

2011

Town of Millinocket, Maine 110th Annual Report of the Municipal Officers Fiscal Year 2011 (July 1, 2010 to June 30, 2011)

Millinocket (Me.). Municipal Officers

Follow this and additional works at: <https://digitalcommons.library.umaine.edu/towndocs>

Repository Citation

Millinocket (Me.). Municipal Officers, "Town of Millinocket, Maine 110th Annual Report of the Municipal Officers Fiscal Year 2011 (July 1, 2010 to June 30, 2011)" (2011). *Maine Town Documents*. 482.
<https://digitalcommons.library.umaine.edu/towndocs/482>

This Report is brought to you for free and open access by DigitalCommons@UMaine. It has been accepted for inclusion in Maine Town Documents by an authorized administrator of DigitalCommons@UMaine. For more information, please contact um.library.technical.services@maine.edu.

Town of **Millinocket, Maine**



110th ANNUAL REPORT OF THE MUNICIPAL OFFICERS FISCAL YEAR 2011

(July 1, 2010 to June 30, 2011)

**TOWN OF MILLINOCKET FY2011 ANNUAL REPORT
TABLE OF CONTENTS**

TOPIC	PAGE
Table of Contents	i
Dedication	1
Municipal Officers and Town Councilors	2
Greetings from United States Senator Olympia Snowe	3
Greetings from United States Senator Susan M. Collins	4
Greetings from Congressman Michael Michaud	6
Greetings from State Senator Douglas A. Thomas	7
Greetings from State Representative Herbert Clark	8
Town Manager's Report	9
Superintendent's Report	10
Directory of Municipal Officers and Officials	13
Directory of Committees and Commissions	16
Report of the Town Clerk	17
Report of the Registrar of Voters	19
Report of the Tax Collector	20
Unpaid 2011 Real Estate Taxes as of June 30, 2011	21
Unpaid 2011 Personal Property Taxes as of June 30, 2011	25
Unpaid 2010 Tax Liens as of June 30, 2011	26
Tax Acquired Property as of June 30, 2011	27
Police Department Report	30
Fire and Ambulance Department Report	31
Public Works Department Report	32
Millinocket Memorial Library Report	33
Recreation Department Report	34
Code Enforcement and Tax Assessor's Report	37
General Assistance Department Report	38
Personnel Office Report	39
Wastewater Department Report	40
Appendix: Fiscal 2011 Annual Audit Report	i
Table of Contents	ii
Independent Auditor's Report	1
Management Discussion and Analysis of FY10 Audit	3
Basic Financial Statements	11
Statement of Net Assets	13
Statement of Activities	14
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balance	16
Reconciliation of the Statement of Governmental Funds	17
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	18
Statement of Net Assets – Proprietary Funds	19

Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds	20
Statement of Cash Flows – Proprietary Funds	21
Statement of Fiduciary Net Assets – Fiduciary Funds	22
Notes to Basic Financial Statements and Other Material	23
Schedule of Funding Progress – Retiree Healthcare Plan	40
General Fund	41
Comparative Balance Sheets – General Fund (Exhibit A-1)	43
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund (Exhibit A-2)	44
All Other Governmental Funds	47
Combining Balance Sheet – All Other Governmental Funds (Exhibit B-1)	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Other Governmental Funds (Exhibit B-2)	50
Non-Major Governmental Funds – Special Revenue Funds	51
Combining Balance Sheet – Non-Major Special Revenue Funds (Exhibit C-1)	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds (Exhibit C-2)	54
Town Capital Reserve Funds	55
Combining Balance Sheet – Town Capital Reserve Funds (Exhibit D-1)	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Town Capital Reserve Funds (Exhibit D-2)	58
Non-Major Governmental Funds – Permanent Funds	59
Combining Balance Sheet – Non-Major Permanent Funds (Exhibit E-1)	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Permanent Funds (Exhibit E-2)	62

United States Senate

WASHINGTON, DC 20510-1903

January 3, 2012

COMMITTEES:
COMMERCE, SCIENCE, AND
TRANSPORTATION

OCEANS, ATMOSPHERE, FISHERIES AND
COAST GUARD SUBCOMMITTEE

FINANCE

INTELLIGENCE

RANKING MEMBER, SMALL BUSINESS

Dear Friends:

I want to thank you for the opportunity to extend my warm greetings to the people of Millinocket, and take just a moment to offer a few thoughts about the past year as we look ahead to the year to come. Indisputably, as we continue to face historic challenges as a nation, as a state, and as individual towns and cities, our economy remains of paramount concern, and justifiably so, as we are still plagued by the worst economic downturn since World War II. Indeed, as countless Mainers have conveyed to me in roundtable discussions and on Main Street tours, the crushing job creation drought that too many have endured for far too long must not become the new normal.

Thankfully, there are steps that Congress and the Administration can take right now to expand our private sector. We can best unleash the genius and innovation that have made our country the most exceptional in human history, I believe, by addressing the following three pro-growth pillars, consisting of a balanced budget amendment, regulatory reform, and tax code overhaul, all of which I have championed in the Senate.

It is long past time that Congress bridge the partisan divide and unite around a pro-growth jobs agenda to pass a balanced budget amendment to the Constitution just as Maine and 48 other states already have, to end the regulatory rampage in Washington that has hamstringed our economy, and to overhaul the far-too-complicated, unwieldy tax code. American taxpayers expend 7.6 billion hours and spend \$140 billion – or one percent of GDP – just struggling to comply with tax filing requirements – and that burden must end.

The fundamental question is, what kind of country do we want America to be? Mainers, like all Americans, are rightly frustrated and angry that we have an expansionist government and a record accumulation of debt, and yet they don't see any positive difference in their own lives. I share that frustration and anger. And I hope you will work with me to forge a brighter future worthy of the greatest nation on Earth, bearing in mind as we move forward that economic and homeland security cannot be mutually exclusive. In that light, we remember today – and every day – the extraordinary service and sacrifice of our brave servicemen and women in Iraq, Afghanistan, and around the world who comprise the finest defense force on the planet.

Please be assured, I will continue to work tirelessly on behalf of the people of Maine and America. I encourage you to visit my Senate website at www.snowe.senate.gov for additional details on how you can join with me in these efforts, obtain helpful government information, and share any concerns or legislative input you may have. You may also visit with members of my staff at my Regional Office located at 202 Harlow Street, Suite 214 in Bangor or by calling 945-0432 or toll free in Maine at 1-800-432-1599.

Sincerely,


OLYMPIA J. SNOWE
United States Senator

AUBURN
TWO GREAT FALLS PLAZA
SUITE 7B
AUBURN, ME 04210
(207) 786-2451

AUGUSTA
40 WESTERN AVENUE, SUITE 408C
AUGUSTA, ME 04330
(207) 622-8292

BANGOR
ONE CUMBERLAND PLACE, SUITE 306
BANGOR, ME 04401
(207) 945-0432

BIDDEFORD
227 MAIN STREET
BIDDEFORD, ME 04005
(207) 282-4144

PORTLAND
3 CANAL PLAZA, SUITE 601
PORTLAND, ME 04101
(207) 874-0883
MAINE RELAY SERVICE
TDD 1-955-3323

PRESQUE ISLE
169 ACADEMY STREET, SUITE 3
PRESQUE ISLE, ME 04769
(207) 764-5124

IN MAINE CALL TOLL-FREE 1-800-432-1599

PRINTED ON RECYCLED PAPER

United States Senate

WASHINGTON, DC 20510-1904

February 3, 2012

Town of Millinocket
197 Penobscot Avenue
Millinocket, ME 04462

Dear Friends,

As we begin a new year, I welcome this opportunity to share some of my recent work for the people of our great state.

The economy and jobs remain my highest priorities. More efficient transportation is essential to our economic growth. After a years-long, hard-fought battle, I successfully pushed through Congress a bill I wrote to allow the heaviest trucks to travel on Maine's federal interstates, instead of forcing them to use our secondary roads and downtown streets. This will make our streets safer, reduce fuel consumption, and allow our businesses to be more competitive. I was pleased to have the support of many Maine groups, from the Maine State Police and the Parent-Teacher Association to the Maine Motor Transport Association and many others that helped me advocate for this sensible change.

I was also successful in my efforts to prevent the federal government from limiting certain vegetables, including Maine's potatoes, in school meal programs. Nationwide this ill-conceived proposal would have cost our schools, the states, and families an estimated \$6.8 billion over five years. I built support from both sides of the aisle and from across the country to ensure that schools maintain the flexibility they need to serve students healthy and affordable meals. This proposed rule was a prime example of excessive Washington regulation.

In my effort to protect jobs, I also introduced bipartisan legislation to ensure that the proposed EPA regulations known as the "Boiler MACT" rules protect the environment and public health without jeopardizing jobs in our state, particularly in the forest products industry. I also continued to help advance the development of deep water, off-shore wind energy at the University of Maine, which has the potential to provide clean energy and to create thousands of new jobs.

On the Armed Services Committee, I worked to secure funding for shipbuilding at Bath Iron Works, submarine overhauls at Portsmouth Naval Shipyard, and the manufacturing of aircraft engines at Pratt and Whitney, as well as to strengthen the 101st Air Refueling Wing in Bangor and the Maine Military Authority in Limestone. The new defense funding bill also includes my amendment to expedite the claims of veterans with

severe disabilities like the soldier I met who is suffering from ALS, also known as Lou Gehrig's disease.

Last year, the President signed legislation I coauthored creating a national plan for combating Alzheimer's disease, which affects more than five million Americans and their families. In another health-related development, at my urging, the Food and Drug Administration allowed clinical trials to begin on the artificial pancreas, a device that could dramatically improve the health and quality of life for people with Type I diabetes.

Many Mainers have contacted me to express concern about the Postal Service, which is the linchpin of a nearly \$1 trillion mailing industry that employs 8.6 million people. I've sponsored bipartisan legislation to rescue the U.S. Postal Service from financial failure next year. This bill provides flexibility to the USPS to restructure itself in an effort to save billions of dollars and preserve universal postal service for all Americans, no matter where they live.

In December, I cast my 4,825th consecutive vote, making me the longest currently serving Senator never to have missed a vote. I am grateful for the opportunity to serve the Town of Millinocket and Maine in the United States Senate.

If ever I can be of assistance to you, please contact my Bangor state office at (207) 945-0417, or visit my website at <http://collins.senate.gov>. May 2012 be a good year for your family, your community, and our state.

Sincerely,

A handwritten signature in black ink that reads "Susan Collins". The signature is written in a cursive, flowing style.

Susan M. Collins
United States Senator

Congress of the United States
House of Representatives
Washington, DC 20515

January 17, 2012

COMMITTEES:
VETERANS' AFFAIRS
SUBCOMMITTEE ON HEALTH
CHAIRMAN
TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
SUBCOMMITTEE ON RAILROAD, PIPELINES
AND HAZARDOUS MATERIALS
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS AND
EMERGENCY MANAGEMENT
SMALL BUSINESS
SUBCOMMITTEE ON RURAL AND URBAN
ENTREPRENEURSHIP
SUBCOMMITTEE ON FINANCE AND TAX

Dear Millinocket residents and friends,

These days I'm as frustrated as anyone with the partisan gridlock in Washington. Even the most routine congressional functions, such as passing budgets, are caught up in irresponsible political games. One way to stop this is a bill I am pushing that would make sure members of Congress wouldn't get paid if they fail to pass budget and appropriation bills on time. It is time for Congress to get serious and show some common sense.

Yet, despite congressional dysfunction, I'm pleased to report progress on a number of initiatives important to Maine. Last year, Congress passed the Small Business Jobs Act, which included my amendment to ensure Maine small business lending agencies qualified for funding under the bill. As a result, Maine received \$13.2 million last September to support small business development. Since a requirement of the funding was to match every federal dollar with 10 additional dollars, that one investment is expected to spur \$132 million in small business lending in our state.

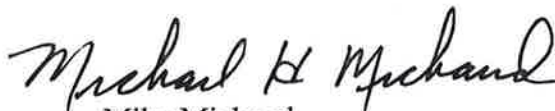
My work in support of our nation's veterans continues to be very important to me. Last October, the House passed a measure I authored to ensure that severely disabled and elderly veterans are able to get the care they need at Maine's state veterans' homes. I'm pleased that it passed unanimously in the House, and I'm hopeful the Senate acts on it soon.

We still have much work to do to create jobs and grow our national and state economies. Last year, I visited many Maine manufacturers and received a tremendous amount of valuable feedback. After these visits, and having heard back from over 85 Maine companies that filled out an online survey I created, it was made clear to me that legislative action is needed at the federal level to do more to boost our manufacturers and the positive impact they have on our economy.

My highest priority has always been ensuring that Mainers receive timely and quality constituent services. Whether you have a specific concern with a federal agency or need help connecting to resources, please don't hesitate to reach out to me at my Bangor office at 207-942-6935. I also encourage you to visit my website (www.house.gov/michaud), where you can email me, sign up for email updates, and connect with me on Facebook and Twitter.

Thank you again for the opportunity to represent you in Congress.

With warmest regards,



Mike Michaud
Member of Congress



Annual Report to the Town of Millinocket
A Message from Senator Douglas A. Thomas

January 2012

Dear Friends and Neighbors:

I am grateful for the trust you have placed in me to work for the citizens of Millinocket and our region. Representing your interests during the past year in the Maine Senate has been truly rewarding and an experience that I will never regret. Thank you for allowing me the opportunity to be your voice in Augusta.

When the new majority took their oath of office last December, we promised to move Maine in a new direction and to make our state more prosperous and affordable for all Mainers. Lawmakers also faced dire budget projections of a billion dollar shortfall. Many doubted we could attain anything substantive with the obstacles before us. Instead of looking at quick fix solutions to the problems before us, we met our challenges head on by rolling up our sleeves and working together. Over the months that ensued, the Legislature approved a number of significant reform measures to our health insurance market, tax policies, and state regulations.

Looking back at the results of the First Regular Session, I believe legislators made significant strides in addressing Maine's most pressing needs during extremely difficult times. We did so while avoiding a government shutdown and the polarizing situations that occurred in other states. Leadership made the decision early on in the session that we would insist on a two-thirds budget and we would create a culture of inclusion, respect, and consensus. We increased state funding to local schools by \$65 million, brought solvency to the retiree pension system, insisted on more transparency and accountability at the Maine Turnpike Authority, and paid back our local hospitals millions of dollars that had been owed to them for years. We worked hard to deliver the changes we promised, and we succeeded.

Though important progress has been made, we have a great deal of work ahead of us when we return to Augusta for the second year of the session. The most daunting task will be addressing a staggering \$120 million shortfall within the Department of Health and Human Services and its MaineCare program. In terms of all spending, MaineCare accounts for 32 percent of the state budget and enrollment is expected to grow at more than three times the rate of our revenues over the next four years. Difficult structural changes to the MaineCare program must be made soon; but I am confident that if we continue to work together as we did last year, we can return MaineCare back to a sustainable and quality system that protects Maine's most at-risk citizens.

Again, thank you for entrusting me to represent you in Augusta. Please feel free to contact me if you ever need my help in navigating the state bureaucracy. I can be reached in Augusta at 287-1505, in Ripley at 277-3017 or by e-mail at firewood@tds.net.

Sincerely,

Senator Douglas A. Thomas
Senate District 27

**MESSAGE TO THE
CITIZENS OF MILLINOCKET**



Spring 2012

Dear Friends and Neighbors:

I am honored to represent the people of Millinocket in the Maine House of Representatives.

During the second regular session of the 125th legislature I have worked hard to be a voice for our district in Augusta. The focus of this session has been on finding ways to balance the budget in a way that continues to maintain the safety net while continuing to lower spending. Over the past few years, more working families and the elderly have needed help in order to get through these tough times.

For several years Maine has faced serious budget and revenue shortfalls. My Democratic colleagues and I are committed to working across the aisle to find real solutions to our budget challenge. We must balance the budget using a comprehensive approach that looks at the budget in its totality. We will focus on helping our small businesses expand and add new jobs, in addition to investing in education at all levels in order to put Maine back on track.

As a result of my work with town officials and constituents, I introduced several pieces of legislation focused on helping Millinocket get back on track. The last bill, LD 1683, which would provide ongoing funding from the state to maintain the Dolby landfill is waiting for approval from the Appropriations Committee before moving forward. I am hopeful that this bill will be signed into law and that this matter will be settled soon.

As always, please contact me with any questions, concerns, or thoughts on state issues. If you need assistance with state services, or if you are concerned about the budget and how it will affect you I can be reached at home at 723-5746, at the State House in Augusta at 1-800-423-2900, or by e-mail at clarkhe@beeline-online.net

Sincerely,

A handwritten signature in cursive script that reads "Herbert E. Clark".

Herbert E. Clark
State Representative

TOWN OF MILLINOCKET

Eugene J. Conlogue, Town Manager

197 Penobscot Avenue, Millinocket, Maine 04462

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

E-Mail manager@millinocket.org Web Site www.millinocket.org

To the Taxpayers and Residents of Millinocket:

I am pleased to present my twelfth annual report to you on the condition of the Town of Millinocket for Fiscal Year 2011 (July 1, 2010 to June 30, 2011). As usual, the year was eventful and I have highlighted some of them below.

The biggest news of the year revolved around attempts by Katahdin Paper Company to sell its two paper mills in Millinocket and East Millinocket. In February, a firm called Meriturn Partners emerged as an interested buyer, but the deal fell apart in early April because, in part, the two towns were unable to negotiate a fair property tax arrangement with the company. Following Meriturn, several other companies entered or re-entered the competition, but eventually pulled out. In late June, another company stepped forward. In combination with the support of the Governor and the Legislature, the State agreed to acquire the Dolby Landfill as an inducement for a mill sale. The sale eventually was completed in September 2011 by Cate Street Capital, a firm from Portsmouth, New Hampshire. Cate Street immediately renamed the mills Great Northern Paper Company, LLC. More will be included on the new company in next year's report.

The new Michael Michaud Walking and Biking Trail along both sides of the Millinocket Stream was constructed over the spring and early summer. It was dedicated in November 2011.

Work also continued on the multi-use trail between the Northern Timber Cruisers clubhouse and Seboeis Lake. It was slated to be completed by fall. Once completed, it will provide a 16.5 mile trail and open the area up to ATV and other recreational uses. The future goal is to extend this new trail north to tie into the Aroostook system and east to Medway.

With all the uncertainties around the sale, or lack of one, of the mills, the budget for Fiscal 2012 was a very difficult process. Katahdin Paper was able to get an initial drop in its value of \$49,000,000 that resulted in a loss of property taxes of \$1,150,000. This loss was split evenly between the municipal and school budgets and resulted in a number of municipal employee layoffs and other steps to control costs. The company later filed another request to drop the value by an additional \$26,000,000.

It was a very eventful and difficult year and I trust Fiscal 2012 will be a much better one. Despite the difficulties, I want to thank you, the Town Council, and our excellent staff for making our community a special place. Please contact me if I can be of assistance to you.

Eugene J. Conlogue



Millinocket School Department

**P.O. Box 30
Millinocket, Maine 04462**

Dr. Kenneth Smith, Superintendent
Phone: (207)723-6400

ksmith@emmm.org

MILLINOCKET SCHOOL DEPARTMENT 2010-2011 ACTIVITIES REPORT

The 2010-2011 fiscal year (FY 11) was challenging although we accomplished a great deal. Due to extreme financial constraints, the School Board was forced to cut the school department budget in many areas. For example, we eliminated teaching positions when vacancies existed, eliminated several extra-curricular coaching positions, held off on purchasing instructional equipment, and put off repairs to buildings and grounds.

The sale of the mill resulted in a significant decrease in the value of the mill, thus a decrease in the town's valuation – a decrease of approximately \$96 million. Under state law, whenever a town experiences a “sudden and severe” disruption in its municipal valuation, due to single industry, the municipality qualifies for an adjustment. Generally speaking, for every \$10 million reduction in valuation school units receive an increase in school subsidy equal to about \$75,000. A net loss of \$96 million in valuation translates into a \$720,000 increase.

On the plus side, we were successful in getting approval for an alternative consolidation plan, thus avoiding a \$110,000 penalty. Under the plan we had to agree to consolidate with other partners in the future. Millinocket has been willing to consolidate for many years and the voters have always approved consolidation plans.

The ancient boilers at Granite Street School were replaced and the oil savings have been significant. One of the boilers quit and the other was at the end of its useful life. Due to excellent coordination, the old boilers were removed and the new units successfully installed. If only all projects could go as smoothly. After much discussion and debate, the Town Council finally approved a Stearns High School boiler upgrade. At the time, one boiler was inoperable and the other unit leaking and barely limping along. We are pleased we received approval for ½ of the cost from the Town Council.

We began a summer school food program, which served over 4,521 meals to students in the towns of Millinocket, East Millinocket, and Medway in 2011. With extremely high numbers

of free and reduced lunch participation in all schools, this program was timely. Our food service department did a great job preparing and distributing food to all recipients. We also participated in a program designed to assist the public during these difficult times. The organization called "Ruth's Reusable Resources", located in Portland, Maine, provided our school department with goods valued at over \$25,000. The local Transition Team assisted us by providing a portion of the \$3.00 per student registration fee, for which we are most appreciative.

A new walking path, dedicated to and named for Representative Michael Michaud, was installed that connects Granite Street School to Stearns High School. The walking path is a safe, clean environment with flower beds and other plants surrounding the path. It is also well maintained. This walkway appears to have been successful based on the number of people who use it.

Stearns Junior/Senior High School began an international tuition-paying student program, one of the first public schools in Maine to do so. We have learned a great deal from our early experience and we intend to build on our successes, providing the community with much-needed revenue and cultural experiences for our students.

We began a new, more rigorous program in Math and English by increasing academic time and course sequence. The School Board requested an increase in the academic rigor for grades 7-12. In response, a school reorganization was initiated that placed grade 6 with Granite Street School, making it a K-6 elementary school. Stearns became a junior-senior high school for grades 7-12. Students in grades 7-10 have 45 minute classes daily and grades 11 and 12 retained the block schedules which called for 80 minute periods. There is a greater emphasis on writing in all subjects. Students are able to take more math and move through the curriculum at a faster pace.

The Stearns Minutemen football team won the Little Ten Conference Championship and went on to play in the state championship. Considering the fact we are one of the smallest high schools offering football, this was a huge accomplishment. It was a great community experience and added to the proud history of Stearns. Another achievement our school had was the Unified Harmony Show Choir and Millinocket Middle School Show Choir excelling, taking first place in state championships. Outstanding performances by both groups made for some very excited students, parents, and friends. The community provided overwhelming support for the accomplishments of its students in this co-curricular activity.

A Stearns student, Jeremy Tinkham, won a contest in which he received six computers. He donated the computers to Stearns High School. This very generous gift to his school is most appreciated.

We applied for and received a MELMAC grant, which was designated to increase student awareness of college options. Students visit various colleges and universities to sample higher

education. Hopefully some students who might not choose the college option will decide to attend after going on this trip.

We are pleased that 98% of our students graduated and that 95% were accepted by colleges and universities. The state averages were 75% and 85% respectively.

All in all, it was a successful year. We overcame obstacles and made a lot of necessary changes. We are looking forward to an even better 2011-2012 school year.

Respectfully submitted,

Dr. Kenneth Smith

Superintendent of Schools

DIRECTORY OF MUNICIPAL OFFICERS AND OFFICIALS

TOWN COUNCIL

Jimmy Busque	2009-2012
David Cyr	2010-2011
Bryant Davis	2010-2013
Harold Davis Jr.	2009-2012
Michael Madore	2008-2011
John Raymond	2008-2011

SCHOOL BOARD

Donald Dow Jr.	2010-2013
Kevin Gregory	2008-2011
Arnold Hopkins	2009-2012
Michael Jewers	2010-2013
Thomas Malcolm	2008-2011

TOWN MANAGER & TREASURER

Eugene Conlogue	1999-Indef.
-----------------	-------------

SUPERINTENDENT OF SCHOOLS

Kenneth Smith	2010-Indef.
---------------	-------------

ASSESSOR

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

LIBRARIAN

John McManus	1997-Indef.
--------------	-------------

FIRE CHIEF

E. Wayne Campbell	1998-Indef.
-------------------	-------------

POLICE CHIEF

Donald Bolduc	2004-Indef.
---------------	-------------

TAX COLLECTOR

Lorene Cyr	1989-Indef.
------------	-------------

TOWN CLERK

Roxanne Johnson	2003-Indef.
-----------------	-------------

CODE ENFORCEMENT OFFICER

Michael Noble	2010-2011
---------------	-----------

DOG CONSTABLE

Kathryn Sheridan	2008-Indef.
------------------	-------------

ELECTRICAL INSPECTOR

Jon Crawford	1996-Indef.
--------------	-------------

SEALER OF WEIGHTS & MEASURES

State of Maine

SCHOOL PHYSICIAN

William Jenkins, M.D.	2000-2010
-----------------------	-----------

GENERAL ASSISTANCE DIRECTOR

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

BOARD OF APPEALS

Michael Jewers	2009-2012
Richard Leavitt	2009-2012
Terrance Leavitt	2009-2012
George Martin Jr.	2007-2010

CEMETERY COMMITTEE

David Manzo	2008-2013
Joel Neal Sr.	2006-2011
James Nyman	2006-2011

LIBRARY BOARD OF TRUSTEES

James Gill	2003-2010
Rowena Goss	2004-2011
Brenda Hews	2003-2010
Kamma Michaud	2006-2012
Oscar Ulman	2009-2016
Marybeth Varney	2006-2013
Marie Bertrand	2010-2017
Leo Kittrick III	2010-2017

PERSONNEL APPEALS BOARD

John DiCentes	2006-2009
Kevin Gregory	2006-2009
Joel Neal Sr.	2006-2009

PLANNING BOARD

Albert Berube	2011-2016
Charles Cirame	2009-2014
Jon Crawford	2009-2014
Avern Danforth	2009-2014
Anthony Filauro (Chair)	2008-2013
James Kelley	2008-2013
Louis Pelletier	2008-2013

RECREATION COMMISSION

Cheryl Collinworth	2009-2012
Linda MacDonald	2008-2011
Jane McGillicuddy	2008-2011
Thomas Malcolm	2007-2010
Richard Rideout	2008-2011

HEALTH OFFICER Thomas Malcolm	2010-2011	Robin Stevens Warren Steward	2008-2011 2008-2011
MILK INSPECTOR Patrick Welch	1969-Indef.	BOARD OF ASSESSMENT REVIEW Charles Cirame	2009-2012
PUBLIC WORKS DIRECTOR Ralph Soucier	2011-Indef.	FAIR HEARING AUTHORITY David Manzo Richard Rideout	2008-2011 2008-2011
RECREATION DIRECTOR Frank Clukey	2005-Indef.		
WASTEWATER DIRECTOR James Charette	2001-Indef.		
PERSONNEL DIRECTOR Lori Santerre	1997-Indef.		
PLUMBING INSPECTOR Michael Noble	2002-Indef.		
REGISTRAR OF VOTERS Roxanne Johnson	2009-2011		

CODE ENFORCEMENT	723-7005
TOWN MANAGER	723-7000
TOWN FAX	723-7002
TAX ASSESSOR	723-7005
TOWN CLERK	723-7007
TAX COLLECTOR	723-7006
LIBRARIAN	723-7020
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

TOWN COUNCILORS

Richard Angotti Jr	723-5947
Jimmy Busque	723-5358
David Cyr	term ended
Bryant Davis	723-4260
Harold Davis Jr	723-6263
Michael Madore	723-8937
John Raymond	723-5703

DIRECTORY OF COMMITTEES AND COMMISSIONS

SCHOOL BOARD

Donald Dow Jr	723-9528
Kevin Gregory	723-5178
Arnold Hopkins	723-5297
Michael Jewers	723-4193
Thomas Malcolm	term ended

CEMETERY COMMITTEE

David Manzo	723-9695
Joel Neal Sr.	723-9049
James Nyman	723-5559

BOARD OF ASSESSMENT REVIEW

Charles Cirame	723-8700
----------------	----------

PLANNING BOARD

Albert Berube	723-8490
Charles Cirame	723-8700
Jon Crawford	723-4836
Avern Danforth	723-9536
Anthony Filauro (chair)	723-9401
James Kelley	723-9084
Louis Pelletier	723-5460

BOARD OF APPEALS

Michael Jewers	723-9627
Richard Leavitt	723-4209
Terrance Leavitt	723-4740
George Martin Jr.	723-4078

RECREATION COMMISSION

Cheryl Collinworth	723-6784
Linda MacDonald	723-4995
Thomas Malcolm	723-4193
Jane McGillicuddy	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

PERSONNEL APPEALS BOARD

John Dientes	723-4054
Kevin Gregory	723-5178
Joel Neal Sr.	723-9049

DOG CONSTABLE

Kathryn Sheridan (Police Dept)	resigned
--------------------------------	----------

REPORT OF THE TOWN CLERK

The following Vital Records were recorded during Fiscal Year 2010/2011:

BIRTHS TO MILLINOCKET RESIDENTS: 41

In Bangor: 30
In Dover-Foxcroft: 2
In Lincoln: 8
In Millinocket: 1

DEATHS: 91

Residents in Millinocket: 50
Residents in Augusta: 1
Residents in Bangor: 7
Residents in Brewer: 2
Residents in Lincoln: 2
Residents in Patten: 1
Residents in Portland: 1

Non-Residents in Millinocket

Blaine: 1
East Millinocket: 10
Enfield: 1
Hopkinton, MA: 1
Island Falls: 1
Medway: 6
Patten: 3
Sherman: 1
Silver Ridge: 1

Non-Residents Reported to Millinocket

Indian Purchase Township: 1
T1 R8: 1

MARRIAGES: 12

Residents in Millinocket: 6
Residents in Brewer: 1
Residents in Bridgton: 2
Residents in Lincoln: 1
Non-Residents in Millinocket: 1
Non-Residents in Oquossoc: 1

DOG LICENSES: 717

Dogs: 715

Kennels: 2

MISCELLANEOUS LICENSES:

Victualer's: 31

Entertainment: 15

3-Day Peddlers: 4

90-Day Peddlers: 18

License and Registration totals for each month.

	GAME LICENSES	BOAT REGS	ATV REGS	SNOWMOBILE
July	38	96	58	0
August	32	31	17	0
September	66	4	11	0
October	81	0	14	5
November	49	0	3	17
December	392	3	5	234
January	73	1	3	228
February	34	2	1	113
March	32	10	2	5
April	102	78	7	0
May	93	299	21	0
June	47	227	45	0

Respectfully submitted,



Roxanne E. Johnson

Town Clerk

REPORT OF THE REGISTRAR OF VOTERS

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

Two elections were held during FY11. The General Election was held November 2, 2010 and a Special School Budget Referendum Election was held June 21, 2011. The breakdown as of June 30, 2011 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>PENOBSCOT TWPS</u>	<u>PISCATAQUIS TWPS</u>
Democratic Party	1323	59	20
Republican Party	749	43	26
Green Independent	42	0	0
Un-enrolled Voters	1305	84	34
Total Registered Voters	3,419	186	77

Respectfully submitted,

Roxanne E. Johnson

Roxanne E. Johnson
Town Clerk

**REPORT OF THE TAX COLLECTOR
JULY 1, 2010 THRU JUNE 30, 2011**

<u>COMMITTED</u>	<u>SUPPLEMENTS</u>	<u>COLLECTIONS</u>	<u>ABATEMENTS</u>	<u>UNCOLLECTED BALANCE</u>
8,209,938.28	11,177.76	7,892,115.74	28,299.36	300,700.94

The total commitment for fiscal year 2011 is \$8,221,116.04.

Cost and interest collected was \$48,155.06.

96% of the taxes were collected at fiscal year end.

Motor vehicle and boat excise tax collected for 07/01/2010 thru 06/30/11 were as follows:

<u>Motor Vehicle</u>	<u>Boats</u>
\$679,552.79	\$7,271.60

Respectfully Submitted,

Lorene A. Cyr
Tax Collector

2011 REAL ESTATE TAXES UNPAID AS OF 06/30/2011

ACHORN, DORIS	612.48	BRAISLFORD, CHARLES III	1,057.92 *
ACHORN, RANDY L	257.52 *	BRAISLFORD, CHARLES III	955.84 *
AFRIDI, ASAD-KHAN	549.48	BRANNON, LINDA L.	997.60
AINSWORTH, WALTER	106.72 *	BRENNAN, WILLIAM	556.80 *
ALLEN, CHRISTINE	1,085.76	BRIGGS, HARRY ESTATE OF	385.12 *
ALLEN, LYNN M.	1,141.44	BROOKER, AARON D	777.20
ALLEN, SANDRA L.	602.13	BROOKER, DANIEL J.	420.42 *
ANDERSON, BERNARD	1,176.24	BROSNAN, TERENCE B.	707.60
ANDERSON, KENNETH	249.13 *	BRUNETTE, JOHN A	1,209.88
AQUA MAINE WATER INC.	566.08 *	BUFFINGTON, RONALD	723.84 *
B & C MANGEMENT	4,872.00 *	BULLEY, DAVID K.	141.52 *
B & C MANGEMENT	10,314.72 *	BULLEY, DUSTIN C	536.98
BAILEY, GLENDON S.	4.72 *	BULLEY, MARK C.	183.28
BAKER, RUSSELL V JR.	287.68	BULLEY, NEAL G.	174.00 *
BAKER, TOM	336.40	BURLEIGH, DAVID W.	802.72
BANGOR & AROOS. RR	1.90	BURRELL, GILBERT	1,157.68
BARNETT, LYNN	433.84	CAHILL, MICHELLE	149.64
BARNES, GERALD A JR.	276.01 *	CAMPBELL, JEFFREY	380.48 *
BEACH, JOEL	510.40 *	CHARETTE, DAVID R.	1,044.00
BELL, FRANCIS H.	600.88	CHASSE, ERSUL E.	247.08 *
BENNIS, JAMES M	426.05 *	CHESSON, WAYNE	491.84 *
BENSON, JOHN C.	171.68	CLARK, JAMES L.	756.32
BERNARD, DANIEL E.	640.32 *	CLARK, STEPHEN	147.11 *
BERNIER, BILLY L	220.40	COGSWELL, DONNA M.	457.04 *
BERRY GRETCHEN M	1,164.64 *	COMBS, WILLIAM E.	181.00
BILBO, ALBERT	1,299.20	COOPER, ALFRED	95.83 *
BILBO, ALBERT	1,148.40	COOPER, ALFRED	545.20 *
BILBO, ALBERT	1,582.24	COTE, RODERICK H.	528.96
BILBO, ALBERT	69.60	COTE, WALTER	230.56 *
BLANCHETTE, DAVID A.	299.28 *	COTE, WAYNE	296.96
BLANCHETTE, PAUL	487.20 *	COTREAU, FRED	350.32
BODDY, RICHARD G	1,057.13 *	COTREAU, FRED	1,814.24
BOONE, NEAL	176.32 *	COYNE, DANIEL F	302.25 *
BORDETSKY, DAVID	1,102.00	CRAWFORD, JON	69.60
BOUCHARD, CLIFFORD	524.32	CRAWFORD, JON	832.88 *
BOUCHARD, JOHN	756.32 *	CRAWFORD, JON	1,023.12 *
BOUCHARD, KEITH	533.60 *	CUMMINGS, GREGORY J.	412.96
BOUTAUGH, DOUGLAS	383.96 *	CUMMINGS, JUSTIN S.	1,433.76
BOYINGTON, DONALD R	702.96 *	CUMMINGS, KENNETH F	116.00
BOYINGTON, DONALD R	1,009.20	CURTIS, BARBARA	839.82 *
BOYINGTON, WILLIAM	1,048.64 *	CYR, DANA	214.60 *
BOYINGTON, WILLIAM	835.20	CYR, DANA	180.96 *
BOYNTON, HAROLD S.	557.96 *	CYR, DANIEL	1,213.36
BOYNTON, HAROLD S.	979.04	CYR, DANIEL	1,294.56
BOYNTON, ROBERT W.	665.84	CYR, LESTER	668.16
BOYNTON, ROBERT W.	517.36	CYR, MICHAEL A	2,176.16 *
BOZEMAN, JAMES J.	269.12 *	CYR, MICHAEL A	1,371.12 *
BRADLEY, MILTON	675.12 *	CYR, MICHAEL A	2,381.48 *

CYR, RACHEL	1,763.20 *	GREEN CORPORATION	1,549.76 *
CYR, RUTH	1,032.40 *	GREEN CORPORATION	945.72 *
DAIGLE, MARY	122.96	GREGORY, MILTON	278.40
DAIGLE, RODNEY W. JR.	345.14 *	GUIMOND, MARY J.	105.56 *
D'ANGELO, CLEMENT	851.48 *	HAFFORD, DOUGLAS K.	748.00
DARLING, RONALD E JR.	277.24 *	HAINES, PAUL	1,053.28
DAVIS, DEREK C.	988.32	HAKES, MICHAEL	430.51 *
DAVIS, KEVIN M.	62.64	HANSON, BENJAMIN	520.44 *
DECKER, SHARON	348.00	HARTLEY, JASON C.	661.20
DIBONA, MICHAEL	2,850.26 *	HARVILLE, THOMAS	807.36
DICKER, DONALD	403.68 *	HARVILLE, THOMAS	591.60
DICKEY, KATHY M	1,023.12	HARVILLE, THOMAS	647.28
DIFREDERICO, CARL L.	967.44	HASKELL, LAWRENCE J.	800.40
DIFREDERICO, CARL L.	760.96	HAYES, DALE	948.88 *
DONLEY, PAUL F.	1,266.72 *	HAYES, MICHELLE SIMON	709.91 *
DOUGLAS BIRT	99.76	HAYES, TERRANCE	397.88 *
DOWNES, ALLEN E.	791.12 *	HEALEY, JODI L.	378.88
DOYLE, JOHN J	405.95 *	HEWES, MARY J.	844.48
DUBY, LINDA	271.44	HIGGINS, MELANIE JOY	951.20
DUPLISEA, DAVID	41.76	HOLLAND, DONALD	71.92
DURGIN, BONITA N	480.24 *	HOLLAND, DONALD	661.20
DYER, MARY, HEIRS	577.68	HSBC BANK USA NAT. ASSOC	1,294.07 *
EATON, WILLIAM S.	1,217.99 *	HUGHES, PAULA	1,445.36 *
EDWARD, LAWRENCE J.	726.16	HULSE, MARK DUANE	699.08 *
ESTATE OF CLINTON HAINES	62.24	HUNTER, BILLIE JO	522.00
EURICH, W C LLC	881.60	HYNES, THOMAS J	974.40
FAILLE, JAMES	624.08	INVESTORS FINAN. LIMITED	1,742.32
FARR, RICHARD F.	719.20	JAMESON, BETTY E	1,322.40
FAUTEK, SAMUEL	677.44	JAMO, JOHN G.	679.76 *
FIFIELD, STEPHEN O	1.01 *	JAMO, JOHN G.	860.72 *
FLANDER, JAMES J	498.80	JAMO, JOHN M.	1,619.36 *
FOSTER, DANA	617.12 *	JANDREAU, ROBERT P	1,561.36 *
FREEMAN, ELIZABETH	64.96	JANDREAU, VERNON E.	502.28 *
FREEMAN, ELIZABETH	830.56 *	JASPER, BARRY	55.68
FREEMAN, ELIZABETH	992.96 *	JASPER, CINDE L.	635.68
GARAND, DONALD R JR.	452.40 *	JOHNSON, WILLIE JR	315.52 *
GEE, JAMES	52.56 *	JONES, CHARLES	509.24 *
GEORGE, ERIC E	751.68 *	JORDAN, ROBERT L.	1,265.77 *
GHIGLIERI, NATE	1,220.15 *	JOWDERS, CYNTHIA	285.36
GIRSA, EDWARD P	517.09 *	KELLKONEN, LLC	1,039.36
GIRSA, STEPHEN G	559.12 *	KELLY, LLOYD H.	254.70
GIRSA, STEPHEN G	731.30 *	KERWOCK, PENNY D.	644.96
GLIDDEN, JON T	1,076.48	KFCU LIQUIDATING, LLC	1,417.52 *
GONYA, DAVID W.	76.56	KING, MAMIE M ET AL	677.44 *
GRASS, JACOB	468.64	KNOWLTON, ROBIN E.	986.00 *
GRAY, DANIEL G	795.76 *	LAFORREST, CYNTHIA	53.36 *
GRAY, LYLE	348.00	LEGASSEY, ELEANOR	693.68
GRAY, LYLE	851.44 *	LAMM, RHONDA	955.84 *
GRAY, LYLE	292.32 *	LAMBERG, MICHAEL A.	573.04

LANDRY, JEANNOT A	239.77 *	MORGAN, ALICE M	760.96 *
LANDRY, RONALD L	416.44 *	MORGAN, RUTH	482.56
LANE, ROBIN L. CIRAME	656.56	MORNEAULT, GILLES	801.56 *
LANGLAIS, LINDA M	327.54	MORNEAULT, MARIO	837.52 *
LAPLANTE, BEVERLY A	262.16 *	MORRISON, CATHY	366.72
LARRABEE, LEWIS P III	785.42 *	MORRISON, JANE M.	243.60 *
LASTELLA, DEVIN C.	1,062.56 *	MORRISON, PRISCILLA F	1,211.04 *
LAVOIE, JOSEPH O JR	619.44 *	MORROW, CLINTON	338.72 *
LAX, FREDERICK H.	830.56 *	MORROW, LAURIE	97.03 *
LEAVITT, TERRANCE P	41.40 *	MOSCONE, PETER C.	529.83
LEBLOND, KEVIN K.	720.85 *	MOSCONE, TIMOTHY	416.44 *
LEE EMERY AND SONS INC	1,642.56 *	MULROONEY, SHAWN G.	1,009.20
LEE, EMERY JR	9,955.12 *	NELSON, JOHN R.	628.72 *
LEONARD, KENNETH D.	301.60 *	NICE, GARY L	693.88
LITTLE, THOMAS M.	522.00 *	NORRIS, RICHARD K.	1,477.84
LYONS, ADAM J	708.76 *	NORRIS, RICHARD K.	1,039.29
LYONS, KURT W.	1,234.24	NUGENT, JOSEPH J III	600.88
MACKIN, DOREEN M.	751.68 *	NUGENT, JOSEPH J III	1,712.16
MACKIN, KAREN	1,206.40	NUTTING, BRIAN A	990.64
MACKIN, LINDA	159.97 *	OAKES, WARNER L JR	235.60 *
MACPHERSON, PRISCILLA J.	375.07 *	OLIN, DIANE	494.16
MADORE, RICHARD H	361.92 *	OLIN, MICHAEL	109.04
MAINE STATE HOUSING AUTH	316.68 *	OLIVER, KAREN M.	219.83
MANZO, DENNIS P	1,603.12	PAHILAN, ABE N.	1,614.72
MANZO, EUGENE A III	1,085.76	PARK, MICHELLE	180.14 *
MARTER, JAMES G	1,198.28 *	PARKER, RICHARD J.	440.80
MARTIN, GEORGE	203.00 *	PARKER, TERRI	842.16
MARTIN, GEORGE H JR	203.00	PELKEY, DALE P.	566.08 *
MARTIN, GEORGE H JR	121.80 *	PELKEY, DAVID	259.84
MARTIN, GEORGE H JR	145.00 *	PELKEY, DONNA D.	383.74
MARTIN, GEORGE H JR	54.52 *	PELLETIER, DANIEL	1,194.80 *
MARTIN, GERALD L LE	613.64 *	PELLETIER, GEORGE A	624.08 *
MARTIN, NICOLE	1,027.29	PELLETIER, GEORGE A	41.76 *
MASCETTA, LUCINDA M	605.52 *	PELLETIER, GEORGE A	696.00 *
MATTHEWS, ADDISON G. JR	459.36 *	PELLETIER, GEORGE A	556.80 *
MATTHEWS, ADDISON G. JR	864.22 *	PELLETIER, GILLES	561.44
MCALLISTER, ROBERT	326.04 *	PELLETIER, LARRY	690.20 *
MCGRATH, HARRY	521.56	PEOPLES UNITED BANK	712.24
MCGREEVY, BEVERLY	738.40	PERROW AUSTIN, DEIDRA M.	370.84 *
MCLAIN, MICHAEL	44.54 *	PERROW, LEROY T	61.02 *
MCLAUGHLIN, CARROLL W.	668.16 *	PETER, S VICTOR N	1,257.44
MCLAUGHLIN, JOHN A	858.40	PHILLIPS, DAVID E	903.64 *
MCMANUS, JOHN L	262.16 *	PINEAU, LEONARD	1,092.72
MEYER, KENNETH R	423.56 *	PINETTE, JOANNE C	197.86 *
MICHAEL BROWN CABINET	6,127.12 *	PLOURDE, JOHN	760.91
MICHAUD, FRANCIS	686.47 *	PLOURDE, THOMAS H	572.20
MILLI TRUST	243.60	POLSTEIN, MATTHEW	1,998.68 *
MITCHELL, CHARLES P	437.32	POLSTEIN, MATTHEW	13,291.28 *
MONTREAL MAINE ATL. RAIL	10.18 *	PORTWINE, MICHAEL A	573.04 *

POTVIN, JAYNE L	1,103.79 *	SUTTON, FRANK	303.84
POTVIN, JERRY L	679.76 *	TAPLEY, CHARLES E SR	948.88 *
PREO, SUSAN	152.65 *	TAPLEY, EDWARD JR	702.96
PRIDA, JONAS J	464.00 *	TAPLEY, EDWARD JR	584.64
REZENDES, PAUL J.	475.60	TAPLEY, LORETTA M	83.70
RHINO PROP.DEVELOP, LLC	800.40	THE WREATH FACTORY	976.72 *
RHINO PROP.DEVELOP, LLC	960.48	THOMAS, JONATHAN A	382.80 *
RIDENOUR, CHARLES	742.40	THOMAS, JONATHAN A	549.84 *
ROBINSON, BRENDA A	396.20 *	THREE RIVERS HOLDINGS	7,189.68 *
ROBINSON, WALTER T JR	1,143.76 *	TIBBITTS, BARBARA A	1,011.52 *
ROBINSON, WILMOT	351.48 *	TIBBITTS, DAVID W	183.09 *
ROLLINS, DAYLE B	1,584.56 *	TIBBITTS, DAVID W	229.58 *
ROSS, BRIAN	423.40 *	TIBBITTS, DAVID W	326.62 *
RUSH, GARY	409.57 *	TRUSSLER, JUSTIN BEN	767.92 *
RYAN, THOMAS C.	853.76 *	TURMEL, ERIC A	535.76
SA PROPERTIES LLC	1,554.40	TURNER LEIGH	1,278.32
SCHNEIDER HOMES LLC	91.54	TURSO, STEPHANIE	1,380.40
SCHWEICKHARDT, WILLIAM	1,584.56	VIGUE, KRIS L.	408.18
SHANNON, MARY J	739.00 *	WACEKEN, RICHARD B.	634.09 *
SHOREY, RICHARD JR	196.04 *	WACEKEN, STEPHEN A	1,331.68
SIROIS, LEO J	900.17	WAITE, JENNIFER L	419.92 *
SIROIS, NELSON J	1,106.64 *	WAMBOLT, WILLIAM J	418.76 *
SMITH, RUSSELL C	704.22 *	WARREN, ANNE E.	618.73
SNIDER, JOHN W.	914.08 *	WHALEN REALTY CORP	2,440.64
SOMERS, JILL E.	375.51 *	WHEATON, EDITH A LE	153.80 *
SPRAGUE, PHILLIP A	350.32	WHEATON, MARK S.	1,250.48
ST JOHN, STANLEY T.	143.84 *	WHIRTY, BRYANT C	918.72 *
ST JOHN, STANLEY T.	438.48 *	WHITEHOUSE, DENNIS D.	494.16 *
STACKPOLE, ROBERT	466.32 *	WILLARD, WALTER T	331.76 *
STEARNS ASSISTED HOUS	2,828.11 *	WILSON, TERRANCE	348.00
STEVENS, DALE A.	414.12 *	WITHERELL, RICHARD J	262.16
STEVENS, MARGO M	925.68 *	WOLFE, ELIZABETH KING	63.37 *
STEWART, WARREN	324.80 *	YORK, KERI J	333.01 *
STEWART, CHARLES H.	403.68 *	YORK, MELISSA L	626.40 *
STODDARD, JASON	414.97	YOST, RUSSELL	1,152.92 *
STROBECK, LORI A	751.68	YOUNG, LAURA A	1,086.01
SULLIVAN, MARCIA G	1,378.08 *		

* PAID AFTER 6/30/2011

2011 P.P. TAXES UNPAID AS OF 06/30/2011

ADT SECURITY SERV. INC	20.88	HONEYWELL INTERNATIONAL	380.48
AIRPORT CABINS	13.92 *	LAX, RICK	118.32
AUTOMATIC VENDING & GAME	81.20	LEE, EMERY & SONS INC.	1,097.60 *
B & C MANAGEMENT	508.08	LITTLE, THOMAS	11.60
H O BOUCHARD INC.	317.84 *	MAC-GRAY CORPORATION	22.32 *
M BROWN, CUST. CABINETS	116.00	MADORE, MARIE	15.08 *
BRUNETTE, JOHN	41.76 *	MCMANUS, CONNIE	16.24
CIANBRO EQUIPMENT LLC	41.76	MISIURA, PETER	97.44
CRAWFORD, JON C.	48.72	NORRIS, JEAN & RICHARD	552.16
DAIGLE, JEFFREY S.	34.80 *	PELLETIER, GOERGE	313.20
D. ROLLINS PLUMB & HEAT	95.12	PORTLAND GLASS #390	2.40 *
DE LAGE LANDEN OPERAT.	538.54 *	RAYMOND, DONALD	13.92
ED CYR & SONS, INC.	169.36	THREE RIVERS HOLDINGS LLC	1,037.04
HERITAGE MOTOR INN	2,143.68	WILSON, PATRICIA	403.68

*PD AFTER 06/30/2011

2010 TAX LIENS UNPAID AS OF 06/30/2011

ACHORN, DORIS	553.52	HARVILLE, THOMAS	581.40
AFRIDI, ASAD KHAN	410.58 *	HARVILLE, THOMAS	636.12
ALLEN, CHRISTINE	1,067.04	HEWES, MARY J	829.92
ALLEN, LYNN M	1,121.76	HIGGINS, MELANIE JOY	785.68
ANDERSON, BERNARD W	1,155.96 *	HOLLAND, DONALD	70.68 *
BAKER, KIM	330.60	HOLLAND, DONALD	581.40
BARNETT, LYNN	426.30	HUGHES, PAULA A	1,157.70 *
BELL, FRANCIS H	522.12 *	HYNES, THOMAS	942.00
BENSON, JOHN C	99.09	JAMESON, BETTY E	430.15 *
BERNARD, DANIEL E.	857.28 *	JASPER, CINDE L	497.06
BERRY, GRETCHEN	116.29 *	JENNINGS, MICHAEL	1124.04 *
BILBO, ALBERT G	1,276.80	JOWDERS, CYNTHIA	280.44
BILBO, ALBERT G	1,128.60	KELLKONEN, LLC	1,021.44
BILBO, ALBERT G	1,554.96	KING, MAMIE M ET AL	665.76 *
BILBO, ALBERT G	68.40	LANBERG, MICHAEL A	563.16
BORDETSKY, DAVID	1,083.00 *	LYONS, KURT W	1,212.96
BOUCHARD, CLIFFORD	515.28	MACKIN, KAREN	1,185.60
BOYINGTON, WILLIAM R	1,030.56 *	MANZO, EUGENE III	779.89
BOYINGTON, WILLIAM R	761.88	MCLAUGHLIN, JOHN A	775.20
BOYNTON, HAROLD S.	665.76	MCMANUS, JOHN L	189.24 *
BROSNAN, TERENCE B	695.40	MILLI TRUST	239.40
BULLEY, JEAN M	111.72 *	MORGAN, ALICE M	98.17 *
BURLEIGH, ESTATE OF DAVID	788.88	MORRISON, PRISCILLA F	72.75 *
CAMPBELL, JEFFREY W	134.68 *	NORRIS, RICHARD K	1,452.36
CHARRETTE, DAVID R	1,026.00	NUGENT, JOSEPH J III	590.52
CLARK, JAMES L	674.88	NUGENT, JOSEPH J III	1,682.64
COSMAN, DANIEL	1,712.28 *	OLIN, DIANE	417.24
COTE, WAYNE	284.28	OLIN, MICHAEL	107.16
COTREAU, FRED J.	344.28 *	PAHILAN, ABE N.	1,586.88 *
COTREAU, FRED J.	1,782.96	PARKER, RICHARD J	661.20
CRAWFORD, JON	68.40 *	PARKER, TERRI	827.64
CUMMINGS, GREGORY J	337.44 *	PELKEY, DALE P	556.32 *
CYR, DANIEL	1,192.44 *	PELKEY, DAVID	164.21
CYR, DANIEL	1,272.24 *	PELLETIER, GILLES	483.36
CYR, LESTER R	562.63	PINEAU, LEONARD	1,073.88 *
DAIGLE, MARY	120.84	REZENDES, PAUL	253.14 *
DAVIS, DEREK C	7.68 *	RHINO PROPERTY DEVEL LLC	786.60
DAVIS, KEVIN M	61.56	RHINO PROPERTY DEVEL LLC	324.11
DECKER, SHARON	342.00	RIDENOUR, CHARLES	661.20 *
DICKEY, KATHY M	1,233.48	SA PROPERTIES LLC	1,527.60
DYER, MARY HEIRS OF	23.84 *	SPRAGUE, PHILLIP A	344.28
EDWARDS, LAWRENCE J.	941.64	STROBECK, LORI A	738.72
EURICH, W. C. LLC	866.40	TAPLEY, EDWARD JR	280.14
FAILLE, JAMES	613.32	TAPLEY, EDWARD JR	574.56
FLANDERS, JAMES J	421.80	TIBBITTS, BARBARA	994.08 *
GONYA, DAVID W	75.24	TURSO, STEPHANIE	1,356.60
GREGORY, MILTON	273.60	WHALEN REALTY CORP	2,398.56
HARTLEY, JASON C	310.59	WHEATON, MARK S	1,160.52
HARVILLE, THOMAS	793.44	WILSON, ROSE E	62.70
		YOST, RUSSELL	440.53 *

TAX ACQUIRED PROPERTY
AS OF 06/30/2011

NAME	AMOUNT	TAX YEAR
ALLEN, CHRISTINE #1637 U08-008	\$ 726.70	2007
P O BOX 45 JEFFERSON ME 04348	\$ 1,015.56	2008
PROPERTY LOCATION: 29 HILLCREST AVE	\$ 1,132.56	2009
AYOTTE, PAUL A0580R, U09 105	\$ 775.20	2003
4 EASTLAND AVE	\$ -	2002
BANGOR & AROOSTOOK RR ACCT 2435		2005
USA SECRETARY PF TRANSPORTATION		2006
COMPANY RETIREMENT PLAN RR2 BOX 45	\$ 1,064.25	2007
BANGOR, ME 04401	\$ 1,074.15	2008
PROP, LOCATION -IRON BRIDGE RD LEASED LOTS	\$ 1,197.90	2009
BERNARD, DANIEL E & LYNN D ACCT 202	\$ 909.92	2009
33 KELLY LANE MILLINOCKET, ME 04462		
PROPERTY LOCATION: 33 KELLY LANE		
BILBO ALBERT G #700 U04-014		2007
P O BOX 86	\$ 1,215.20	2008
SCITUATE, MA 02066	\$ 1,355.20	2009
PROPERTY LOCATION-62 KATAHDIN AVE		
BILBO, ALBERT G #1260 U05-247	\$ 1,479.94	2008
P O BOX 86 SCITUATE, MA 02066	\$ 1,650.44	2009
PROPERTY LOCATION - 102 PENOBSCOT AVE		
BILBO, ALBERT G #707 U04-021	\$ 1,197.90	2009
P O BOX 86 SCITUATE, MA 02066		
PROPERTY LOCATION: 100 KATAHDIN AVE		
BILBO, ALBERT G #1275 U05-261	\$ 61.80	2006
P O BOX 86 SCITUATE, MA 02066	\$ 64.50	2007
PROPERTY LOCATION - 71 PINE ST	\$ 65.10	2008
	\$ 72.60	2009
CYR, DANIEL & TRICIA A. #245 U02-001	\$ 1,350.36	2009
28 HILL ST. MILLINOCKET, ME 04462		

PROPERTY LOCATION: 218 KATAHDIN AVE

DECKER, SHARON #2478 U17-087	\$	325.50	2008
147 PROSPECT ST. MLKT., ME 04462	\$	363.00	2009
PROPERTY LOCATIONS - 80 IRON BRIDGE RD.			
DICKEY, KATHY M #1238 U05-228	\$	1,309.22	2009
281 PENOBSCOT AVE. MILLINOCKET, ME			
GONYA DAVID W #785 U04-099-A	\$	33.99	2006
C/O PATRICIA WILSON	\$	70.95	2007
P O BOX 608 MILLINOCKET, ME 04462	\$	71.61	2008
PROPERTY LOCATION - HANCOCK ST	\$	79.86	2009
JASPER, CINDE L #1297 U05-285			2007
12 HILL ST MILLINOCKET ME 04462			2008
KING, MAMIE M ET AL #1761 U08-135	\$	633.64	2008
C/O JUDY INGERSOLL	\$	706.64	2009
398 OLD COUNTY RD APT #13			
HAMPDEN, ME 04444-1936			
PROPERTY LOCATION - 48 HILLCREST AVE			
LANBERG, MICHAEL #1189 U05-179	\$	106.02	2006
244 KERRY ST	\$	531.05	2007
HOLBROOK NY 11741-3818	\$	535.99	2008
PROPERTY LOCATION - 68 AROOSTOOK AVE	\$	597.74	2009
MACKIN, KAREN #1049 U05-041	\$	1,128.40	2008
96 STATE ST. MILKT, ME 04462	\$	1,258.40	2009
MILLI TRUST #2043 U10-118	\$	227.85	2008
P O BOX 254 FREEPORT, ME 04032	\$	254.10	2009
PROPERTY LOCATION - WASSAU ST			
MORRISON, CATHY #480 U03-119			2008
81 EAST TERRACE MILKT., ME 04462			
BORDETSKY, DAVID	\$	1,030.75	2008
5 RIVERDALE AVE. D#846 U04-187	\$	1,149.50	2009
PROPERTY LOCATION: 126 LINCOLN ST.			

PARKER, TERRI #907 U04-220 15 JACKSON AVE AUGUSTA, ME 04330 PROPERTY LOCATION: 26 KNOX ST.	\$ 663.14	2009
PELLETIER, GILLES #2115 U11-069 3 PAMOLA PARK MILLINOCKET, ME 04462	\$ 540.06	2009
ROSE, SHERYL A 62 ELM ST MILKT, ME #837 U04-152 PROPERTY LOCATION - 61 ELM ST. TURSO, STEPHANIE - INTERESTED PARTY	\$ 639.62 \$ 1,009.05 \$ 1,125.30	2007 2008 2009
SPRAGUE, PHILLIP A #87 KTP 441 441 KELLY TRL. PK. MILLINOCKET, ME 04462	\$ 214.27	2008 2009
WHALEN REALTY CORP #1250 U05-237 P O BOX 608 MILLINOCKET, ME 04462 PROPERTY LOCATION - PENOBSCOT AVE JEWELRY STORE	\$ 1,083.56 \$ 2,261.80 \$ 2,282.84 \$ 2,545.84	2006 2007 2008 2009
TOTAL TAX ACQUIRED	\$ 39,188.97	

MILLINOCKET POLICE DEPARTMENT

197 PENOBSCOT AVENUE

MILLINOCKET, MAINE 04462

207-723-9731

Fax 207-723-7004

Chief Donald J. Bolduc

policechief@millinocket.org

During fiscal year 2010/2011, the Millinocket Police Department handled 4,921 incidents and made over 81 arrests. The department also handled 91 reportable motor vehicle traffic accidents and assisted the Fire Department with 154 ambulance calls.

On July 1, 2010, Janet Theriault began employment as a full-time police officer after having served as a reserve officer for the department since November of 2004.

In August of 2010, Janet attended the Maine Criminal Justice Academy's 18 week Basic Law Enforcement Training Program in Vassalboro along with 46 other Cadets.

On November 5, 2010 David Sennett was hired as a Reserve Officer.

On Dec 17th 2010, Janet Theriault and 44 officers from throughout the State graduated from the Maine Criminal Justice Academy.

Dare Officer Kevin Giberson instructed the Granite Street School fifth grade class from January to May and graduated 40 students from the Dare program.

From July 2010 – June 2011, the Police Department consisted of the Chief of Police, nine full-time police officers and two reserve officers – Chief Don Bolduc, Sergeants Jerry Cox & Aaron Brooker, Detectives Jon Glidden & Steven Kenyon, Officers Martin LeGassey Jr., Gary Lakeman II, Kevin Giberson & Janet Theriault, and reserve officers Steven Perreault & David Sennett. The Chief of Police also was responsible for overseeing an on-call Animal Control Officer – Kathy Sheridan, and four Crossing Guards - Penny Hale, Betty Mason, Denise Pelkey & Robert Webber.

Respectfully Submitted,



Donald J. Bolduc
Chief of Police

**Millinocket Fire Department
222 Aroostook Avenue
Millinocket, Maine 04462**

To the citizens of the Town of Millinocket:

The following is a summary of the emergency responses by the fire department and the ambulance service, during the fiscal period, July 01-2010 to June 30-2011.

Fire related incidents:

Public assists	29	Motor vehicle	5
False alarms	15	Structure	2
Electrical	6	Woods/Grass	1
Carbon Monoxide	6	Lost child	1
Smoke checks	11	Transfer Station	1
Hazmat	4	Furnace	1
Chimney Fires	5		

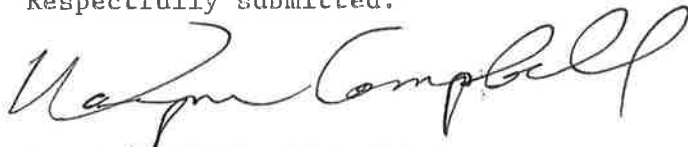
Total Fire Related calls: 87

Ambulance calls:		Local critical care	8
Public assists	81	Out of town basic	53
Local basic	239	Out of town ALS	158
Local intermediate	284		

Total Ambulance Calls: 823

Total Responses: 910

Respectfully submitted:



Wayne Campbell, Fire Chief



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

December 15, 2011

To the Citizens of Millinocket:

I would like to thank the citizens of Millinocket for their cooperation while the Departments worked to serve the public's needs.

The Public Works Departments were very busy again this year with many repairs to storm drain basins, and culvert projects. During the winter season, the department plowed the streets from November 2010 right into April of 2011. The crews have done a great job keeping the streets and sidewalks plowed, sanded and snow picked up around the schools and business areas.

The Town's Cemetery was also very busy this past season with 83 burials. The weather was favorable keeping the area green, and growing; which kept the crew very busy mowing and trimming the area. The crew did an outstanding job keeping up with grass and all the burials.

The Solid Waste and Recycling Facility were very busy. The residence did a great job separating out their trash and recyclables which saves money. Our community continues to be at the State's goal of 50% recycling. We have also done a great job with other items that need to be separated out from the waste stream which includes Computer screens, florescent light bulbs and mercury containing switches. Thank you for participating in recycling because this truly does reduce the disposal costs.

The Airport facility is working on a project to rehabilitate the terminal apron area will include new pavement, new tie-downs, and paint markings. The project is being done through grant monies from the Federal Aviation Administration and the Maine Department of Transportation. Our 5th Annual Fall Fly-In/Cruz-In was well attended.

I would like to thank all of the members of my four departments for the job they do all year long.

Respectfully,

Ralph T. Soucier

Director Millinocket Public Works

Millinocket Memorial Library

Annual Report for fiscal year
July 1, 2010 to June 30, 2011

This past year was focused primarily in two areas. The first area was the automation project. The entire collection had to be weeded first to avoid barcoding books that are no longer relevant, or have not been taken out in many years. As a result, almost the entire collection has been weeded with the discards going to local thrift stores or supermarkets. There is still much work to do before we go "live" sometime this coming year. The second area was technology. The equipment for the video conferencing hub was delivered and installed, followed by training. One conference held in Bangor was watched without anyone having to travel. We look forward to more in the coming year. Another grant was awarded the library providing a similar but smaller unit for staff use. This will enable the staff to talk with other librarians again without having to travel. This will save time and money.

We receive many comments from patrons and visitors about the comfortable, relaxed and welcoming library environment and the professional attitude displayed by the staff. They have worked hard over the years to maintain that level of service. I cannot thank them enough.

Some of this year's statistics were:

Total Circulation:	28,239
Total Patron Visits:	18,229
Total Internet Use:	3,740
Total Wireless Use:	894
Total Interlibrary Loans:	307

Library Staff

Director: John McManus

Administrative Assistant: Lori Fitzgerald

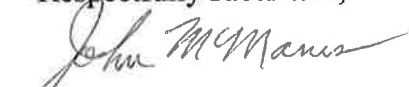
Children's Librarian: Marietta Cole

Library Assistants: Billie Jean Brilliant, Catherine Spruce, Martha Frost

Library Pages: Barbara Pulkkinen, Bonnie Friel

Custodian: Ron Brown

Respectfully submitted,


Director

RECREATION DEPARTMENT

EAST MILLINOCKET • MEDWAY • MILLINOCKET • WOODVILLE

53 Main Street, East Millinocket, Maine 04430

(207) 746-3553

To: Millinocket, East Millinocket and Medway Committees and Town Officials

From: Frank Clukey and Jody Nelson, Directors of Recreation

Re: Annual Report 2010-2011

The 2010 summer season was long and hot. The pools were open for 11 weeks. We employed sixty five employees for the summer. We had some changes for programming. We held the Mt. Katahdin Basketball Camp at Stearns High School. We combined farm league and T-ball. This was able to happen because the three communities worked together to have one baseball program (Little League) with a farm league. The baseball program created a better program and opportunity for the youth of the area. The attendance for the programs is as follows: youth basketball for six weeks, East Millinocket 170, Millinocket 264, Millinocket High School Boys 21, and Girls 18 East Millinocket Boys 18 Girls 14. Arts and Crafts, Millinocket 310, East Millinocket 521, and Medway 190. Playground, East Millinocket 490, Millinocket 710, and Medway 190. Registration for swimming lessons, Millinocket 83, East Millinocket 68, General Swims, East Millinocket 3,680, Millinocket 5,430 and Medway 919. Mt Katahdin Basketball Camp had 95 participants. The challenger Soccer Camp had 25 children. We combined farm league and T-ball and we averaged 13 children per day. The senior league baseball program had 15 students participating this summer. We had 11 people taking tennis lessons. The Theatre and Dance program had good numbers with Theatre having 13 and Dance with 16 students. We

A QUALITY PROVIDER OF LEISURE SERVICES

had a good turnout for the performance at the end of the season. The Co-Ed softball had six teams who played for six weeks with a tournament at the end of the season. The summer soccer program had an average of 16 participants. The TD Football camp had 31 participants. The Fun Run program had 15-20 participants. The summer lunch program was successful once again, the number of lunches served increased from 2,500 to 3,770.

We extended the pools from ten weeks to eleven weeks, due to the extended summer recess. We have not ever stayed open for eleven weeks, this depends on the length of summer vacation. We were quite happy with the summer programs and employees this summer.

Our fall programs included k-3 soccer on Sunday afternoons, with grades 4-6 practicing during the week and playing games on Saturdays for six weeks. We worked with Little Giant football and Flag Football leagues.

We offered quilting at Stearns High school and Wednesday in East Millinocket.

Karate is offered on Tuesday's at the Municipal Building in East Millinocket.

We worked with Jr. Pro basketball for their in house league and travel teams. Mr. Cook supervised games and open gym throughout the winter. We were involved in two youth Basketball Tournaments, The Katahdin Area Invitational and the Hoop Classic.

The Winterfest parade was great with the largest turnout of sleds in the parade; we had over 100 sleds from all over the state.

Our after school indoor soccer program for grades k-5 at Granite Street School had a large turnout with 71 children participating. Our k-2 youth basketball had 51 children involved.

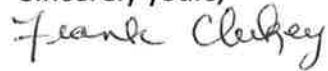
The Father/ Daughter Dance was held at the Elks Lodge, with over 200 people in attendance.

The Mother/ Son Dance was held at the Medway Middle School with a little over 100 in attendance.

The Easter Egg Hunt was held after school at Granite Street School and Opal Myrick in April. The after school change was a great success. We had three teams for girls youth softball in the three communities. We sponsored a field hockey clinic under the direction of Mrs. Lori Lincoln, approximately 30 girls participated. We provided eight meals to senior citizens from the three communities. We wrote and administrated three snowmobile grants, Twin Pines, Jo-Mary Trail Riders, and East Branch Sno-Rovers.

Our Staff training for 65 employees for all three communities was held in June along with a Lifeguard course.

Overall, I believe that the 2010-2011 year was very successful.

Sincerely yours,

Frank Clukey

Director of Recreation

Code Enforcement Assessing Annual Report FY 12

Michael F. Noble CEO, CMA

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.) The new statewide building code MUBEC will become effective on July 1st affecting all commercial and residential construction going forward.

Permits Issued 2011:

Type	Number Issued
Principal Structure	0
Accessory Structure	17
Electrical	26
Fence	5
Sign	7
Demo	4
Other	19
Totals	78

Assessing

This year marked the sale of Katahdin Paper to Cate St Capital. Prior to that sale some significant reductions to property assessments were made to reflect assets that were removed from the mill site, in all these reductions totaled approximately \$100,000,000. This reduction represented nearly 30% of the total valuation base, resulting in an application to the State for sudden and sever funding to help offset this tremendous loss in value. The mil rate was set at \$25.60 per thousand.

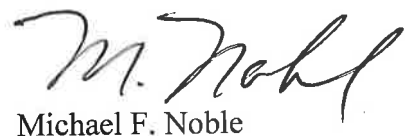
Valuation at a Glance:

Valuations as of 04/01/2011	
<i>Real Estate</i>	
Land	\$33,279,850
Buildings	\$101,984,300
Total	\$135,264,150
<i>Personal Property</i>	
Machinery & Equip.	\$108,084,100
Furniture & Fixture	\$2,387,100
Other	\$5,313,600
Total	\$115,784,800
Grand Total	\$251,048,950

Training:

As with every year I attended various State Planning Office (SPO) seminars and workshops. This years primary focus for training purposes was the new building code. Certification will be required for numerous new categories including commercial and residential building codes as well as air quality and ventilation codes. I also attended the annual Tax School, this year held at in Belfast. All of the training that I attend is required to maintain my Assessing and Code Enforcement certification.

Respectfully Submitted,



Michael F. Noble

GENERAL ASSISTANCE DEPARTMENT

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 50% for its expenditures. The program is confidential therefore aggregate numbers are used.

In fiscal year 2010-2011, \$34,000.00 was appropriated for General Assistance, \$41,867.89 was expended and \$20,933.99 was received in reimbursement from the State of Maine.

In fiscal year 2010-2011, the General Assistance Program financially assisting 130 households. These households consisted of 192 individuals. The number of appointments for 2010-2011 was 198.

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 decrease 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,


Lori A. Santerre
Personnel Director



Annual Report
MILLINOCKET
WASTEWATER TREATMENT FACILITY
2010-2011

To The Rate Payers of Millinocket:

This past year, the Wastewater Treatment Facility collected and effectively treated 347,857,000 gallons of wastewater. Removal rates of 91 percent for BOD (Biochemical Oxygen Demand) and 95 percent for TSS (Total Suspended Solids) were achieved.

In order to maintain treatment facility grounds at all locations, a new lawn tractor was purchased. To remain compliant with 2012 FCC rules on narrow banding, our radio equipment was upgraded. One hundred and forty nine tons of dried sludge from the plant drying bed, was hauled to the Juniper Ridge landfill in Old Town.

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,

A handwritten signature in cursive script that reads "James R Charette".

James R Charette
Chief Operator, Millinocket Wastewater Treatment Facility

TOWN OF MILLINOCKET, MAINE

Annual Financial Report

For the Year Ended June 30, 2011

APPENDIX

TOWN OF MILLINOCKET, MAINE
Annual Financial Report
For the Year Ended June 30, 2011

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		1-2
Management's Discussion and Analysis		3-10
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	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 Assets - Proprietary Funds	7	19
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	8	20
Statement of Cash Flows - Proprietary Funds	9	21
Statement of Fiduciary Net Assets - Fiduciary Funds	10	22
Notes to Financial Statements		23-39
Required Supplementary Information		40
	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Statements:		
General Fund:		
Comparative Balance Sheets	A-1	43
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	44-46
All Other Governmental Funds:		
Combining Balance Sheet	B-1	49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	50
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	54
Town Capital Reserve Funds:		
Combining Balance Sheet	D-1	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	D-2	58
Nonmajor Permanent Funds:		
Combining Balance Sheet	E-1	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	E-2	62

Independent Auditor's Report

Town Council
Town of Millinocket, Maine

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Millinocket, Maine as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Millinocket, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 activities, each major fund, and the aggregate remaining fund information of the Town of Millinocket, Maine as of June 30, 2011, and the respective changes in financial position and cash flows where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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.

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



December 7, 2011
South Portland, Maine

TOWN OF MILLINOCKET, MAINE
Management's Discussion and Analysis
June 30, 2011

The Town of Millinocket's annual financial report is hereby submitted for Fiscal Year 2011, which covers the period of July 1, 2010 to June 30, 2011. 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.

Fiscal Year 2011 marks the ninth year that the Town was required to comply with the accounting standard called GASB #34. GASB is the Governmental Accounting Standards Board that sets regulations by which audits are conducted. #34 refers to the accounting standard that requires municipalities to track capital assets and other items. It also requires the compilation of this report. This report includes all of the Town's equipment, buildings, land, and infrastructure investments (i.e., roads, sidewalks, storm drains, and sewers).

This year also features the third year of GASB 45, a new standard that addresses the long-term costs of retiree health benefits.

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 (trust) 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 Assets 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 assets. Net assets are simply the difference between assets and liabilities 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 Assets for Fiscal 2011 compared to Fiscal 2010. It distinguishes between capital and other assets, notes the Town's general liabilities and debt service, and shows the Town's net assets by restricted and unrestricted amounts. This information is for the Town's Governmental Activities and Business-type Activities.

	2011 Govt Activities	2011 Bus-type Activities	2011 Total	2010 Govt Activities	2010 Bus-type Activities	2010 Total
Assets:						
Current and other assets	\$ 5,421,413	1,410,357	6,831,770	\$ 4,988,453	1,520,617	6,509,070
Capital assets	9,006,771	4,585,460	13,592,231	9,008,096	4,813,776	13,821,872
Total assets	14,428,184	5,995,817	20,424,001	13,996,549	6,334,393	20,330,942
Liabilities:						
Long-term debt	3,668,893	1,865,369	5,534,262	4,073,814	2,045,092	6,118,906
Other liabilities	3,947,081	54,734	4,001,815	3,288,875	53,419	3,342,294
Total liabilities	7,615,974	1,920,103	9,536,077	7,362,689	2,098,511	9,461,200
Net assets:						
Invested in capital assets	5,337,878	2,720,091	8,057,969	4,934,282	2,768,684	7,702,966
Restricted	381,729	-	381,729	312,665	-	312,665
Unrestricted	1,092,603	1,355,623	2,448,226	1,386,913	1,467,198	2,854,111
Total net assets	\$ 6,812,210	4,075,714	10,887,924	6,633,860	4,235,882	10,869,742

TYPES OF ACTIVITIES BY FISCAL YEAR

The information in the following chart is drawn from Statement 2, Statement of Activities, in a reformulated presentation to show overall revenues, expenses, and net assets. While total expenses for all departments (including Wastewater) totaled \$15,517,129, other revenues contributed to make the net amount raised by property taxes \$7,190,684 (net of tax increment financing reimbursements). Put another way, property taxes financed 46% in FY11 compared to FY10's 44% 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

	2011 Govt Activities	2011 Bus-type Activities	2011 Total	2010 Govt Activities	2010 Bus-type Activities	2010 Total
Revenues:						
Program revenues:						
Charges for services-						
Municipal	\$ 868,435	-	868,435	\$ 1,199,258	-	1,199,258
Wastewater	-	505,700	505,700	-	558,354	558,354
Operating contributions	909,199	-	909,199	944,010	-	944,010
Capital contributions	451,243	750	451,993	1,170,765	10,870	1,181,635
General revenues:						
Property taxes	7,190,684	-	7,190,684	7,113,980	-	7,113,980
Vehicle excise taxes	690,258	-	690,258	721,233	-	721,233
Interest and lien costs	54,997	-	54,997	48,122	-	48,122
State education subsidy	3,452,908	-	3,452,908	3,410,890	-	3,410,890
Homestead/BETE exemption	342,948	-	342,948	368,191	-	368,191
Other state aid	193,708	-	193,708	18,083	-	18,083
State revenue sharing	641,870	-	641,870	624,537	-	624,537
Investment earnings	10,412	13,723	24,135	12,331	26,427	38,758
Miscellaneous	208,476	-	208,476	50,114	-	50,114
Total revenues	15,015,138	520,173	15,535,311	15,681,514	595,651	16,277,165
Expenses:						
General government	620,206	-	620,206	551,763	-	551,763
Protection	1,688,115	-	1,688,115	1,661,835	-	1,661,835
Town services	1,122,787	-	1,122,787	1,232,734	-	1,232,734
Community services	986,761	-	986,761	775,903	-	775,903
Education	8,114,962	-	8,114,962	8,555,598	-	8,555,598
Maine PERS	556,484	-	556,484	564,084	-	564,084
Insurance/fringe benefits	890,456	-	890,456	1,341,974	-	1,341,974
County tax	350,412	-	350,412	339,562	-	339,562
Food service	310,026	-	310,026	323,314	-	323,314
Interest on Debt	185,852	-	185,852	205,500	-	205,500
Capital Maintenance exp.	25,127	-	25,127	144,816	-	144,816
Wastewater		665,941	665,941	-	643,029	643,029
Total expenses	14,851,188	665,941	15,517,129	15,697,083	643,029	16,340,112
Transfers	14,400	(14,400)	-	8,400	(8,400)	-
Change in net assets	178,350	(160,168)	18,182	(7,169)	(55,778)	(62,947)
Net assets beginning of year	6,633,860	4,235,882	10,869,742	6,641,029	4,291,660	10,932,689
Net assets end of year	\$ 6,812,210	4,075,714	10,887,924	6,633,860	4,235,882	10,869,742

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 remained quite strong during Fiscal 2011. Revenues were above the budgeted amount by \$632,366. By line category, the range of revenues varied from a surplus of \$678,763 to a deficit of \$250,028. The \$678,763 property tax overage was primarily due to Katahdin Paper Company receiving a reduced TIF payment for the third straight year because the mill continues to be in shutdown mode. Therefore, instead of receiving a TIF of 85% on their investment, they received only 50%, which in dollar figures was a difference of \$681,692 that was retained by the Town. The Intergovernmental line was \$250,028 under, of which \$400,281 was expected in reimbursement for the new walking and biking trail, but construction was delayed into Fiscal 2012 and monies were not paid to the Town. This had no adverse impact on town operations. A similar situation existed with an expected FAA airport grant that came in \$141,375 under budget due to the actual bid cost of the work that was done. The School was \$5,000 under budget. For the year, the Town ended with an overall operating surplus of \$345,060 and our Unassigned Fund Balance (UFB) increased from \$2,332,285 to \$2,677,345. The TIF surplus and other revenue overages helped to eliminate the planned budgetary need to use UFB monies to balance the FY2011 budget. The possible sale of the mill in Fiscal 2012 will determine if there is a continuation of any TIF agreement and what benefit it will produce to the company and/or the town.

The mil rate for Fiscal 2011 increased to 23.2 (\$23.20 per \$1,000 in valuation) from a 22.80 rate in Fiscal 2010. The primary driver of the increase was the planned budget reduction in State Revenue Sharing, loss of planned investment interest, lower vehicle excise taxes, among others.

Katahdin Paper Company (KPC) announced on May 29, 2008 that it planned to indefinitely shut its Millinocket mill down at the end of July due to extremely high oil prices. The company uses bunker C oil to furnish its heat and steam. Although the company had a full order book for the year, the cost of oil made the operation unprofitable. Subsequent to the original announcement, the mill actually did not close until September 2, 2008 which was followed by a significant time period to mothball the facility. As the fiscal year ended on June 30, 2011, the State was continuing its negotiations with Katahdin Paper Company and an undisclosed buyer.

In 2008, the Town had two businesses that failed to meet their job creation benefit that was required by the Community Development Block Grant program for loans they each obtained from CDBG in previous years. Allagash Valve and Controls entered into a payment plan with the State and has now completed their obligation. The other company, Brims Ness, is still in limbo and discussions with them have been sporadic. These funds are granted to communities and require the guarantee of job creation or face recall of the loaned funds to the State. The Town is vulnerable to the recall of the outstanding balance of the Brims Ness loan of \$250,000 if they are not repaid by the recipient.

The Katahdin Resorts project on Hammond Ridge just outside of Town completed phase 1 of its plans to construct some new guest cabins at its Twin Pines facility last year. They are continuing to develop additional elements of their overall project.

Another major initiative is the construction of a multi-use recreation trail from the Timber Cruisers club house to the Seboeis area. Phase 1 involved constructing the new trail from the club house to South Twin and Phase 2 is extending that trail from South Twin to Seboeis. A parallel project was the construction of a new recreation bridge over the West Branch of the Penobscot in 2009. This work will connect Millinocket to the wide-ranging State ATV trail system near Seboeis. Plans call for eventually expanding the new multi-use trail system north to Aroostook County and east to East Millinocket and Medway. The State Department of Conservation has been very helpful and generous in supporting these efforts through grants.

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

The Town is continuing its efforts to diversify the economic base in Millinocket and the surrounding area. While the forest products industry will continue to be a major player, it is important to develop new opportunities that are not as subject to worldwide competition. Good manufacturing facilities create full time, high paying jobs with benefits, but such opportunities continue to be difficult to find and bring to our Town. Such businesses, however, can have the impact of establishing a solid financial base for this area and allow us to also increase opportunities connected to retailing, services, and tourism. All of these elements are important building blocks in re-establishing Millinocket as a significant economic development engine for the region.

Despite the economic circumstances, the level of property tax collections was 96.34%, compared to 96.08% a year ago. These figures are within the normal range of tax collections for Millinocket, but are remarkable given the challenges many of our property owners currently face.

SIGNIFICANT CHANGES IN FUNDS

There were no significant changes in funds during Fiscal 2011.

SIGNIFICANT BUDGET VARIANCES

Property taxes were committed in October, 2010. 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 major ones are detailed below.

Total revenues, including the school, were budgeted at \$12,563,019 and the actual amount received was \$13,195,385, for an overage of \$632,366. The most significant reason for this was the \$681,692 not reimbursed to Katahdin Paper as explained above. State Revenue Sharing was over-budget by \$91,870 due to a conservative estimate of what would be received during the year due to significant state budget cuts. Other contributors to this increase included additional transfer station revenues of \$36,476. The major revenue decreases were drops of \$141,375 in FAA airport grants that were budgeted, but not received, because the costs of the improvements were less than budget. This generated a lower reimbursement to the town, but had no impact on operations. Similarly, a drop of \$400,281 in expected revenues for the walking and biking trail was due to construction of the project being delayed into Fiscal 2012. Again, there was no impact on municipal services.

Total expenses, including the school, were budgeted at \$13,830,228 while actual expenditures were \$13,040,042 or \$790,186 less than budgeted. The School Department accounted for most of the under-expenditures with \$296,603 unspent. Other savings in budgeted expenditures included \$651,791 in the special capital investment account as described under the revenue section above. In other expenditure areas, the most significant over-expenditures for the municipal part of the budget included \$93,705 in the legal fees account due to continued litigation related to retiree health insurance.

When all the above factors were taken into account, the Town's overall year-end surplus (including the School Department) increased by a net of \$345,060 and increased the Town's total fund balance to \$2,677,345.

SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

For the past eleven years, the Town has developed and maintained a five year Capital Improvement Plan (CIP). This plan is updated annually as part of the budget cycle. The plan is for equipment needs only and does not include buildings at this time. Also, street paving is a separate sub-account in the Public Works budget.

For Fiscal 2011, the Town Council appropriated \$127,029 for capital equipment needs. Major projects included, but were not limited to, a trash hauling trailer, a police cruiser, and a radio system communication upgrade.

The Town continues to be challenged by the condition of its streets and sidewalks. In Fiscal 2011, the Town budgeted \$100,000 for street paving and sidewalks, compared to \$125,000 in Fiscal 2010. A study put together by the Town ten years ago demonstrated that the actual need is at least \$160,000 per year (based on 2001 dollars when the annual paving budget was \$80,000), if the Town were to adopt a schedule to ensure each street was repaved at least once every 12 years. This is a minimal paving goal if the streets are to be maintained. The competition for funds for other needed purposes limits the amount of money available for this area.

LONG-TERM DEBT

The State allows municipalities to borrow up to 15% of their total state valuation. Since the value of the Town was \$353,820,550 in FY11, the debt limit would be \$53,073,083. Our current bonded debt is \$5,465,643 or just 10% of our authorized limit. This debt includes \$2,413,055 in school projects, \$1,187,219 for municipal purposes (including the new pool and energy improvements), and \$1,865,369 for Wastewater. The Wastewater debt is repaid through user fees, not property tax revenues.

During FY03, the Town was invited to refinance its Wastewater debt through the Maine Municipal Bond Bank. This shortened the life of the loan by six months and will result in an overall savings of \$250,000 over the life of the loan, which expires in 2017. The last school loan will be repaid in 2018. The two municipal loans are for the new pool that is a 15 year obligation and the first payment was made during Fiscal 2008 and energy improvements in 2009 that will be paid off in 2020.

The strategic use of debt may become more important for key projects in the future if a decision is made by the Town to constrain the use of tax dollars and use debt to spread 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.

FUTURE SIGNIFICANT IMPACTS

Katahdin Paper Company (KPC) continued to be the dominant factor in the Town of Millinocket during Fiscal 2011. The company shut down its mill in Millinocket on September 2, 2008 allegedly due to the high cost of oil. After the shutdown, the company worked with a sister subsidiary of Brookfield Asset Management, its parent company, to develop a plan for development and installation of a biomass boiler that would be owned and operated by a third party company.

Efforts to find the third party failed and the decision was made to sell the company's two mills in Millinocket and East Millinocket in the late spring of 2010. For the remainder of his term, Governor John Baldacci and his staff worked hard to find a buyer, but none was found.

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

In January 2011, Paul LePage became Governor. He retained a key Baldacci staff person who dealt with forest products issues, including our area's mills. While it would have been easy for the mills to drop off the priority list for a new governor, Governor LePage made it a priority. In February, a possible buyer called Meriturn Investments negotiated a tentative agreement to purchase the mills.

While numerous meetings and negotiating sessions were held on matters ranging from local property taxes to liability for the company's landfill at Dolby, Meriturn walked away in early April. The Governor and his staff determined that the only way to get a buyer was for the State of Maine to assume ownership of the landfill if a new buyer could be found. The Governor introduced emergency legislation to accept ownership of landfill. With the landfill liability potentially solved, another buyer emerged, but those negotiations also failed in late June.

A third buyer then stepped forward. Following intense negotiations by the State, KPC, and the new company, a letter of intent was signed in July, a purchase and sale agreement was signed in August, and final sale papers were signed in September. The new owner, Cate Street Capital from Portsmouth, New Hampshire, formed the new Great Northern Paper Company, LLC. They re-opened one of the two machines in East Millinocket and hope to start up the machine in Millinocket in the spring of 2012. They have also disclosed plans to produce torrefied wood pellets in Millinocket that have a similar BTU value to coal without the pollution.

As negotiations continued from the mid-winter to September, KPC filed a massive list of removed equipment from the Millinocket mill in April that would drop the base assessed value of the mill by approximately \$49 million. This filing was followed by an abatement request. This would result in a loss of \$1.15 million in property taxes and that drop was incorporated into the Fiscal 2012 municipal and school budgets. KPC then filed a second list of retired equipment with a value of about \$26 million. The Town Council, during its budget deliberations, decided to pass the lost taxes on the \$26 million of about \$600,000 to taxpayers.

As part of the negotiations on the sale, the Town demanded that KPC drop its abatement case and any requests for tax refunds on the Millinocket mill. The Town was successful in attaining that goal. Nevertheless, the negative impact of the \$1.15 million property tax loss resulted in staff and program reductions in the municipal budget. The school budget shared in half of this loss, but they did receive some additional relief through the Sudden and Severe Impact (S & SI) fund from the State.

As part of the sale, the Town further adjusted the value of the base assessed value of the mill from \$25 million to \$5 million and retained the tax increment financing district value at approximately \$78 million for a total value of \$83 million. This additional loss of BAV increased the amount of S & SI funds to the school.

The overall loss of taxable value dropped about 30% from \$355 million to \$251 million for Fiscal 2012.

With the sale of the mills, the Town is hopeful and cautiously optimistic that the Millinocket mill will re-open during Fiscal 2012 and that other projects at the mill site will also go forward.

The Town is continuing its efforts to increase outdoor recreational opportunities in the area. Fiscal 2011 saw the completion of the multi-use trail from the Northern Timber Cruisers clubhouse to South Twin Lake. Funding was also received in 2010 to extend this trail from South Twin Lake to Seboeis Lake where the trail will join into the State-wide multi-use trail system that caters primarily to snowmobiles and all-terrain vehicles. This is expected to bring significant new recreation-based revenues to Millinocket. The future plan is to extend the trail north and east to hook into the Aroostook County trail system.

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

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.

Respectfully submitted,

Eugene J. Conlogue
Millinocket Town Manager

BASIC FINANCIAL STATEMENTS

THIS PAGE LEFT BANK INTENTIONALLY

TOWN OF MILLINOCKET, MAINE
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 2,570,550	39,430	2,609,980
Investments	1,562,653	952,081	2,514,734
Receivables:			
Accounts, net of allowance of \$27,000	348,804	358,442	707,246
Intergovernmental	165,449	-	165,449
Taxes receivable	433,354	-	433,354
Tax liens	107,215	-	107,215
Notes, net of allowance of \$43,253	263,185	-	263,185
Internal balances	(51,063)	51,063	-
Inventory	21,266	-	21,266
Other	-	9,341	9,341
Capital assets, not being depreciated	519,412	-	519,412
Capital assets, net of accumulated depreciation	8,487,359	4,585,460	13,072,819
Total assets	14,428,184	5,995,817	20,424,001
LIABILITIES			
Cash overdraft	243,132	-	243,132
Accounts payable and other current liabilities	370,094	8,373	378,467
Accrued wages and benefits payable	421,649	1,986	423,635
Accrued compensated absences	379,582	44,375	423,957
Other post employment benefits	2,492,070	-	2,492,070
Accrued interest	40,554	-	40,554
Noncurrent liabilities:			
Due within one year	414,769	180,546	595,315
Due in more than one year	3,254,124	1,684,823	4,938,947
Total liabilities	7,615,974	1,920,103	9,536,077
NET ASSETS			
Invested in capital assets, net of related debt	5,337,878	2,720,091	8,057,969
Restricted for:			
Nonexpendable trust principal	16,401	-	16,401
Other purposes	365,328	-	365,328
Unrestricted	1,092,603	1,355,623	2,448,226
Total net assets	\$ 6,812,210	4,075,714	10,887,924

See accompanying notes to financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Activities
For the Year Ended June 30, 2011

Functions/programs	Net (expense) revenue and changes in net assets						Total
	Program revenues			Primary Government			
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$						
Protection	620,206	84,981	-	-	(535,225)	-	(535,225)
Town services	1,688,115	351,715	17,155	-	(1,319,245)	-	(1,319,245)
Community services	1,122,787	204,309	47,392	7,899	(863,187)	-	(863,187)
Education	986,761	115,380	104,200	443,344	(323,837)	-	(323,837)
On-behalf payments - Maine PERS	8,114,962	351,909	3,100,999	-	(4,662,054)	-	(4,662,054)
Insurance and fringe benefits	556,484	-	556,484	-	-	-	-
County tax	890,456	-	-	-	(890,456)	-	(890,456)
Food service	350,412	-	-	-	(350,412)	-	(350,412)
Capital maintenance expenses	310,026	112,050	183,968	-	(14,008)	-	(14,008)
Interest on debt	25,127	-	-	-	(25,127)	-	(25,127)
Total governmental activities	185,852	-	-	-	(185,852)	-	(185,852)
Total governmental activities	14,851,188	1,220,344	4,010,198	451,243	(9,169,403)	-	(9,169,403)
Business-type activities:							
Wastewater treatment plant	665,941	505,700	-	750	-	(159,491)	(159,491)
Total business-type activities	665,941	505,700	-	750	-	(159,491)	(159,491)
Total primary government	\$ 15,517,129	1,726,044	4,010,198	451,993	(9,169,403)	(159,491)	(9,328,894)
General revenues:							
Property taxes, levied for general purposes				\$	7,190,684	-	7,190,684
Motor vehicle excise taxes					690,258	-	690,258
Interest and lien costs					54,997	-	54,997
Grants and contributions not restricted to specific programs:							
Homestead and BETE exemptions					342,948	-	342,948
Other State aid					193,708	-	193,708
State Revenue Sharing					641,870	-	641,870
Unrestricted investment earnings					10,412	13,723	24,135
Miscellaneous revenues					208,476	-	208,476
Transfers					14,400	(14,400)	-
Total general revenues and transfers					9,347,753	(677)	9,347,076
Change in net assets					178,350	(160,168)	18,182
Net assets - beginning					6,633,860	4,235,882	10,869,742
Net assets - ending				\$	6,812,210	4,075,714	10,887,924

See accompanying notes to financial statements.

TOWN OF MILLINOCKET, MAINE
Balance Sheet
Governmental Funds
June 30, 2011

	General	Capital Reserve Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 2,454,584	-	115,966	2,570,550
Investments	1,013,016	510,681	38,956	1,562,653
Receivables:				
Accounts, net of allowance of \$27,000	348,804	-	-	348,804
Intergovernmental	-	-	165,449	165,449
Taxes receivable	433,354	-	-	433,354
Tax liens	107,215	-	-	107,215
Notes, net of allowance of \$43,253	-	-	263,185	263,185
Interfund loans receivable	-	129,985	150,013	279,998
Inventory	10,129	-	11,137	21,266
Total assets	\$ 4,367,102	640,666	744,706	5,752,474
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft	243,132	-	-	243,132
Accounts payable	341,164	-	28,930	370,094
Accrued wages and benefits	394,882	-	26,767	421,649
Interfund loans payable	247,579	58,020	25,462	331,061
Deferred tax revenues	463,000	-	-	463,000
Total liabilities	1,689,757	58,020	81,159	1,828,936
Fund balances:				
Nonspendable	10,129	-	290,723	300,852
Committed	-	582,646	13,425	596,071
Restricted	-	-	365,328	365,328
Assigned - Town	127,861	-	-	127,861
Unassigned - School	(206,205)	-	(5,929)	(212,134)
Unassigned - Town	2,745,560	-	-	2,745,560
Total fund balances	2,677,345	582,646	663,547	3,923,538
Total liabilities and fund balances	\$ 4,367,102	640,666	744,706	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				9,006,771
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				463,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:				
Compensated absences payable				(379,582)
Other post employment benefits				(2,492,070)
Accrued interest				(40,554)
Capital leases payable				(68,619)
Bonds payable				(3,600,274)
Net assets of governmental activities				\$ 6,812,210

See accompanying notes to financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2011

	General	Capital Reserve Funds	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 8,003,939	-	-	8,003,939
Licenses and permits	48,184	-	-	48,184
Intergovernmental	3,931,579	-	1,151,904	5,083,483
Intergovernmental on-behalf payments	556,484	-	-	556,484
Tuition and other charges for services - education	292,414	-	-	292,414
Charges for services	342,183	-	171,545	513,728
Fees and fines	4,724	-	-	4,724
Unclassified	569,228	-	542	569,770
Investment earnings	3,134	195	7,083	10,412
Total revenues	13,751,869	195	1,331,074	15,083,138
Expenditures:				
Current:				
General government	588,183	-	-	588,183
Protection	1,619,365	-	1,163	1,620,528
Town services	1,030,056	-	-	1,030,056
Community services	927,466	-	-	927,466
Education	6,339,552	-	1,005,811	7,345,363
Maine Public Employees Retirement on-behalf payments	556,484	-	-	556,484
Insurance and fringe benefits	1,084,330	-	-	1,084,330
County tax	350,412	-	-	350,412
Food services	-	-	310,026	310,026
Unclassified	-	-	-	-
Capital outlay	462,270	-	-	462,270
Debt service	575,060	-	-	575,060
Total expenditures	13,533,178	-	1,317,000	14,850,178
Excess (deficiency) of revenues over (under) expenditures	218,691	195	14,074	232,960
Other financing sources (uses):				
Transfers from other funds	180,896	3,037	51,490	235,423
Transfers to other funds	(54,527)	(58,130)	(108,366)	(221,023)
Total other financing sources (uses)	126,369	(55,093)	(56,876)	14,400
Net change in fund balances	345,060	(54,898)	(42,802)	247,360
Fund balances, beginning of year	2,332,285	637,544	706,349	3,676,178
Fund balances, end of year	\$ 2,677,345	582,646	663,547	3,923,538

See accompanying notes to 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, 2011

Net change in fund balances - total governmental funds (from Statement 4)	\$	247,360
---	----	---------

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 (\$576,350) exceeded capital outlays (\$575,025) in the current period. (1,325)

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. (68,000)

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 change in accrued compensated absences \$70,264, other post employment benefits (\$479,132) and accrued interest \$4,262. (404,606)

Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments. 19,975

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments. 384,946

Change in net assets of governmental activities (see Statement 2)	\$	178,350
--	-----------	----------------

See accompanying notes to 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, 2011

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,325,176	7,325,176	8,003,939	678,763
Licenses and permits	43,350	43,350	48,184	4,834
Intergovernmental	4,181,607	4,181,607	3,931,579	(250,028)
Tuition and other charges for services - education	239,355	239,355	292,414	53,059
Charges for services	323,446	323,446	342,183	18,737
Fees and fines	6,205	6,205	4,724	(1,481)
Unclassified	428,880	428,880	569,228	140,348
Investment earnings	15,000	15,000	3,134	(11,866)
Total revenues	12,563,019	12,563,019	13,195,385	632,366
Expenditures:				
Current:				
General government	518,749	518,749	588,183	(69,434)
Protection	1,651,465	1,651,465	1,619,365	32,100
Town services	1,095,488	1,095,488	1,030,056	65,432
Community services	727,569	727,569	927,466	(199,897)
Education	6,699,503	6,699,503	6,402,900	296,603
Insurance and fringe benefits	1,097,011	1,097,011	1,084,330	12,681
County tax	350,412	350,412	350,412	-
Capital outlay	1,112,020	1,112,020	462,270	649,750
Debt service	578,011	578,011	575,060	2,951
Total expenditures	13,830,228	13,830,228	13,040,042	790,186
Excess (deficiency) of revenues over (under) expenditures	(1,267,209)	(1,267,209)	155,343	1,422,552
Other financing sources (uses):				
Use of undesignated fund balance - Town	526,360	526,360	-	(526,360)
Use of undesignated fund balance - School	662,251	662,251	-	(662,251)
Overlay	(47,178)	(47,178)	-	47,178
Transfers from other funds	177,266	177,266	180,896	3,630
Transfers to other funds	(51,490)	(51,490)	(54,527)	(3,037)
Total other financing sources (uses)	1,267,209	1,267,209	126,369	(1,140,840)
Net change in fund balance - budgetary basis	-	-	281,712	281,712
Reconciliation to GAAP basis:				
Change in accrued teacher summer salaries			63,348	
Net change in fund balance - GAAP basis			345,060	
Fund balance, beginning of year			2,332,285	
Fund balance, end of year	\$		2,677,345	

See accompanying notes to financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Net Assets
Proprietary Funds
June 30, 2011

Business-type Activities - Enterprise Funds		Wastewater Treatment Plant
ASSETS		
Current assets:		
Cash	\$	39,430
Investments		952,081
Accounts receivable		358,442
Interfund loans receivable		51,063
Loan origination fees - net		9,341
Total current assets		1,410,357
Noncurrent assets:		
Capital assets		12,712,959
Less accumulated depreciation		(8,127,499)
Total noncurrent assets		4,585,460
Total assets		5,995,817
LIABILITIES		
Current liabilities:		
Accounts payable		8,373
Accrued wages		1,986
Accrued compensated absences		44,375
Bonds payable, current		180,546
Total current liabilities		235,280
Noncurrent liabilities:		
Bonds payable		1,684,823
Total noncurrent liabilities		1,684,823
Total liabilities		1,920,103
NET ASSETS		
Invested in capital assets, net of related debt		2,720,091
Unrestricted		1,355,623
Total net assets	\$	4,075,714

See accompanying notes to financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2011

Business-type Activities - Enterprise Funds	
	Wastewater Treatment Plant
Operating revenues:	
Charges for services	\$ 491,612
Other	14,088
Total operating revenues	505,700
Operating expenses:	
Administration	102,906
Operations	287,270
Depreciation and amortization	247,371
Total operating expenses	637,547
Operating loss	(131,847)
Nonoperating revenue (expense):	
Interest income	13,723
Grant income	750
Interest expense	(28,394)
Total nonoperating revenue	(13,921)
Loss before transfers	(145,768)
Transfers out	(14,400)
Change in net assets	(160,168)
Total net assets, beginning of year	4,235,882
Total net assets, end of year	\$ 4,075,714

See accompanying notes to financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2011

Business-type Activities - Enterprise Funds		Wastewater Treatment Plant
Cash flows from operating activities:		
Receipts from customers and users	\$	512,220
Payments to suppliers		(191,382)
Payments to employees		(197,479)
Net cash provided by operating activities		123,359
Cash flows from noncapital financing activities:		
Transfer to other funds		(14,400)
Net cash used in noncapital financing activities		(14,400)
Cash flows from capital and related financing activities:		
Purchase of capital assets		(17,720)
Bond proceeds		-
Principal payments on bonds		(179,723)
Grant revenue		750
Interest paid		(28,394)
Net cash used in capital and relating financing activities		(225,087)
Cash flows from investing activities:		
Sale of investments		36,278
Investment income		13,723
Net cash provided by investing activities		50,001
Decrease in cash		(66,127)
Cash, beginning of year		105,557
Cash, end of year	\$	39,430
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$	(131,847)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization		247,371
Decrease in operating assets:		
Accounts receivable		6,520
Increase (decrease) in operating liabilities:		
Accounts payable		2,540
Accrued wages and benefits payable		(1,631)
Accrued compensated absences		406
Net cash provided by operating activities		123,359

See accompanying notes to financial statements.

TOWN OF MILLINOCKET, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

		Agency Fund School Activity Fund
ASSETS		
Cash	\$	83,186
Total assets		83,186
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to student groups		83,186
Total liabilities		83,186
Net assets:		
Held in trust	\$	-

See accompanying notes to 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

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14 "The Financial Reporting Entity" as amended by GASB Statement 39 "Determining Whether Certain Organizations are Component Units". The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise financial accountability. 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, there were no potential component units required to be included in this report.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

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

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 Funds are 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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

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 Funds 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

G. 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.

H. 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 assets. Bond premiums and discounts, as well as issuance costs if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

I. 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.

J. 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- *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.

K. 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 a reservation of fund balances at year-end.

L. 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.

M. 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

Through June 30, 2011, the Town did not budget for revenues and expenditures related to teachers’ summer pay on an accrual basis.

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 \$556,484. These amounts have been included as an intergovernmental revenue and an education expenditure 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 at the end of the year.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

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.

Excess of Expenditures over Appropriations

For the year ended June 30, 2011, expenditures exceeded appropriations in the following categories:

Elections and registration	\$ 609	Community Development Block Grant	175,934**
Legal services	93,705	Holiday observation	4,100
Administration	1,677	General assistance	7,868
DARE Program – donations	2,176*	Recreation	4,698
Ambulance	1,375	Airport	12,755
Dog constable	1,489*	Cemeteries	2,143
Public library	1,093	Capital outlay	2,041
KARE	416*		

* The Town used assigned fund balances for DARE, dog constable and KARE to cover the overages.

** This was offset by grant proceeds for equal amounts.

DEPOSITS AND INVESTMENTS

As of June 30, 2011, the Town had the following investments:

	<u>Fair value</u>	<u>Weighted average maturity (years)</u>	<u>Credit rating</u>
Mutual Funds	\$ 1,013,016	N/A	N/A
Certificate of Deposit	743,580	N/A	N/A
Money Market	758,138	N/A	N/A
<u>Total Investments</u>	<u>\$ 2,514,734</u>	<u>N/A</u>	<u>N/A</u>

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, 2011, \$2,314,582 of the Town's bank balance of \$2,768,389 was uninsured and/or uncollateralized.

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. Of the Town's \$1,501,718 investment in money market, cash management and certificates of deposit, \$299,636 was uninsured and/or uncollateralized.

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

DEPOSITS AND INVESTMENTS, CONTINUED

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.

As of June 30, 2011, the Town had the following cash and investments:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash	\$ 2,570,550	39,430	83,186	2,693,166
Investments	1,562,653	952,081	-	2,514,734
Cash overdraft	(243,132)	-	-	(243,132)
Total	\$ 3,890,071	991,511	83,186	4,964,768

PROPERTY TAX

Property taxes for the current period were committed on October 25, 2010, on the assessed value listed as of April 1, 2010, for all real and personal property located in the Town. Payments of taxes were due in equal installments on November 19, 2010 and April 15, 2011. 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 2011 assessed value was 100% of the estimated market value and 110% of the 2011 state valuation of \$320,700,000.

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 \$47,178 for the period ended June 30, 2011.

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 revenues.

The following summarizes the tax levies:

	<u>2011</u>	<u>2010</u>
Assessed value	\$353,820,550	361,748,150
Tax rate (per \$1,000)	23.20	22.80
Commitment	8,209,938	8,247,858
Supplemental taxes assessed	11,178	7,405
	8,221,116	8,255,263
Less:		
Collections and abatements	7,920,415	7,931,887
Receivable at end of period	\$ 300,701	323,376
Collection rate	96.34%	96.08%

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

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance June 30, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2011</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 283,317	-	-	283,617
Construction in progress	1,399,283	355,622	1,518,810	236,095
Total capital assets, not being depreciated	1,682,600	355,622	1,518,810	519,412
Capital assets, being depreciated:				
Land improvements	1,678,498	1,518,810	-	3,197,308
Buildings and building improvements	7,147,782	85,051	-	7,232,833
Equipment and vehicles	6,941,011	134,352	32,169	7,043,194
Infrastructure	3,441,980	-	-	3,441,980
Total capital assets being depreciated	19,209,271	1,738,213	32,169	20,915,315
Less accumulated depreciation for:				
Land improvements	298,848	54,105	-	352,953
Buildings and building improvements	3,179,426	240,823	-	3,420,249
Equipment and vehicles	5,003,854	279,422	32,169	2,251,107
Infrastructure	3,401,647	2,000	-	3,403,647
Total accumulated depreciation	11,883,775	576,350	32,169	12,427,956
Total capital assets being depreciated, net	7,325,496	1,161,683	-	8,487,359
Governmental activities capital assets, net	\$ 9,008,096	1,517,485	1,518,810	9,006,771

	Balance June 30, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2011</u>
Business-type activities:				
Capital assets, being depreciated:				
Buildings and building improvements	\$ 4,714,643	-	-	4,714,643
Interceptors	1,113,395	-	-	1,113,395
Equipment and vehicles	684,517	17,720	23,500	631,397
Infrastructure, sewer lines and equipment	6,206,184	-	-	6,206,184
Total capital assets being depreciated	12,718,739	17,720	23,500	12,712,959
Less accumulated depreciation for:				
Buildings and building improvements	4,022,223	132,475	-	4,154,698
Interceptors	951,687	31,811	-	983,498
Equipment and vehicles	544,184	16,727	23,500	537,411
Infrastructure, sewer lines and equipment	2,386,869	65,023	-	2,451,892
Total accumulated depreciation	7,904,963	246,036	23,500	8,127,499
Total capital assets being depreciated, net	4,813,776	(228,316)	-	4,585,460
Business-type activities capital assets, net	\$ 4,813,776	(228,316)	-	4,585,460

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

CAPITAL ASSETS, CONTINUED

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

Governmental activities:	
General government	\$ 27,695
Protection	79,111
Town services	130,784
Community services	82,547
Education and libraries	<u>256,213</u>

Total depreciation expense - governmental activities **\$ 576,350**

Business-type activities:	
Wastewater Fund	<u>\$ 246,036</u>

Total depreciation expense - business activities **\$ 246,036**

PENSION PLANS

Maine Public Employees Retirement System (Maine PERS) - Consolidated Plan

Description of the Plan - The Town contributes to the Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits rests with the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The current rate ranges from 2.8% to 5.3% of annual covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the year ended June 30, 2011, 2010 and 2009 were \$7,736, \$0, and \$0 respectively, equal to the required contributions for each year.

Maine Public Employees Retirement System - School Employees

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The School Department's payroll for employees covered by this group, for the fiscal year ended June 30, 2011, was \$3,133,356. The State of Maine Department of Education is required, by state statute, to contribute the employer contribution, which amounts to 17.76% of compensation. Contributions paid by the State totaled approximately \$556,484 for the year ended June 30, 2011. There is no contribution required by the School Department except for federally funded teachers for which the School Department contributes 17.76% of their compensation. This cost amounted to \$51,055 for the year ended June 30, 2011, and is charged to the applicable grant.

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

PENSION PLANS, CONTINUED

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.

LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2011 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	\$ 3,985,220	-	384,946	3,600,274	396,679
Capital leases	88,594	-	19,975	68,619	18,090
Other post-employment benefits	2,012,938	1,394,799	915,667	2,492,070	-
Accrued compensated absences	449,846	-	70,264	379,582	-
Governmental activity long-term liabilities	\$ 6,536,598	1,394,799	1,390,852	6,540,545	414,769
Business-type activities:					
General obligation bonds	2,045,092	-	179,723	1,865,369	180,546
Accrued compensated absences	43,969	406	-	44,375	-
Business-type activities long-term liabilities	\$ 2,089,061	406	179,723	1,909,774	180,546

Bonds and notes payable at June 30, 2011 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, 2011</u>
Governmental activities:					
School improvements	05/01/98	\$ 4,560,000	2018	Varies	2,368,979
School improvements	10/06/00	716,500	2012	0%	39,649
School improvements	10/06/00	100,000	2011	0%	4,427
2006 Series C	10/26/06	1,200,000	2021	Varies	880,000
2009 GOB	08/03/09	341,354	2020	4.96%	307,219
Total governmental activities					\$ 3,600,274

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

LONG-TERM DEBT, CONTINUED

Business-type activities:						
Sewer line expansion	04/01/03	\$ 1,922,632	2017	1.33%		897,228
CWSRF	05/16/08	1,050,000	2028	1.80%		52,781
2009 GOB	08/03/09	58,646	2020	4.96%		915,360
Total business-type activities						\$ 1,865,369

Arbitrage rebate - Pursuant to the Tax Reform Act of 1986, municipalities issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit such rebate to the federal government, subject to certain exceptions. There are certain exceptions which result in a municipal issuer not having to calculate or pay the required rebate. The Town of Millinocket has met these exceptions since the effective date of the regulations.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2011 are as follows:

June 30,	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 396,679	169,575	566,254	180,546	31,367	211,913
2013	380,905	150,670	531,575	181,382	29,131	210,513
2014	386,176	131,216	517,392	182,235	26,880	209,115
2015	400,186	110,788	510,974	183,102	24,614	207,716
2016	415,490	89,300	504,790	183,985	22,332	206,317
2017-2021	1,540,838	138,823	1,679,661	543,349	76,085	619,434
2022-2026	80,000	700	80,700	288,127	42,527	330,654
2027-2028	-	-	-	122,643	9,619	132,262
Total	\$ 3,600,274	791,072	4,391,346	1,865,369	262,555	2,127,924

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 \$5,465,643 at June 30, 2011 was within the statutory limit.

OBLIGATIONS UNDER 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, 2011:

Copiers	\$97,292
---------	----------

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

OBLIGATIONS UNDER CAPITAL LEASES, CONTINUED

Minimum future lease payments under capital leases are:

<u>Year ended June 30,</u>	
2012	\$ 21,262
2013	20,353
2014	17,887
2015	16,980
Total minimum lease payments	76,482
Less amount representing interest	(7,863)
Present value of future	
minimum lease payments	\$ 68,619

SHORT-TERM DEBT

The Town issues tax anticipation notes to cover cash shortfalls during the year. Short-term debt activity for the year ended June 30, 2011, was as follows:

	<u>Beginning</u> <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>balance</u>
Tax anticipation notes	\$ -	400,000	400,000	-

FUND BALANCE

The General Fund unassigned fund balance total of \$2,539,355 represents fund balance of \$2,745,560 for the Town and (\$206,205) 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 (\$4,563) are also reported for a special revenue fund (Adult Education Fund) and (\$1,366) for the School Lunch Fund that have negative fund balances as of June 30, 2011 as shown on Statement 3.

As of June 30, 2011 other fund balance components consisted of the following:

	<u>General Fund</u>		
Assigned for subsequent years' expenditures:			
Northern Penobscot Association	\$ 440		
Record preservation	500		
Dog fees	1,852		
TRIAD	2,044		
DARE	12,948		
Library gifts and donations	2,050		
Community Dev. Block Grant	1,075		
KARE (Fiscal agent)	106,952		
Total assigned	\$ 127,861		
		<u>General</u>	<u>Special</u>
Nonspendable for:	<u>Fund</u>	<u>Revenue</u>	<u>Fund</u>
Inventory	\$ 10,129	11,137	-
Noncurrent notes receivable	-	263,185	-
Trust fund principal	-	-	16,401
Total nonspendable	\$ 10,129	274,322	16,401

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>
Restricted by external constraints:			
Education grants	\$ -	159,477	-
Federal reimbursement program	-	88,457	-
Other external constraints	-	95,257	-
Trust documents	-	-	22,137
Total restricted	\$ -	343,191	22,137
Committed for:			
Capital	\$ -	582,646	-
Other	-	13,425	-
Total Committed	\$ -	596,071	-

NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets invested in capital assets, net of related debt was calculated as follows at June 30, 2011:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 21,434,727	12,712,959
Accumulated depreciation	(12,427,956)	(8,127,499)
Bonds payable	(3,600,274)	(1,865,369)
Capital leases payable	(68,619)	-
Total invested in capital assets net of related debt	\$ 5,337,878	2,720,091

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, 2011.

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 at June 30, 2011 arising from these transactions were as follows:

	<u>Receivables</u>	<u>Payables</u>	<u>Net transfers in (out)</u>
General Fund	\$ -	247,579	126,369
Capital reserve funds	129,985	58,020	(55,093)
Nonmajor Special Revenue Fund:			
CDBG loan fund	-	17,099	-
Recreation	3,311	-	-
Comprehensive plan	10,114	-	-
School categorical programs	54,887	-	(108,366)
School lunch	81,701	-	35,000
Other school funds	-	4,563	16,490
Proprietary Fund	51,063	-	(14,400)
Nonmajor Permanent Funds	-	3,800	-
Totals	\$ 331,061	331,061	-

SIGNIFICANT TAXPAYER

For the year ended June 30, 2011, the Town of Millinocket committed \$4,335,700 in real estate and personal property tax revenue from Katahdin Paper Co. This commitment represents approximately 52.81% of total property taxes assessed.

TAX INCREMENT FINANCING DISTRICT

The Town has established the Katahdin Paper Municipal Development District - tax increment financing district (TIF). The Town refunds the tax increment on 85% on the new captured assessed value of the property in this TIF District to KP for a period of fifteen years. For the year ended June 30, 2011, \$969,478 of tax revenues were captured and refunded as TIF district revenues. The percentage of tax increment revenues that KP will receive in any given year will be based on the number of full-time employee positions retained by the Company.

The Town has established the Specialty Minerals, Inc. Credit Enhancement Agreement - tax increment financing district (TIF). The Town refunds the tax increment on 50% on the new captured assessed value of the property in this TIF District to SMI for a period of ten years. For the year ended June 30, 2011, \$0 of tax revenues were captured and refunded as TIF district revenues.

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

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.

FAME Loan - The Town of Millinocket has an outstanding loan with the Finance Authority of Maine (FAME) to finance costs incurred by the Town for the investigation, removal, and remediation of waste oil contamination at the Portland-Bangor Waste Oil Services Site in Plymouth, Maine. The amount outstanding at June 30, 2011 was \$89,370. Principal payments have been deferred until the beginning of repayment, which then principal payments would be due over a period not to exceed ten years with an interest rate of 0%. This has not been recorded due to the uncertainty of repayment. Subsequent to year end, the Town was held harmless for further costs and this loan was turned into a grant, which eliminated any repayment.

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 accounting principles generally accepted in the United States of America, 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, 2011, the value of note was:

Year ended		
<u>June 30,</u>	<u>Interest</u>	<u>Total</u>
Current balance	\$ 6,037	186,255
2012	6,240	192,495
2013	6,448	198,943
2014	6,665	205,608
2015	6,888	212,496
2016	7,119	219,615
Thereafter	140,385	360,000

OTHER POST EMPLOYMENT BENEFITS

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the Town of Millinocket, Maine for the year ended June 30, 2009. Under this pronouncement, it 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 October 2011.

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Plan Descriptions - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Some retirees that are designated in a plan pay 13% of the single coverage premium and 13% of the family coverage premium while others pay nothing towards the cost of coverage. 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.

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, 2011, 2010 and 2009 and the annual required contribution:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Normal cost	\$ 185,109	214,027	214,027
Amortization of unfunded	1,214,746	1,532,433	1,532,433
Adjustment to ARC	(107,059)	(55,283)	-
<u>Interest</u>	<u>102,003</u>	<u>73,168</u>	<u>34,989</u>
Annual required contribution	\$ 1,394,799	1,764,345	1,781,389

Net OPEB Obligation – The Town’s net OPEB obligation was calculated as follows:

OPEB liability, July 1, 2010	\$ 1,851,271	955,944	-
Annual required contribution	1,394,799	1,764,345	1,781,389
<u>Less: Actual contributions</u>	<u>(754,000)</u>	<u>(869,018)</u>	<u>(825,445)</u>
OPEB liability, June 30, 2011	\$ 2,492,070	1,851,271	955,944

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, 2011, 2010 and 2009 were as follows:

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 1,394,799	1,764,345	1,781,389
Actual contribution	754,000	869,018	825,445
Percent contributed	54.06%	49.25%	46.34%
Actuarial accrued liability	21,845,639	27,558,834	27,558,834
<u>Plan assets</u>	-	-	-
Unfunded actuarial accrued liability	\$21,845,639	27,558,834	27,558,834
Covered payroll	4,556,656	4,779,800	4,841,847
Unfunded actuarial accrued liability as a percentage of covered payroll	479.42%	576.57%	569.18%

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.

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:

Actuarial valuation date	1/1/11
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	30 years-closed
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	4.0% - 8.7%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Retiree Healthcare Plan

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
2009	1/1/09	\$ -	\$27,558,834	\$27,558,834	0.00%	\$4,841,847	569.18%
2010	1/1/09	\$ -	\$27,558,834	\$27,558,834	0.00%	\$4,779,800	576.57%
2011	1/1/11	\$ -	\$21,845,639	\$21,845,639	0.00%	\$4,556,656	479.42%

GENERAL FUND

THIS PAGE LEFT BLANK INTENTIONALLY

TOWN OF MILLINOCKET, MAINE
Comparative Balance Sheets - General Fund
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash	\$ 2,454,584	1,718,982
Investments	1,013,016	1,377,957
Receivables:		
Accounts, net of allowance of \$27,000	348,804	202,784
Taxes receivable	433,354	478,825
Tax liens	107,215	151,374
Inventory	10,129	18,746
Total assets	\$ 4,367,102	3,948,668
LIABILITIES AND FUND BALANCE		
Liabilities:		
Cash overdraft	243,132	155,035
Accounts payable	341,164	116,144
Accrued wages and benefits	394,882	483,511
Interfund loans payable	247,579	330,693
Deferred tax revenues	463,000	531,000
Total liabilities	1,689,757	1,616,383
Fund balance:		
Nonspendable - inventory	10,129	18,746
Assigned - Town	127,861	57,451
Unassigned - School	(206,205)	39,538
Unassigned - Town	2,745,560	2,216,550
Total fund balance	2,677,345	2,332,285
Total liabilities and fund balance	\$ 4,367,102	3,948,668

TOWN OF MILLINOCKET, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Budgetary Basis
Year ended June 30, 2011
(with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance positive (negative)	2010 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 8,209,938	8,225,054	15,116	8,220,374
Less TIF financing	(1,648,062)	(966,370)	681,692	(1,094,394)
Excise taxes	733,300	690,258	(43,042)	721,233
Interest and lien costs	30,000	54,997	24,997	48,122
Total taxes	7,325,176	8,003,939	678,763	7,895,335
Licenses and permits	43,350	48,184	4,834	48,367
Intergovernmental:				
Education	2,138,063	2,133,063	(5,000)	2,377,749
Tree growth reimbursement	9,500	10,072	572	11,194
Veterans exemption reimbursement	6,500	6,626	126	6,889
General assistance	17,000	27,751	10,751	21,915
State revenue sharing	550,000	641,870	91,870	624,537
Snowmobile grant	69,012	76,449	7,437	76,450
Airport grant	400,000	258,625	(141,375)	935,658
Route 11 bridge grant	-	7,899	7,899	168,103
Walking trail grant	585,000	184,719	(400,281)	28,158
ATV trail grant	-	-	-	38,846
Community development block grant	-	177,010	177,010	-
Public safety grants	4,410	17,155	12,745	13,100
Homestead exemption reimbursement	164,705	149,501	(15,204)	182,581
BETE reimbursement	193,417	193,447	30	185,610
URIP - DOT Road Grant	44,000	47,392	3,392	45,380
Total intergovernmental	4,181,607	3,931,579	(250,028)	4,716,170
Tuition and other charges for services - education	239,355	292,414	53,059	261,602
Charges for services:				
Ambulance	295,370	322,529	27,159	327,242
Police	7,500	11,935	4,435	11,163
Library	6,000	7,719	1,719	6,860
Recreation	14,576	-	(14,576)	-
Total charges for services	323,446	342,183	18,737	345,265
Fees and fines:				
Fire fees/reimbursement	6,205	4,724	(1,481)	3,001
Total fees and fines	6,205	4,724	(1,481)	3,001
Unclassified:				
Rents - Town property	28,045	28,000	(45)	28,060
Cemeteries	18,000	15,525	(2,475)	13,700
Public works	18,800	18,833	33	20,117
Transfer station	149,000	185,476	36,476	153,296
Code enforcement	12,526	12,527	1	12,174
Assessing	8,797	8,797	-	8,549
Airport	78,300	92,136	13,836	80,833
Sale of property	2,500	1,996	(504)	1,102
Employee insurance reimbursement/refunds	-	5,742	5,742	18,689
MMBB Reimbursement	-	-	-	15,771
KARE receipts (fiscal agent)	75,000	142,101	67,101	8,230
Historical Society	-	-	-	50,000
Unclassified - Town	16,312	27,997	11,685	20,268
Unclassified - School	21,600	30,098	8,498	31,466
Total unclassified	428,880	569,228	140,348	462,255
Investment earnings	15,000	3,134	(11,866)	3,744
Total revenues	12,563,019	13,195,385	632,366	13,735,739

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

	2011		Variance positive (negative)	2010 Actual
	Budget	Actual		
Expenditures:				
Current:				
General government:				
Town Manager and Council	\$ 146,147	144,492	1,655	140,145
Town Clerk & Tax Collector	118,890	114,207	4,683	112,280
Elections and registration	5,450	6,059	(609)	6,205
Assessing	36,095	34,897	1,198	33,898
Municipal building	73,900	68,955	4,945	71,336
Audit and bookkeeping	21,000	19,210	1,790	19,250
Town report	1,200	995	205	1,117
Legal services	12,000	105,705	(93,705)	24,066
Administration	55,050	56,727	(1,677)	55,778
Planning, code, development	29,517	28,153	1,364	27,314
Economic Development Committee	19,500	8,783	10,717	28,185
Total general government	518,749	588,183	(69,434)	519,574
Protection:				
Police department	522,115	514,021	8,094	474,235
DARE Program - donations	2,500	4,676	(2,176)	5,239
Fire department	258,188	239,157	19,031	235,649
Ambulance	298,588	299,963	(1,375)	291,831
Community services	475,300	466,317	8,983	475,348
Insurances	73,604	73,192	412	73,205
School crossing guards	8,110	7,490	620	7,743
Dog constable	11,060	12,549	(1,489)	12,949
Enforcement officials	2,000	2,000	-	1,875
Environmental services	-	-	-	631
Total protection	1,651,465	1,619,365	32,100	1,578,705
Town services:				
Public works administration	8,055	7,728	327	8,764
Transfer site	388,228	359,762	28,466	379,198
Street and road maintenance	676,055	640,049	36,006	677,673
Garage maintenance	23,150	22,517	633	21,553
Total town services	1,095,488	1,030,056	65,432	1,087,188
Community services:				
Snowsled program	99,088	91,949	7,139	99,085
Public library	175,854	176,947	(1,093)	164,649
Library gifts and donations	3,000	1,657	1,343	2,421
KARE	75,000	75,416	(416)	45,965
Community development block grant	-	175,934	(175,934)	-
Holiday observation	3,500	7,600	(4,100)	4,780
Human resources/assistance	23,077	22,449	628	22,080
General assistance	34,000	41,868	(7,868)	29,155
Recreation	158,310	163,008	(4,698)	166,298
Airport	110,310	123,065	(12,755)	103,526
Cemeteries	25,730	27,873	(2,143)	27,067
Public health and welfare agencies	19,700	19,700	-	25,700
Total community services	727,569	927,466	(199,897)	690,726

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

	2011		Variance positive (negative)	2010 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Education	\$ 6,699,503	6,402,900	296,603	6,459,276
Total education	6,699,503	6,402,900	296,603	6,459,276
Insurance and fringe benefits:				
Insurance and fringe benefits	1,097,011	1,084,330	12,681	1,052,308
Total insurance and fringe benefits	1,097,011	1,084,330	12,681	1,052,308
Unclassified:				
County tax	350,412	350,412	-	339,562
Total unclassified	350,412	350,412	-	339,562
Debt service:				
Town	175,827	172,876	2,951	126,773
Education	402,184	402,184	-	405,592
Total debt service	578,011	575,060	2,951	532,365
Capital outlay:				
Capital outlay - Town	127,020	129,061	(2,041)	510,217
Special capital improvements	985,000	333,209	651,791	1,208,492
Total capital outlay	1,112,020	462,270	649,750	1,718,709
Total expenditures	13,830,228	13,040,042	790,186	13,978,413
Excess (deficiency) of revenues over (under) expenditures	(1,267,209)	155,343	1,422,552	(242,674)
Other financing sources (uses):				
Budgeted utilization of surplus - Town	526,360	-	(526,360)	-
Budgeted utilization of surplus - School	662,251	-	(662,251)	-
Issuance of debt	-	-	-	341,354
Overlay	(47,178)	-	47,178	-
Transfers in	177,266	180,896	3,630	223,488
Transfers out	(51,490)	(54,527)	(3,037)	(150,686)
Total other financing sources (uses)	1,267,209	126,369	(1,140,840)	414,156
Net change in fund balance - budgetary basis	-	281,712	281,712	171,482
Reconciliation to GAAP basis:				
Change in accrued teacher summer salaries		63,348		(9,014)
Net change in fund balance - GAAP basis		345,060		162,468
Fund balance, beginning of year		2,332,285		2,169,817
Fund balance, end of year	\$	2,677,345		2,332,285

ALL OTHER GOVERNMENTAL FUNDS

THIS PAGE LEFT BLANK INTENTIONALLY

TOWN OF MILLINOCKET
Combining Balance Sheet
All Other Governmental Funds
June 30, 2011

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash	\$ 112,584	3,382	115,966
Investments	-	38,956	38,956
Intergovernmental receivables	165,449	-	165,449
Notes, net of allowance of \$43,253	263,185	-	263,185
Inventory	11,137	-	11,137
Interfund loans receivable	150,013	-	150,013
Total assets	\$ 702,368	42,338	744,706
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	28,930	-	28,930
Accrued wages and benefits	26,767	-	26,767
Interfund loans payable	21,662	3,800	25,462
Total liabilities	77,359	3,800	81,159
Fund balances:			
Nonspendable	274,322	16,401	290,723
Restricted	343,191	22,137	365,328
Committed	13,425	-	13,425
Unassigned	(5,929)	-	(5,929)
Total fund balance	625,009	38,538	663,547
Total liabilities and fund balances	\$ 702,368	42,338	744,706

TOWN OF MILLINOCKET, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2011

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
Revenues:			
Gifts and donations	\$ 542	-	542
Intergovernmental	1,151,904	-	1,151,904
Charges for services	171,545	-	171,545
Interest revenue	7,068	15	7,083
Total revenues	1,331,059	15	1,331,074
Expenditures:			
Current:			
Protection	1,163	-	1,163
Education	1,005,811	-	1,005,811
Food services	310,026	-	310,026
Unclassified	-	-	-
Total expenditures	1,317,000	-	1,317,000
Excess of revenues over expenditures	14,059	15	14,074
Other financing sources (uses):			
Transfers from other funds	51,490	-	51,490
Transfers to other funds	(108,366)	-	(108,366)
Total other financing uses	(56,876)	-	(56,876)
Net change in fund balances	(42,817)	15	(42,802)
Fund balances, beginning of year	667,826	38,523	706,349
Fund balances, end of year	\$ 625,009	38,538	663,547

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

THIS PAGE LEFT BLANK INTENTIONALLY

TOWN OF MILLINOCKET, MAINE
 Combining Balance Sheet
 Nonmajor Special Revenue Funds

June 30, 2011

(with comparative totals for June 30, 2010)

	CDBG Loan Fund	Recrea- tion	Compre- hensive Plan	Project Get- Alarmed	School Categorical Programs	School Lunch	Other School		Totals	
							Special Revenue	Funds		
ASSETS										
Cash	\$ 94,109	-	-	18,247	-	228	-	-	112,584	108,898
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	151,204	14,245	-	-	165,449	160,247
Notes, net of allowance of \$43,253	263,185	-	-	-	-	-	-	-	263,185	260,424
Inventory	-	-	-	-	-	11,137	-	-	11,137	17,094
Interfund loans receivable	-	3,311	10,114	-	54,887	81,701	-	-	150,013	171,515
Total assets	\$ 357,294	3,311	10,114	18,247	206,091	107,311	-	-	702,368	718,178
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	-	-	-	-	28,930	-	-	-	28,930	-
Accrued wages and benefits	-	-	-	-	17,684	9,083	-	-	26,767	26,585
Interfund loans payable	17,099	-	-	-	-	-	4,563	-	21,662	23,767
Total liabilities	17,099	-	-	-	46,614	9,083	4,563	-	77,359	50,352
Fund balances:										
Nonspendable	263,185	-	-	-	-	11,137	-	-	274,322	277,518
Restricted	77,010	-	-	18,247	159,477	88,457	-	-	343,191	383,551
Committed	-	3,311	10,114	-	-	-	-	-	13,425	13,425
Unassigned	-	-	-	-	-	(1,366)	(4,563)	-	(5,929)	(6,668)
Total fund balances (deficit)	340,195	3,311	10,114	18,247	159,477	98,228	(4,563)	-	625,009	667,826
Total liabilities and fund balances	\$ 357,294	3,311	10,114	18,247	206,091	107,311	-	-	702,368	718,178

TOWN OF MILLINOCKET, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2011
(with comparative totals for the year ended June 30, 2010)

	CDBG Loan Fund	Recrea- tion	Compre- hensive Plan	Project Get- Alarmed	School Categorical Programs	School Lunch	Other School		Totals
							Special Revenue Funds	2010	
Revenues:									
Gifts and donations	\$ -	-	-	542	-	-	-	542	8,773
Intergovernmental	-	-	-	-	967,936	183,968	-	1,151,904	1,256,222
Interest income	7,031	-	-	37	-	-	-	7,068	8,532
Charges for services	-	-	-	-	59,495	112,050	-	171,545	224,294
Total revenues	7,031	-	-	579	1,027,431	296,018	-	1,331,059	1,497,821
Expenditures:									
Current:									
Protection	-	-	-	1,163	-	-	-	1,163	8,207
Education	-	-	-	-	991,426	-	-	14,385	1,005,811
Food services	-	-	-	-	-	310,026	-	310,026	323,314
Bad debt expense	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	1,163	991,426	310,026	14,385	1,317,000	1,424,208
Excess (deficiency) of revenues over (under) expenditures	7,031	-	-	(584)	36,005	(14,008)	(14,385)	14,059	73,613
Other financing sources (uses):									
Transfers from other funds	-	-	-	-	-	35,000	16,490	51,490	69,003
Transfers to other funds	-	-	-	-	(108,366)	-	-	(108,366)	(138,991)
Total other financing sources (uses)	-	-	-	-	(108,366)	35,000	16,490	(56,876)	(69,988)
Net change in fund balances	7,031	-	-	(584)	(72,361)	20,992	2,105	(42,817)	3,625
Fund balances (deficit), beginning of year	333,164	3,311	10,114	18,831	231,838	77,236	(6,668)	667,826	664,201
Fund balances (deficit), end of year	\$ 340,195	3,311	10,114	18,247	159,477	98,228	(4,563)	625,009	667,826

TOWN CAPITAL RESERVE FUNDS

THIS PAGE LEFT BLANK INTENTIONALLY

TOWN OF MILLINOCKET, MAINE
 Combining Balance Sheet
 Town Capital Reserve Funds
 June 30, 2011

(with comparative totals for June 30, 2010)

	General capital Reserve		Snow Machine	Airport Capital Reserve	Other Capital Reserves	Earned Time Accrual	SMI TIF Proceeds	Leo Marquis	School Renovations	Totals	
	2011	2010									
ASSETS											
Investments	\$ 19,166	14		100,429	108,944	26,509	254,403	1,216	-	510,681	501,862
Interfund loans receivable	83,561	6,342		-	9,764	-	-	-	30,318	129,985	183,957
Total assets	\$ 102,727	6,356		100,429	118,708	26,509	254,403	1,216	30,318	640,666	685,819
LIABILITIES AND FUND BALANCES											
Liabilities:											
Interfund loans payable	-	-		15,635	-	26,509	14,647	1,229	-	58,020	48,275
Total liabilities	-	-		15,635	-	26,509	14,647	1,229	-	58,020	48,275
Fund balances (deficits):											
Committed	102,727	6,356		84,794	118,708	-	239,756	(13)	30,318	582,646	637,544
Total fund balances (deficits)	102,727	6,356		84,794	118,708	-	239,756	(13)	30,318	582,646	637,544
Total liabilities and fund balances	\$ 102,727	6,356		100,429	118,708	26,509	254,403	1,216	30,318	640,666	685,819

TOWN OF MILLINOCKET, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Town Capital Reserve Funds

(with comparative totals for the year ended June 30, 2010)
 Year ended June 30, 2011

	General Capital Reserve	Snow Machine	Airport Capital Reserve	Other Capital Reserve	Earned Time Accrual	SMI TIF Proceeds	Leo Marquis	School Renovations	Totals
									2011 2010
Revenues:									
Other revenue	\$ -	-	-	-	-	-	-	-	-
Interest earnings	7	-	43	42	15	87	1	-	195
Total revenues	7	-	43	42	15	87	1	-	195
Expenditures:									
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-	-
Excess of revenues over expenditures	7	-	43	42	15	87	1	-	195
Other financing sources (uses):									
Transfers from other funds	-	-	-	3,037	-	-	-	-	3,037
Transfers to other funds	-	-	(15,743)	-	(26,509)	(14,648)	(1,230)	-	(58,130)
Total other financing sources (uses)	-	-	(15,743)	3,037	(26,509)	(14,648)	(1,230)	-	(55,093)
Net change in fund balances	7	-	(15,700)	3,079	(26,494)	(14,561)	(1,229)	-	(54,898)
Fund balances, beginning of year	102,720	6,356	100,494	115,629	26,494	254,317	1,216	30,318	637,544
Fund balances (deficit), end of year	\$ 102,727	6,356	84,794	118,708	-	239,756	(13)	30,318	582,646
									637,544

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

THIS PAGE LEFT BLANK INTENTIONALLY