payable	725,944	2,546	728,490	1,573
Accrued compensated absences	244,232	61,706	305,938	-
Other postemployment benefits	3,674,851	-	3,674,851	-
Accrued interest	18,177	-	18,177	-
Noncurrent liabilities:				
Due within one year	607,545	184,885	792,430	-
Due in more than one year	3,940,716	768,619	4,709,335	-
Total liabilities	9,432,377	1,032,615	10,464,992	1,573
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	350,690	-	350,690	-
Total deferred inflows of resources	350,690	-	350,690	-
NET POSITION				
Net investment in capital assets	7,208,686	2,973,107	10,181,793	-
Restricted for:				
Nonexpendable trust principal	16,401	-	16,401	-
Other purposes	687,573	-	687,573	-
Unrestricted	(558,115)	1,329,998	771,883	82,099
Total net position	\$ 7,354,545	4,903,105	11,657,650	82,099

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Activities
For the Year Ended June 30, 2016

Functions/programs	Program revenues				Net (expense) revenue and changes		Component Unit Millinocket Public Library
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	In net position		
					Governmental activities	Primary Government Business-type activities	
Primary government:							
Governmental activities:							
General government:							
Protection	\$ 1,090,474	79,020			(1,011,454)		(1,011,454)
Town services	1,497,139	445,913	5,150		(1,046,076)		(1,046,076)
Community services	951,540	164,960	61,265		(725,315)		(725,315)
Education	639,070	105,511	89,231		(438,328)		(438,328)
On-behalf payments - Maine PEPS	6,636,762	526,227	3,915,847		(2,194,708)		(2,194,708)
Insurance and fringe benefits	234,832		234,832				
County tax	1,045,426				(1,045,426)		(1,045,426)
Food service	234,733				(234,733)		(234,733)
Capital maintenance expenses	261,138	78,846	206,764		74,472		74,472
Interest on debt	49,222				(49,222)		(49,222)
Loss on disposal of assets	80,607				(80,607)		(80,607)
Total governmental activities	14,373				(14,373)		(14,373)
Total primary government	12,729,336	1,400,471	4,513,089		(6,815,770)		(6,815,770)
Business-type activities:							
Wastewater treatment plant	547,248	826,438				279,190	279,190
Total business-type activities	547,248	826,438				279,190	279,190
Total primary government	\$ 13,276,584	2,226,915	4,513,089		(6,815,770)	279,190	(6,536,580)
Component Unit:							
Millinocket Public Library	19,305	3,500	41,240	53,182			78,617
General revenues:							
Property taxes, levied for general purposes					\$ 5,119,187		5,119,187
Motor vehicle excise taxes					768,873		768,873
Interest and fees					47,211		47,211
Grants and contributions not restricted to specific programs:							
Homestead and BRTI exemptions					224,616		224,616
Other State aid					25,047		25,047
State Revenue Sharing					451,651		451,651
Unrestricted investment earnings					12,009	166	12,175
Miscellaneous revenues					237,651	22,303	259,954
Transfers					19,400	(18,400)	1,000
Total general revenues and transfers					6,924,645	4,069	6,928,714
Change in net position					108,875	283,259	392,134
Net position - beginning					7,245,670	4,019,840	11,265,510
Net position - ending					\$ 7,354,545	4,303,105	11,657,650

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Balance Sheet
Governmental Funds
June 30, 2016

	General	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,881,447	-	51,090	3,932,537
Investments	-	234,096	39,020	273,056
Receivables:				
Accounts, net of allowance of \$50,000	201,696	-	-	201,696
Intergovernmental	-	-	369,847	369,847
Taxes receivable	1,297,567	-	-	1,297,567
Tax fees	248,174	-	-	248,174
Notes receivable	-	-	295,106	295,106
Interfund loans receivable	-	254,743	69,250	323,993
Prepaid expenses	1,026	-	-	1,026
Inventory	14,096	-	12,267	26,363
Total assets	\$ 5,644,006	488,779	836,580	6,969,365
LIABILITIES				
Cash overdraft	84,934	-	-	84,934
Accounts payable	114,935	-	2,158	117,093
Unearned revenue	-	-	18,885	18,885
Accrued wages and benefits	460,291	-	265,653	725,944
Interfund loans payable	212,521	103,905	58,630	375,056
Total liabilities	872,681	103,905	345,326	1,321,912
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,403,500	-	-	1,403,500
Total deferred inflows of resources	1,403,500	-	-	1,403,500
FUND BALANCES				
Nonspendable	15,122	-	323,774	338,896
Restricted	177,136	-	200,209	377,345
Committed	-	384,874	13,425	398,299
Assigned - Town	787,792	-	-	787,792
Unassigned - School	(109,512)	-	(46,154)	(155,666)
Unassigned - Town	2,497,287	-	-	2,497,287
Total fund balances	3,967,825	384,874	491,254	4,243,953
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,644,006	488,779	836,580	
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.				10,148,554
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.				1,403,500
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:				(244,232)
Accrued compensated absences				(3,674,851)
Other postemployment benefits				(18,177)
Accrued interest				(58,114)
Capital leases payable				(1,564,394)
Net pension liability, including related deferred outflows and inflows				(2,881,754)
Bonds payable				
Net position of governmental activities				\$ 7,354,545

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2016

	General	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 6,052,171	-	-	6,052,171
Licenses and permits	41,382	-	-	41,382
Intergovernmental	3,790,986	-	1,188,585	4,979,571
Intergovernmental on-behalf payments	234,832	-	-	234,832
Tuition and other charges for services - education	150,234	-	-	150,234
Charges for services	420,717	-	454,839	875,556
Fees and fines	18,173	-	-	18,173
Unclassified	552,783	-	-	552,783
Investment earnings	2,161	338	9,510	12,009
Total revenues	11,263,439	338	1,652,934	12,916,711
Expenditures:				
Current:				
General government	591,036	-	-	591,036
Protection	1,396,405	-	16,638	1,413,043
Town services	846,851	-	-	846,851
Community services	481,390	-	-	481,390
Education	5,430,934	-	1,149,314	6,580,248
On-behalf payments - Maine PERS	234,832	-	-	234,832
Insurance and fringe benefits	857,833	-	-	857,833
County tax	234,733	-	-	234,733
Food service	-	-	261,138	261,138
Unclassified	-	-	-	-
Capital outlay	104,695	-	-	104,695
Debt service	659,563	-	-	659,563
Total expenditures	10,838,272	-	1,427,090	12,265,362
Excess (deficiency) of revenues over (under) expenditures	425,167	338	225,844	651,349
Other financing sources (uses):				
Proceeds from capital leases	12,375	-	-	12,375
Transfers from other funds	334,912	5,500	26,045	366,457
Transfers to other funds	(26,045)	(122,012)	(200,000)	(348,057)
Total other financing sources (uses)	321,242	(116,512)	(173,955)	30,775
Net change in fund balances	746,409	(116,174)	51,889	682,124
Fund balances, beginning of year	2,621,416	501,048	439,365	3,561,829
Fund balances, end of year	\$ 3,367,825	384,874	491,254	4,243,953

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, 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, 2016

Net change in fund balances - total governmental funds (from Statement 4)	\$ 682,124
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$661,417) and loss on disposal (\$14,373) exceeded capital outlay (\$74,644).	(601,146)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred revenue.	(96,900)
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. This is the decrease in accrued compensated absences (\$14,002) and accrued interest (\$6,429) less the increase in the net pension liability with related deferred inflows and outflows of resources (\$288,243), and other postemployment benefits (\$187,593).	(455,405)
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which lease repayments (\$20,051) exceeded lease proceeds (\$12,375).	7,676
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments.	572,526
Change in net position of governmental activities (see Statement 2)	\$ 108,875

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2016

	Budgeted amounts			Variance with final budget positive negative
	Original	Final	Actual	
Revenues:				
Taxes	\$ 5,877,774	5,877,774	6,052,171	174,397
Licenses and permits	39,800	39,800	41,382	1,582
Intergovernmental	3,622,628	3,622,628	3,790,986	168,358
Tuition and other charges for services - education	113,875	113,875	150,234	36,359
Charges for services	358,692	358,692	420,717	62,025
Fees and fines	4,472	4,472	18,173	13,701
Unclassified	704,050	704,050	552,783	(151,267)
Investment earnings	100	100	2,161	2,061
Total revenues	10,721,391	10,721,391	11,028,607	307,216
Expenditures:				
Current:				
General government	546,212	546,212	591,036	(44,824)
Protection	1,420,922	1,420,922	1,396,405	24,517
Town services	944,498	944,498	846,851	97,647
Community services	609,479	609,479	481,390	128,089
Education	5,694,864	5,694,864	5,430,934	263,930
Insurance and fringe benefits	849,315	849,315	857,833	(8,518)
County tax	234,284	234,284	234,733	(449)
Capital outlay	115,000	115,000	92,320	22,680
Debt service	669,858	669,858	659,563	10,295
Total expenditures	11,084,432	11,084,432	10,591,065	493,367
Excess (deficiency) of revenues over (under) expenditures	(363,041)	(363,041)	437,542	800,583
Other financing sources (uses):				
Budgeted utilization of surplus - School	150,000	150,000	-	(150,000)
Overlay	(12,814)	(12,814)	-	12,814
Transfers from other funds	251,900	251,900	334,912	83,012
Transfers to other funds	(26,045)	(26,045)	(26,045)	-
Total other financing sources (uses)	363,041	363,041	308,867	(54,174)
Net change in fund balance	-	-	746,409	746,409
Fund balance, beginning of year			2,621,416	
Fund balance, end of year	\$		3,367,825	

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2016

Business-type Activities - Enterprise Funds		
		Wastewater Treatment Plant
ASSETS		
Current assets:		
Cash and cash equivalents	\$	328,513
Investments		371,552
Accounts receivable		655,312
Interfund loans receivable		51,063
Loan origination fees - net		2,669
Total current assets		1,409,109
Noncurrent assets:		
Capital assets		12,950,046
Less accumulated depreciation		(9,023,435)
Total noncurrent assets		3,926,611
Total assets		5,335,720
LIABILITIES		
Current liabilities:		
Accounts payable		14,859
Accrued wages		2,546
Accrued compensated absences		61,706
Bonds payable, current		184,885
Total current liabilities		263,996
Noncurrent liabilities:		
Bonds payable		768,619
Total noncurrent liabilities		768,619
Total liabilities		1,032,615
NET POSITION		
Net investment in capital assets		2,973,107
Unrestricted		1,329,998
Total net position	\$	4,303,105

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2016

Business-type Activities - Enterprise Funds	
	Wastewater Treatment Plant
Operating revenues:	
Charges for services	\$ 826,438
Other	22,303
Total operating revenues	848,741
Operating expenses:	
Administration	132,024
Operations	280,802
Depreciation and amortization	117,202
Total operating expenses	530,028
Operating income	318,713
Nonoperating revenue (expense):	
Interest income	166
Interest expense	(17,220)
Total nonoperating revenue (expense)	(17,054)
Income before transfers	301,659
Transfers out	(18,400)
Change in net position	283,259
Total net position, beginning of year	4,019,846
Total net position, end of year	\$ 4,303,105

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2016

Business-type Activities - Enterprise Funds		Wastewater Treatment Plant
Cash flows from operating activities:		
Receipts from customers and users	\$	823,960
Payments to suppliers		(172,206)
Payments to employees		(228,825)
Net cash provided by operating activities		422,929
Cash flows from noncapital financing activities:		
Transfer to other funds		(18,400)
Net cash used in noncapital financing activities		(18,400)
Cash flows from capital and related financing activities:		
Purchase of capital assets		(21,858)
Principal payments on bonds		(183,985)
Interest paid		(17,220)
Net cash used in capital and relating financing activities		(223,063)
Cash flows from investing activities:		
Purchase of investments		(242)
Investment income		166
Net cash used in investing activities		(76)
Increase in cash and cash equivalents		181,390
Cash and cash equivalents, beginning of year		147,123
Cash and cash equivalents, end of year	\$	328,513
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$	318,713
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization		117,202
Increase in operating assets:		
Accounts receivable		(24,781)
Increase (decrease) in operating liabilities:		
Accounts payable		13,043
Accrued wages and benefits payable		(1,382)
Accrued compensated absences		134
Net cash provided by operating activities		422,929

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Agency Fund
	School Activity
	Fund
ASSETS	
Cash and cash equivalents	\$ 142,504
Total assets	142,504
LIABILITIES	
Due to student groups	142,504
Total liabilities	142,504
NET POSITION	
Held in trust	\$ -

See accompanying notes to basic financial statements.

TOWN OF MILLINOCKET, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Millinocket, Maine was incorporated as a Town in 1901 under the laws of the State of Maine. The Town operates under a council-manager form of government.

A. Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Town of Millinocket, Maine (the primary government) and its component units. The decision to include a potential component unit was made by applying the criteria set forth in accounting principles generally accepted in the United States of America which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Additionally, certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or component unit. Based on the application of these criteria, the Town has reported the following component unit:

Millinocket Public Library is a component unit of the Town. Although it is legally separate from the Town, the Library is reported as if it were part of the primary government because its sole purpose is to provide library services to the Town of Millinocket and is still fiscally dependent on the Town. There are no separately issued financial statements for this component unit and it is reported as a discretely presented component unit.

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

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

The Capital Reserve Fund is used to account for transactions related to capital reserves held by the Town.

The Town reports the following major proprietary fund:

The Wastewater Treatment Plant Fund accounts for the operation of a sewer system in Millinocket.

Additionally, the Town reports the following fund type:

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

D. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as time deposits and certificates of deposit owned by the Town. State statutes authorize the Town to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

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

Investments of the permanent funds, Wastewater Treatment Plant Fund and Capital Reserve Fund are pooled on a cost basis, with each individual fund subscribing to or disposing of interest in the investment pool on the basis of cost value at the beginning of the fiscal year. As such, investment income, investment expense, and gains and losses on sales of investments are allocated to each fund based on its proportionate interest in the investment pool.

E. Inventory

Inventory consists of airport fuel and supplies and School Lunch Program food, supplies and donated commodities and is recorded at the lower of cost or market on the first-in, first-out basis.

F. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

For the primary government, the following estimated useful lives are used to compute depreciation:

Buildings and improvements	10-50 years
Interceptors	35 years
Sewer lines	35-100 years
Equipment and vehicles	5-50 years
Infrastructure	40 years

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Deferred Inflows and Outflows of Resources

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

H. Compensated Absences

Under the terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

I. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Interfund Transactions

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. These transactions are reported as transfers.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Fund Equity

Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. The Town Council has designated the responsibility for assigning fund balance to the Town Manager.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is employed by the School Department. Encumbrances, if any, have been shown as assigned fund balance at year-end.

M. Use of Estimates

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

N. Pensions

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

O. Comparative Data/Reclassifications

Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary vs. GAAP Basis of Accounting

As required by accounting principles generally accepted in the United States of America (GAAP), the Town has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the Town of Millinocket School Department. These amounts have not been budgeted and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$234,832. These amounts have been included as an Intergovernmental revenue and an education expenditure/expense in the General Fund on Statement 4 (GAAP basis) and on the Statement of Activities (Statement 2). There is no effect on the fund balance/net position at the end of the year.

Budget Information

The Town utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the General Fund. These budgets are established in accordance with the various laws of the State of Maine which govern the Town's operations. The budget has been prepared consistent with the modified accrual basis of accounting. Generally, all unexpended appropriations lapse at the close of the fiscal year.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

Excess of Expenditures over Appropriations

For the year ended June 30, 2016, expenditures exceeded appropriations in the following categories:

Town manager and council	\$ 13,232 *	Community services	11,394
Snowsled program	15,196 **	Library gifts and donations	16
Legal services	13,998	Insurances and fringe benefits	8,518 *
Administration	19,392	County tax	449
Economic development committee	20,811 *	Debt service - Town	18
Ambulance	7,210 **		

* - These were offset by transfers from the capital reserve funds.

** - These were offset by favorable revenue variances associated with these expenditures.

DEPOSITS AND INVESTMENTS

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2016:

	<u>Fair value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Money markets	\$ 644,608	644,608	-	-
Total Investments	\$ 644,608	644,608	-	-

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town currently does not have a deposit policy for custodial credit risk. As of June 30, 2016, all of the Town's bank balance of \$4,585,073 was insured and/or collateralized. The Town's component unit, Millinocket Public Library, reported deposits of \$83,672 which were fully covered by F.D.I.C.

Custodial credit risk - Investments – For investments, this is the risk that in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town currently does not have an investment policy for custodial credit risk. As of June 30, 2016, all of the Town's investment in money market of \$644,608 was insured.

Credit risk – Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The Town currently does not have an investment policy for credit risk.

Interest rate risk – The Town does not have a deposit policy for interest rate risk.

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

DEPOSITS AND INVESTMENTS, CONTINUED

As of June 30, 2016, the Town reported the following cash and investments:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Component Unit</u>	<u>Total</u>
Cash	\$ 3,932,537	328,513	142,504	83,672	4,487,226
Investments	273,056	371,552	-	-	644,608
Cash overdraft	(84,934)	-	-	-	(84,934)
Total	\$ 4,120,659	700,065	142,504	83,672	5,046,900

The above funds include \$156,579 (bank balance) related to school activity and school lunch checking accounts. No School Board or Town Council Order has been provided regarding the original setup of these bank accounts. These funds are not under the Town Treasurer's control and most likely not covered under the Treasurer's bond. Legal council would be needed to determine where the fiduciary responsibility ultimately lies for these accounts. It should also be noted that any reference made to the Town's bank balance includes the above-mentioned funds, as they are part of the audit.

PROPERTY TAX

Property taxes for the current period were committed on September 1, 2015, on the assessed value listed as of April 1, 2015, for all real and personal property located in the Town. Payments of taxes were due in equal installments on September 28, 2015 and January 21, 2016. Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these dates. Assessed values are periodically established by the Assessor's agent at 100% of assumed market value. The 2016 assessed value was 100% of the estimated market value and 84.75% of the 2016 state valuation of \$208,300,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$12,814 for the period ended June 30, 2016.

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

Property taxes levied during the period were recorded as receivables at the time the levy was made. The receivables collected during the period and in the first sixty days following the end of the fiscal period have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources.

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

PROPERTY TAX. CONTINUED

The following summarizes the tax levies:

	<u>2016</u>	<u>2015</u>
Assessed value	\$ 176,526,400	211,552,500
Tax rate (per \$1,000)	29.66	29.60
Commitment	5,235,773	6,261,954
Supplemental taxes assessed	4,437	-
	5,240,210	6,261,954
Less:		
Collections and abatements	4,936,550	4,880,085
Receivable at end of period	\$ 303,660	1,381,869
Collection rate	94.20%	77.93%

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June 30, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2016</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 283,317	-	-	283,317
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	283,317	-	-	283,317
Capital assets, being depreciated:				
Land improvements	5,417,199	-	-	5,417,199
Buildings and building improvements	8,742,978	-	-	8,742,978
Equipment and vehicles	6,952,229	74,644	217,638	6,809,235
Infrastructure	3,441,980	-	-	3,441,980
Total capital assets being depreciated	24,554,386	74,644	217,638	24,411,392
Less accumulated depreciation for:				
Land improvements	790,889	134,459	-	925,348
Buildings and building improvements	4,544,994	289,221	-	4,834,215
Equipment and vehicles	5,340,489	235,732	203,265	5,372,956
Infrastructure	3,411,631	2,005	-	3,413,636
Total accumulated depreciation	14,088,003	661,417	203,265	14,546,155
Total capital assets being depreciated, net	10,466,383	(586,773)	14,373	9,865,237
Governmental activities capital assets, net	\$ 10,749,700	(586,773)	14,373	10,148,554

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

CAPITAL ASSETS, CONTINUED

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 45,507	21,858	-	67,365
Capital assets, being depreciated:				
Buildings and building improvements	4,714,643	-	-	4,714,643
Interceptors	1,113,395	-	-	1,113,395
Equipment and vehicles	871,332	-	22,506	848,826
Infrastructure, sewer lines, and equipment	6,205,817	-	-	6,205,817
Total capital assets being depreciated	12,905,187	-	22,506	12,882,681
Less accumulated depreciation for:				
Buildings and building improvements	4,522,237	32,336	-	4,554,573
Interceptors	1,110,481	2,912	-	1,113,393
Equipment and vehicles	606,272	23,399	22,506	607,165
Infrastructure, sewer lines, and equipment	2,690,952	57,352	-	2,748,304
Total accumulated depreciation	8,929,942	115,999	22,506	9,023,435
Total capital assets being depreciated, net	3,975,245	(115,999)	-	3,859,246
Business-type activities capital assets, net	\$ 4,020,752	(94,141)	-	3,926,611

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

Governmental activities:	
General government	\$ 22,402
Protection	74,809
Town services	106,921
Community services	166,180
Education	291,105
Total depreciation expense - governmental activities	\$ 661,417
Business-type activities:	
Wastewater Treatment Plant	115,999
Total depreciation expense - business activities	\$ 115,999

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

LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 3,454,280	-	572,526	2,881,754	590,536
Capital leases	65,790	12,375	20,051	58,114	17,009
Net pension liability	862,096	746,297	-	1,608,393	-
Other postemployment benefits	3,487,258	815,832	628,239	3,674,851	-
Accrued compensated absences	258,234	-	14,002	244,232	-
Governmental activity long-term liabilities	\$ 8,127,658	1,574,504	1,234,818	8,467,344	607,545
Business-type activities:					
General obligation bonds	\$ 1,137,489	-	183,985	953,504	184,885
Accrued compensated absences	61,572	134	-	61,706	-
Business-type activities long-term liabilities	\$ 1,199,061	134	183,985	1,015,210	184,885

Bonds payable at June 30, 2016 are comprised of the following:

	<u>Date of issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance June 30, 2016</u>
Governmental activities:					
School Improvements	05/01/98	\$ 4,560,000	2018	Varies	1,004,295
2006 Series C	10/26/06	1,200,000	2021	Varies	480,000
2009 GOB	08/03/09	341,354	2020	4.96%	136,542
2011 GOB (1)	10/27/11	1,465,000	2026	4.45%	1,092,168
2011 Int'l. Pumper Fire Truck	03/29/13	228,401	2020	2.95%	118,914
Kovatch Fire Truck	08/14/12	159,599	2018	2.88%	49,835
Total governmental activities					\$ 2,881,754

	<u>Date of issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance June 30, 2016</u>
Business-type activities:					
Sewer line expansion	04/01/03	\$ 1,922,632	2017	1.33%	255,736
CWSRF	05/16/08	1,050,000	2028	1.80%	674,310
2009 GOB	08/03/09	58,646	2020	4.96%	23,458
Total business-type activities					\$ 953,504

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

LONG-TERM DEBT, CONTINUED

(1) The Town has entered into an agreement with the bank to fund the retirement of the 2011 General Obligation Bond with annual payments to a trust account. The payments deposited into the trust account are invested and it is anticipated that earnings on the deposit will fund a significant portion of the debt retirement obligation. As such, the payments made into the trust are less than what would be required under a traditional payment schedule. When the bond matures, there is a possibility that the deposits made plus the investment earnings will not be sufficient to retire the entire principal and interest obligation. In that scenario, the Town would be obligated to make a payment to retire any remaining principal or interest due. As of June 30, 2016, the value of the trust account equaled \$408,547.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2016 are as follows:

<u>June 30,</u>	<u>Governmental activities</u>			<u>Business-type activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 590,536	71,466	662,002	184,885	18,087	202,972
2018	592,369	46,299	638,668	185,184	15,790	200,974
2019	594,420	21,244	615,664	58,556	14,022	72,578
2020	225,092	6,197	231,289	59,505	12,782	72,287
2021	173,208	2,240	175,448	54,605	11,526	66,131
2022-2026	706,129	700	706,829	288,127	42,527	330,654
2027-2030	-	-	-	122,642	9,620	132,262
Total	\$ 2,881,754	148,146	3,029,900	953,504	124,354	1,077,858

The Town is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the Town. The Town's outstanding long-term debt of \$3,835,258 at June 30, 2016 was within the statutory limit.

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

CAPITAL LEASES

The Town and School Department have entered into several lease agreements. These leases qualify as capital leases for accounting purposes, and therefore have been recorded in the government-wide financial statements at the present value of future minimum lease payments as of the date of inception. These assets are recorded as capital assets in the government-wide financial statements.

The following items have been capitalized under capital leases as of June 30, 2016:

Copiers	\$ 98,175
---------	-----------

Minimum future lease payments under capital leases are:

<u>Year ended June 30,</u>	
2017	\$ 19,249
2018	19,249
2019	19,250
2020	2,769
2021	2,539
Total minimum lease payments	63,056
<u>Less amount representing interest</u>	<u>(4,942)</u>
Present value of future minimum lease payments	<u>\$ 58,114</u>

In addition to the bonds and capital leases payable, the Town is contingently responsible for a proportionate share of overlapping debt. Overlapping debt is debt issued by a separate entity that shares the same tax base as the Town of Millinocket. As of June 30, 2016, Penobscot County had no debt outstanding.

FUND BALANCE

The General Fund unassigned fund balance total of \$2,387,775 represents fund balance of \$2,497,287 for the Town and (\$109,512) for the School that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund balances totaling (\$4,562) are also reported for a special revenue fund (Adult Education Fund) and (\$41,592) for the School Categorical Program that have negative fund balances as of June 30, 2016 as shown on Statement 3.

As of June 30, 2016, other fund balance components consisted of the following:

	<u>General Fund</u>
Assigned for subsequent years' expenditures:	
Mower	\$ 1,021
Recreation pickup	10,000
Revaluation	250,000
Paving	43,322
Heavy equipment	464,516
Technical	18,933
<u>Total assigned</u>	<u>\$ 787,792</u>

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

FUND BALANCE, CONTINUED

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Permanent Fund</u>
Nonspendable for:			
Inventory	\$ 14,096	12,267	-
Prepaid expenses	1,026	-	-
Noncurrent notes receivable	-	295,106	-
Trust fund principal	-	-	16,401
Total nonspendable	\$ 15,122	307,373	16,401
Restricted by external constraints:			
Education grants	\$ -	90,421	-
Federal reimbursement program	-	62,814	-
Other external constraints	177,136	25,918	-
Trust documents	-	-	21,056
Total restricted	\$ 177,136	179,153	21,056
Committed for:			
Capital	-	384,874	-
Other	-	13,425	-
Total committed	\$ -	398,299	-

NET POSITION

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. The Town's net investment in capital assets was calculated as follows at June 30, 2016:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 24,694,709	12,950,046
Accumulated depreciation	(14,546,155)	(9,023,435)
Bonds payable	(2,881,754)	(953,504)
Capital leases payable	(58,114)	-
Total net investment in capital assets	\$ 7,208,686	2,973,107

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in a public entity risk pool sponsored by the Maine Municipal Association and the School Department participates in a public entity risk pool sponsored by the Maine School Management Association for workers' compensation coverage. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2016.

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

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers. Individual fund interfund receivables and payables balances and transfers at June 30, 2016 arising from these transactions were as follows:

	<u>Receivables</u>	<u>Payables</u>	<u>Net transfers</u> <u>in (out)</u>
General Fund	\$ -	212,521	308,867
Capital Reserve Fund	254,743	103,905	(116,512)
Wastewater Treatment Plant – Proprietary Fund	51,063	-	(18,400)
Nonmajor Special Revenue Fund:			
CDBG Loan Fund	-	17,099	-
Recreation	3,311	-	-
Comprehensive Plan	10,114	-	-
School Categorical Programs	-	32,338	(200,000)
School Lunch	55,825	831	20,000
Adult Education	-	4,562	6,045
Nonmajor Permanent Funds	-	3,800	-
Totals	\$ 375,056	375,056	-

SIGNIFICANT TAXPAYERS

For the year ended June 30, 2016, the Town of Millinocket committed taxes of \$1,041,354 from Great Lakes Hydro in real estate and personal property tax revenue. These commitments represent approximately 13% of total property taxes assessed.

CONTINGENCIES

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Grant Funds - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

LONG-TERM RECEIVABLE

In 2001, the Town, through the U.S. Department of Housing and Urban Development, made a 30-year, no interest loan to further economic activity within the Town. As required by generally accepted accounting principles, the no-interest loan of \$360,000 was discounted to its present value of \$133,960. The note is being amortized at the Town's rate of borrowing in 2001, at 3.3% each year to reflect its future value of \$360,000. At June 30, 2016, the value of note was:

<u>Year ended</u> <u>June 30,</u>	<u>Interest</u>	<u>Total</u>
Current balance	\$ 7,119	219,595
2017	7,357	226,952
2018	7,604	234,556
2019	7,858	242,414
2020	8,122	250,536
2021	8,394	258,930
Thereafter	101,070	360,000

DEFERRED COMPENSATION PLAN

The Town offers all its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and teaching-certified employees of the School Department are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD and SET Plans 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. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET members, normal retirement age is 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. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates 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.

PLD Plan - Employees are required to contribute 7.50% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2016 was 8.90% of annual payroll. Contributions to the pension plan from the Town were \$138,322 for the year ended June 30, 2016.

SET Plan - Maine statute requires the State to contribute a portion of the School Department's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The School Department's contractually required contribution rate for the year ended June 30, 2016, was 13.38% of annual payroll of which 3.36% of payroll was required from the School Department and 10.02% was required from the State. Contributions to the pension plan from the School Department were \$62,872 for the year ended June 30, 2016.

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

The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2016, the Town reported a liability of \$1,283,487 for its proportionate share of the net pension liability. At June 30, 2015, the Town's proportion of the PLD Plan was 0.4023%.

SET Plan - At June 30, 2016, the School Department reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the School Department. The amount recognized by the School Department 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 School Department were as follows:

School Department's proportionate share of the net pension liability	\$ 324,906
State's proportionate share of the net pension liability associated with the School Department	2,297,146
Total	\$ 2,622,052

At June 30, 2015, the School Department's proportion of the SET Plan was 0.0241%.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

For the year ended June 30, 2016, the Town recognized pension expense of \$402,210 for the PLD Plan and \$274,719 for the SET plan and revenue of \$187,491 for support provided by the State for the SET Plan. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	115,275
Changes of assumptions	122,379	-
Net difference between projected and actual earnings on pension plan investments	-	111,661
Changes in proportion and differences between Town contributions and proportionate share of contributions	71,176	123,754
Town contributions subsequent to the measurement date	201,194	-
Total	\$ 394,749	\$ 350,690

An amount of \$201,194 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30:

2017	\$ (68,717)
2018	(86,263)
2019	(118,375)
2020	116,220

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	3.5%	3.5%
Salary Increases, per year	3.5% to 9.5%	3.5% to 13.5%
Investment return, per annum, compounded annually	7.125%	7.125%
Cost of living benefit increases, per annum	2.55%	2.55%

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed Income	25%	0.7%
<u>Total</u>	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.125% for the PLD Plan and 7.125% for the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Sensitivity of the Town's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.125% for the PLD Plan and 7.125% for the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.125% for PLD Plan and 6.125% for SET Plan) or 1 percentage-point higher (8.125% for PLD Plan and 8.125% for SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
Town's proportionate share of the net pension liability	\$ 2,557,086	\$ 1,283,487	\$ 76,036
<u>SET Plan</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
School Department's proportionate share of the net pension liability	\$ 568,833	\$ 324,906	\$ 121,743

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

Payables to the Pension Plan - None as of June 30, 2016.

OTHER POSTEMPLOYMENT BENEFITS

GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town of Millinocket is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in July 2015. The School Department is not part of the Health Trust and has contracted with its own outside consultant.

Plan Descriptions - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. Currently, retirees are paying 100% of their health insurance premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

The School Department sponsors a post-retirement benefit plan providing health insurance to retiring employees. School Department employees over the age of 55 with 20-25 years of continuous service are allowed to participate in the plan. Some retirees that are designated in a plan pay 13% to 15% of the single coverage premium and 13% to 50% of the family coverage premium while others pay nothing towards the cost of coverage. For those School Department employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

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

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Funding Policy and Annual OPEB Cost - GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for the years ended June 30, 2016, 2015 and 2014 and the annual required contribution:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Normal cost	\$ 47,198	47,198	65,151
Amortization of unfunded	820,986	820,986	960,920
Adjustment to ARC	(209,035)	(197,470)	(180,144)
Interest	156,683	148,966	141,170
Annual required contribution	\$ 815,832	819,680	987,097

Net OPEB Obligation - The Town's net OPEB obligation was calculated as follows:

OPEB liability, July 1	\$ 3,487,258	3,294,316	3,021,255
Annual required contribution	815,832	819,680	987,097
Less: Actual contributions	(628,239)	(626,738)	(714,036)
OPEB liability, June 30	\$ 3,674,851	3,487,258	3,294,316

Funding Status and Funding Progress - The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2016, 2015 and 2014 were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual required contribution	\$ 815,832	819,680	987,097
Actual contribution	628,239	626,738	714,036
Percent contributed	77.01%	76.46%	72.34%
Actuarial accrued liability	14,244,060	14,244,060	16,760,594
Plan assets	-	-	-
Unfunded actuarial accrued liability	14,244,060	14,244,060	16,760,594
Covered payroll	3,856,514	3,785,245	3,986,953
Unfunded actuarial accrued liability as a percentage of covered payroll	369.35%	376.30%	420.39%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Actuarial Methods and Assumptions - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

	<u>Town</u>	<u>School</u>
Actuarial valuation date	1/1/15	6/30/14
Actuarial cost method	Projected unit credit	Projected unit credit
Amortization method	Level dollar open	Level dollar
Remaining amortization period	30 years	28 years - closed
Actuarial assumptions:		
Investment rate of return	4.0%	4.0%
Projected salary increases	3.0%	N/A
Healthcare inflation rate	4.25%	5.0% - 9.0%

SUBSEQUENT EVENTS

On August 3, 2016, the Town Council approved a General Obligation Bond to fund equipment refurbishment. The total cost of the project is \$100,000 and will be financed over four years at an interest rate of 1.9%.

TOWN OF MILLINOCKET, MAINE
Required Supplementary Information

Schedule of Funding Progress
Retiree Healthcare Plan

Fiscal Year Ended	Town Actuarial Valuation Date	School Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	1/1/09	1/1/09	\$ -	27,558,834	27,558,834	0.00%	4,841,847	569.18%
2010	1/1/09	1/1/09	-	27,558,834	27,558,834	0.00%	4,779,800	576.57%
2011	1/1/11	1/1/09	-	21,845,639	21,845,639	0.00%	4,556,656	479.42%
2012	1/1/11	1/1/12	-	17,789,340	17,789,340	0.00%	4,277,000	415.93%
2013	1/1/13	1/1/12	-	17,492,837	17,492,837	0.00%	4,347,748	402.34%
2014	1/1/13	6/30/14	-	16,760,594	16,760,594	0.00%	3,986,953	420.39%
2015	1/1/15	6/30/14	-	14,244,060	14,244,060	0.00%	3,785,245	376.30%
2016	1/1/15	6/30/14	-	14,244,060	14,244,060	0.00%	3,856,514	369.35%

TOWN OF MILLINOCKET, MAINE
Required Supplementary Information, Continued

**Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and
State Employee and Teacher Plan (SET)
Last 10 Fiscal Years***

	<u>2016**</u>	<u>2015**</u>
<u>PLD Plan</u>		
Town's proportion of the net pension liability	0.4023%	0.4362%
Town's proportionate share of the net pension liability	\$ 1,283,487	671,257
Town's covered-employee payroll	1,503,493	1,563,371
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	85.37%	42.94%
Plan fiduciary net position as a percentage of of the total pension liability	88.27%	94.10%
<u>SET Plan</u>		
School Department's proportion of the net pension liability	0.0241%	0.0177%
School Department's proportionate share of the net pension liability	\$ 324,906	190,840
State's proportionate share of the net pension liability associated with the School Department	2,297,146	1,913,567
<u>Total</u>	<u>\$ 2,622,052</u>	<u>2,104,407</u>
Town's covered-employee payroll	1,871,169	1,904,047
School Department's covered-employee payroll		
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	17.36%	10.02%
Plan fiduciary net position as a percentage of of the total pension liability	81.18%	83.91%

* Only two years of information available

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

TOWN OF MILLINOCKET, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan (PLD) and
State Employee and Teacher Plan (SET)
Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PLD Plan</u>			
Contractually required contribution	138,322	130,694	120,585
Contributions in relation to the contractually required contribution	(138,322)	(130,694)	(120,585)
Contribution deficiency (excess)			
Town's covered-employee payroll	1,503,493	1,563,371	1,630,911
Contributions as a percentage of covered-Employee payroll	9.20%	8.36%	7.39%
<u>SET Plan</u>			
Contractually required contribution	62,872	50,458	50,708
Contributions in relation to the contractually required contribution	(62,872)	(50,458)	(50,708)
Contribution deficiency (excess)			
School Department's covered-employee payroll	1,871,169	1,904,047	1,913,819
Contributions as a percentage of covered-Employee payroll	3.36%	2.65%	2.65%

* Only three years of information available

Changes of Benefit Terms - None

Changes of Assumptions - The PLD plan changed the discount rate from 7.25% in the 2014 valuation to 7.125% in the 2015 valuation. The PLD Plan also changed the cost of living benefits increase from 3.12% in the 2014 valuation to 2.55% in the 2015 valuation.

GENERAL FUND

TOWN OF MILLINOCKET, MAINE
Comparative Balance Sheets - General Fund
June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 3,881,447	2,929,857
Receivables:		
Accounts, net of allowance of \$50,000	201,696	567,874
Taxes receivable	1,297,567	1,449,485
Tax liens	248,174	143,522
Prepaid expense	1,026	-
Inventory	14,096	9,029
Total assets	\$ 5,644,006	5,099,767
LIABILITIES		
Cash overdraft	84,934	42,464
Accounts payable	114,935	263,402
Accrued wages and benefits	460,291	482,603
Interfund loans payable	212,521	189,482
Total liabilities	872,681	977,951
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	1,403,500	1,500,400
Total deferred inflows of resources	1,403,500	1,500,400
FUND BALANCE		
Nonspendable - inventory	15,122	9,029
Restricted	177,136	64,082
Assigned - Town	787,792	804,823
Unassigned - School	(109,512)	(289,767)
Unassigned - Town	2,497,287	2,033,249
Total fund balance	3,367,825	2,621,416
Total liabilities, deferred inflows of resources, and fund balance	\$ 5,644,006	5,099,767

TOWN OF MILLINOCKET, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Budgetary Basis
For the year ended June 30, 2016

(with comparative actual amounts for the year ended June 30, 2015)

	2016		Variance positive (negative)	2015 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 5,235,774	5,236,087	313	5,431,756
Excise taxes	607,000	768,873	161,873	717,804
Interest and lien costs	35,000	47,211	12,211	189,036
Total taxes	5,877,774	6,052,171	174,397	6,338,596
Licenses and permits	39,800	41,382	1,582	44,067
Intergovernmental:				
Education	2,927,898	2,934,026	6,128	3,138,051
Tree growth reimbursement	13,000	15,090	2,090	12,265
Veterans exemption reimbursement	9,000	9,957	957	9,936
General assistance	14,000	14,621	621	7,777
State revenue sharing	325,000	451,651	126,651	399,294
Snowmobile grant	59,414	74,610	15,196	59,414
Airport grant	-	-	-	87,845
Public safety grants	6,700	5,150	(1,550)	4,933
Homestead exemption reimbursement	194,762	194,762	-	195,841
BETE reimbursement	29,854	29,854	-	212,422
URIP - DOT road grant	43,000	61,265	18,265	43,504
Total intergovernmental	3,622,628	3,790,986	168,358	4,171,282
Tuition and other charges for services - education	113,875	150,234	36,359	212,161
Charges for services:				
Ambulance	356,192	411,442	55,250	368,462
Police	2,500	7,987	5,487	5,645
Library	-	1,288	1,288	11,639
Recreation	-	-	-	334
Total charges for services	358,692	420,717	62,025	386,080
Fees and fines:				
Fire fees/reimbursement	4,472	18,173	13,701	14,354
Total fees and fines	4,472	18,173	13,701	14,354
Unclassified:				
Rents - Town property	28,000	28,000	-	28,000
Cemeteries	20,000	17,600	(2,400)	21,925
Public works	19,000	25,182	6,182	19,356
Transfer station	176,127	139,778	(36,349)	140,695
Code enforcement	12,526	8,311	(4,215)	15,455
Assessing	7,283	9,638	2,355	-
Airport	102,500	86,623	(15,877)	108,825
Sale of property	20,000	12,953	(7,047)	15,685
Employee insurance reimbursement/refunds	125,000	12,260	(112,740)	7,140
KARE receipts (fiscal agent)	150,000	150,000	-	150,000
Unclassified - Town	22,600	27,918	5,318	198,982
Unclassified - School	21,014	34,520	13,506	63,405
Total unclassified	704,050	552,783	(151,267)	769,468
Investment earnings	100	2,161	2,061	58
Total revenues	10,721,391	11,028,607	307,216	11,936,066

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

	2016		Variance positive (negative)	2015 Actual
	Budget	Actual		
Expenditures:				
Current:				
General government:				
Town Manager and Council	\$ 128,911	142,143	(13,232)	136,479
Town Clerk and Tax Collector	118,797	115,304	3,493	109,045
Elections and registration	8,981	4,310	4,671	3,945
Assessing	32,882	32,162	720	35,074
Municipal building	70,882	61,511	9,371	65,625
Audit and bookkeeping	20,000	16,500	3,500	19,850
Town report	250	-	250	-
Legal services	80,000	93,998	(13,998)	140,600
Administration	53,630	73,022	(19,392)	72,087
Planning, code, development	25,379	24,775	604	27,901
Economic Development Committee	6,500	27,311	(20,811)	1,800
Total general government	546,212	591,036	(44,824)	612,406
Protection:				
Police department	359,893	342,552	17,341	356,173
DARE Program - donations	5,000	3,602	1,398	4,547
Fire department	207,505	185,784	21,721	209,667
Ambulance	313,482	320,692	(7,210)	326,264
Community services	433,600	444,994	(11,394)	464,349
Insurances	87,665	86,061	1,604	84,760
Dog constable	12,277	11,220	1,057	10,907
Enforcement officials	1,500	1,500	-	1,875
Total protection	1,420,922	1,396,405	24,517	1,458,542
Town services:				
Public works administration	9,044	7,045	1,999	7,880
Transfer site	360,618	335,116	25,502	323,071
Street and road maintenance	549,186	486,145	63,041	491,873
Garage maintenance	25,650	18,545	7,105	28,699
Total Town services	944,498	846,851	97,647	851,523
Community services:				
Snowsled program	74,914	90,110	(15,196)	74,914
Public library	30,000	20,614	9,386	78,703
Library gifts and donations	-	16	(16)	1,464
KARE	150,000	66,247	83,753	128,795
Human resources/assistance	23,872	21,637	2,235	21,475
General assistance	26,800	20,666	6,134	11,165
Recreation	117,297	115,202	2,095	130,711
Airport	159,588	124,375	35,213	152,842
Cemeteries	27,008	22,523	4,485	21,610
Public health and welfare agencies	-	-	-	1,050
Total community services	609,479	481,390	128,089	622,729

TOWN OF MILLINOCKET, MAINE
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual - Budgetary Basis - General Fund, Continued

	2016		Variance positive (negative)	2015 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Education	\$ 5,694,864	5,430,934	263,930	5,420,757
Total education	5,694,864	5,430,934	263,930	5,420,757
Insurance and fringe benefits:				
Insurance and fringe benefits	849,315	857,833	(8,518)	795,103
Total insurance and fringe benefits	849,315	857,833	(8,518)	795,103
Unclassified:				
County tax	234,284	234,733	(449)	234,311
Total unclassified	234,284	234,733	(449)	234,311
Debt service:				
Town	208,486	208,504	(18)	215,983
Education	461,372	451,059	10,313	461,928
Total debt service	669,858	659,563	10,295	677,911
Capital outlay:				
Capital outlay - Town	100,000	92,320	7,680	455,373
Special capital improvements	15,000	-	15,000	94,392
Total capital outlay	115,000	92,320	22,680	549,765
Total expenditures	11,084,432	10,591,065	493,367	11,223,047
Excess (deficiency) of revenues over (under) expenditures	(363,041)	437,542	800,583	713,019
Other financing sources (uses):				
Budgeted utilization of surplus - School Overlay	150,000	-	(150,000)	-
Transfers in	(12,814)	-	12,814	-
Transfers out	251,900	334,912	83,012	67,469
Total other financing sources (uses)	(26,045)	(26,045)	-	(26,693)
Total other financing sources (uses)	363,041	308,867	(54,174)	40,776
Net change in fund balance		746,409	746,409	753,795
Fund balance, beginning of year		2,621,416		1,867,621
Fund balance, end of year	\$	3,367,825		2,621,416

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF MILLINOCKET
Combining Balance Sheet
All Other Governmental Funds
June 30, 2016

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 48,853	2,237	51,090
Investments	-	39,020	39,020
Intergovernmental receivables	369,847	-	369,847
Notes receivable	295,106	-	295,106
Inventory	12,267	-	12,267
Interfund loans receivable	69,250	-	69,250
Total assets	\$ 795,323	41,257	836,580
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	2,158	-	2,158
Unearned revenue	18,885	-	18,885
Accrued wages and benefits	265,653	-	265,653
Interfund loans payable	54,830	3,800	58,630
Total liabilities	341,526	3,800	345,326
Fund balances:			
Nonspendable	307,373	16,401	323,774
Restricted	179,153	21,056	200,209
Committed	13,425	-	13,425
Unassigned	(46,154)	-	(46,154)
Total fund balance	453,797	37,457	491,254
Total liabilities and fund balances	\$ 795,323	41,257	836,580

TOWN OF MILLINOCKET, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2016

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ 1,188,585	-	1,188,585
Charges for services	454,839	-	454,839
Interest revenue	9,462	48	9,510
Total revenues	1,652,886	48	1,652,934
Expenditures:			
Current:			
Protection	16,638	-	16,638
Education	1,149,314	-	1,149,314
Food service	261,138	-	261,138
Total expenditures	1,427,090	-	1,427,090
Excess (deficiency) of revenues over (under) expenditures	225,796	48	225,844
Other financing sources (uses):			
Transfers from other funds	26,045	-	26,045
Transfers to other funds	(200,000)	-	(200,000)
Total other financing uses	(173,955)	-	(173,955)
Net change in fund balances	51,841	48	51,889
Fund balances, beginning of year	401,956	37,409	439,365
Fund balances, end of year	\$ 453,797	37,457	491,254

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

TOWN OF MILLINOCKET, MAINE

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2016

(with comparative totals for June 30, 2015)

	CD#66 Loan Fund	Recreation	Comprehensive Plan	Project Get- Alarmed	School Categorical Programs	School Lunch	Adult Education	Totals
								2016 2015
ASSETS								
Cash and cash equivalents	\$ 43,017	-	-	-	-	5,836	-	48,853 58,394
Intergovernmental receivables	-	-	-	-	357,085	12,752	-	369,847 306,701
Notes receivable	295,106	-	-	-	-	-	-	295,106 291,241
Inventory	-	-	-	-	-	12,267	-	12,267 14,914
Interfund loans receivable	-	3,311	10,114	-	-	55,825	-	69,250 25,228
Total assets	\$ 338,123	3,311	10,114	-	357,085	86,880	-	795,323 696,418
LIABILITIES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	-	-	-	-	1,886	272	-	2,158 7,048
Unearned revenue	-	-	-	-	18,885	-	-	18,885 17,985
Accrued wages and benefits	-	-	-	-	255,157	10,496	-	265,653 235,582
Interfund loans payable	17,099	-	-	-	32,338	831	4,562	54,830 33,847
Total liabilities	17,099	-	-	-	308,266	11,599	4,562	341,526 294,462
Fund balances (deficit):								
Nonspendable	295,106	-	-	-	-	12,267	-	307,373 306,155
Restricted	25,918	-	-	-	90,421	62,814	-	179,153 114,146
Committed	-	3,311	10,114	-	-	-	-	13,425 13,425
Unassigned	-	-	-	-	(41,592)	-	(4,562)	(46,154) (31,770)
Total fund balances (deficit)	321,024	3,311	10,114	-	48,829	75,081	(4,562)	453,797 401,956
Total liabilities and fund balances (deficit)	\$ 338,123	3,311	10,114	-	357,085	86,880	-	795,323 696,418

TOWN OF MILLINOCKET, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2016
(with comparative totals for the year ended June 30, 2015)

	CDBG Loan Fund	Recreation	Comprehensive Plan	Project Get- Alarmed	School Categorical Programs	School Lunch	Adult Education	Totals
								2016 2015
Revenues:								
Gifts and donations	\$ -	-	-	-	-	-	-	25
Intergovernmental	-	-	-	-	981,821	206,764	-	963,591
Interest income	9,462	-	-	-	-	-	-	9,462
Charges for services	-	-	-	-	375,993	78,846	-	454,839
Total revenues	9,462	-	-	-	1,357,814	285,610	-	1,652,886
								1,175,281
Expenditures:								
Current:								
Protection	-	-	-	16,638	-	-	-	16,638
Education	-	-	-	-	1,143,270	-	6,044	1,149,314
Food service	-	-	-	-	-	261,138	-	261,138
Bad debt expense (recovery)	-	-	-	-	-	-	-	(4,601)
Total expenditures	-	-	-	16,638	1,143,270	261,138	6,044	1,427,090
								1,151,215
Excess (deficiency) of revenues over (under) expenditures	9,462	-	-	(16,638)	214,544	24,472	(6,044)	225,796
								24,072
Other financing sources (uses):								
Transfers from other funds	-	-	-	-	-	20,000	6,045	26,045
Transfers to other funds	-	-	-	-	(200,000)	-	-	(200,000)
Total other financing sources (uses)	-	-	-	-	(200,000)	20,000	6,045	(173,955)
								26,693
Net change in fund balances	9,462	-	-	(16,638)	14,544	44,472	1	51,841
								50,765
Fund balances (deficit), beginning of year	311,562	3,311	10,114	16,638	34,285	30,609	(4,563)	401,956
								351,191
Fund balances (deficit), end of year	\$ 321,024	3,311	10,114	-	48,829	75,081	(4,562)	453,797
								401,956

TOWN CAPITAL RESERVE FUND

TOWN OF MILLINOCKET, MAINE
Combining Balance Sheet
Town Capital Reserve Fund

June 30, 2016

(with comparative totals for June 30, 2015)

	General Capital Reserve	Airport Capital Reserve	Ambulance Reserve	Police Reserve	Fire Reserve	Public Works Reserve	Transfer Station Reserve	Cemetery Reserve	S&M TIF Proceeds	School Renovations	Totals
ASSETS											
Investments	\$ 181,894	43,552	-	-	-	-	-	-	8,590	-	350,210
Interfund loans receivable	-	24,378	81,301	29,903	43,714	4,646	22,866	8,262	9,353	30,318	255,975
Total assets	\$ 181,894	67,930	81,301	29,903	43,714	4,646	22,866	8,262	17,943	30,318	606,185
LIABILITIES AND FUND BALANCES											
Liabilities:											
Interfund loans payable	103,905	-	-	-	-	-	-	-	-	-	103,905
Total liabilities	103,905	-	-	-	-	-	-	-	-	-	103,905
Fund balances:											
Committed	77,989	67,990	81,301	29,903	43,714	4,646	22,866	8,262	17,945	30,318	304,874
Total fund balances	77,989	67,990	81,301	29,903	43,714	4,646	22,866	8,262	17,945	30,318	501,048
Total liabilities and fund balances	\$ 181,894	67,980	81,301	29,903	43,714	4,646	22,866	8,262	17,945	30,318	606,185

TOWN OF MILLINOCKET, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Town Capital Reserve Fund

For the year ended June 30, 2016
(with comparative totals for the year ended June 30, 2015)

(with comparative totals for the year ended June 30, 2015)											
	General	Airport	Ambulance	Police	Fire	Public Works	Transfer Station	SMI TIF	School	Totals	
	Capital Reserve	Capital Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Proceeds	Renovations	2016	2015
Revenues:											
Interest earnings	\$	256	54	-	-	-	-	28	-	338	
Total revenues	256	54	-	-	-	-	-	28	-	338	
Expenditures:											
Capital outlay	-	-	-	-	-	-	-	-	-	-	
Total expenditures	-	-	-	-	-	-	-	-	-	-	
Excess (deficiency) of revenues over (under) expenditures	256	54	-	-	-	-	-	28	-	338	
Other financing sources (uses):											
Transfers from other funds	5,500	-	-	-	-	-	-	-	-	5,500	6,000
Transfers to other funds	(83,317)	-	-	-	-	-	-	(38,695)	-	(122,012)	(55,100)
Total other financing sources (uses)	(77,817)	-	-	-	-	-	-	(38,695)	-	(116,512)	(49,100)
Net change in fund balances	(77,561)	54	-	-	-	-	-	(38,667)	-	(116,174)	(49,100)
Fund balances, beginning of year	155,550	67,876	81,301	29,903	49,714	4,846	22,866	58,612	30,318	501,048	550,000
Fund balances, end of year	\$ 77,989	67,930	81,301	29,903	49,714	4,846	22,866	17,945	30,318	384,874	500,900

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

TOWN OF MILLINOCKET, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2016

		Cemetery Perpetual Care	Peluso Welfare Trust	Ministerial and School Fund	Totals
ASSETS					
Cash and cash equivalents	\$		2,237	-	2,237
Investments		4,246	13,103	21,671	39,020
Total assets	\$	4,246	15,340	21,671	41,257
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund loans payable			-	3,800	3,800
Total liabilities			-	3,800	3,800
Fund balances:					
Nonspendable		1,401	4,000	11,000	16,401
Restricted		2,845	11,340	6,871	21,056
Total fund balances		4,246	15,340	17,871	37,457
Total liabilities and fund balances	\$	4,246	15,340	21,671	41,257

TOWN OF MILLINOCKET, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2016

	Cemetery Perpetual Care	Peluso Welfare Trust	Ministerial and School Fund	Totals
Revenues:				
Investment income	\$ 5	16	27	48
Total revenues	5	16	27	48
Expenditures:				
Current:				
Other miscellaneous	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	5	16	27	48
Fund balances, beginning of year	4,241	15,324	17,844	37,409
Fund balances, end of year	\$ 4,246	15,340	17,871	37,457