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City of Caribou

Annual Report 2016





Mayor's Message

The city of Caribou is best described as a great place in which to live, bring up our families and retire. We are, however, in a time frame when most of the communities in our state are trying to deal with the same issues of decreasing population, trying to attract additional businesses, improving or creating new amenities for their citizens, all while trying to control the local tax rate. With everyone dealing with the same challenges, how do we move the odds in our favor of being one of the communities that ends up being successful in this venture?

This cannot be achieved without the involvement of the citizens in our community. I encourage all of you to become part of the solution rather than part of the problem. When you look at our current situation in Caribou, we have a lot of positive factors in our favor. We have a first class hospital which continues to be recognized nationally for the quality of care it provides. Public safety is a top priority in the services our city provides and we have a police force and fire and ambulance department that are prepared to go above and beyond to make our city as safe as it can be. Our public works department is second to none in the area. Our recreation center and the programs they offer have been used as a template for many other communities in the state. We have approved the building of a new elementary school and along with the quality of our teaching staff; Caribou should have the best education system in the county.


We have a lot of the assets that should lead to our success, but the final outcome still lies with the citizens who live here. I challenge everyone to take some time during the next year and make Caribou a better place for all of us who are here now, as well as those who move here in the future. Consider offering your services to one of the City Boards or Commissions, volunteer some time to one of the local youth sports programs or the hospital, join one of the local service clubs that continue to improve the way of life for everyone in Caribou. If you have any ideas on activities or changes that could improve the lifestyle in Caribou, feel free to attend one of our council meetings and share your thoughts and ideas with us. No one has all the answers but together we can make things happen in our community. The future success of Caribou lies in all of our hands.



Annual Report 2016

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	CITY OF CARIBOU, MAINE
	20 _____
	TAX CLUB
Name _____	
Address _____	
Account No. _____	Amount Per Month \$ _____

Tax Club

The City of Caribou has for many years offered taxpayers a monthly payment plan for current taxes. Payments start in January of each year and are divided into 12 payments, based on the previous year tax amount. Tax bills are normally mailed in July and any necessary adjustments will be made to the remaining payments.

Payments must be received on or before the 20th of each month in order to qualify for the "no interest" benefit.

This plan has been well received by many Caribou taxpayers, especially by senior citizens and others on fixed incomes. Anyone interested in participating is invited to come to the City Office to set up payments. All participants for the current year will automatically be provided a payment book for next year, providing payments have all been made as agreed.

If you have any questions about our Tax Club, please call 493-3324 Menu Option #1.

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Administration

ADMINISTRATION

City Manager	Austin Bleess
City Clerk	Jayne R. Farrin
Deputy City Clerk	Kalen J. Hill
Finance Director	Wanda L. Raymond
Tax Collector	Wanda L. Raymond
Treasurer	Wanda L. Raymond
Deputy Tax Collector	Carl Grant
Deputy Treasurer	Holli Doody
Tax Assessor	Penny Thompson
Deputy Tax Assessor	Tony Michaud
General Assistance Administrator	Jayne R. Farrin
Police Chief	Michael W. Gahagan
Emergency Management Director	Michael W. Gahagan
Fire Chief/Ambulance Director	Scott D. Susi
Public Works Director	David R. Ouellette
Parks & Recreation Superintendent	Gary Marquis
Library Director	Lisa Shaw
Housing Director	Lisa Plourde
Code Enforcement Officer	Austin Bleess
Deputy Code Enforcement Officers	Penny Thompson
	Tony Michaud
Building Inspector	Penny Thompson
Alternate Building Inspector	Tony Michaud
Plumbing Inspector	Stephen K. Wentworth
Health Officer	Scott D. Susi
Cary Medical Center Executive Director	Kris Doody
Eastern Aroostook RSU 39 Superintendent	Timothy Doak
Asst Superintendent of Curriculum & Instruction	Jane McCall
Caribou High School Principal	Travis Barnes
Caribou Middle School Principal	Leland Caron
Hilltop School Principal	Cheryl Hallowell
Teague Park School Principal	Cheryl Hallowell
Utilities District General Manager	Hugh Kirkpatrick
Water Plant Operator / Distribution Foreman	Russell Plourde
Auditor	Felch & Company, LLC

DIRECTORY OF CITY OFFICIALS

Mayor Gary Aiken
First elected 2012 • Current term ends 12/31/2017
Deputy Mayor David Martin
First elected 2007 • Current term ends 12/31/2016
Councilor Shane McDougall
First elected 2013 • Current term ends 12/31/2017
Councilor Joan Theriault
First elected 2012 • Current term ends 12/31/2016
Councilor Philip McDonough II
First elected 2010 • Current term ends 12/31/2018
Councilor Jody Smith
First elected 2014 • Current term ends 12/31/2017
Councilor Timothy Guerrette
First elected 2015 • Current term ends 12/31/2018

MUNICIPAL CALENDAR

TAX ASSESSOR

April 1 – Tax Situs Day; property tax exemption (Veteran, Homestead, Blind) paperwork must be filed on or before this date to be considered for exemption

April 15 – Business Personal Property declarations due

May 1 – BETE paperwork due

June 1 – Ratio Declaration & Reimbursement Application filing deadline

July 1 – Farm tractors and aircrafts must be excised by this date. If not, they will be considered personal property for taxation

August 1 – BETR program for previous year's taxes begins

November 1 – Annual Municipal Valuation Return filing deadline

December 31 – Annual deadline for BETR program applications

**** 185 days from commitment date is the deadline to file for an abatement on taxes committed for that year ****

CITY CLERK

Dog Licenses expire December 31st each year.

Late fee after January 31st is \$25.00.

Rubbish Hauler Permits, Taxicab Licenses and Taxicab Drivers' Licenses expire on April 30th.

PLANNING & CODE ENFORCEMENT

Planning Board:

Meets the first Wednesday of the month at 5:30 p.m.

Board of Appeals: Meets on an as needed basis.

CITY COUNCIL

Meets the second and fourth Monday of each month at 6:00 p.m.

EASTERN AROOSTOOK RSU BOARD OF EDUCATION

Meets the first and third Wednesday of each month at 6:00 p.m.

TRI-COMMUNITY LANDFILL HOURS

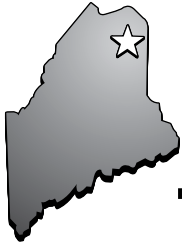
8 a.m. - 4 p.m. Monday through Friday

8 a.m. - 3 p.m. Saturdays

8 a.m. - 12 p.m. Martin Luther King Day, President's Day, Patriot's Day, Columbus Day, Veteran's Day and Christmas Eve

Closed

New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving & Christmas



Boards & Commissions

REGIONAL ZONING BOARD OF APPEALS

- Donald Cote
- Lewis Cousins
- George Howe
- Robert Ouellet

BOARD OF ASSESSORS

- Michael Quinlan
- Romeo J. Parent
- John Weeks

REGISTRAR OF VOTERS

- Jayne R. Farrin

REGISTRATION BOARD OF APPEALS

- Judy-Ann Corrow
- Gary Sanfacon
- Gloria Duncan

CARY BOARD OF DIRECTORS

- Gregg Collins
- Shawn Laferriere
- Dr. Carl Flynn
- Rob Kieffer
- James Mockler
- Doug Plourde
- Michael Quinlan
- Christopher Bell
- Susan White

CARIBOU HOSPITAL DISTRICT

- Doug Plourde
- David Wakem
- Norman Collins

LIBRARY BOARD

- Ryan Scheiber
- Wendy Bossie
- Janine Murchison
- Jane Foster
- Kathryn Easter
- Patrick Bennett
- Gail Hagelstein

NYLANDER

- Jessica Feeley
- Deborah Nichols
- Richard Clark
- Gail Hagelstein
- Nelson Ketch
- Kimber Noyes

PLANNING BOARD

- Robert White
- Matthew Hunter
- Philip McDonough III
- Todd Pelletier
- Philip Cyr
- Evan Graves
- Michele Smith

RECREATION COMMISSION

- Troy Barnes
- Jane Mavor-Small
- Susan White
- Andrew Scott
- Mark Shea

UTILITIES DISTRICT

- Nancy Solman
- Janine Murchison
- W. Louis Greenier
- David Belyea
- Scott Willey

REGIONAL SCHOOL

UNIT #39

- Jan Umphrey-Tompkins
- Ronald Willey
- Tanya Sleeper
- Betheny Anderson

JEFFERSON CARY MEMORIAL HOSPITAL FUND

- Kevin C. Barnes
- Athill Hebert
- Betty J. Hatch



Legislature



Paul R. LePage
GOVERNOR

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

Dear Citizens of Caribou:

Maine has a long tradition of civil participation in both state and local government, and I thank you for being informed and involved citizens.

My vision for Maine is prosperity, not poverty. For this reason, one of my top priorities continues to be the reduction and eventual elimination of the income tax. Raising the minimum wage is not the path out of poverty; I want Mainers to earn a career wage. Reducing the income tax is the biggest and most immediate pay raise for all hard-working Mainers.

Not only does an income tax cut put more money back in your pockets, but it will also attract businesses that can offer good-paying careers to keep our young people here. It shows the nation that we are serious about wanting people and businesses to come—and stay—in Maine.

Unfortunately, voters approved a referendum question to raise the income tax to 10.15% on successful Maine households and small businesses. Enacting the second highest income tax rate in the country shows the nation we are eager to punish people for being successful. It will drive them out of our state and make it even more difficult to attract much-needed doctors, dentists, scientists, engineers and other professionals to Maine. They can live in neighboring New Hampshire, which takes no income tax from their paychecks. Even worse, there is no guarantee the extra revenue from this tax will go to fund education, as proponents promised.

As successful people leave Maine, state and municipal government will lose the significant amount they pay in property, sales and incomes taxes. This will put even more upward pressure on local property taxes. Municipalities will have to get more creative to provide local services without increasing property taxes. Reforming the tree growth program, collecting property taxes on land in conservation or preservation programs, charging a payment in lieu of taxes on state land that is taken off the property tax rolls and having non-profit organizations pay a two-percent tax on their net revenues are all ways for municipalities to increase revenues.

Such bold measures would take strong leadership and commitment from local officials and residents. If ever I can be of assistance to you or if you have any questions or suggestions, I encourage you to contact my office by calling 287-3531 or by visiting our website at www.maine.gov/governor.

Sincerely,

Paul R. LePage
Governor



PHONE: (207) 287-3531 (Voice)

PRINTED ON RECYCLED PAPER
TTY USERS CALL 711
www.maine.gov

FAX: (207) 287-1034



Legislature

SUSAN M. COLLINS
MAINE

415 LINDSEY STREET OFFICE BUILDING
WASHINGTON, DC 20510-1804
(202) 224-4023
(202) 224-4085 (FAX)

United States Senate
WASHINGTON, DC 20510-1904

Dear Friends:

It is an honor to represent Maine in the United States Senate. I am grateful for the trust the people of our State have placed in me and welcome this opportunity to share some key accomplishments.

Growing our economy by encouraging job creation remains a top priority. The tax relief bill enacted during this last Congress contains provisions I authored to provide small businesses with the certainty that they need to invest, grow, and, most important, hire new workers. The 2017 National Defense Authorization Act includes a provision the Maine delegation worked together to champion requiring that military recruits be provided with athletic footwear made in America, as is required for other equipment and uniform items whenever possible. This is a great victory for our troops and for the 900 skilled workers at New Balance factories here in Maine.

Maine's contributions to our national security stretch from Kittery to Limestone. As a senior member of the Appropriations Committee, I successfully advocated for critical funding for projects at the Portsmouth Naval Shipyard and \$1 billion towards the construction of an additional ship that will likely be built at Bath Iron Works. This funding will strengthen the Navy and our national security, and the additional destroyer will help meet the Navy's goal of a 355-ship fleet.

Maine's growing population of older individuals creates many challenges. That's why, as Chairman of the Senate Aging Committee, my top three priorities are fighting fraud and financial abuse directed at our nation's seniors, increasing investments in biomedical research, and improving retirement security.

The Aging Committee's toll-free hotline (1-855-303-9470) makes it easier for senior citizens to report suspected fraud and receive assistance. Last May, a call to the hotline helped lead to the arrest of a national crime ring targeting seniors, and in June I worked to secure the humanitarian release of a Maine senior who had been imprisoned in Spain after being victimized by an international drug smuggling scam.

The Aging Committee also released an extensive report detailing the findings of our bipartisan investigation into the abrupt and dramatic price increases for prescription drugs whose patents expired long ago.

I advocated strongly for the \$2 billion increase in funding for the National Institutes of Health to advance research on such diseases as diabetes and Alzheimer's. I also championed and authored portions of the 21st Century Cures Act that will further support biomedical innovation and make significant reforms to our mental health system.

The Senate also took steps in the past year to combat the nation's heroin and opioid epidemic by passing the Comprehensive Addiction and Recovery Act (CARA), which I was proud to cosponsor. CARA is a monumental step forward in our effort to address the devastating addiction crisis affecting countless families and communities across the country and right here in Maine.

A Maine value that always guides me is our unsurpassed work ethic. In December 2016, I cast my 6,236th consecutive vote, continuing my record of never missing a roll-call vote since my Senate service began in 1997.

I appreciate the opportunity to serve the City of Caribou and Maine in the United States Senate. If ever I can be of assistance to you, please contact my Aroostook County state office at 493-7873 or visit my website at www.collins.senate.gov. May 2017 be a good year for you, your family, your community, and our state.

Sincerely,

Susan M. Collins
United States Senator



Legislature

ANGUS S. KING, JR.
MAINE

133 HART SENATE OFFICE BUILDING
2001 224-6344
Website: www.senatorking.com

United States Senate
WASHINGTON, DC 20510

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

Dear Friends of Caribou,

Since being sworn into the Senate in 2013, I have made it my mission to address at the federal level the most important issues facing our great state. Working closely with my colleagues in the Maine Congressional Delegation, we've been able to successfully secure a number of legislative victories that support our state's economy, our rich traditions, and the hardworking people I am proud to represent.

In an increasingly polarized Congress, my goal as an Independent is to put partisanship aside, build consensus and further common-sense solutions to address the needs of the American people. To this end, I have co-founded the Former Governors Caucus, a group of former state executives who are frustrated with legislative gridlock and eager to find bipartisan solutions. And as always, I aim to bridge the partisan divide by hosting barbeque dinners in Washington with colleagues ranging from Ted Cruz to Elizabeth Warren. If you know a person's children, then you see them as a mother or father and not a rival vote, and working to further personal dialogue and build relationships can lay the foundation for successful legislation.

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

Being an Independent in the Senate has allowed me to make calls and vote on policies that are best for Maine, but it has also made it possible to play key roles in finding simple solutions and legislative fixes that make good commonsense to both parties. Of course, much of what we do in the Senate doesn't happen on the Senate floor, or even in committee. Instead, it involves working across all levels of government to ensure the State of Maine receives attention and support from the federal government.

Take, for example, the opioid and heroin epidemic devastating communities across our state. While Congress has passed legislative solutions aimed at expanding access to medical treatment, I've also pressed for other changes that can be accomplished more quickly and make a more immediate difference in Maine. For example, I successfully urged the U.S. Department of Health and Human Services to increase the number of patients to whom a doctor can provide medication-assisted treatment, and in 2015 brought the Director of the Office of National Drug Control Policy to Brewer to meet directly with Mainers and hear their stories. I've also engaged law enforcement – including the Drug Enforcement Agency – to crack down on the production of opioids and work to limit their diversion. Together, Senator Collins and I helped pass the Northern Border Security Review Act to combat drug and human trafficking along our border with Canada.

While the opioid epidemic is certainly our biggest public health crisis, job loss in Maine is still our number one economic problem and that's why we need to focus on bringing good paying jobs back to Maine and protecting the ones we still have. As a member of the Armed Services Committee, I teamed up with Senator Collins and Representative Poliquin to successfully secure a provision in the defense bill that can help domestic shoe manufacturers like New Balance. The three of us also worked together with the Department of Commerce to establish an Economic Development Assessment Team, known as an EDAT, to assist Maine's forest industry in the wake of several mill closures. We have an incredible spirit of innovation and ingenuity in Maine and I believe finding ways to invest in that spirit will reignite Maine's forest products sector and our economy. Part of our economic path forward must also include expanding access to high-speed broadband, which can help connect our businesses and communities to information and economic opportunities.

AUGUSTA
4 Gabriel Drive, Suite F
Augusta, ME 04320
(207) 622-8292

BANGOR
202 Harlow Street, Suite 20350
Bangor, ME 04421
(207) 946-8860

PRESQUE ISLE
163 Academy Street, Suite A
Presque Isle, ME 04769
(207) 768-5174

SCARBOROUGH
385 US Route 1, Suite 11C
Scarborough, ME 04114
(207) 883-1500

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Printed by the Maine Press



Legislature

ANGUS S. KING, JR.
MAINE

133 Hart Senate Office Building
(202) 224-5344
Website: www.king.senate.gov

United States Senate

WASHINGTON, DC 20510

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

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

As always, please call or write me with thoughts or concerns with matters currently before Congress, or if you need assistance navigating a federal agency. As a public servant, it is critical to me to listen and learn from you, which is why staying connected with people from all over our beautiful state remains a top priority for my work in the Senate. Please call my toll-free line at 1-800-432-1599 or one of my offices: Augusta: (207) 622-8292, Bangor: (207) 945-8000, Presque Isle (207) 764-5124, Scarborough (207) 883-1588, or Washington, D.C. (202) 224-5344. You can also write me on our website at www.king.senate.gov/contact.

It is an honor and a privilege serving the people of Maine in the Senate, and I look forward to working with you in our search for a more perfect Union.

Sincerely,

Angus S. King, Jr.
United States Senator

AUGUSTA
4 Gurnet Drive, Suite 71
Augusta, ME 04330
(207) 622-8292

BANGOR
202 Harlow Street, Suite 20350
Bangor, ME 04401
(207) 945-8000

PRESQUE ISLE
160 Academy Street, Suite A
Presque Isle, ME 04765
(207) 764-5124

SCARBOROUGH
383 US Route 1, Suite 1C
Scarborough, ME 04074
(207) 883-1588

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Legislature

128th Legislature

*Senate of
Maine*

Senate District 1

Senator Troy D. Jackson

Senate Democratic Leader

3 State House Station

Augusta, ME 04333-0003

Office (207) 287-1515

Cell (207) 436-0763

Troy.Jackson@legislature.maine.gov

Dear Friends and Residents of Caribou,

Thank you for the opportunity to serve again as your State Senator. I am honored and humbled by the responsibility of representing you, your families and our area in Augusta. I promise to work hard to do just that.

This legislative session, I'm honored to have been elected by fellow senators to lead the Democratic caucus in the Maine Senate. In my role as a leader in the Maine Legislature, I'm committed to being an advocate for the people of Aroostook County. I know that folks in our part of the state often feel like no one down in Augusta is listening to our needs. It's my goal to change that. While I'm in the State House, hardworking men and women in rural Maine will know that their voices are being heard.

The list of items on the legislative agenda is already a long one. At the top of my list is supporting manufacturing, agriculture, fishing and other industries that make high-quality products and produce jobs here in our state. I've submitted a bill to enact a strong "Buy Maine, Buy American" law that will bolster our economy and support jobs.

That's just one way I plan to fight for an economy that supports families, where anyone willing to work can find a good-paying job. Uneven growth has lifted the fortunes of some, while many Mainers have fallen by the wayside. We need to do everything we can to make sure no one gets left behind.

If you have other concerns or ideas for legislation, my door is open. Please feel free to call or email me anytime. I can be reached on my cell at (207) 436-0763 or at the State House at (207) 287-1515. Please feel free to email me anytime at Troy.Jackson@legislature.maine.gov. I also encourage you to sign up for my email newsletter, where I provide regular legislative updates. You can do so at www.mainesenate.org.

I look forward to working with you in 2017!

Sincerely,

Troy Jackson
State Senator

*Fax: (207) 287-1585 * TTY (207) 287-1583 * Message Service 1-800-423-6900 * Web Site: legislature.maine.gov/senate*



Legislature



Carol A. McElwee

54 Pioneer Ave.

Caribou, ME 04736

Home: (207) 498-8605

E-MAIL: cmcelwee@maine.rr.com

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION

AUGUSTA, MAINE 04333-0002

(207) 287-1440

TTY: (207) 287-4469

February 2017

Dear Friends & Neighbors:

Augusta lawmakers are now mulling over hundreds of bills submitted for consideration. Much of the early business at the capitol will entail referencing proposals to one or more of the 16 joint standing committees, with public hearings to follow. Keeping that in mind, there is a great deal to be done prior to our statutory adjournment date of June 21, 2017.

What an honor it is for me to have this opportunity to share with you some of the details about what I will be working on during the First Regular Session of the 128th Legislature. Above all else, my focus is to ensure that the good people of Caribou are well-represented, as I know citizens strongly desire lower property taxes, more affordable healthcare, and an economy that will induce the creation of high-paying jobs with good benefits.

Once more, legislative leadership has assigned me to the Joint Standing Committee on Agriculture, Conservation, and Forestry. This panel's jurisdiction encompasses the Department of Agriculture, Conservation, and Forestry; agricultural fairs, products, and marketing; animal control and welfare; food safety, inspection, and labeling; dairy industry; pesticides regulation; nutrient management; farmland preservation; State parks, historic sites, public lands, submerged lands, and coastal islands registry; the Maine Land Use Planning Commission; geological surveying and mapping; forest management, marketing, utilization, health, and fire control; the Land for Maine's Future Program; and Baxter State Park. With The County's close ties to the farming industry, I have every intention on working with my colleagues, on both sides of the aisle, in implementing sound policies to guarantee equitable competition that will promote sustained growth.

Since it is always my focus to maintain an open line of communication with constituents, I encourage you to send me your e-mail address so that I can provide you with a copy of my regular e-newsletter. This publication includes topics of interest related to State Government and other public service announcements.

Thank you for the opportunity to be your voice at the State House. May you and your families enjoy a healthy and prosperous 2017!

Sincerely,

Carol A. McElwee
State Representative

District 149

Caribou, New Sweden and Westmanland



City Manager

What a year 2016 was! There were so many great things that happened in Caribou in 2016, I am excited that we made a lot of progress these past 12 months.

Early in 2016 we were able to welcome Sears Hometown Store to Caribou. When Sears left the mall in Presque Isle it left a huge gap throughout Central Aroostook. The City worked hard to do what we could to get a Sears Hometown Store into Caribou. We were excited to help bring that to fruition.

This year we also did some other great work to help the business community. We hosted a workshop with the Buxton Group to help businesses understand how to interact with customers in the area, and how to attract new customers. The workshop was well attended with businesses from nearly every sector of the local economy partaking.

We hosted a workshop to help businesses get their information out on the web. When people look at our area online there were a number of holes in the online presence of businesses throughout the area. This workshop showed businesses how to improve the information that is on the internet, and helped people looking for businesses in Caribou to find them easier.

We also made some great improvements to City Hall to help citizens. We remodeled the first floor to make better use of the space that is there. We consolidated the City Clerks area and the Motor Vehicle Registration area into one portion of the building. This allows for better service to people looking to interact with the many functions of the Clerk's Office and the Vehicle Registration. We also moved the Housing Agency and the Assessing/Building Official Office downstairs. When these offices were upstairs people had to walk upstairs to interact with them, and they drew most of the foot traffic to the upstairs. By bringing these offices downstairs we've made them more accessible to the public. The project as a whole has received rave reviews from many citizens. I hope you've found them helpful as well!

For the second year in a row Caribou was named the most affordable city in Maine! What a great accolade to receive again. It highlights the hard work that the city staff puts into making Caribou not only a great place, but an affordable place, to live, work, and play. Along with that we were ranked



as one of the best places to retire in Maine. We came in 9th for the best "Recreation and Social Index" in Maine. With events like Thursdays On Sweden, the great programs offered by the Rec Center including the Take It Outside Series and wellness classes it's easy to see why Caribou was given these accolades.

We continued Thursdays On Sweden this year, and we added another great event: The Caribou Marathon. What a fantastic event that was! We had over 450 runners from around the country and Canada come to Caribou to run the event. We had over 20 different states represented. It is the Most Northeastern Marathon in the United States, and it is also a Boston Marathon Qualifying Marathon.

One of the things that really made the marathon great was all of the people that came out to cheer on the runners. There were people throughout the race course handing out water, playing music, and cheering on the runners. I personally ran the full 26.2 mile race, and I can say the people that came out to cheer us on made the atmosphere surrounding the race amazing. One of the most common pieces of feedback we received about the race from those that ran it was how awesome the citizens of Caribou were in support of the runners throughout the race. Thank you to everyone that



City Manager

came out to cheer us on! The 2017 Marathon will be held on September 17th, so mark your calendars and get your signs ready to cheer on the runners again!

Another major topic throughout 2016 was the new school that is coming to Caribou. The proposed Pre-K through 8 school that will be located on Bennet Drive will be a nice addition to Caribou. Teague Park will be moved across the street to the where the Area Learning Center is today. The Teague Park School, the Learning Center, and the Middle School will all be demolished as part of this project. The old Hilltop School will be turned into Senior Apartments. The old Sincok School will be torn down and turned into a small park as well. This project will have huge positive impacts on Caribou.

And of course probably one of the best things to happen in 2016 was the demolition of the old freezer building at the Birds Eye site! The eyesore that sat at the corner of US Route 1 and Fort Street for many years was demolished and the site looks very different. In 2017 we will be applying for grants through the EPA Brownsfield Program to do more clean up in 2018. It might take two grant cycles to get all of the site cleaned up, but there is progress being made. We've heard from some developers that have expressed doing something on that property as well. It seems likely that before long that whole site will be transformed into a great asset for Caribou.

What a great year 2016 has been for Caribou. I'm proud of everything we were able to accomplish this year. The future for 2017 and beyond looks bright. I'm happy to have helped pave the way for the future.

However, in January 2017 I submitted my resignation to the City Council effective March 3, 2017. So while I have helped to pave the road for some of the great things to come, it will be up to my successor and future Councils to see these projects through. With all of the positive things that Caribou has to look forward to, it is my sincere hope the Council and the community will focus on the opportunities that lie ahead and embrace them in a forward-thinking manner.

Caribou is a great city and a wonderful community. The people that live here are some of the finest that you'll find anywhere. The generosity and welcoming spirit are some of the best that you'll find. When we moved to Caribou it felt like a natural fit. It felt like home.

Thank you to the citizens of Caribou for welcoming me and my family in and for letting us call Caribou home for the past four and a half years. We will always remember our time here in Caribou fondly.

***Best wishes,
Austin Bleess
City Manager***



City Clerk

2016 in Review . . .

"The ballot box is the gateway to democracy and voter registration is the key to the gate."
Idaho State Senator Curt McKenzie – date unknown

Presidential Election

During 2016, this office was busy preparing with all things, Elections. It started in February with party caucuses and continued through the end of December with the question of recounts and the need to complete scanning Voter Participation History. In between, this office certified 304 different petitions, spoke at Caribou High School about voting and conducted a voter registration drive with City Manager Bleess, and continued to review the City's voting list and when needed mailed out Voter Confirmation Mail Reply Cards (CACC).

The City Clerk acts as supervisor of all federal, state, and municipal elections; additionally, the City Clerk is appointed Registrar of Voters and the Warden for each election. The City of Caribou continues to contract with the County of Aroostook to provide election services for the residents of Connor Township.

On June 14, 2016 this office conducted the State Primary Election:

Total Votes Cast – Democratic = 189 Republican = 231

On June 14, 2016 this office conducted the RSU 39 Budget Validation Referendum:

Total Votes Cast – Yes = 307 No = 193 Void = 2

On November 8, 2016 this office conducted the General/Referendum Election (Caribou and Connor Township) and Caribou Municipal Election:

Total Votes Cast – 4089 with 3887 votes cast by Caribou and 202 votes cast by Connor Township

A summary of registered voters in Caribou as of March 6, 2017:

Democratic Party	—	1758
Republican Party	—	1780
Green Independent	—	232
Libertarian	—	11
Unenrolled	—	<u>2234</u>
Total voters of Caribou		6015

Vital Records

The City Clerk's office has vital records from 1892 to the present. The records prior to 1892 are incomplete and are generally Marriage Intentions. In 2013, the records restoration program was restarted with the restoration of one book – Marriages Vol. 5 1875-1929. Since then the City has restored Council Record 1953-1961 Town of Caribou, Vital Records Books 2 & 3 1800's, and Marriages, Births, Deaths & Marriage Intentions Vol. 4 1874-1892. For 2017, Town Records Vol. 6 1885-1906 has been shipped for restoration. The work includes the deacidification, mending, and reinforcement of the paper, and finally placed in archival binding. As part of this process, the books are scanned and the information is stored on a CD.

OPEN RECORDS:

- Birth – 75 years old or older
- Marriage – 50 years old or older
- Death – 25 years old or older
- Fetal Death/Stillbirth – 50 years old or older

Anyone may purchase non-certified copies of any birth, marriage, or death record that is open for \$5.00. To purchase a certified copy, individuals must submit a completed application, proper identification, and payment prior to the release of a record. Applications are available through the City's Website or in the Clerk's Office.

For several years, the City Clerk's Office has been utilizing the State's Electronic Death Registration System (EDRS) and Electronic Birth Registration System (EBRS). With the electronic systems, the City no longer receives paper copies of births and deaths. Listed below is a three year comparison for the only three vital records that we receive in paper format.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Adoptions	7	10	3
Disposition Permits Issued	133	160	169
Marriage Licenses Issued	47	71	79



City Clerk

Certified Copies of Vital Records Issued:

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Births	793	764	764
Death	640	741	741
Marriages	<u>151</u>	<u>137</u>	<u>177</u>
Total Certified Copies Issued	1584	1642	1682

Amount paid to the State \$ 3,363.20
Fees retained by the City \$20,375.70

The State has started implementing an Electronic Marriage Registration System (EMRS) and once trained, this Office will start issuing marriage licenses and certificates through this method.

Dog Licenses

In the State of Maine all dogs over the age of six months must be licensed and a current rabies certificate is necessary to complete the licensing. Dog licenses are issued for Caribou and Connor residents. These annual licenses expire at the end of December and a \$25.00 late fee starts February 1st. To encourage dog owners to license their dogs before the end of the year, this office in conjunction with the Caribou Police Department held a raffle with the winner receiving a \$50.00 gift certificate at the veterinarian of their choice.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Dog Licenses Issued	1324	1212	1150

Additional Clerk Information

Licenses & Permits	<u>2014</u>	<u>2015</u>	<u>2016</u>
Special Entertainment, Taxi,	58	51	71
Taxi Drivers, Local Liquor Licenses			
Rubbish Haulers, Lunch Wagon,			
Pawnbroker			

Recordings

Hospital Liens, Military	7	6	9
Discharges, Business Names, etc.			

Notarizations	186	227	157
Marriages at City Office	3	4	3
Caribou Voter List Sales	2	0	0

IF&W – Licenses & Registrations

Number of Registrations	<u>2014</u>	<u>2015</u>	<u>2016</u>
Boats	334	295	295
ATVs	641	696	723
Snowmobiles	463	422	518

Amount paid to the State for

Licenses & Registrations \$ 77,972.50
Fees retained by the City \$ 3,313.75

Tax Clubs:

At the end of 2016, there were 262 tax club members. Call the main telephone number – 493-3324 Menu Option #1 if you are interested in joining.

Motor Vehicle Registrations:

5283 tags issued 354 Rapid Renewal transactions

Just the numbers . . .

- 17,678 citizen contacts
- 21,024 transactions
- 3,134 telephone calls

Services Provided:

The City of Caribou accepts Debit and Credit Cards

Property Tax Collections	Vital Records
Excise and Motor Vehicle	Dog Licenses
IF&W Registrations	IF&W Licenses
Trailer Park Lot	Voter Registration –
Rent Collections	Absentee Ballots
Code Enforcement	Notary Public Services -
Permit Fees	fee
Dedimus Justice	Copying – fee
	Fax-fee

In 2011, the City started offering marriage services. The fee for this notary service is \$75.00.

Available On-Line Services:

- Dog licensing
- Rapid Renewal – motor vehicle registrations
- ATV, snowmobile, & boats registrations
- Hunting and fishing licenses.



City Clerk



Connie Michaud and Austin Bleess

Constancy, Steadfastness, Faithfulness, and to be Knowledgeable . . . Who does that describe?

Did you guess Constance Michaud? If you did, then you have met Connie. The woman who has been the face of Caribou City Office for 30 years. She reached this milestone in April 2016. The City is so fortunate to have an employee who lives up to the meaning of her name.

City Office Renovation:

In the 2016, the Front Office and the Clerk's Office were renovated and are now combined into one bright, modern, and efficient space. Having the three of us together allows us to better cover for each other without adding additional staff.

General Assistance

General Assistance is an emergency assistance program regulated by state statute and municipal ordinance. The program is designed to provide Caribou residents with assistance for basic needs. All assistance is granted in voucher form and no cash assistance is granted. Prior to making an appointment, an individual should pursue other sources because General Assistance is intended to be a program of last resort.

Once in 2016, the Council adopted changes to the City's General Assistance Ordinance.

The state reimbursement rate is 70% and the City receives 100% reimbursement plus an administrative fee of \$4,800 for processing any Connor General Assistance applications.

General Assistance Expenses for 2016

CARIBOU: Processed 118 applications. Paid for 122 cases which included 179 people.

Housing	\$ 14,567.62
Heating	843.75
Electricity Service (non-heating)	1,048.05
Propane Gas (non-heating)	46.49
Food	2,163.26
Prescriptions	79.99
Burials	8,999.73
Household & Personal Supplies	1,603.33
All Other Needs	<u>112.94</u>

Aid to Caribou Residents \$ 29,465.16

Minus Total Amount Reimbursed
by Clients - 1,186.88

Minus 70% Reimbursed
by the State of Maine - 19,794.82

Cost to the City of Caribou \$ 8,483.46

CONNOR: Processed 1 application. Paid for 1 case which included 4 people

Aid to Connor Residents
(Subject to 100% reimbursement) \$ 295.10

Administrative Fees for Connor 4,800.00

Constance Michaud
Motor Vehicle Agent

Kalen Hill
Deputy City Clerk
Deputy General Assistance Administrator

Jayne R. Farrin
City Clerk
General Assistance Administrator



Tax Assessment

It is the goal of the tax assessment office to identify and appraise property within the City of Caribou and ensure the fairness and equity of all real and personal property values; thoughtfully interpret and comply with statutory laws as mandated by the State of Maine; create and maintain accurate maps used to provide geographic data analysis; process all recorded legal documents in a timely manner to reflect accurate records of property ownership; and to efficiently provide the public and our co-workers with high quality products and services, created in a supportive work environment, encouraging cooperation, honesty, integrity and respect.

Municipal Valuation

Commitment Date: July 1, 2016	
Taxable value of land:	\$ 93,341,700
Taxable value of buildings:	\$253,536,300
Taxable value of personal property:	\$ 17,083,800
TOTAL taxable valuation:	\$ 363,961,800
2016 Property Tax Rate: .02290	

Property Tax Exemptions

Certain classes of property are tax exempt by law. Fully exempt property may include real estate or personal property owned by governmental entities, school systems and other institutions. Partially exempt property relates to the following categories:

Homestead Exemption – This program provides a measure of property tax relief for certain individuals that have owned homestead property in Maine for at least twelve months and make the property they occupy on April first their permanent residence. Property owners would receive an exemption of up to \$15,000 in valuation. In 2016, Caribou granted 2,137 Homestead Exemptions.

Veteran Exemption – A veteran who served during a recognized war period and is 62 years or older; or, is receiving 100% disability as a Veteran; or, became 100% disabled while serving, is eligible an exemption of up to \$6,000 in valuation. In 2016, Caribou granted 340 Veteran Exemptions.

Paraplegic Veteran – A veteran who received a federal grant for a specially adapted housing unit may receive an exemption of up to \$50,000 in valuation. In 2016, Caribou granted no Paraplegic Veteran exemption.

Blind Exemption – An individual who is determined to be legally blind may receive an exemption of up to \$4,000 in valuation. In 2016, Caribou granted 6 Blind Exemptions.

Business Equipment Tax Exemption – is a 100% property tax exemption program for eligible property that would have been first subject to tax in Maine on or after 4/1/08. In 2016, Caribou approved 56 applications for BETE Exemptions. The total amount of exempted value was \$6,629,739. As a result, Caribou was eligible for “Enhanced BETE” reimbursement of over 53% of the lost revenue which amounted to a total reimbursement of \$80,767.90.

Partial exemptions must be adjusted by the City of Caribou's certified assessment ratio. For 2016, the certified ratio was 100%. The State of Maine will reimburse the municipality for half of the revenue lost by offering these exemptions.

All of the above exemptions require completion of an application to the tax assessment office. Exemption claims may require additional information to support the claim for exemption, and must be delivered to the tax assessment office no later than April first.

Current Land Use Programs

The State of Maine has four “current use” programs which offer the property owner a reduction in their assessed value: *Tree Growth, Farm Land, Open Space* and *Working Waterfront*.

All four programs are available to the property owner through an application process with the tax assessment office. Applications must be filed on or before April first. Certain criteria must be met for each program and any future change in the use of the land which would cause disqualification would result in a penalty.



Tax Assessment

In 2016, Caribou had 1,299.6 acres in *Tree Growth* and of those 61 were first classified in 2016. In the *Farm Land* current use program which totaled 921 acres for 2016, Caribou had 472 acres in crop land and 449 acres in farm woodland. Currently there is only one parcel in the *Open Space* current use program with 37 acres and there are no properties in the *Working Waterfront* program.

Please visit the City of Caribou website for: exemption applications, 2016 Commitment Book, 2016 tax maps, 2016 tax bills, and other information.

The tax assessment department has continued to assist with Code Enforcement duties in an effort to provide taxpayers greater access to staff and public records.

In the summer of 2016, the tax assessment department was moved to the first floor of the municipal building.

Respectfully submitted,

Penny Thompson
Tax Assessor

Tony K. Michaud
Deputy Tax Assessor

The State of Maine ***does not*** require that the City send out tax bills. When a municipality issues a property tax bill, each bill must include the following information per Title 36, § 507:

AS A RESULT OF THE MONEY OUR MUNICIPALITY RECEIVES FROM THE STATE LEGISLATURE THROUGH THE STATE MUNICIPAL REVENUE SHARING PROGRAM, HOMESTEAD EXEMPTION AND BETE REIMBURSEMENT AND STATE AID TO EDUCATION, YOUR PROPERTY TAX BILL HAS ALREADY BEEN REDUCED BY **53%**.

INTEREST AT 7% PER ANNUM
BEGINS 10/01/2016

EFFECTIVE JUNE 30, 2016, THE CITY OF CARIBOU
HAS **NO** BONDED INDEBTEDNESS.

Title 36, § 507 also requires each bill issued must indicate the percentage of local property taxes distributed to: education, local and county government.

AROOSTOOK COUNTY:	5%
RSU #39 (SCHOOL):	42%
MUNICIPAL APPROPRIATIONS:	53%

Important Dates

April 1

Tax Situs Day; Property tax exemption paperwork due

April 15

Business Personal Property declarations due

May 1

BETE paperwork due

June 1

Ratio Declaration & Reimbursement Application
filing deadline

July 1

Farm tractors and aircrafts must be excised by this date.
If not, they will be considered personal property for taxation.

August 1

BETR program for previous year's taxes begins

November 1

Annual Municipal Valuation Return filing deadline

December 31

Annual deadline for BETR program applications

**** 185 days from commitment date is the deadline to file for an abatement on taxes committed for that year ****



Caribou Housing Agency

More than 337 people rely on the Caribou Housing Agency for rental assistance each month. That, by itself, defines our mission. Most of them are low- and moderate-income people, with children and often extended family in the home – a grandmother on Social Security or an unemployed uncle. Our job is to provide them safe, decent and sanitary housing conditions, and connect them to the educational and economic opportunities that will help them prosper.

The rental assistance that the Caribou Housing Agency (CHA) provides is the Housing Choice Voucher Program (aka Section 8). Funded by the U.S. Department of Housing and Urban Development (HUD), this program provides rental assistance to about 2.2 million families.

Property Owners/Landlords

It takes a lot of partnership to make this program work and CHA is proud of its 48 Owners and Agents (Landlords) who participate in the HCV Program. In 2016, CHA paid approximately \$785,270 in Housing Assistance Payments (HAP) to owners/landlords of rental properties in the Caribou area.

Housing Choice Voucher: Waiting List

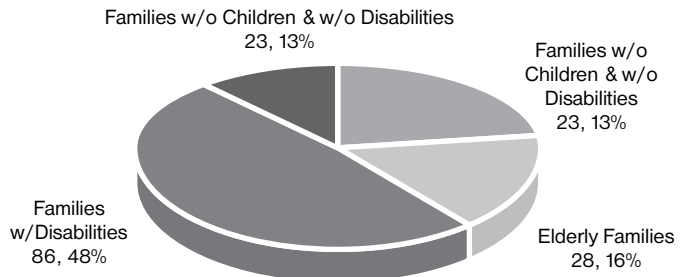
When vouchers are available, the CHA draws applications, by date & time of application, from the Waiting List. The eligibility determination process includes verification of family composition, income eligibility, and criminal background checks.

In 2016, CHA invited 168 applicants off the Waiting list, 57 responded, and 46 were issued vouchers to search for a rental unit on the open market. Of those vouchers issued, only 23 leased up. The average gross household income of those that leased up in 2016 is \$9,576 with a family size of 2.05

Housing Choice Voucher: Program Participants

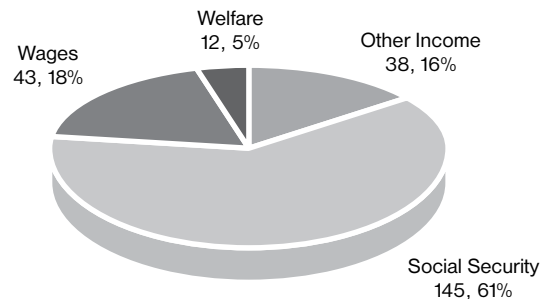
By the end of 2016, CHA administered 2137 vouchers, an average of \$374 per month; putting us at a 92% unit utilization rate.

Distribution by Family Type



Distribution by Source of Income

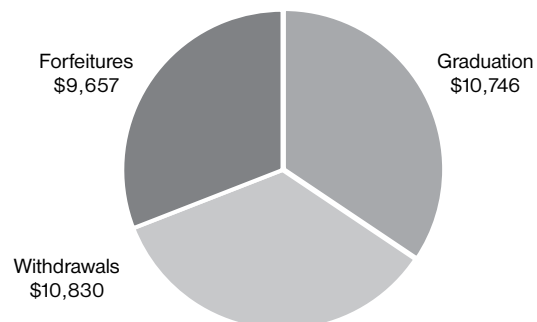
(per family member)



Housing Choice Voucher: Family Self-Sufficiency

The Family Self-Sufficiency (FSS) Program promotes self-sufficiency and asset development by providing supportive services to participants to increase their employability, to increase the number of employed participants, and to encourage increased savings through an escrow savings program.

FSS Escrow Graduations/Withdrawals/Forfeitures in 2016





Caribou Housing Agency

Current FSS Data, 2016

Total FSS participants:	30
Participants w/an escrow savings account:	17
Average monthly escrow savings deposit:	
(participants with an escrow balance)	\$3,277
Average escrow savings account balance:	
(participants with an escrow balance)	\$1,043
Highest escrow account savings balance:	\$3,598

Housing Choice Voucher: Homeownership

Eligible participants have the option of purchasing a home with their HCV assistance rather than renting.

- 8 vouchers were used to purchase homes since 2008.
- 0 vouchers are currently active.

Caribou Housing Agency Highlights for 2016

- Section Eight Management Assessment Program (SEMAP): Each year CHA undergoes an independent performance review by HUD. Fourteen separate indicators are assessed on a 100 point scale. For Fiscal Year 2015, CHA scored 100% and was designated a "High Performer."
- Family Self-Sufficiency: CHA was awarded the 2016 FSS Grant for FY 2015 in the amount of \$48,729. We are the only Agency in Aroostook County, Maine that has the FSS Grant.

Respectfully Submitted,

Lisa A. Plourde
Executive Director



Fire & Ambulance



Benjamin Franklin, founding father of firefighting

One of Benjamin Franklin's many accomplishments was cofounding the first volunteer fire department of Philadelphia. It was December of 1736 and he was 30 years old.

The strict fire and building codes we have today were unknown in eighteenth century America. Most houses were built of wood and heated by open hearths and fireplaces. The danger of fire raging throughout a town or city was ever present. Some cities, such as Boston, established loosely organized firefighting companies to help prevent disaster. Never one to let a hot idea go up in smoke, Franklin suggested that Philadelphia should have fire-fighting clubs modeled after the ones in Boston. After writing about it in the Gazette and discussing it with members of the Junto, he organized the Union Fire Company, which was incorporated in 1736. Members of the fire company pledged to help one another should fire break out or threaten one of their homes or businesses. Not only would they attempt to put out the flames, members would also help save goods within the building and protect the building from looters. Members were not required to help protect properties of non-members. Members had to provide at least two buckets for carrying water and several cloth bags for carrying items rescued from the fire. The original twenty-five members of the group met once a month to discuss fire-fighting techniques, to establish company policies, and, of course, to socialize. Soon fire companies and clubs sprang up all over Philadelphia and most of the city fell under the protection of one or another of the companies—yet another civic improvement brought to us by the work of Benjamin Franklin.

"A YEAR TO BE PROUD OF"

The Caribou Fire and Ambulance is a combination fire and ambulance department. All of our full-time and most of the paid call personnel are cross-trained to handle either fire or EMS jobs. By doing this, the citizens of Caribou enjoy top quality service at about half the cost incurred in other communities. We have one of the lowest costs in the State compared to other similar departments. We have 16 Full-time members and 35 Paid Call members.

During 2016 the department has:

- Traveled 101,863 miles by all Fire and Ambulance Units
- Used 348,970 gallons of water
- Used 10,475' of hose in various sizes
- Used 712' of ladders in various sizes
- Inspected 66 buildings
- Issued 591 fire permits
- 2,087 man hours of training time
- Throughout the year well over 104 man hours were devoted to the Learn Not to Burn Program with over 508 pre-school and school age children involved from Caribou, Limestone, Connor, Woodland and New Sweden communities.
- Over 96 people trained in Fire Extinguisher Classes
- Tommy Trauma, first aid, health class and a variety of other classes account for another 580 people trained

Total Fire and Ambulance Calls for 2016 was 2,387.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Fire / Rescue Calls	213	205	191	220
Total Ambulance Calls	<u>2,009</u>	<u>2,119</u>	<u>2,124</u>	<u>2,167</u>
Total Combined Calls	2,222	2,324	2,315	2,387

As shown in our statistics, our fire calls have been consistent in the past three years, and ambulance calls have stayed constant at 2,167. Of those medical calls, up from last year, 260 were long distance transfers for medical services.

With Fresh Air, LLC we had 66 Air Flight transports downstate down from 79 in 2015 - 5 of which were out of state. We currently have eight CCENT- Paramedics that are trained to the Critical Care Paramedic Level. Caribou Fire & Ambulance and Cary Medical Center continue working together to provide a Paramedic/Nurse/Respiratory Therapist team to fly the critical care patients to hospitals in Maine and out of state if needed.



Fire & Ambulance

Of these 2,387 calls of which we had many that were overlapping, meaning two or more units, fire and/or ambulance, being out of this station at the same time. With that being said, it is very important to have available trained personnel to provide the needed Fire and EMS coverage for our citizens and our contracted areas.

During 2016, we had 17 mutual aid call-ins from other departments to help cover the larger fires, and we also provided mutual aid 7 times to neighboring fire departments for either fires or rescues. One contributing factor to the increase in fire calls was the very dry spring we had this year causing multiple wildland fires. On the ambulance side of the department, mutual aid was provided 61 times to neighboring ambulance services, up from 20 the prior year.

This department provided Ambulance service to eight (8) communities in 2016: Caribou, Woodland, New Sweden, Connor, Perham, Westmanland, Stockholm, and T16 R4 (Madawaska Lake area).

All these communities pay an equal per capita cost of \$11.50. This, along with user fees, pays for the operation of the ambulance side of this department plus a percentage of building operation costs.

Caribou Fire and Ambulance also has an Ambulance Billing Dept. that collects ambulance fees for the City of Caribou and also collects for Houlton, Island Falls, Patten and Calais Ambulance Services for a fee of \$22.00 a call/run. This is a hard working dept. consisting of two fulltime billing clerks that work with insurance companies and citizens for reimbursement for services.

On the Fire side of the Department, we provide protection to five (5) communities: Caribou, Woodland, New Sweden, Westmanland, and Connor. All these communities pay a share of the operational costs of the Fire side of the Department. The cost is based on property valuation and population of each community.

After a lot of effort this past year, Caribou Fire and Ambulance was the recipient of a federal AFG, Assistance to Firefighters Grant, in the sum of \$253,334 and were able

to take delivery of new Scott SCBA (self-contained breathing apparatus), at a total cost to the City of \$12,666.

This is a very busy department. Beyond handling 2,387 emergency Fire and Ambulance calls, we have very aggressive Public Education and Safety Programs such as:

- Learn Not to Burn in all schools
- Inspections of businesses & private homes on request
- School fire drills
- Juvenile Firesetter Program
- Operating Fire Extinguisher Programs
- Pre-planning for fire and other emergencies
- Tommy Trauma Safety Program
- Regional Fire Training Center
- Smoke Alarm Installation project
- CPR

We like to think these programs have helped in reducing loss of life and property in the communities we serve and provide education to our young people.

The Caribou Fire and Ambulance maintains and operates a fleet of 5 ambulances, 4 engines, a rescue vehicle, brush/grass fire truck, and rescue sled along with a boat for water rescues. Years ago, we had the foresight to establish reserve accounts for both the fire trucks and ambulances. Each unit has a scheduled replacement date and we have money set aside to replace them without having to increase property taxes and pushing the burden on to our children.

We have tried to stay current in the latest technology. We have changed our website to cariboufire.com, this site features a Common Questions Section, Fire Safety Tips, and a host of other items. Also, located in our lobby is a display on Sprinkler Systems. Along with the changing times we also have a Facebook page so check it out for updates on the Department.

Once again this department conducted the Caribou Fire Department Toy Project. We had help from other organizations, businesses, clubs and individuals. There were countless man-hours donated to this project, and provided families in seven communities with toys. A special thank you goes to those who want their donations kept anonymous.



Fire & Ambulance

In 2016, “20” people died in fires in the State of Maine, up from 19 the year before. The department in an effort to turn this around has taken on a new project of installing smoke ALARMS in homes for those who cannot, it will get us into the community and provide some fire education and preplanning. Over the past ten years, the department responsibilities have multiplied. Fire personnel are fulfilling their traditional mission of fighting fires plus face changing needs and now provide EMS, Fire Prevention and Inspections, Hazardous Material Incidents plus a host of other duties. We have met that challenge with a dedicated group of personnel year after year. In 2014 the city elected to add another person per shift giving the Department the edge it needed to keep up with the demands placed upon it.

Training is one of our most time demanding jobs. All department members train on Firefighting, Emergency Medical Services, Confined Space Rescue and Hazardous Materials Incidents. Every Tuesday evening, members of this department, fulltime and volunteer, are committed to training here at the Fire Station to meet both the needs of the department, but also the requirements set by the Department of Labor and the Maine Fire Service. In 2016, members of the Caribou Fire and Ambulance Department put in 2,087 hours of training to meet the needs of the state and the community.

This Department also has some very dedicated members who spend countless hours of their own time to train and practice for an Honor/Color Guard Unit to represent the Department as well as the City. In 2016 the Honor Guard had 104 hours of training and a number of local commitments.

The Caribou Fire and Ambulance is very fortunate to have a fire training area behind the station including a LP Burn Simulator, Burn Building and new in 2012, through donation, a below ground training area for confined space and rope rescue training. This year we continued to conduct training with the Simulator, to practice fighting LP fires around tanks. Along with this we are sending firefighters to Massachusetts, sharing the expense with Daigle Oil Co., to receive training on large LP Storage areas for fire protection. We have had this program for three years now and the training is invaluable for our area.

In order for this department to operate, we must have very dedicated and caring personnel. The City of Caribou has superior quality personnel within this department. **“I would like to thank each member of the City Council, the City Manager and each member of this department for the overwhelming support and dedication they have shown”.** **“Our people give up holidays, birthdays and special events and also work on the coldest or warmest days and nights as well, not because they have to, it’s what they want to do for their community”.** We will continue to strive for excellence in property conservation and patient care. We will also strive for fire prevention rather than suppression.

Caribou Fire & Ambulance has had several fundraisers over the years to raise money for a number of community projects such as the Learn Not to Burn, Pine Tree Burn Foundation, local area Boy Scouts, Cary Medical Center’s Camp Adventure (Diabetes Camp) and Caribou Fire Dept. Toy Project and countless other projects. The Fire Department would like to thank its supporters and wish everyone a safe year.

Respectfully submitted,

***Scott Susi, MCFOI
Fire Chief / Ambulance Director***

***“Courage isn’t that you can see what lies ahead;
courage means you will advance not knowing
but doing at all costs.”***

Byron Pulsifer



Emergency Management Agency

First off, I'd like to thank the members of the Community Emergency Response Team (CERT) for their hard work and dedication to the City of Caribou. They took time out of their busy schedules to assist at the Thursdays on Sweden event in Downtown Caribou. Another function they participate in is "witch watch" in which members spread out throughout town on Halloween watching out for children and ensuring no criminal acts are committed. Their dedication to keeping the city safe is so much appreciated. CERT members participate in training and are readily available in the event they are needed to assist emergency personnel. Their service to Caribou EMA and the citizens is unpaid and strictly volunteer.

Updates to the Emergency Operations Center (EOC) continued, keeping the local meeting place for first responders and emergency personnel up to date in technology. Both police and fire agencies utilize the EOC for trainings mandated by the state.

The Caribou Emergency Management Agency works closely with the Aroostook County Emergency Management Agency, which is also in Caribou. I would like to thank Darren Woods, Jesse Belanger and Joyce Findlen for their continued support.

I would like to encourage residents to be prepared for any disaster by having an emergency kit available in cases of inclement weather, power outages, or any other disaster. Things to keep in your "disaster preparedness kit" should include bottled water, food, candles, battery powered radio, flashlight, extra batteries, etc. Remember, being prepared could save you and your loved ones life.

Respectfully submitted,

***Chief Michael W. Gahagan
Director of Emergency Management Agency***



Code Enforcement

“It’s All About Safety”

Due to budget cuts, the City of Caribou created a division of code duties when longtime Code Enforcement Officer, Steve Wentworth, left his position in 2014.

City Manager Austin Bleess provides staff support to the Planning Board, Health Officer duties are handled by Fire Chief Scott Susi, and tax assessment department employees have become certified in areas of land use, shoreland zoning, building codes, energy codes, ventilation codes and the radon code.

Fortunately, Mr. Wentworth has stayed on as the Local Plumbing Inspector!

The mission of the Code Enforcement Office is to ensure ongoing positive development in Caribou. The zoning ordinances and building codes direct development to provide a community that welcomes both commercial and residential growth.

The Code Enforcement Office reviews all applications for compliance with the 2014 Comprehensive Plan, the Land Use and Zoning Ordinance, Shoreland Zoning (if applicable) and MUBEC.

Land Use Essentials

The Land Use Ordinances of the City of Caribou can be found in Chapter 13 of the City Code. This document can be found online at the City of Caribou website.

Some information available:

Official Zoning Map
Land Use Table
Subdivision Ordinance
Shoreland Zoning Ordinance
Shoreland Zoning Map
Property Maintenance Code

You can also find forms, applications and links on the Code Enforcement page of the City of Caribou website.

Building Code Basics

Maine Uniform Building (and) Energy Code “MUBEC” consists of the following codes:

2009 International Building Code (IBC); 2009 International Residential Code (IRC); 2009 International Existing Building Code (IEBC); 2009 International Energy Conservation Code (IECC)

The following STANDARDS are also adopted as part of MUBEC, but are not mandatory:

The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standards – editions without addenda:

62.1 – 2007 (Ventilation for Acceptable Indoor Air Quality);
62.2 – 2007 (Ventilation and Acceptable Indoor Air Quality in Low-Rise Residential Buildings); 90.1 – 2007 (Energy Standard for Buildings except Low-Rise Residential Buildings)

E-1465-2006, Standard Practice for Radon Control Options for the Design and Construction of New Low-Rise Residential Buildings.

Also in affect statewide:

2015 Uniform Plumbing Code
NFPA #101 – Life Safety Code (2009 Edition)

In November, the final revisions for updates to MUBEC were sent to the Attorney General’s office for review. Proposed Rules include adoption of the 2015 IRC, 2015 IBC, 2015 IEBC and commercial section only of the IECC. The 2009 IECC will remain in effect for residential one and two family dwellings.

At its November 28 meeting, the Caribou City Council voted to waive the building permit fee for the anticipated RSU#39 elementary school building project which is estimated to cost at least \$40 million. This vote led to a City Council discussion about lowering all building permit fees, and eliminating the demolition permit fee in 2017.



Code Enforcement

The Planning Board has been working to improve Chapter 13. The re-write should be complete in 2017.

A well-trained staff is critical to the function of this office. As such, staff attends trainings on topics related to code enforcement when offered.

2016 Permits by the Numbers

CARIBOU PERMITS - 2016	
Sign permits:	9
Demolition permits:	4
Plumbing Permits (total):	37
Internal:	19
External:	18
Building Permits (total):	52
New homes:	7
Commercial:	11
Department Revenue:	
\$25,295.00	
Revenue sent to Augusta for	
Plumbing Permit fees:	
\$ 1,610.00	

Unsure if you need a permit for your planned project? The website has great information. Alternatively, please call the code enforcement office at:

(207) 493 – 3324 X 3

Respectfully submitted,

Penny Thompson
Code Enforcement Officer

Tony K. Michaud
Deputy Code Enforcement Officer



Police Department

2016 was a very busy year for the Caribou Police Department! We had many events to assist with police coverage including parades, Thursday's on Sweden and the Caribou Marathon. We provided free hamburgers and hot dogs at the New Year's Eve bash, provided police service at the Caribou Snowmobile Club's Snowmobile Drags and escorted a fundraising ATV ride. We look forward to the many events we will provide service for in 2017!

I served on the Maine Opioid Task Force that looked at the heroin and opioid crisis in Maine and how to help combat drug addiction. This is an epidemic that affects all of us.

Officer Ricky Pelletier graduated from the Basic Law Enforcement Training Program in May of 2016. We also hired Gerard LeMoine of New Hampshire to fill a full time Police Officer position. He will start the Basic Law Enforcement Training Program in January of 2017. His position was vacant for over eight months as the initial certification process changed a few years ago and it is much more expensive and time consuming to become even a part time Police Officer.

Officer Chad Cochran completed Drug Recognition Evaluator training and is now certified to perform evaluations on persons suspected of operating a motor vehicle under the influence of drugs. This is a major violation and it makes it very convenient to have someone from our agency able to evaluate people arrested. He is one of four DRE's in Aroostook County.

Caribou Police Department participated in and managed multiple grants in 2016 totaling \$129,970, including the Maine Bureau of Highway Safety's seatbelt, speed, impaired driving

and distracted driving enforcement campaigns. Officers also participated in ATV enforcement details funded by the Maine Warden Service, shared with local Wardens as a joint effort to help keep people safe on the trails, prevent damage caused by reckless operation, promote good relationships between riders and landowners and keeping the trails safe for everyone's enjoyment. Other grants include federal BYRNE/Justice Assistance Grant, homeland security, underage drinking enforcement and to purchase bullet proof vests.

Remember, our department continues to collect unused/outdated/expired prescription medications and properly packaged medical sharps. You can drop these off at the station 24 hours a day, our door is always open.

I would like to thank all of our personnel, including our Reserve Officers for another year of dedicated service. This department wouldn't be as successful if it weren't for all of you. Your commitment to law enforcement and keeping the citizens of Caribou safe is outstanding.

In closing, I would like to express my appreciation to the City Manager—wish you the best in your future endeavors, City Councilors, City department heads and employees, and most of all the citizens of Caribou. Your support of our department and continued efforts to help prevent crime and solve cases does make a difference and our jobs much easier. Remember, "if you see something, say something", please don't hesitate to call us to report something.

Respectfully,

Chief Michael W. Gahagan



Police Department

ANNUAL CRIME REPORT 2015 AND 2016 COMPARISONS

	2015	2016
Crime Rate	31.26	20.25
	1,000 residents	1,000 residents
Clearance Rate	74%	56%
Major Crimes		
MURDER/MANSLAUGHTER	1	0
RAPE	2	0
ROBBERY	1	1
ASSAULT	40	35
BURGLARY	22	25
THEFT	176	92
MOTOR VEHICLE THEFT	12	9
ARSON	2	1
Other		
STOLEN PROPERTY	\$107,097.00	\$73,149.00
RECOVERED PROPERTY	\$51,179.00	\$23,936.00
COMPLAINTS	3,979	4,036
CRIMINAL OFFENSES	354	378
DRUG CHARGES	21	28
HATE CRIMES	0	0
SUBJECTS BOOKED		
THROUGH OUR DEPARTMENT	478	386
SUBJECTS KEPT AT		
OUR DEPARTMENT	423	323
AID TO OTHER AGENCIES	254	197
ESCORTS	50	57
UNLAWFUL SEXUAL CONTACT	5	7
GROSS SEXUAL ASSAULT	4	2
OTHER SEX CHARGES	24	23
ASSAULT ON AN OFFICER	1	0
DOMESTIC ASSAULT	18	15
45% of assaults are domestic	all cleared	all cleared
ANIMAL CONTROL COMPLAINTS	176	164
STOLEN MOTOR VEHICLES RECOVERED	7	7
ACCIDENTS	294	279
TRAFFIC SUMMONSES	735	695
WARNINGS ISSUED	1354	1264
OUI CHARGES		
26% are OUI drugs	41	38
ALARMS	206	198
911 HANGUPS	133	142
MENTAL SUBJECT	48	54



Parks & Recreation

2016 was a great year for the department as all of our programs were well attended and the staff is the main reason why our program participation is at an all-time high. The dedicated staff make this recreation department one of the best in the State.

Take it outside series is a program that is getting State recognition and continues to grow in popularity. With trips all over Aroostook County and some in New Brunswick this series allows adults the opportunity to visit several different areas and not having to worry about driving. There will be new and exciting trips scheduled for 2017.

Once again the recreation department with several other city departments offered the very popular Thursdays on Sweden, 2016 was our very best year to date, with good weather, good food, and of course great entertainment, TOS are here to stay. This department was instrumental in hosting our first marathon and what a hit it was. With live music and approximately a thousand people cheering on the runner's right in front of the wellness center, this new event definitely put Caribou on the map.

Caribou Cares about Kids events, heritage days and all of the other events that this department helps out with were all very well attended.

The department is very much involved with the new school project for the RSU. The RSU and the State of Maine Department of Education have chosen the Teague Park location as the future home for the new K-8 school. This means that the community will receive a new park located at the old learning center site which will mean that all recreation activities will be all on one side of the road. The department and rec commission is working hard on making sure that the citizens of Caribou will get and have the nicest park around. The Parks and Recreation Department staff and rec commission are working very hard with the RSU to make sure that the project will have a positive impact on the Community.

The Caribou Parks and Recreation Commission and staff wish to extend a sincere thank you to all the clubs and service organizations and volunteers that afford the Department the opportunity to provide the services Caribou residents so enjoy to continue to be delivered to ensure the enhancement of the quality of life for the entire Caribou community.

Respectfully submitted,

Caribou Parks and Recreation Commission

Susan White, Chair

Mark Shea, Co-Chair

Jane Mavor Small

Troy Barnes

Andy Scott

Gary Marquis

Supt. Parks and Recreation



Public Library

Mission of the Library

Where Heritage Meets Innovation

It is the mission of the Caribou Public Library to organize, preserve and make readily available materials of contemporary interest and permanent value, including a comprehensive collection of local history, for the education, intellectual stimulation and pleasure of the entire community. It upholds the principle of intellectual freedom and the public's right to know by providing people of all ages access to information which reflects all points of view. The Caribou Public Library provides its facility and service to satisfy the varied needs of the community and encourages the use of these resources by keeping the public aware and informed.

Caribou Public Library Usage Statistics in 2016

Circulation	26,117
Interlibrary Loans	439
Library Visits	20,505
Story Hour Visits	1,664
Adult programs	1,056
E- / Audio Books	1,606
Wireless Usage	8,692
New Patrons	262
Passports	17
Tests Proctored	5
Caribou Room Usage	1,056
Total Services	65,711

Volunteer Hours 2546.5

Total hours donated \$19,098.75

Grants	\$ 16,750.00
In-Kind Donations	\$ 14,900.00
Memorial Donations	\$ 1,940.20
Overdue Fees	\$ 1,588.76
Fax/Printing	\$ 1,507.82
Replacement/Misc.	\$ 619.57
Interlibrary Loan	\$ 19.40
Non-resident Fees	\$ 1,627.50
Passport Fees	\$ 375.00
Total Income	\$39,347.65

Caribou Public Library Board of Trustees 2016

Chair: Patrick Bennett
 Vice-Chair: Ryan Schieber
 Wendy Bossie · Kate Easter
 Jane Foster · Gail Hagelstein
 Janine Murchison · Ryan Schieber



Year in Review for 2016

Literacy, learning, and knowledge creation continue to be the core values of the library for the community of Caribou. Helping people realize their goals and aspirations while thoughtfully maintaining the heritage and story of Caribou is a responsibility the library takes seriously.

It has been a very productive year. The library was awarded a \$15,000 grant to replace the carpeting in the main floor of the building. This included the young adult area, the Piper Reading Room, the children's room, and the circulation desk area. Other grants received are the Maine Community Foundation Rose and Samuel Rudman Fund of \$1000 for traveling cultural literacy kits that Youth Services may use for on-site visits to day care centers or that agencies may check out. An additional \$1,250 from the Onion Foundation to support STEM education and art program at the library. Our Internet wireless infrastructure has been greatly upgraded and improved by Oak Leaf System which was funded by a grant from the William Bingham 2nd Betterment Fund. The Onion Foundation awarded the library \$1,250 for the purchase of sand and water tables for the library to encourage STEM/STEAM programming for the very young in the next coming years.

During the last quarter of the year, both Katie Bossie-Wilcox, Children's Librarian and Lisa Shaw, Director, left to take on new positions. These crucial positions were filled at the beginning of 2017. The new library director, Anastasia Weigle, started on January 23, and Erin Albers, the new children's librarian began on February 7. Anastasia Weigle has 23 years experience working in private, public, and academic libraries with 15 of those years as director of library and archives. Erin Albers, brings with her experience in early education and community development. Anastasia is excited about her new role as City Librarian and both Erin and director look forward to working with the community of Caribou.

**Respectfully submitted,
 Anastasia S. Weigle, Director**



Utilities District

The Caribou Utilities District is a quasi-municipal entity created by charter from the Maine Legislature in 1945 to provide water and wastewater services to the City. Predecessor private companies included the Caribou Water Company (1889) and the Caribou Sewer Company (1905), both of which were eventually purchased by the Caribou Utilities District. The District is directed by a five member Board of Trustees appointed by the City Council. The District is self-financed through rates paid by its customers and maintains its own budget separate from the City.



Water treatment plant located on the River Road

The District produces all drinking water from two gravel aquifer wells on the River Road. These sources provide high quality water for our customers. A new water treatment plant was completed in 2006 and is capable of producing up to 2 million gallons of water per day. The District also maintains 32 miles of water mains, two booster stations, four standpipes and 150 fire hydrants.



Wastewater treatment plant located on the Grimes Road

Wastewater is collected by 42 miles of sewer mains, 700 manholes and treated at three aerated lagoons located on the Grimes Road. The Grimes Road treatment plant was completed in 1984 and is capable of processing up to 1.7 million gallons of wastewater per day on a monthly average. The district also maintains eleven lift stations, a step screen and two pumping stations.

In 2016, the Board of Trustees held twelve regular meetings. Scott Willey was President, with Nancy Solman serving as Treasurer, and Sue Sands serving as Clerk. Other Trustees



2016 Caribou Utilities District Board of Trustees. Front left to right; Jan Murchison, Nancy Solman (Treasurer), Sue Sands (Clerk/Office Manager). Rear left to right; David Belyea, Scott Willey (President), Louis Greenier

include David Belyea, Louis Greenier, and Janine Murchison. District meetings are normally held the second week of each month at the District office building at 176 Limestone Street and are open to the public.

Caribou Utilities District was awarded the Maine Rural Water Association 30th Annual Maine's Best Tasting Drinking Water in December. The award was established by a three person panel based on the criteria of clarity, smell and most importantly, taste. Communities and small water systems throughout the state submitted samples including recent past winners Limestone and Bangor. The distinction allows the Caribou Utilities District to enter the National Rural Water Association Great American Water Taste Test in February 2017 where drinking water from around the country is judged to determine the nation's best.



Maine Rural Water Association 2017 Maine's Best Tasting Water. Accepting the award from left to right; Fred Page III, Russell Plourde and Tim Ouellette

During the past year the District received a draft wastewater discharge license containing updated effluent limits and terms and conditions. Sometime in early 2017 the State of Maine Department of Environmental Protection is expected to issue our new discharge license.



Utilities District



Alan Hitchcock, General Manager 1998 to 2016

Alan Hitchcock retired in October after a long and distinguished career, the last eighteen of which he was the General Manager of the Caribou Utilities District. He was the first General Manager ever appointed by the Board of Trustees. Alan was hired away from a successful position as a partner at Aroostook Engineers. During his tenure at the District, Alan replaced or modernized massive portions of the infrastructure, streamlined the policies, procedures, and workforce and has situated the organization for continued high quality service well into the 21st century.

The following is a summary of the major projects completed during his tenure:

- The District transitioned from the Aroostook River as a water source to two new gravel aquifer wells on the River Road, which provides high quality water for customers. A new water treatment plant and pumping station began operations in July 2006.
- Repainting of all 4 standpipes.
- 27,850 feet of 12-inch water main.
7,650 feet of 8-inch water main.
1,900 feet of 6-inch water main.
700 feet of 16-inch HDPE water main; river crossing.
- Water service lines were replaced for 65 customers.
New water services were installed for 22 customers.
- Acquisition of over 115 acres of land for new wells, treatment plant and source water protection.
- In November 2006, the Caribou Utilities District received a national award from the US Environmental Protection Agency for Sustainable Public Health Protection. This award was given to only twenty water systems in the US. It recognized innovation in the design and funding of a water project that promotes and protects public health.
- New instrumentation was installed at the wastewater treatment plant at Grimes Mill, which allows continuous

monitoring of the dissolved oxygen levels. Replacement of the aeration system in the treatment lagoons and the installation of new aeration headers.

- New screening equipment, electrical, heating and ventilation equipment in the headworks of the primary treatment plant on Limestone Street.
- 910 feet of 12-inch sewer main.
2,200 feet of 8-inch sewer main.
- Replacement of 25 manholes and repaired 135.
- Upgraded 6 of 11 sewage lift stations.
- A generator was purchased from Cary Medical Center and installed at the No. 1 pump station to provide full coverage for power outages. Generators were also installed at both water and wastewater treatment plants.
- Acquisition of over 305 acres of land for future treatment plant expansion and contingencies toward impending wastewater discharge regulations.
- Designed and built an addition to the main office building which provided more office, storage and conference space.

The organization will greatly miss the ole' dog's daily influence, however the District anticipates his continued presence in the community, if only in the non-winter months . . .



Fire hydrant on Glenn Street

The Caribou Utilities District can be reached the following ways:

In person:	176 Limestone Street
Office telephone:	207-496-0911
Emergency/after hours:	207-493-3301
Website:	http://cariboumaine.org/cud
Email:	cud@gwi.net
	www.facebook.com/CaribouUtilitiesDistrict

Hugh A Kirkpatrick
General Manager



Utilities District Audit Report



Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Trustees
Caribou Utilities District
Caribou, Maine

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Caribou Utilities District, which comprise the Balance Sheets-Regulatory Basis as December 31, 2016 and 2015, and the related statements of earnings (loss) and changes in retained earnings – regulatory basis and the statements of cash flows-regulatory basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Maine Public Utilities Commission. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

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



Utilities District Audit Report

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Caribou Utilities District on the basis of the financial reporting provisions of the Maine Public Utilities Commission, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Maine Public Utilities Commission. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles, generally accepted in the United States of America, the financial position of the Caribou Utilities District as of December 31, 2016 and 2015, the changes in financial position, or, where applicable its cash flows for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities and equity of the Caribou Utilities District, as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with the financial reporting provisions of the Maine Public Utilities Commission as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of financial reporting provisions of the Maine Public Utilities Commission, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Maine Public Utilities Commission. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4 through 6 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.



Utilities District Audit Report

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.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caribou Utilities District's basic financial statements. The accompanying supplementary information on pages 18 through 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2017 on our consideration of Caribou Utilities District's internal control over financial reporting and on our tests of 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caribou Utilities District's internal control over financial reporting and compliance.

Chester M. Kearney

Presque Isle, Maine
February 17, 2017



Utilities District Audit Report

CARIBOU UTILITIES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Caribou Utilities District we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Caribou Utilities District exceeded its liabilities at the close of the most recent fiscal year by \$5,585,155 (equity).
- The District's total equity decreased by \$17,901.
- The District's total long-term debt increased by \$1,446,107 during the current fiscal year. The change was a result of new borrowing of \$1,835,270 and principle payments of \$389,163.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Caribou Utilities District's basic financial statements. The District's basic financial statements are prepared in conformity with accounting practices prescribed by the Maine Public Utilities Commission. They consist of Balance Sheets, Statements of Earnings (Loss) and Changes in Retained Earnings, and Statements of Cash Flows.

The Balance Sheets present information on all of the District's assets and liabilities, with the difference between the two reported as equity. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Earnings (Loss) and Changes in Retained Earnings present information showing how the District's equity changed during the most recent fiscal year. All changes in equity are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenue and earned but unused vacation leave).

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 10 to 17 of this report.

EQUITY

As noted earlier, equity may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$5,585,155 at the close of the most recent fiscal year.

A significant portion of the District's equity (37%) reflects Contributions in Aid of Construction which are amortized as the corresponding assets depreciate.



Utilities District Audit Report

CARIBOU UTILITIES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Water Department		Sewer Department		Total	
	2016	2015	2016	2015	2016	2015
Contributions in aid of construction, net of accumulated amortization	<u>845,504</u>	<u>934,506</u>	<u>1,211,595</u>	<u>1,352,174</u>	<u>2,057,099</u>	<u>2,286,680</u>
Retained earnings	<u>1,958,019</u>	<u>1,820,133</u>	<u>1,570,037</u>	<u>1,496,243</u>	<u>3,528,056</u>	<u>3,316,376</u>
	<u>2,803,523</u>	<u>2,754,639</u>	<u>2,781,632</u>	<u>2,848,417</u>	<u>5,585,155</u>	<u>5,603,056</u>

STATEMENTS OF OPERATIONS

- User fee revenues increased by \$1,534 (0.1%) for the Water Department and increased \$66,369 (9.6%) for the Sewer Department. This increase in water user fee is due to a 4% rate increase in September 2016 offset by declining usage. Sewer rates remained unchanged from 2015 to 2016. The increase in sewer user fee is attributable to waste water from Tri-Community Landfill.
- Operating expenses increased by \$2,549 (.27%) for the Water Department and decreased by \$41,665 (4.7%) for the Sewer Department. Operating expenses are further detailed in the Schedules of Operating Expenses found on pages 19 & 20.
- Operations resulted in net earnings of \$48,884 for the Water Department compared to net earnings of \$103,372 in 2015. The Sewer Department's operations produced a net loss of \$66,785 compared to a net loss of \$228,917 in 2015. There was an interdivision payment for miscellaneous services rendered to sewer department not billed by water department including cost for utility billing, equipment usage, and other use of assets dating back to 2003, which resulted in \$5,254 of additional income to the Water Department and \$5,254 of expense in the Sewer Department. Going forward these charges will be paid annually.

PROPERTY, PLANT, AND EQUIPMENT

The District's property, plant, and equipment as of December 31, 2016, amounts to \$9,670,981, (net of accumulated depreciation). This investment in capital assets includes land, buildings, transmission and distribution lines, meters, hydrants, pumping and purification systems, standpipes, and general equipment. The total increase in the District's property, plant, and equipment for the current fiscal year was 11.7%. This increase is represented by an increase of \$1,631,725 of property in service and an increase in accumulated depreciation of \$616,958. The increase in property in service is due to the replacement of mains on North and South Main Streets.

Additional information on the District's capital assets can be found in the Schedule of Changes in Property, Plant, and Equipment on page 18 of this report.

LONG-TERM DEBT

At the end of the current fiscal year, the District had total bonded debt outstanding of \$5,518,645. All of this debt is backed by the full faith and credit of the district. Information on bonds and notes payable can be found in note 5 on pages 13-14 of this report.



Utilities District Audit Report

CARIBOU UTILITIES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND FUTURE EVENTS

The District continues to search for ways to provide the best service at the lowest possible cost to its users and rate payers. The District must continue to maintain strict standards for both the Water and Sewer Departments to comply with drinking water and environmental regulations. The District is currently exploring financing options including grants and loans for projects under consideration for 2017.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Caribou Utilities District finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Trustees, Caribou Utilities District, PO Box 10, Caribou, Maine 04736.



Utilities District Audit Report

CARIBOU UTILITIES DISTRICT
BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	ASSETS					
	WATER DIVISION		SEWER DIVISION		TOTAL	
	2016	2015	2016	2015	2016	2015
CURRENT ASSETS						
Cash	338,637	269,040	219,880	181,317	558,517	450,357
Accounts receivable, net	129,592	123,538	23,772	25,300	153,364	148,838
Accrued revenues receivable	89,719	88,601	63,273	62,388	152,992	150,989
Due from Water Division			67,337	64,436	67,337	64,436
Inventories	81,795	85,302	6,358	6,358	88,153	91,660
Bond funds available for disbursement	299,556				299,556	
Prepaid expenses	8,730	3,359	9,253	2,052	17,973	5,411
	<u>948,019</u>	<u>569,840</u>	<u>389,873</u>	<u>341,851</u>	<u>1,337,892</u>	<u>911,691</u>
PROPERTY, PLANT AND EQUIPMENT	11,737,810	10,184,689	12,384,972	12,366,368	24,122,782	22,491,057
Less accumulated depreciation and amortization	<u>5,175,017</u>	<u>4,871,909</u>	<u>9,276,784</u>	<u>8,962,934</u>	<u>14,451,801</u>	<u>13,834,843</u>
	<u>6,562,793</u>	<u>5,312,780</u>	<u>3,108,188</u>	<u>3,403,434</u>	<u>9,670,981</u>	<u>8,656,214</u>
OTHER ASSETS						
Sandpipe painting, net of amortization	320,391	350,008			320,391	350,008
Investments designated for deferred compensation benefits			311,639	238,534	311,639	238,534
	<u>320,391</u>	<u>350,008</u>	<u>311,639</u>	<u>238,534</u>	<u>632,030</u>	<u>588,542</u>
	<u>7,831,203</u>	<u>6,232,628</u>	<u>3,809,700</u>	<u>3,923,819</u>	<u>11,640,903</u>	<u>10,156,447</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Long-term serial bonds and notes payable due within one year	357,127	319,444	78,415	76,862	435,542	396,306
Accounts payable	47,536	8,951	15,411	21,700	62,947	30,661
Accrued expenses	58,559	70,646	27,509	64,797	86,068	135,443
Due to Sewer Division	67,337	64,436			67,337	64,436
	<u>530,559</u>	<u>463,487</u>	<u>121,335</u>	<u>163,359</u>	<u>651,894</u>	<u>626,846</u>
DEFERRED REVENUE	2,649	5,316			2,649	5,316
DEFERRED COMPENSATION			311,639	238,534	311,639	238,534
ADVANCES FOR CONSTRUCTION	6,463	6,463			6,463	6,463
SERIAL BONDS AND NOTES PAYABLE						
Total amount payable	4,845,136	3,322,167	673,509	750,371	5,518,645	4,072,538
Less amount due in one year	<u>357,127</u>	<u>319,444</u>	<u>78,415</u>	<u>76,862</u>	<u>435,542</u>	<u>396,306</u>
	<u>4,488,009</u>	<u>3,002,723</u>	<u>595,094</u>	<u>673,509</u>	<u>5,083,103</u>	<u>3,676,232</u>
EQUITY						
Contributions and grants in aid of construction	845,504	934,506	1,211,595	1,352,174	2,057,099	2,286,680
Retained earnings	1,958,919	1,820,133	1,570,037	1,496,243	3,528,056	3,316,376
	<u>2,803,523</u>	<u>2,754,639</u>	<u>2,781,632</u>	<u>2,848,417</u>	<u>5,585,155</u>	<u>5,603,056</u>
	<u>7,831,203</u>	<u>6,232,628</u>	<u>3,809,700</u>	<u>3,923,819</u>	<u>11,640,903</u>	<u>10,156,447</u>

See notes to financial statements

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Chester M. Kearney, Certified Public Accountants



Utilities District Audit Report

CARIBOU UTILITIES DISTRICT

STATEMENTS OF EARNINGS (LOSS) AND CHANGES IN RETAINED EARNINGS - REGULATORY BASIS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	WATER DIVISION		SEWER DIVISION		TOTAL	
	2016	2015	2016	2015	2016	2015
OPERATING REVENUES						
Water user fees	1,044,822	1,043,288			1,044,822	1,043,288
Sewer user fees			753,497	687,128	753,497	687,128
Other operating revenues	25,230	28,266	44,409	41,422	69,639	69,688
	<u>1,070,052</u>	<u>1,071,554</u>	<u>797,906</u>	<u>728,550</u>	<u>1,867,958</u>	<u>1,800,104</u>
OPERATING EXPENSES	918,809	916,260	846,412	888,077	1,765,221	1,804,337
EARNINGS (LOSS) FROM OPERATIONS	151,243	155,294	(48,506)	(159,527)	102,737	(4,233)
OTHER INCOME AND (DEDUCTIONS)	<u>(102,359)</u>	<u>(51,922)</u>	<u>(18,279)</u>	<u>(69,390)</u>	<u>(120,638)</u>	<u>(121,312)</u>
NET EARNINGS/(LOSS)	48,884	103,372	(66,785)	(228,917)	(17,901)	(125,545)
RETAINED EARNINGS, BEGINNING OF YEAR	1,820,133	1,627,759	1,496,243	1,583,952	3,316,376	3,211,711
ADD TRANSFER OF DEPRECIATION FROM CONTRIBUTIONS AND GRANTS IN AID OF CONSTRUCTION	89,002	89,002	140,579	141,208	229,581	230,210
RETAINED EARNINGS, END OF YEAR	<u>1,958,019</u>	<u>1,820,133</u>	<u>1,570,037</u>	<u>1,496,243</u>	<u>3,528,056</u>	<u>3,316,376</u>

See notes to financial statements

Chester M. Kearney, Certified Public Accountants



Utilities District Audit Report

CARIBOU UTILITIES DISTRICT

NOTES TO FINANCIAL STATEMENTS

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Caribou Utilities District is a quasi-municipal water and sewer utility. The Water Division is regulated by the State of Maine Public Utilities Commission which provides for an approval process on water rates charged, consistent with the public interest and other requirements of law.

The financial statements were prepared in conformity with accounting practices prescribed or permitted by the Maine Public Utilities Commission, which is a comprehensive basis of accounting other than generally accepted accounting principles. The financial statements show the operations of the water and sewer departments separately.

The District considers all accounts and liens receivable to be fully collectible; accordingly, no allowance for doubtful accounts is made. If amounts become uncollectible, they will be charged to operations when that determination is made.

Inventories of pipes, materials and supplies are stated at cost. Cost is determined substantially on the first-in, first-out basis.

Donated assets are recorded at their fair value at the date of donation; all other assets are recorded at cost.

Depreciation is provided by the straight-line method at rates that are designed to amortize the original costs of the assets over their estimated useful lives. These rates range from fifty to one hundred years for reservoirs and water mains; twenty to fifty years for other water distribution equipment and sewer treatment plants, facilities, pump stations and buildings; and from five to twenty years for other equipment.

The District has received refunds and credits to long-term debt intended to reduce the effective interest rate on bonds payable. The refunds and credits are recorded as deferred revenue at the time they are received and are amortized over the life of the bonds.

Depreciation related to assets acquired through government grants is offset against the related grant as a reduction of contributions in aid of construction.

For the purposes of the statements of cash flows, the District considers all highly liquid investments with maturities of three months or less when purchased to be cash.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

The District's financial instruments consist of cash, cash equivalents, accounts receivable, accounts and accrued payables, and notes payable. The fair values for the financial instruments that are current liabilities or current assets approximate their carrying amounts. The fair value of long-term notes payable has not been disclosed because management believes that their fair values cannot reasonably be determined.

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Chester M. Kearney, Certified Public Accountants



Eastern Aroostook Regional School Unit

This past year has been the best of times and the worst of times for Eastern Aroostook RSU 39. I use this quote from Charles Dickens's novel *A Tale of Two Cities* to make reference to the blessing of a new school for our students, teachers, and community members. The recent Ed 279 for school state funding was not very nice, once again, to RSU 39.

On Wednesday, December 14, 2016, Maine's State Board of Education voted to approve Eastern Aroostook RSU 39's new school proposal for a building concept and budget. Caribou will be replacing Hilltop Elementary, Teague Park Elementary, Caribou Middle School, and the Learning Center with one 21st century, a state-of-the-art school building that will house Pre-K – 8th grade students, along with new playgrounds and ball fields.

The new school will be located in the center of Caribou on the Teague Park site, an existing public park that was donated to Caribou in 1897 by the Teague family and is adjacent to the Caribou Wellness and Recreation Center. Our selected site will allow the existing schools to remain in operation until the new community school is completed, at which time, the existing schools will be demolished.

The school design is set at 113,000 square feet, housing 750 students, highlighted with four classrooms per grade level, Project Based Learning Rooms, dedicated Middle School Science Rooms, an Innovation Center with Robotics Lab, cafeteria and stage, gymnasium, and bleachers, and Multipurpose Room. The RSU 39 voters supported a local only project for an enlarged music room and a second gymnasium that will provide the needed space for our physical education programs, winter sports programs, and community events. The cost of the entire new school project will be \$48.1 million with 95% of the project being paid for with state funded dollars.

Eastern Aroostook RSU 39 School District's new school project will transform and reinvigorate Caribou and the surrounding areas for many years. Having an opportunity to build a new school in our community will provide students



Regional School Unit 39

**Caribou
Limestone
Stockholm**

and teachers with a 21st-century learning environment and help promote the importance of education throughout Aroostook County. The new school is anticipated to open in August 2020. I would like to thank the following groups for the support and guidance that the new school project received over the last two years: RSU 39 Board of Education, Building Committee, Caribou City Council, PDT Architects, and most importantly, the voters of Caribou, Limestone, and Stockholm who gave the resounding "yes" vote of support to the project.

The first proposed school funding for State-aid to RSU 39 comes in a report referred to as the ED 279. The first round of RSU 39's ED 279 calls for a cut of \$793,835. This proposed ED 279's comes with 48 proposed changes from the Governor's office. The proposed funding will force the RSU 39's Board of Education to really look at all possibilities of what programs, positions, and buildings may need to be cut from the FY 18 proposed budget in order to fund the school budget at an acceptable level for our communities' taxpayers. RSU 39, like most school systems in Maine, is also dealing with the challenges of declining enrollments. RSU 39's total student population count was reduced by 50 students in 2017, reflecting a trend that has continued for more than a decade. As a school district that receives significant state funding for every student, the loss of student population and the increase to a town's evaluation challenges us when trying to maintain our programs, let alone evolve to a new system.

Businesses are constantly evolving as technology keeps reinventing what they need to do to be successful while introducing new jobs that have never existed. Students will need the ability to continually learn and evolve with the future. Skill sets in problem-solving, critical thinking, communication and working collaboratively will replace the need to know facts and recall information. RSU 39 has made a series investment into the one to one laptop program for all students in grades 7-12 with Maine's MLTI Apple program for all 7th and 8th graders and by purchasing the new Chrome Book for all student in grades 9 through 12.



Eastern Aroostook Regional School Unit

RSU 39 continues to work closely with 12 other school districts in Aroostook County through the Northern Maine Educational Collaborative, NMEC. The school districts in NMEC came together in 2012 with the common purpose of supporting the change to a Proficiency Based Education system. By joining forces, NMEC schools have been able to learn from each other and share resources such as bringing in outside experts on Proficiency Based Education, ultimately, saving professional development funds for all districts. Our schools will not move forward unless we invest in our teachers and administrators. Continuous professional development along with school site visits, regional and national workshops will provide the necessary retooling for our staff members to be the best support for all RSU 39's learners.

The most important work that RSU 39 schools will embark on over the next 5 years will be to focus on showing students how to learn or better yet, Learning How to Learn. RSU 39's continuous goal is to ensure that our students are college and career ready when they graduate from high school. Our students will need to be successful at work, in the military, or in their chosen post-secondary experience. Maine's future workforce will need to be highly-skilled employees who can think, collaborate, and innovate at their workplace. Maine's future is in our schools today.

Timothy L. Doak
Superintendent of Schools



Cary Medical Center

A Year of Progress and Success

The year 2016 began with an exciting event, the birth of our New Year's Baby on January 1st. Charlie Grace Cole was born at 1:50 pm to Kelly and John Cole of Mapleton. She was delivered by Certified Nurse Midwife Kim Martin with Pines Health Services and Cary Medical Center. The new family received gifts from the Cary Medical Center Ladies Auxiliary, the hospital and a beautiful handmade quilt from the Crown of Maine Quilters.

The year continued to move on with the successful recruitment of Dr. Rashmi Bawa, a General Surgeon with a focus on Breast Surgery. We also gained the services of Dr. Philip Din who had been providing hospitalist coverage and we completed contract negotiations with Dr. Jeffrey Hoeksma who now serves as a full-time hospitalist. Other recruitment news included the arrival of Dr. Diyanah Bani Hani, the wife of our General Surgeon, Dr. Murad Bani Hani and Dr. Steven Farina, a Surgical Podiatrist, who joined Pines Orthopedics and Sports Medicine. Dr. Farina brings with him a number of unique skills and procedures that will be of great benefit to Aroostook County patients. Also, Pediatrician Dr. Kevin Strong joined Pines Pediatrics and Dr. Sadia Munawar, full time hospitalist, joined our team. Working closely with Pines Health Services we are building a strong, diversified medical staff to serve Aroostook County.

Our special relationship with Aroostook County Veterans continued throughout 2016. Following the establishment of Project ARCH, a direct contract with the Veterans Administration at the Togus VA was completed. This followed a historical visit by then VA Undersecretary of Health for the Department of Veterans Affairs, Dr. David Shulkin in May of 2016. Caribou's own United States Senator Susan Collins invited the Undersecretary to come to Cary Medical Center to discuss Project ARCH. He was joined by Ryan Lilly, Executive Director of the Maine VA Health Care System, Congressman Bruce Poliquin, and other Congressional representatives and staff. Following an early morning meeting some 100 Veterans gathered in the Chan Center at Cary for a Town Hall Meeting, hosted by Dr. Shulkin. As a result of this activity Cary signed a 5 year direct contract with the VA that will not only allow Project ARCH to continue but will expand the program to cover pain management, podiatry and ophthalmology.

A major renovation of the Acute Care Unit took place during 2016. The \$1.5 million dollar project was made possible, in part, by a \$500,000 contribution from the Jefferson Cary Estate. The project represents one of the most significant investments in infrastructure since the opening of the new hospital in 1979. The completion of the work now provides our patients with modern, comfortable private rooms and has received high marks from patients, families and staff. The renovation included the creation of palliative care adjoining rooms, new nurse's station and documentation room for the hospitalists.

2016 also included a Joint Commission Survey. This critical survey happens every three years and our 2016 event was one of our strongest performances ever. Cary CEO, Kris Doody, RN has made a commitment that Cary will always be ready for the Joint Commission Survey and we were. During the exit conference, surveyors said that not only do we have the appropriate policies and procedures in place, we live them. The surveyors praised our patient safety environment, the quality and state of practice in our Surgical Services Department and our nursing and medical staff.

While the Joint Commission Survey was happening, we received word that Cary was being recognized by Avatar Solutions, the company that provided our patient satisfaction survey program. We learned that for the 5th year in a row we earned "Overall Best Performer" (the highest award) and for the tenth year in a row the award for exceeding patient expectations. Of some 800 facilities surveyed by Avatar, only 2% have ever had such consistent award winning performance.

Cary celebrated recognition from the Leapfrog Group as the hospital was named among the top 24 rural hospitals in the nation. Cary CEO Kris Doody traveled to Washington DC to accept the award. Cary's Maternal Child Unit once again for the third year was recognized by Women Certified as one of America's Best Hospitals for Obstetrics.

In July of 2016, we received notice from the Leapfrog Group that we had, once again, scored an 'A' in patient safety. Cary was one of 98 hospitals among some 2500 nationwide



Cary Medical Center

to have scored an 'A' since the inception of the letter grade program, performing better than 96% of the other hospitals participating in the Leapfrog Patient Safety Survey program. In May of 2016, Cary was recognized by the American Red Cross during the Annual 'Hero's Breakfast'. The 'Community Impact Award', recognized the hospitals efforts in orchestrating a year-long Home Fire Preparedness Campaign, along with their partners, WAGM TV, and the Caribou Fire and Ambulance Service. The project, joined by other local partners including Loring Job Corps, Northern Maine Community College, The Caribou Rotary Club, Red Cross Volunteers and others helped to install more than 1,000 smoke detectors throughout the County. Also in 2016, Cary was recognized at the 'Gold Level' for the 2016 Maine Tobacco-Free Hospital Network Gold Standards of Excellence Recognition Program by the Breathe Easy Coalition.

Cary Medical Center and Pines Health Services partnered to be the Platinum Sponsors for Caribou's first ever Marathon. The event, held in September, was a tremendous success, bringing some 400 runners, families and supporters to our community. Many members of the Cary/Pines family participated as volunteers to support the event and a number actually participated by running or walking the 26 mile route. Those participating in the event, some from out of state, had high praise for the warm welcome and support they received from the Aroostook County community. Plans are already in the works for Caribou Marathon 2017.

Other highlights:

Cary Medical Center and Pines Health Services were selected to participate in a special program that will bring 3rd Year Medical Students to Aroostook County. In partnership with Maine Medical Center (MMC) in Portland Maine, Tufts University School of Medicine (TUSM), the program offers a Maine Track for applicants who are interested in a unique, innovative curriculum and clinical training experiences in Maine and exposes medical students to the unique aspects of rural practice. Cary Chief Medical Officer, Regen Gallagher, DO, provided administrative leadership for the program and Carl Flynn, M.D., a Family Practice physician with Pines Health Services and Cary Medical Center serves as Medical Director. Our first two students, Tristen Ripley, MS III, and Jennifer Bergeron, MS III, really set the standard for future

students and our medical staff provided a tremendous and rewarding learning opportunity. The program will continue throughout 2017.

Cary completed a leadership donation to the Northern Maine Veterans Cemetery in Caribou. The hospital provided a \$5,000 gift to support the renovation of the committal shelter. In November, on Veterans Day, Cary CEO, Kris Doody, RN, gave the keynote address at ceremonies held at the cemetery. Cary also continued its recognition of the 50th Anniversary of the Vietnam War. The hospital presented a film entitled 'The Unknowns' documenting the history of the Tomb of the Unknown Soldier at Arlington National Cemetery and the incredible 'Sentinels' who serve as the honor guard. The film was shown at the Caribou Theater with some 100 Veterans attending. Special guests, Mark Holmquist, who served as a Sentinel at the tomb, and his family attended the showing and Mark introduced the film.

In October 2016, the administrative team from King's Daughters Medical Center in Ashland, Kentucky visited Cary Medical Center. The hospital has a number of similarities to Cary Medical Center and is an award winning organization. They had the opportunity to tour the hospital and exchanged ideas with members of Cary's leadership team. They also enjoyed a special 'Moose Meat' buffet prepared by Cary Executive Chef, Rick Bosse. Also in October, the Pink Aroostook Breast Cancer Support Group expanded to include all cancer patients and their families. This has been much needed and the effort is managed by Bethany Zell in the Public Relations Department. Bethany has served as President of the Maine Breast Cancer Coalition and in 2016 was appointed to the National Breast and Cervical Cancer Advisory Committee. She is one of fourteen members of the group and the only consumer advocate.

The year 2016 also celebrated the outstanding work of Cary CEO, Kris Doody, RN. Kris completed her three-year term on the American Hospital Association's Board of Directors and the unique opportunity to serve on the Board's Executive Committee. Kris's leadership has been critical to the success of the hospital and the great strides we have made in Veterans health care services. In August, much to her surprise, Kris was presented with the 'CEO of the Year Award'



Cary Medical Center



by Quorum Health Resources, the hospitals management firm. Kris was selected from hundreds of hospitals managed by Quorum across the nation.

“Kris Doody has attained the highest level of hospital leadership excellence. She defines leadership at every level, making innovative decisions that lead to effective hospital operations, and focusing on meeting the needs of both physicians and patients that comes from her passion for patient care,” said Quorum Health Resources President and CEO, Mickey Bilbrey. “She is a leader that the nation needs, rural health care needs, and Quorum needs at a time of great challenge in our industry.”

In her traditional way, Kris accepted the award on behalf of the entire Cary and Pines organizations and praised the work of her staff.

Throughout 2016 Cary continued to win grant awards. Grants included an award from State Farm to provide fire escape ladders to private home owners in the Caribou area, funding by the American Medical Association to educate elementary school students on the dangers of medical sharps and prescription medications, and a grant from the Komen Foundation to support our Pink Aroostook program. The hospital also continued to receive funding for the Drug Free Communities Program and Partners Improving Community Health. We also received a \$50,000 award from the University of New England for additional work in substance abuse.

In 2016, Cary completed a Community Health Needs Assessment (CHNA), with technical support from Quorum Health Resources. The Affordable Care Act requires that hospitals complete a CHNA at least every three years. The document was approved by the hospital's board of directors and is on the hospital website for community review.

Late in 2016, Avatar our previous patient satisfaction survey company, was acquired and we changed our patient satisfaction service to HealthStream, which uses telephone surveys rather than written, mailed surveys. Feedback from the surveys has been exceptionally positive.

Finally, 2016 saw the retirement of long-time Cary laboratory employee, Mary Lou Nelson after 56 years of service to the hospital. The success of Cary Medical Center in 2016 was made possible by a remarkable family of employees, volunteers, medical staff, ladies auxiliary and an engaged, dedicated Board of Directors. Our relationship with Pines Health Services is a national model and the support of the Jefferson Cary Foundation, the Jefferson Cary Estate, and the Caribou Hospital District has never been so vital. We are truly blessed to have such a strong organization built upon the 92 year tradition of caring and on the shoulders of those who have come before us.



Cary Medical Center

CARY MEDICAL CENTER AND CARIBOU HOSPITAL DISTRICT

Combined Statement of Operations Years Ended December 31, 2016 and 2015

	2016	2015
Revenue		
Net patient service revenue	\$ 49,414,000	\$ 50,872,000
Other revenue	4,105,000	3,662,000
Meaningful use revenues	-	-
Total operating revenue	\$ 53,519,000	\$ 54,534,000
Operating Expenses		
Salaries and benefits	26,061,000	25,748,000
Supplies and other	25,962,000	25,178,000
Depreciation and amortization	1,943,000	1,752,000
Total operating expenses	\$ 53,966,000	\$ 52,678,000
Operating (loss) income	\$ (447,000)	\$ 1,856,000
Nonoperating revenues (expenses)		
Investment income	15,000	(26,000)
Contributions and program support	47,000	85,000
Interest	(103,000)	(129,000)
Total nonoperating revenues (expenses)	\$ (41,000)	\$ (70,000)
Excess of revenues over expenses before capital contributions	\$ (488,000)	\$ 1,786,000
Discontinued Operations		
Capital contributions	395,000	130,000
Increase in net assets	\$ (93,000)	\$ 1,916,000
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,493,000	\$ 3,503,000
Patient accounts receivable, net of estimated uncollectibles of \$1,470,000 in 2015 and \$1,276,000 in 2014	7,549,000	7,193,000
Estimated third-party payor settlements	469,000	218,000
Supplies, prepaid expenses and other current assets	1,645,000	2,128,000
Total current assets	\$ 12,156,000	\$ 13,042,000
Assets limited as to use	4,679,000	4,939,000
Capital assets	10,892,000	9,969,000
Estimated settlements from MaineCare	-	-
Other Assets		
Long-Term Investments	-	1,604,000
Other receivables, net of estimated uncollectibles of \$20,000 in 2015 and 2014	413,000	474,000
Total assets	\$ 28,140,000	\$ 30,028,000
LIABILITIES AND FUND BALANCE		
Current liabilities		
Current portion of long-term debt	\$ 715,000	\$ 762,000
Accounts payable and accrued expenses	2,093,000	1,960,000
Accrued salaries and related amounts	1,560,000	1,311,000
Estimated Third-Party Payor Settlements	611,000	2,011,000
Due to affiliate	18,000	-
Other current liabilities	342,000	341,000
Total current liabilities	\$ 5,339,000	\$ 6,385,000
Long-term debt, excluding current portion	1,503,000	2,233,000
Deferred lease revenue	250,000	269,000
Total liabilities	\$ 7,092,000	\$ 8,887,000
Net assets		
Invested in capital assets net of related debt	8,674,000	6,975,000
Restricted expendable for specific operating activities	95,000	195,000
Unrestricted	12,279,000	13,971,000
Total net assets	\$ 21,048,000	\$ 21,141,000
Total liabilities and net assets	\$ 28,140,000	\$ 30,028,000



Jefferson Cary Endowment Fund

FELCH & COMPANY, LLC

Certified Public Accountants

P.O. BOX 906
CARIBOU, MAINE 04736
(207) 498-3176
FAX (207) 498-6278
E-MAIL: CPA@FELCHCPA.COM

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Trustees of the
Jefferson Cary Hospital Endowment Fund

We have reviewed the accompanying financial statements of Jefferson Cary Hospital Endowment Fund (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2016 and December 31, 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Felch & Company LLC

February 20, 2017



Jefferson Cary Endowment Fund

JEFFERSON CARY HOSPITAL ENDOWMENT FUND

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2016 AND DECEMBER 31, 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CASH AND TEMPORARY INVESTMENTS (Note 2)	\$ 7,542	\$ 355,561
INVESTMENTS (Note 3)	<u>495,665</u>	<u>406,316</u>
	<u>\$ 503,207</u>	<u>\$ 761,877</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Contributions payable (Note 4)	\$ -	\$ 290,000
NET ASSETS PERMANENTLY RESTRICTED		
Jefferson Cary	111,940	111,940
Caribou Grange	10,000	10,000
Spaulding	1,000	1,000
Bearce	1,000	1,000
Getchell	1,000	1,000
Hardison	1,000	1,000
Russ	500	500
Sincock	1,000	1,000
	<u>127,440</u>	<u>127,440</u>
NET ASSETS UNRESTRICTED	<u>375,767</u>	<u>344,437</u>
Total Net Assets	<u>503,207</u>	<u>471,877</u>
	<u>\$ 503,207</u>	<u>\$ 761,877</u>

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.



Jefferson Cary Endowment Fund

JEFFERSON CARY HOSPITAL ENDOWMENT FUND

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2016 AND DECEMBER 31, 2015

	<u>2016</u>	<u>2015</u>
UNRESTRICTED NET ASSETS		
SUPPORT		
Interest	\$ 944	\$ 4,212
Investment return, net (Note 3)	<u>35,746</u>	<u>(27,112)</u>
	<u>36,690</u>	<u>(22,900)</u>
EXPENSES		
Professional fees	900	1,000
Investment fees	4,409	1,539
Donations	-	500,000
Other fees	<u>51</u>	<u>51</u>
	<u>5,360</u>	<u>502,590</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	31,330	(525,490)
NET ASSETS - BEGINNING OF YEAR	<u>471,877</u>	<u>997,367</u>
NET ASSETS - END OF YEAR	<u>\$ 503,207</u>	<u>\$ 471,877</u>

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.



Jefferson Cary Endowment Fund

JEFFERSON CARY HOSPITAL ENDOWMENT FUND

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND DECEMBER 31, 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in unrestricted net assets	\$ 31,330	\$ (525,490)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized (gain) loss on investments	(21,059)	238,230
Realized (gain) loss on sale of investments	3,578	(187,316)
Increase (decrease) in contributions payable	(290,000)	290,000
Net cash (used in) operating activities	<u>(276,151)</u>	<u>(184,576)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(122,530)	(417,172)
Proceeds from the sale of investments	50,662	272,042
Net cash (used in) investing activities	<u>(71,868)</u>	<u>(145,130)</u>
RESULTING IN A (DECREASE) IN CASH AND TEMPORARY INVESTMENTS OF	(348,019)	(329,706)
CASH AND TEMPORARY INVESTMENTS - BEGINNING OF YEAR	<u>355,561</u>	<u>685,267</u>
CASH AND TEMPORARY INVESTMENTS - END OF YEAR	<u>\$ 7,542</u>	<u>\$ 355,561</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Noncash investing transaction:		
Unrealized gain (loss) on investments	<u>\$ 21,059</u>	<u>\$ (238,230)</u>

See independent accountants' review report.
The accompanying notes are an integral part of these financial statements.



Jefferson Cary Endowment Fund

JEFFERSON CARY HOSPITAL ENDOWMENT FUND

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND DECEMBER 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Jefferson Cary Hospital Endowment Fund was funded in 1912 by a bequest from Dr. Jefferson Cary. The funds are held in trust for the benefit of Cary Medical Center. Since its inception, the fund has accepted various other gifts and bequests dedicated to the support of the Medical Center.

Investment Valuation and Income Recognition

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - Inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments in equity securities are valued at quoted market prices at year end and are considered to be Level 1 investments.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Income Taxes

The Endowment Fund is exempt from income and other taxes under the provisions of Internal Revenue Code Section 501(c)(2). Accordingly, no provision for income taxes has been made. The tax years ended December 31, 2014, 2015 and 2016, remain open to examination by the major taxing jurisdictions in which the Organization is subject to tax.



Jefferson Cary Endowment Fund

JEFFERSON CARY HOSPITAL ENDOWMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2016 AND DECEMBER 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) CASH IN BANK

As of December 31, 2016, the Endowment Fund's cash was invested with local banks. All balances were insured by the Federal Deposit Insurance Corporation.

The Endowment Fund considers all short-term investments with an original maturity of three months or less to be temporary investments. Interest on cash and temporary investments is paid at rates ranging from 0.0% to 0.01%.

(3) INVESTMENTS

As of December 31, 2016 and December 31, 2015, investments consisting of various stocks and mutual funds are summarized as follows:

	<u>2016</u>	<u>2015</u>
Fair value	\$495,665	\$406,316
Cost	<u>485,467</u>	<u>417,177</u>
Unrealized gain (loss), net	<u>\$ 10,198</u>	<u>\$ (10,861)</u>

A summary of the investment return and its classification in the statements of activities is as follows:

	<u>2016</u>	<u>2015</u>
Dividend income	\$ 5,351	\$ 10,646
Realized gain	9,336	200,472
Unrealized (loss), net	<u>21,059</u>	<u>(238,230)</u>
Total investment return, net	<u>\$35,746</u>	<u>\$ (27,112)</u>

A detail of the investments as of December 31, 2016, is as follows:

<u>Company</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Dodge & Cox Balanced Fund	\$ 84,334	\$ 80,431	\$ 3,903
Dodge & Cox Stock Fund	34,098	32,071	2,027
Fair Point	-	5	(5)
Fidelity Contrafund	98,038	100,942	(2,904)
Fidelity Balanced Fund	63,955	65,784	(1,829)
JP Morgan Tr II	68,683	62,579	6,104
Powershares QQQ Trust	107,817	97,013	10,804
Wells Fargo Advantage	<u>38,740</u>	<u>46,642</u>	<u>(7,902)</u>
	<u>\$495,665</u>	<u>\$485,467</u>	<u>\$10,198</u>



Jefferson Cary Endowment Fund

JEFFERSON CARY HOSPITAL ENDOWMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2016 AND DECEMBER 31, 2015

(3) INVESTMENTS (Continued)

Investments consist of various publicly traded stocks and mutual funds. The following table sets forth by level, within the fair value hierarchy, the fair value measurements at December 31, 2016 and December 31, 2015:

	<u>Fair Value Measurement at Reporting Date</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Available for sale:				
<u>December 31, 2016</u>				
Equity securities	\$107,817	\$107,817	\$ -	\$ -
Mutual funds	<u>387,848</u>	<u>387,848</u>	-	-
Total	<u>\$495,665</u>	<u>\$495,665</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2015</u>				
Equity securities	\$ 67,116	\$ 67,116	\$ -	\$ -
Mutual funds	<u>339,200</u>	<u>339,200</u>	-	-
Total	<u>\$406,316</u>	<u>\$406,316</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers between asset classes during the years ended December 31, 2016 and December 31, 2015.

(4) CONTRIBUTIONS PAYABLE

Contributions payable included the amount pledged to Cary Medical Center to assist with the funding of a project to renovate patient rooms. The total contribution amount was \$500,000 of which \$290,000 was paid during 2016.

(5) RESTRICTIONS ON NET ASSETS

The Endowment Fund consists of permanently restricted and unrestricted net assets. The permanently restricted net assets represent restricted donations to the fund which were considered unexpendable. All earnings and growth above this amount are considered unrestricted and expendable.

(6) SUBSEQUENT EVENTS

Management has reviewed subsequent events through February 20, 2017, the date that these financial statements were available to be issued, and determined that no additional adjustments or disclosures are required in order for these financial statements to be fairly stated.



Auditors' Report

FELCH & COMPANY, LLC

Certified Public Accountants

P.O. BOX 906
CARIBOU, MAINE 04736
(207) 498-3176
FAX (207) 498-6278
E-MAIL: CPA@FELCHCPA.COM

INDEPENDENT AUDITORS' REPORT

To the City Council of the
City of Caribou, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Caribou, Maine as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Auditors' Report

To the City Council of the
City of Caribou, Maine

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Caribou, Maine, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above include only the primary government of the City of Caribou, Maine, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Caribou, Maine, as of December 31, 2016, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the City of Caribou, Maine, as of and for the year ended December 31, 2016, and our report thereon, dated June 29, 2017, expressed an unmodified opinion on those financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary information and public pension information on Pages I through VII and Supplements 1 through 4, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Auditors' Report

To the City Council of the
City of Caribou, Maine

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Caribou's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017 on our consideration of the City of Caribou's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Caribou's internal control over financial reporting and compliance.

Felch & Company LLC

Caribou, Maine
June 29, 2017



Auditors' Report

City of Caribou, Maine

Management's Discussion and Analysis
For the Year Ended December 31, 2016

UNAUDITED

The following narrative is an overview and discussion of the financial activities of the City of Caribou for the financial year ending December 31, 2016. Management's discussion and analysis should be viewed as a tool to aid the reader in understanding the City's financial performance along with an enhanced insight to the attached financial statements and notes to the financials.

Financial highlights:

- The City of Caribou, Maine adheres to the standards of GASB 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Under these standards management has prepared statements of comparison indicating the relative changes within the City's organizational and financial structures. Much of the detail as well as the summary presented within this text can be found in Exhibit D that highlights the end results of operations for the City in 2016.
- The Financial Administrators of the City have implemented a modified approach towards valuing its infrastructure. This approach includes the establishment of condition statements for much of the City's infrastructure and a plan of capital actions to maintain and improve assets in accordance with prudent financial practices as well as accounting for future needs.

The Financial Statements

The discussion and analysis is intended to provide an introduction to the City's basic financial statements, which are comprised of three major components:

1) City-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. Supplementary information to the basic financial statements is also provided to fulfill mandatory requirements and clarification.

City-Wide Financial Statements

The City-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting, similar in manner to private sector accounting statements. These statements also include all assets of the City (including infrastructure) as well as the liabilities with certain interfund activities eliminated.

The Statement of Net Position presents information on the City's assets and liabilities, with the difference between the two reported as net position. The capital assets reported under the non-current assets are based upon historical values less the total amount of depreciation accumulated to date.

The Statement of Activities presents information demonstrating how the City's net position changed during the last calendar year on a department-by-department basis. All changes in net position are reported as soon as the activity occurs, regardless of the timing of the related cash flow relevant to the event. Therefore, revenues and expenses are reported in this statement for some items that will only result in a change in cash in future fiscal periods.



Auditors' Report

City of Caribou, Maine

Management's Discussion and Analysis
For the Year Ended December 31, 2016

UNAUDITED

Fund Financial Statements

The fund financial statements are a grouping of related accounts that are used to maintain control over the resources that have been segregated through the budgetary process for specific activities or objectives. The City of Caribou utilizes fund accounting practices to ensure compliance with finance-related legal requirements as well as performance measures to monitor activity throughout the year. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

The governmental funds define how money flows into and out of those funds and the balances left at year-end. These funds use modified accrual accounting to measure the cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed shorter-term view of the City's general government operations and the basic services they provide. Governmental fund information aids in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs and services. The differences in the governmental fund statements and those of the City-wide statements are defined in the reconciliation statements. The City is also utilizing non-major funds. These funds are funded completely through special revenues and are not funded through general property tax dollars.

Notes to the financial statements are provided as additional information that is essential for the reader's full understanding of the data provided within the statements. Schedules are also included detailing Capital and Non-capital Outlays, Property Taxes, and activity in Non-major Funds.

The Statement of Net Position (Exhibit A) reports total net position of \$26,406,334 from the operations of the Governmental activity. This aggregate amount consists of total assets less depreciation and liabilities and the difference between deferred net inflows and outflows of resources. Exhibit A is delineated into Assets: Current and Non-current, Deferred outflows of resources, Liabilities: Current and Non-current, Deferred inflows of resources and Net Position: Net Investment in Capital Assets, Restricted and Unrestricted.

The reader should refer to Table I as a comparison of Exhibit A of the net changes from 2015 to 2016. Total Current Assets increased by \$195,654 in 2016. Capital Assets, net of depreciation, increased by \$582,157.

Table I indicates Current Liabilities decreased by \$151,055 and long-term liabilities increased by \$316,711 primarily due to an increase in the net pension liability. Net Position increased by \$915,249 for 2016.

The reader should refer to Table II as a comparison of the changes in Net Position from 2015 to 2016. Total City Expenditures for Governmental activities were \$14,931,465, as compared to \$14,816,782 for 2015 for an increase of \$114,683.

For 2016, the total General Revenues were \$11,366,739 as compared to \$10,868,768 for 2015, an increase of \$497,971. Taxes increased by \$260,960 while Excise tax increased by approximately \$26,000 and other revenues increased by about \$211,000.

Pie charts follow to give the reader a visual indication of City Revenues and Expenses for 2016 as compared to 2015.



Auditors' Report

City of Caribou, Maine

Management's Discussion and Analysis
For the Year Ended December 31, 2016

UNAUDITED

Table I provides data for the Governmental Activities for the years ended 2016 and 2015.

Table I
Net Position

	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and temporary investments	\$ 7,574,209	\$ 7,259,995
Taxes receivable	1,266,386	1,242,240
Notes receivable	84,500	291,517
Other receivables	566,967	486,064
Other current assets	<u>58,841</u>	<u>75,433</u>
Total Current Assets	<u>9,550,903</u>	<u>9,355,249</u>
Noncurrent Assets		
Capital assets, net of depreciation	<u>18,861,101</u>	<u>18,278,944</u>
Total Assets	<u>28,412,004</u>	<u>27,634,193</u>
Deferred Outflows of Resources	<u>453,950</u>	<u>204,204</u>
Current Liabilities		
Accounts payable and accrued expenses	81,662	105,181
Deferred compensation	592,297	722,580
Current portion note payable	<u>35,039</u>	<u>32,292</u>
	<u>708,998</u>	<u>860,053</u>
Noncurrent Liabilities		
Note payable, net of current portion	725,926	793,836
Net pension liability	<u>836,538</u>	<u>451,917</u>
	<u>1,562,464</u>	<u>1,245,753</u>
Total Liabilities	<u>2,271,462</u>	<u>2,105,806</u>
Deferred Inflows of Resources	<u>188,158</u>	<u>241,506</u>
Net Position		
Net investment in capital assets	18,100,136	17,452,816
Restricted for special revenue funds	390,022	290,449
Unrestricted	<u>7,916,176</u>	<u>7,747,820</u>
TOTAL NET POSITION	<u>\$26,406,334</u>	<u>\$25,491,085</u>



Auditors' Report

City of Caribou, Maine

Management's Discussion and Analysis
For the Year Ended December 31, 2016

UNAUDITED

Table II
Change in Net Position

	<u>2016</u>	<u>2015</u>
<u>General Revenues</u>		
Taxes	\$ 8,600,856	\$ 8,339,896
Federal and state assistance	543,088	568,158
Excise taxes	1,402,682	1,376,932
Other revenues	<u>820,113</u>	<u>583,782</u>
Total general revenues	11,366,739	10,868,768
<u>Program Revenues</u>		
Charges for services	2,393,128	2,743,089
Operating grants and contributions	1,783,299	1,975,739
Capital grants and contributions	<u>303,548</u>	<u>131,468</u>
Total revenues	<u>15,846,714</u>	<u>15,719,064</u>
<u>Program Expenses</u>		
General government	841,355	850,300
Public works	2,213,260	1,905,660
Police department	1,890,319	1,759,280
Fire and ambulance	2,581,022	2,654,074
Education	3,605,414	3,528,938
Caribou Housing Authority	1,026,273	1,040,756
Recreation	757,035	699,430
Economic development	381,692	445,199
County tax	436,142	402,177
Health and sanitation	254,033	253,355
Insurance and retirement	191,543	389,403
Library	245,180	244,554
Other	<u>508,197</u>	<u>643,656</u>
Total program expenses	<u>14,931,465</u>	<u>14,816,782</u>
Change in Net Position before special item	915,249	902,282
Special item – refund from MainePERS	<u>-</u>	<u>3,441,152</u>
Change in Net Position	915,249	4,343,434
Net Position - January 1	<u>25,491,085</u>	<u>21,147,651</u>
Net Position - December 31	<u>\$26,406,334</u>	<u>\$25,491,085</u>



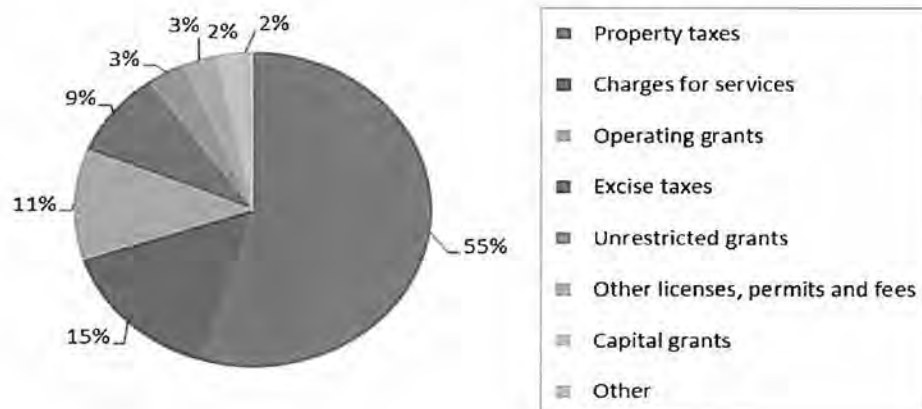
Auditors' Report

City of Caribou, Maine

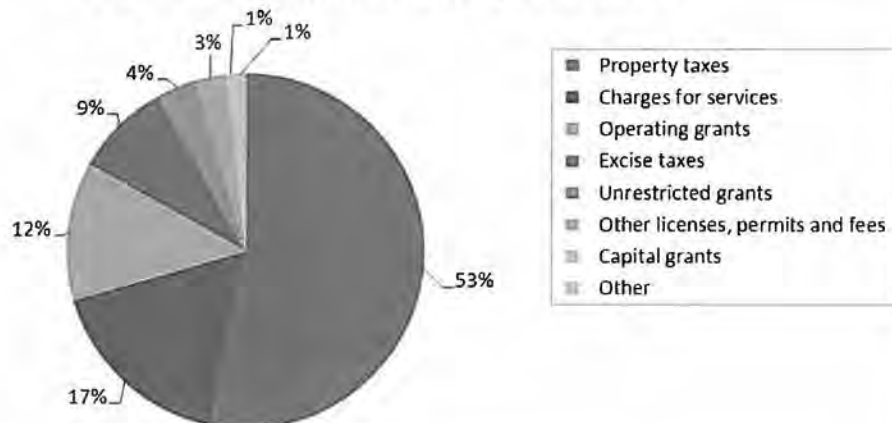
Management's Discussion and Analysis
For the Year Ended December 31, 2016

UNAUDITED

2016 Government Activity Revenue



2015 Government Activity Revenue



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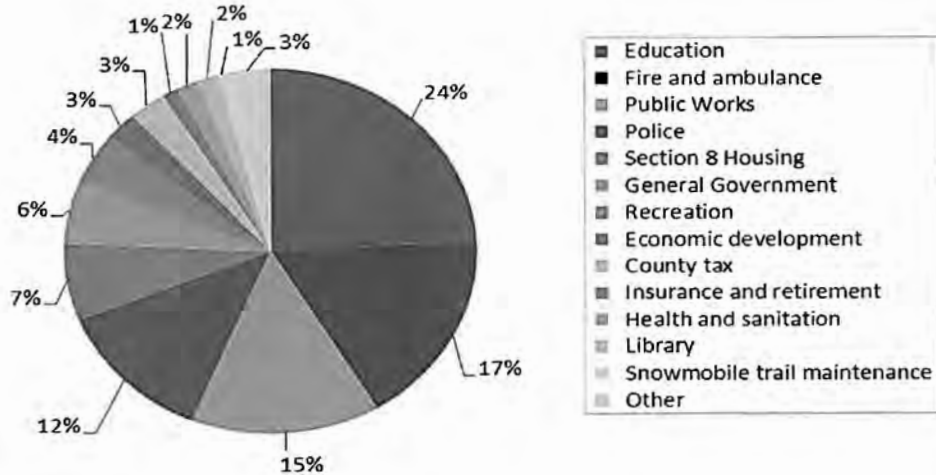
Auditors' Report

City of Caribou, Maine

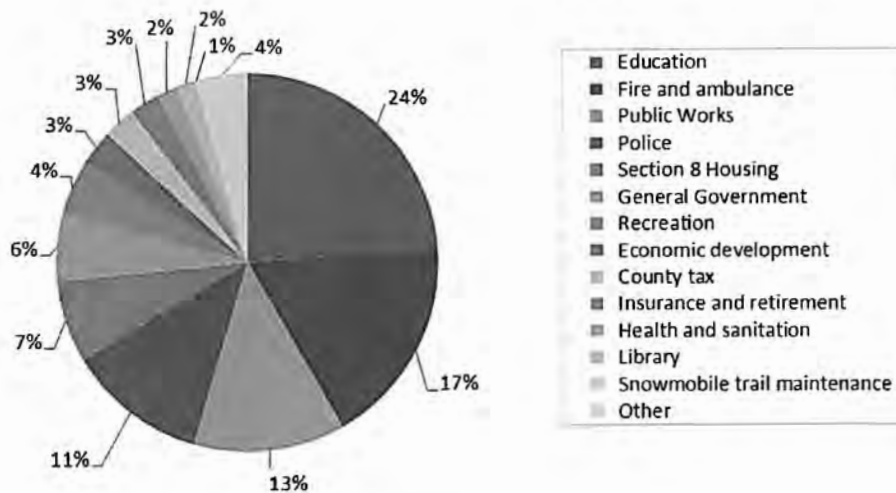
Management's Discussion and Analysis
For the Year Ended December 31, 2016

UNAUDITED

2016 Government Activity Expense



2015 Government Activity Expense





Auditors' Report

City of Caribou, Maine

Management's Discussion and Analysis
For the Year Ended December 31, 2016

UNAUDITED

The Reader may refer to Supplement 1 as the report comparing the City's General Fund activity for the year as they compared to budget. Total Expenditures for the year were \$13,030,600, \$244,400 less than budgeted. Revenues were \$13,600,274, \$232,421 more than budgeted. Revenues exceeded Expenditures by \$569,674 for the year. Total Other Uses consists of capital outlays in excess of appropriations in of \$574,166. The resulting net decrease in the General Fund Balance was \$4,492.

Please refer to Supplement 2 for a discussion of the Modified Approach for City Capital Assets. The City has established a condition level of 70%. For the year ended December 31, 2016, the City's street and sidewalk systems were rated at an index of 81 and 72, respectively. This compares to 2015 ratings of 85 and 74 for the City's streets and sidewalks, respectively. The City had budgeted expenditures of \$280,000 in 2016 to maintain infrastructure at the desired condition level. Actual expenditures for 2016 were \$275,942 from unassigned fund balance with an additional \$263,850 from reserves. This compares to estimates of \$337,000 in 2015 and actual expenditures of \$155,589.

A more complete understanding of the capital outlay is summarized in Note 6 of this financial statement. Note 6 indicates that the City's capital assets, net of depreciation, increased by \$582,157. Additions to buildings, vehicles and equipment totaled \$1,310,681 while depreciation across land improvements, buildings, vehicles and equipment totaled \$707,623. The retirements of capital assets totaled \$20,901 of book value. Management recognizes that the relationship of depreciation expense being less than additions by \$603,058 as one of timing as the annualized rate of contribution supporting capital assets can be greater or less than a given year's replacements or upgrades. Management does, however, recognize the trend over the past decade has been a positive input greater than depreciation, an indication of prudent maintenance of the City's capital assets.

Long-term debt was reduced by \$65,163 in the year ended December 31, 2016. The City incurred no new debt.

The City of Caribou continues to be fiscally strong. The City continues to maximize non-property tax revenue sources to lower the overall burden on property taxation. Management recognizes the future difficulties of funding municipal operations as the State Revenue Sharing distributions continue to decline for the foreseeable near term with potential increased burden upon property taxation.

Management concludes this section of the 2016 Audit with the continued pledge of researching and applying where possible economies of scale, regionalized services, best practices and efficiencies to minimize these pending impacts. This concludes the Management Discussion and Analysis Statement for the calendar year of 2016. A complete copy of the 2016 audited financials for the City of Caribou may be viewed at the Caribou City Office, 25 High Street during normal business hours of 8:00AM to 5:00PM Monday through Friday.



Auditors' Report

CITY OF CARIBOU, MAINE

Statement of Net Position
December 31, 2016

Exhibit A

ASSETS

CURRENT ASSETS

Cash and temporary investments (Note 2)	\$ 7,574,209
Uncollected taxes	1,173,837
Tax acquired property	92,549
Accounts receivable	686,144
Allowance for uncollectibles	(119,177)
Inventories	27,838
Notes receivable (Notes 3 and 4)	84,500
Restricted cash (Note 5)	29,891
Other assets	1,112
	<u>9,550,903</u>

NONCURRENT ASSETS

Capital assets (Note 6)	
Non-depreciable	10,390,797
Depreciable	15,903,471
Less allowance for depreciation	<u>(7,433,167)</u>

18,861,101

Total assets

28,412,004

DEFERRED OUTFLOWS OF RESOURCES (Note 1)

453,950

LIABILITIES

CURRENT LIABILITIES

Accounts payable	51,771
Accrued payroll	26,019
Escrow (Note 5)	29,891
Compensated absences (Note 1)	566,278
Current portion, notes payable	35,039
	<u>708,998</u>

NONCURRENT LIABILITIES

Notes payable, net of current portion (Note 7)	725,926
Net pension liability (Note 8)	836,538
	<u>1,562,464</u>

Total liabilities

2,271,462

DEFERRED INFLOWS OF RESOURCES (Note 1)

188,158

NET POSITION

Net investment in capital assets	18,100,136
Restricted for:	
Special revenue funds	390,022
Unrestricted	<u>7,916,176</u>

Total net position

\$26,406,334

The accompanying notes are an integral part of this financial statement.

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Auditors' Report

CITY OF CARIBOU, MAINE

Exhibit B

Statement of Activities
For the Year Ended December 31, 2016

Function/Programs	Expenses	Charges for Services	Program Revenues		Net (Cost)
			Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 841,355	\$ 121,762	\$ -	\$ -	\$ (719,593)
Economic development	381,692	378,731	114,954	-	111,993
Health and sanitation	254,033	-	-	-	(254,033)
Public works	2,213,260	74,154	135,600	-	(2,003,506)
Police department	1,890,319	43,335	55,488	-	(1,791,496)
Fire and ambulance	2,581,022	1,741,462	253,334	-	(586,226)
Insurance and retirement	191,543	-	-	-	(191,543)
Recreation	656,116	23,811	-	19,640	(612,665)
Snowmobile trail maintenance	100,919	-	54,625	-	(46,294)
Library	245,180	6,242	-	-	(238,938)
County tax	436,142	-	-	-	(436,142)
Education	3,605,414	-	-	-	(3,605,414)
Tax assessment office	170,517	-	-	-	(170,517)
Section 8 Housing	1,026,273	3,631	1,169,298	-	146,656
Interest expense	29,087	-	-	-	(29,087)
Other	308,593	-	-	283,908	(24,685)
	<u>\$14,931,465</u>	<u>\$2,393,128</u>	<u>\$ 1,783,299</u>	<u>\$ 303,548</u>	<u>(10,451,490)</u>

General revenues:

Taxes	
Property taxes, levied for general purposes	8,443,068
Less: TIF payments	(433,879)
Homestead reimbursement and other property tax related	591,667
Excise	1,402,682
Federal and state aid not restricted to specific purposes	543,088
Tri-community distribution	105,732
Other licenses, permits and fees	494,280
Miscellaneous revenues	220,101
Subtotal, general revenues	<u>11,366,739</u>

CHANGE IN NET POSITION	915,249
NET POSITION - JANUARY 1, 2016	<u>25,491,085</u>
NET POSITION - DECEMBER 31, 2016	<u>\$ 26,406,334</u>

The accompanying notes are an integral part of this financial statement.

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Auditors' Report

CITY OF CARIBOU, MAINE

Exhibit C

Balance Sheet
Governmental Funds
As of December 31, 2016

	<u>General Fund</u>	<u>Section 8 Housing Program</u>	<u>Non-major Funds (Schedule 1)</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and temporary investments (Note 2)	\$6,583,399	\$181,601	\$ 809,209	\$ 7,574,209
Uncollected taxes	1,173,837	-	-	1,173,837
Tax acquired property	92,549	-	-	92,549
Accounts receivable	685,431	713	-	686,144
Allowance for uncollectibles	(119,177)	-	-	(119,177)
Inventories	27,838	-	-	27,838
Notes receivable (Notes 3 and 4)	77,889	-	6,611	84,500
Restricted cash (Note 5)	-	29,891	-	29,891
Other assets	-	1,112	-	1,112
Total assets	<u>\$8,521,766</u>	<u>\$213,317</u>	<u>\$ 815,820</u>	<u>\$ 9,550,903</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 30,996	\$ 20,775	\$ -	\$ 51,771
Escrow (Note 5)	-	29,891	-	29,891
	<u>30,996</u>	<u>50,666</u>	<u>-</u>	<u>81,662</u>
Deferred inflow of resources:				
Deferred revenue (Note 1)	<u>978,853</u>	<u>76,751</u>	<u>-</u>	<u>1,055,604</u>
Fund balances:				
Nonspendable				
Inventory	27,838	-	-	27,838
Restricted				
Special revenue funds	-	85,900	227,371	313,271
Unrestricted				
Assigned				
Capital (Schedule 3)	1,039,982	-	-	1,039,982
Non-capital (Schedule 4)	3,672,654	-	-	3,672,654
Other funds	-	-	588,449	588,449
Unassigned	<u>2,771,443</u>	<u>-</u>	<u>-</u>	<u>2,771,443</u>
Total fund balances	<u>7,511,917</u>	<u>85,900</u>	<u>815,820</u>	<u>8,413,637</u>
Total liabilities and fund balances	<u>\$8,521,766</u>	<u>\$213,317</u>	<u>\$ 815,820</u>	<u>\$ 9,550,903</u>

The accompanying notes are an integral part of this financial statement.

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Auditors' Report

CITY OF CARIBOU, MAINE

Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2016

	General Fund	Section 8 Housing Program	Non-major Funds (Schedule 2)	Total Governmental Funds
REVENUES				
Local property taxes	\$ 8,534,952	\$ -	\$ -	\$ 8,534,952
Homestead reimbursement	363,228	-	-	363,228
Abatements	(13,083)	-	-	(13,083)
Other property tax related	228,439	-	-	228,439
Excise taxes	1,402,682	-	-	1,402,682
Federal and state assistance	1,406,012	1,043,818	103,354	2,553,184
Fire and ambulance revenue	1,741,462	-	-	1,741,462
Tri-community distribution	105,732	-	-	105,732
Other licenses, permits, and fees	359,562	-	134,718	494,280
Other revenues	508,660	3,631	380,377	892,668
TOTAL REVENUES	14,637,646	1,047,449	618,449	16,303,544
EXPENDITURES				
General government	963,993	160,667	-	1,124,660
Economic development	115,426	-	266,266	381,692
Health and sanitation	254,033	-	-	254,033
Public works	2,062,105	-	-	2,062,105
Police department	1,849,994	-	-	1,849,994
Fire and ambulance	2,898,500	-	-	2,898,500
Insurance and retirement	191,543	-	-	191,543
Recreation	791,792	-	100,919	892,711
Library	238,025	-	-	238,025
County tax	436,142	-	-	436,142
Tax assessment office	170,517	-	-	170,517
General assistance	56,535	865,606	-	922,141
Education	3,605,414	-	-	3,605,414
Construction and improvements	302,738	-	-	302,738
Tax increment financing	433,879	-	-	433,879
Debt service - principal	65,163	-	-	65,163
- interest	29,087	-	-	29,087
Other	83,242	-	140,735	223,977
TOTAL EXPENDITURES	14,548,128	1,026,273	507,920	16,082,321
EXCESS OF REVENUES OVER EXPENDITURES	89,518	21,176	110,529	221,223
OTHER FINANCING SOURCES (USES)				
Transfer (to) from other funds	(50,000)	-	50,000	-
NET INCREASE IN FUND BALANCE	39,518	21,176	160,529	221,223
FUND BALANCE - JANUARY 1, 2016	7,472,399	64,724	655,291	8,192,414
FUND BALANCE - DECEMBER 31, 2016	\$ 7,511,917	\$ 85,900	\$ 815,820	\$ 8,413,637

The accompanying notes are an integral part of this financial statement.

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Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Caribou, Maine incorporated and adopted its first charter in 1967, which allows for a Council-Manager form of government. The Council consists of seven members elected by the voters with individual terms of three years.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The authority establishing the standards for governmental accounting principles is the Governmental Accounting Standards Board (GASB).

The accompanying financial statements include all governmental and expendable fiduciary fund types and account groups except for Cary Medical Center and Caribou Utilities District. The financial statements of these component units have been or are being audited and reported on by other independent auditors.

The City of Caribou's basic financial statements include City-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

City-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each department or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the department, grants and contributions that are restricted to meeting the operational or capital requirements of a particular department and interest earned on grants that is required to be used to support a particular department. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenue of the City. The effect of significant interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level.

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets and account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions. The various funds are summarized by type in the financial statements.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements

December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column and non-major funds are summarized into a single column. GASB standards set forth minimum criteria based on the size of the funds for the determination of major funds. City management may also choose to designate additional funds as major based on other criteria.

The following funds are reported as major by the City:

General Fund - The general fund accounts for financial resources in use for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the City of Caribou.

Special Revenue Fund - The Section 8 Housing Program accounts for grant proceeds that are restricted by legal and regulatory provisions to finance the activities of the Caribou Housing Authority.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The City's only fiduciary funds are private-purpose trust funds. These funds account for trust funds donated to the City for those purposes.

Measurement Focus

City-wide Financial Statements - The City-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included in the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the City-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the City-wide statements and the statements for governmental funds.

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. City-wide financial statements and the fiduciary funds are prepared using the accrual basis of accounting.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Governmental funds use the modified accrual basis of accounting. On the accrual basis of accounting, expenses are recognized at the time they are incurred. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of fiscal year-end. Licenses and permits, charges for services, fines and forfeits and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes and investment earnings are recorded when they become both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for expenditures for debt service, prepaid expenses and other long-term obligations, which are recognized when paid.

Nonexchange transactions, in that the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of fund balance, is utilized in the governmental fund types. In the general fund, for budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. The encumbrances are subject to re-appropriation by the City council in any succeeding fiscal year.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each year through passage of an annual budget ordinance and amended as required for the General Fund. In accordance with generally accepted accounting principles, these budgets use the same accounting basis to reflect actual revenues and expenditures. Budgets for the Special Revenue Funds are made on a project basis, sometimes spanning over more than one fiscal year. Budgetary control is exercised at the departmental level or by project. All unencumbered budget appropriations, except reserve budgets, lapse at the end of each fiscal year.

The general operating fund is legally required to be budgeted and appropriated. The major document prepared is the tax budget, which separates these funds by function and estimated appropriation needed to fund each function. The tax budget demonstrates a need for existing or increased tax rates. This budget is approved by the City Council and may be amended during the year if projected increases or decreases in revenues or expenditures are identified by the City. The amounts reported as the original budget amounts in the budgetary statements (Supplement 1) reflect the amounts in the legally adopted budget. Changes, if any, are reflected in the final budget column.

Cash and Temporary Investments

Available cash is deposited in interest-bearing accounts to as great a degree as possible. These residual investments are classified for reporting purposes as cash. Earnings from these investments are reported by the applicable funds. The City's policy is to invest in regional banks and federal securities and to insure the funds to as great a degree as possible. Deposits with a maturity of three months or less are included in cash and temporary investments for financial reporting purposes.

Monies for all funds are maintained in a pool. Individual funds are maintained through the City's accounting records to allow proper segregation of cash for each fund.

Property Taxes

Taxes are levied as of April 1 and are used to finance the operations of the City for the calendar budget year beginning January 1. Taxes are committed for collection on July 1 and are due and payable on or before September 30. In accordance with Maine law, taxes not collected within eight months following the date of commitment are secured by liens.

The City has adopted the standard established by GASB No. 33 regarding the recognition of property taxes. The criterion for this standard is to recognize property tax revenue as it becomes both "measurable and available". Measurable is defined as the amount that the City can reasonably expect to receive of the property taxes assessed for the current year. Available is defined as the amount that will be collected of current and past due taxes during the current period or expected to be collected shortly thereafter to pay current liabilities. For the purposes of this report, 60 days is used as the collection period after year-end. Accordingly, a deferred inflow has been established on the fund balance sheet for the taxes considered collectible but not available for current liabilities.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Uncollectible Receivables

Taxes receivable are recorded at estimated net realizable value. Therefore, an allowance for uncollectible taxes of \$21,276 has been established. Tax revenue is recorded net of the allowance for uncollectible taxes.

The ambulance service also reports accounts receivable net of the allowance for uncollectible accounts of \$97,901. Revenues have been netted to reflect the allowance.

Inventories

The City of Caribou inventories are valued at cost. Cost is determined on the first-in, first-out basis.

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the City-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair value as of the date received. The City maintains a capitalization threshold of \$3,000 for all assets other than infrastructure assets. The capitalization threshold for infrastructure assets is \$50,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-50 years	N/A
Furniture and Equipment	5-20 years	10-15 years
Vehicles	8-10 years	N/A

Pursuant to GASB Statement No. 34, an extended period of deferral (until 2006) was available before the requirement to record and depreciate infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) acquired before the implementation date became effective. The City developed an implementation to determine the value of and included infrastructure cost in 2006. Infrastructure acquired prior to December 2002 has not been recorded. GASB Statement No. 34 requires the reporting of new infrastructure expenditures effective with the beginning of the implementation year (2002).

The City has elected to account for their infrastructure assets using the modified approach as opposed to depreciating them. See Supplement 2 for further details.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The City currently reports only a pension-related item as deferred outflows of resources.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The City currently reports only a pension-related item as deferred inflows of resources in the Statement of Net Position. The City also reports deferred property taxes in the general fund and unearned rent in the Section 8 Housing Program as deferred inflows on the fund balance sheet.

Accounts Payable, Accrued Expenses and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the City-wide financial statements.

Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment and their department's individual contract negotiated with the City. Administration and all other employees not under a departmental contract receive twelve days sick leave per year and one to five weeks of vacation depending on the number of years of service. Unused vacation and sick pay are accumulated at the employee's current rate of pay and is included as a liability in the net position of the City-wide financial statements.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that are not spendable in form or are contractually required to be maintained intact. The City reports fuel inventory as nonspendable.

Restricted Fund Balance

Restricted fund balance includes amounts that can only be used for specific purposes and includes grant funds and certain donations.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications (Continued)

Unrestricted Assigned Fund Balance

Unrestricted assigned fund balance includes amounts assigned by the authority of the City Council for which they intend to use them for specific purposes. Any assignments held open for three years without activity is closed into unrestricted unassigned fund balance.

Unrestricted Unassigned Fund Balance

The remaining fund balance that is not restricted, committed or assigned is considered unassigned. These funds are spendable funds in the ordinary course of government operations.

The City considers expenditures that are incurred for purposes where restricted and unrestricted fund balances are available, to be expended in the following order – Restricted, Committed, Assigned and Unassigned. In the 2016 fiscal year there were no unrestricted committed funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) CASH AND TEMPORARY INVESTMENTS

Deposits with financial institutions are subject to custodial risk, which is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is to invest in regional banks and to insure the funds to as great a degree as possible. As of December 31, 2016, the bank balance, including the various fiduciary accounts, was \$8,128,147 of which all was insured or collateralized.

The above information does not include any amounts on deposit for Cary Medical Center or Caribou Utilities District.

(3) NOTE RECEIVABLE - REVOLVING LOAN FUND

The Revolving Loan Fund had a 6.5% note receivable in monthly installments of \$218 principal and interest through December 2017 with a balance of \$6,611 as of December 31, 2016.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(4) NOTES RECEIVABLE

The City's General Fund had a 2% note receivable in annual installments of \$7,365 principal and interest through December 2028 with a balance of \$77,889 as of December 31, 2016.

As of December 31, 2016, the note receivable matures as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 5,807
2018	5,923
2019	6,042
2020	6,163
2021	6,286
2022-2026	33,368
2027-2028	<u>14,300</u>
	<u>\$77,889</u>

Notes receivable of \$77,889 are with the Caribou Economic Growth Council which has made various loans under the same terms noted above. These notes are secured by the applicable notes held by the Caribou Economic Growth Council.

(5) ACTIVITIES OF THE CITY OF CARIBOU SECTION 8 HOUSING PROGRAM

The City operates a Voucher Program which enables up to one hundred ninety-three recipients to be granted housing assistance under the Section 8 Housing Program but does not restrict their living to the Caribou area.

The Section 8 Program has a family self-sufficiency program that permits families to stay in the program even if their income increases. This increase in payments is collected by the program and deposited into an escrow account for the families involved to use upon their successful completion of the program. This money is listed as restricted cash in the balance sheet of the special revenue fund.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(6) CAPITAL ASSETS

In accordance with GASB standards, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The City elected to use the "modified approach" as defined by GASB for infrastructure reporting. As a result, no accumulated depreciation or depreciation expense has been recorded for infrastructure. Other nondepreciable assets include land and construction in progress. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense has been recorded.

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	Retire- ments/ <u>Transfers</u>	Ending <u>Balance</u>
Governmental Activities				
Nondepreciable:				
Land	\$ 529,700	\$ -	\$ -	\$ 529,700
Construction in progress	-	302,738	-	302,738
Infrastructure	<u>9,558,359</u>	<u>-</u>	<u>-</u>	<u>9,558,359</u>
Total nondepreciable	10,088,059	302,738	-	10,390,797
Land improvements	1,320,640	23,500	-	1,344,140
Buildings	7,460,103	141,538	-	7,601,641
Vehicles	4,182,754	91,161	50,527	4,223,388
Equipment	<u>2,050,750</u>	<u>751,744</u>	<u>68,192</u>	<u>2,734,302</u>
Totals at historical cost	<u>25,102,306</u>	<u>1,310,681</u>	<u>118,719</u>	<u>26,294,268</u>
Less accumulated depreciation for:				
Land improvements	1,068,180	17,823	-	1,086,003
Buildings	2,188,631	189,622	-	2,378,253
Vehicles	2,743,415	305,536	45,958	3,002,993
Equipment	<u>823,136</u>	<u>194,642</u>	<u>51,860</u>	<u>965,918</u>
Total accumulated depreciation	<u>6,823,362</u>	<u>707,623</u>	<u>97,818</u>	<u>7,433,167</u>
Governmental activities capital assets, net	<u>\$18,278,944</u>	<u>\$ 603,058</u>	<u>\$ 20,901</u>	<u>\$18,861,101</u>



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(6) CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
General	\$ 75,712
Library	7,155
Police	33,452
Fire and Ambulance	244,001
Public works	206,363
Recreation and parks	112,859
Other	<u>28,081</u>
	<u>\$707,623</u>

(7) GENERAL LONG-TERM DEBT

As of December 31, 2016, long-term debt consisted of one 3.591% capital lease payable in semi-annual payments ranging from \$44,205 to \$61,565 principal and interest through June 2025.

As of December 31, 2016, long-term obligations mature as follows:

Fiscal Year	Principal	Interest
2017 (included in current liabilities)	\$ 35,039	\$ 13,663
2018	73,613	25,428
2019	79,647	22,731
2020	86,028	19,815
2021	92,774	16,666
2022-2025	<u>393,864</u>	<u>30,052</u>
	<u>\$760,965</u>	<u>\$128,355</u>

Long-term debt activity during the year ended December 31, 2016, was as follows:

Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
<u>\$826,128</u>	<u>\$ ~</u>	<u>\$65,163</u>	<u>\$760,965</u>	<u>\$35,039</u>



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(8) EMPLOYEES' RETIREMENT PLAN

MAINEPERS

Plan Description

The City contributes to the Maine Public Employees Retirement System (MainePERS) which is a multiple-employer cost sharing defined benefit pension plan as a Participating Local District (PLD). Eligible employers (districts) are defined in Maine statute. As of June 30, 2016 there were 283 employers in the plan. As of June 30, 2016, the City had 29 employees enrolled in the plan.

Pension Benefits

Benefit terms are established in Maine statute and an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The plan provides defined benefits based on members' average final compensation and service credit earned as of retirement. Vesting occurs upon the earning of five years of service credit. For PLD members, normal retirement age is 60 (if the member participated in the plan on or before June 30, 2014) or 65 (for members added to the plan beginning July 1, 2014). Members are eligible for retirement after twenty-five years of service; or upon reaching normal retirement age of 60 or 65, whether or not they are in service, provided they are vested with 5 or 10 years of service, whichever applies to them; or upon reaching their normal retirement age of 60 or 65, provided they have been in service for at least one year immediately prior to retirement. The monthly benefit of members who retire before normal retirement age by having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below the normal retirement age at retirement. MainePERS also provides disability and death benefits which are established by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest (annual rate is currently 5%), credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights.

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule. The City's participants contributed 7.5% of their wages to the plan until June 30, 2016, and 8% beginning July 2016. The City's contribution rate is determined through actuarial valuations.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

At December 31, 2016 the City reported a liability of \$836,538 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the City's proportion was .157%, which was an increase of .015% from its proportion as measured as of June 30, 2015.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements

December 31, 2016

(8) EMPLOYEES' RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

For the year ended December 31, 2016, the City recognized pension expense of \$155,405. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 10,141	\$ 53,805
Net difference between projected and actual investment earnings on pension plan investments	309,128	128,655
Changes of assumptions	89,679	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>45,002</u>	<u>5,698</u>
Total	<u>\$453,950</u>	<u>\$188,158</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2017	\$ 53,054
2018	47,835
2019	116,690
2020	48,213

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	2.75% to 9.0% per year
Inflation rate	2.75%
Investment rate of return	6.875% per annum, compounded annually
Cost of living benefit increases	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females. For recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table for males and females was used.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(8) EMPLOYEES' RETIREMENT PLAN (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table. Assets for each of the defined benefits plan are commingled for investment purposes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equities	20%	5.7%
Non-US Equities	20%	5.5%
Private Equity	10%	7.6%
Real Assets:		
Real Estate	10%	5.2%
Infrastructure	10%	5.3%
Hard Assets	5%	5.0%
Fixed Income	25%	2.9%

Discount Rate

The discount rate used to measure the collective pension liability was 6.875% for 2016, 7.125% for 2015 and 7.25% for 2014. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2016 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

1% Decrease	Current Discount Rate	1% Increase
<u>5.875%</u>	<u>6.875%</u>	<u>7.875%</u>
\$1,388,502	\$836,538	\$316,883

All other employees are covered under the Social Security System.

MainePERS issues a publicly available financial report that includes financial statements and required supplementary information that may be obtained on the Internet at www.mainebers.org or at the MainePERS office in Augusta.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements

December 31, 2016

(9) JOINT VENTURE - TRI-COMMUNITY RECYCLING AND SANITARY LANDFILL

The Tri-Community Recycling and Sanitary Landfill is owned jointly by the City of Caribou and the Towns of Fort Fairfield and Limestone. The Board of Directors consists of four members residing in the three communities; three from the City of Caribou and two from each of the other communities.

Financial statements for this joint venture were issued and reported on by us in a separate report dated March 1, 2017. These financial statements are available from the City's Finance Department.

A summary of the facility's activity for 2016, is as follows:

	<u>Amount</u>
Total assets	\$15,106,665
Deferred outflows of resources	241,569
Total liabilities	12,582,052
Deferred inflows of resources	<u>113,032</u>
Total net position	<u>\$ 2,653,150</u>
Total revenue	\$ 2,687,191
Less total expenditures	<u>2,972,841</u>
Decrease in net position	<u>\$ (285,650)</u>

The City has guaranteed, together with the other member towns, two notes payable totaling \$8,526,000 for the Tri-Community Recycling and Sanitary Landfill. As of December 31, 2016, the balance owed was \$5,313,282.

The State of Maine Department of Environmental Protection requires the Landfill to place a final cover on its landfill once it is closed and perform certain maintenance and monitoring functions at the site for twenty years after closure. These estimated closure and post-closure care costs are being recognized in the financial statements referred to above at the rate of utilization of the landfill site. As of December 31, 2016, the estimated total cost of closure and post-closure care was approximately \$19,290,643 of which \$6,700,000 was recognized. The management of the landfill expects to use future earnings to cover the costs of closure and post-closure care. More information regarding the accounting for closure and post-closure care costs is available in the 2016 financial statements of the Tri-Community Recycling and Sanitary Landfill.



Auditors' Report

CITY OF CARIBOU, MAINE

Notes to the Financial Statements
December 31, 2016

(10) TAX INCREMENT FINANCING (TIF) DISTRICT

During March 2006, the City created the Caribou Downtown Tax Increment Financing District, in which the City can use 100% of tax revenue from incremental new assessed value of property located in the District to promote private development. The City entered into a Credit Enhancement Agreement (CEA) with a developer in order to provide for the consolidation of a state agency. Under the terms of the CEA, incremental tax revenue over the next 15 years resulting from improvements to the developer's building will be returned to the developer. The revenue will then be used to reduce the state agency's rental expense. The total benefit to the developer and state agency is expected to be approximately \$410,000 over the 15-year period. The TIF District was amended in 2008 and 2014 to allow for costs of public safety improvements, economic development, and infrastructure improvements in the downtown area.

During September 2012, the City created the RC-2 District to use tax revenue from incremental new assessed value of property located in the District to promote private development. The total benefit to the developer is expected to be approximately \$24,000 over a five-year period. Tax increment captured above that amount can be utilized for costs of public safety improvements, city-wide trails and other District improvements.

During January 2014, the City created a TIF District and entered into a credit enhancement agreement (CEA) with a local Company. The improvements are privately financed by the Company. The CEA will be for a duration of 20 years in which the Company will receive a percentage of the incremental taxes resulting from the increased assessed value of the District. The percentage of reimbursement will step down from 95% to 25% prior to the expiration of the CEA.

During June 2015, the City entered into a credit enhancement agreement as part of the Downtown Tax Increment Financing District in which up to \$5,000 is allocated to the Company for the years 2016 to 2019 and the City collecting tax amounts over \$5,000. Beginning in 2020, the Company must certify maintaining at least 100 full-time employees. The Company will reimburse the City 1% for each full-time employee below 100 in each of the years 2020 to 2024. The City will retain 100% of the taxes during the years 2020 to 2024.

During June 2015, the City entered into a one-year Credit Enhancement Agreement with a locally owned business as part of the Downtown Tax Increment Financing District, during which 100% of the taxes on the Incremental Assessed Value will be in the Developmental fund for the Company.

(11) SUBSEQUENT EVENTS

Management has reviewed subsequent events through June 29, 2017, the date that these financial statements were available to be issued and determined that no additional adjustments or disclosures are required in order for these financial statements to be fairly stated.



Auditors' Report

CITY OF CARIBOU, MAINE

Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2016

Supplement 1

	General Fund		
	Budgeted Amounts		Actual Budgetary Basis
	Original	Final	
REVENUES			
Local property taxes	\$ 8,334,725	\$ 8,334,725	\$ 8,534,952
Homestead exemption reimbursement	362,101	362,101	363,228
Abatements	(20,000)	(20,000)	(13,083)
Other property tax related	211,242	211,242	228,439
Excise taxes	1,405,571	1,405,571	1,402,682
Federal assistance	18,000	18,000	21,272
State assistance	673,933	673,933	684,833
Ambulance fees	1,611,834	1,611,834	1,451,052
Fire/Ambulance charge to towns	167,453	167,453	167,549
Billing services	122,070	122,070	122,861
Other licenses, permits and fees	267,198	267,198	309,943
Other	213,726	213,726	326,546
TOTAL REVENUES	13,367,853	13,367,853	13,600,274
EXPENDITURES			
General government	735,357	735,357	742,909
Education	3,605,414	3,605,414	3,605,414
Health and sanitation	249,740	249,740	254,033
Public works	1,896,578	1,896,578	1,782,111
Police department and emergency management	1,875,846	1,875,846	1,751,654
Fire and ambulance	2,296,880	2,296,880	2,298,050
Insurance and retirement	97,600	97,600	99,850
Parks and recreation	558,696	558,696	527,526
Library	219,336	219,336	195,523
County tax	401,859	401,859	436,142
Tax assessment office	172,720	172,720	169,116
Tax increment financing	401,859	401,859	401,859
Appropriations to capital outlays	444,088	444,088	444,088
Other	319,027	319,027	322,325
TOTAL EXPENDITURES	13,275,000	13,275,000	13,030,600
EXCESS OF REVENUES OVER EXPENDITURES	92,853	92,853	569,674
OTHER SOURCES (USES)			
Capital outlays in excess of appropriations	-	-	(574,166)
NET INCREASE (DECREASE) IN FUND BALANCE	92,853	92,853	(4,492)
FUND BALANCE - JANUARY 1, 2016	-	-	7,516,409
FUND BALANCE - DECEMBER 31, 2016	\$ 92,853	\$ 92,853	\$ 7,511,917



2016 Unpaid Real Estate Taxes

as of December 31, 2016

Adams, Roxann T.	3,451.03	Bmw Realty	629.75
Akerson, Jeffrey	1,783.91	Bois, Alain R. & Tracy, Amanda E.	4,296.04
Akerson, Jeffrey	833.56	Bosse, Daniel & Kathy Jo	2,548.77
Akerson, John - Dev	1,426.67	Bosse, Janet M. and Jason Theriault	510.67
Akerson, John W. - Dev	1,566.36	Bouchard Potato Company	2,287.71
Akerson, John W. - Dev	1,428.96	Bouchard Potato Company	407.62
Akerson, John W. - Dev	1,343.63	Bouchard Potato Company	4,355.58
Albert, Gilbert C. - Dec	664.10	Bouchard, Bradley D. & Amy R.	341.21
Alford, Moody Rondale and Debra Ann	457.81	Bouchard, Craig D. and Kelley E.	1,655.67
Alley, Walter	1,335.07	Bouchard, Craig D. and Kelly	1,690.02
Amber Cat LLC	1,064.85	Bouchard, Craig D. and Kelly E.	258.77
Ambercat, LLC	664.10	Bouchard, Craig D. and Kelly E.	3,272.41
Anderson, Alexander and Constance Huston	471.74	Bouchard, Craig D. and Ricky A.	1,515.98
Anderson, Kevin G.	289.08	Bouchard, Dorina M.	1,818.26
Anderson, Mary Lee	215.26	Bouchard, Galen S. and Althea	593.11
Anttio, George M.	854.17	Bouchard, Galen S. & Althea M.	2,269.39
Archer, Richard S. and Tammy J.	1,259.50	Bouchard, Jeffery D. & Bonnie F.	1,708.34
Argaves, Richard P.	2,202.98	Bouchard, Maynard L. - Heirs	2,266.12
Argaves, Richard, Alma, & Brandon M.	123.66	Bouchard, Rickey	2,970.13
Aristotle, LLC	1,009.89	Bouchard, Rickey	2,427.40
Aroostook Foods, Inc.	354.02	Bouchard, Rickey A. & Craig D.	263.35
Atcheson, Thomas J.	3,098.37	Bouchard, Rickey A. & Craig D.	229.00
Atcheson, Thomas J.	1,809.10	Bouchard, Rickey A. & Craig D.	1,190.80
Atl Holdings, LLC	87.02	Bouchard, Rickey A. & Craig D.	3,354.85
Atl Holdings, LLC	5,047.16	Bouchard, Rickey A. & Craig D.	1,699.18
Atlantic Salmon for Northern Maine, Inc.	192.36	Bouchard, Scott A. et. al.	1,378.58
Austin - Glass, Priscilla T.	567.92	Bourgoine, Daniel J	343.50
Babin, Steve N. & Tracy L.	2,301.45	Bourgoine, Daniel J.	628.77
Bailey, Kendall K.	494.64	Bowmaster, Peter W.	1,383.16
Baldwin, Robert W.	125.95	Bragdon, Glen Jr.	696.16
Ballard, Keith H. and Norma J.	1,623.61	Brown, Timothy L.	666.39
Ballard, Wayne B. and Theresa J.	943.48	Brown, Timothy L. & Robin L.	973.25
Bard, Gary J.	918.87	Brunette, Vincent J.	590.82
Barnes, Alan L. & Kim R.	812.95	Burba, John	192.36
Barretto, John	716.77	Burba, John	1,471.97
Beaulieu, Gerry J.	1,586.62	Burby, James L. and Christina L. Dubois	1,522.85
Beaulieu, Lee A., Jr. and Heather H.	910.61	Burgay, Trent J.	2,061.00
Beaulieu, Lee A., Jr. and Heather H.	2,418.24	Burgess, Henry	480.90
Beausoleil, Armand R.	2,356.41	Burgess, Henry	1,071.72
Belanger, Francis J.	1,156.45	Burgess, Henry	1,154.16
Belanger, John	13.74	Burt, Kevin S.	654.94
Belanger, John	1,211.41	C. Ray Management LLC	2,493.81
Bell, Justin R. & Bell, Richard H.	1,161.03	C. Ray Management, LLC	1,815.97
Bernaiche, Travis	4,460.19	C. Ray Management, LLC	1,596.13
Bernaiche, Travis	2,284.86	C. Ray Management, LLC	1,825.13
Berube, Leo - Dev	1,023.38	C.j. Brown & Sons, Inc.	956.70
Bickford, Brian & Sharon	1,733.53	C.j. Brown & Sons, Inc.	956.70
Bielinski, Greta T.	1,788.68	C.j. Brown & Sons, Inc.	956.70
Blackstone, Julie J.	561.05	C.j. Brown & Sons, Inc.	1,030.25
Blackstone, Samuel S. & Blackstone, Patty Ann	4,664.73	Cain Brook Realty Trust	87.02
Blackwell, Dwayne	941.19	Campbell, Beatrice	1,896.12
Blackwell, Dwayne H.	1,060.27	Campbell, Mona	2,450.30
Blackwell, Dwayne H.	682.42	Canxus Broadcasting Corp.	153.43
Blackwell, Dwayne H.	954.93	Canxus Broadcasting Corp.	4,962.72
Blackwell, Dwayne H.	567.92	Caparotta, Anthony L.	428.23



2016 Unpaid Real Estate Taxes

as of December 31, 2016

Caparotta, Anthony L. & Kenneth A.	1,161.03	Damboise, Bernard D. & Gloria M.	1,227.44
Caribou Enterprise Group, LLC	206.10	Damboise, Orrick E.	634.33
Caribou Enterprise Group, LLC	199.47	David, Jody	45.80
Caribou Enterprise Group, LLC	1,614.45	David, Jody	240.45
Caron, Dana P. & Beverly J.	535.86	Davis, Bruce	1,463.31
Caron, Dana P. & Beverly J.	1,566.36	Demerchant, Kent D. and Lori L.	2,633.50
Caron, Dana P. and Beverly J. - Life Estate	2,166.34	Devost, Sady - Dec	927.45
Caron, Galen J.	222.86	Dinsmore, Ronald W. and Judy M.	375.55
Caron, Richard S.	1,286.94	Dionne, April A.	831.27
Cassidy, Amy L.	1,044.24	Dionne, Mary	451.13
Cassidy, Dana	28,444.09	Doak, Ricky L.	185.49
Chadsey, Eric	272.51	Dobson, Shelby Gail	1,898.41
Champagne, Ronald A., Jr. & Kimberly A.	1,999.17	Dombroski, Judy C.	1,477.05
Chapman, Donald F.	535.86	Doody, Brian D. and Tabitha J.	41.22
Chestnut, Jeffrey S. & Chestnut, Kerri Lynn	441.97	Doroen, Joshua K.	1,820.84
Clark, Jean B. & Barbara Finlay	1,510.77	Dorrance, Carl G. and Nancy S.	1,175.72
Clark, Robert P. and Tammy S.	693.87	Drake, Forrest - Dev.	98.47
Clevette, Kevin	451.13	Drake, Forrest - Dev.	96.18
Cole, Donald E.	909.64	Drake, Judson	1,005.31
Compound Holdings LLC	320.60	Drew, David K. & Theresa M.	624.60
Compound Holdings LLC	100.76	Drinkall, Glenn D. and Kristina J.	831.27
Connolly, Roger M. and Joan K.	650.36	Driscoll, Douglas A. and Donna M.	1,561.78
Connolly, Roger M. and Joan K.	650.36	Dube, Edward L. and Theresa A.	1,861.77
Connolly, Roger M. and Joan K.	602.27	Dube, Judy	593.11
Connolly, Roger M. and Joan K.	746.54	Dufour, Kenneth G.	1,241.18
Connolly, Roger M. and Joan K.	141.27	Dumond, Nicholas & Sparrow, Ruth A. & Robert P.	1,259.50
Connolly, Roger M. and Joan K.	25.19	Duncan, Jason B. & Gloria	258.77
Connolly, Roger M. and Joan K.	50.38	Duncan, Jason B. and Gloria	2,986.16
Cook, Allen L. and Claudine A.	922.87	Duplissie, Colleen	3,847.20
Cook, John	20.61	Ellis, Gene & Sharon S.	519.83
Corbin, Christopher	1,488.50	Espling, Debra and Mark	403.04
Corbin, Joseph F.	490.06	Evans, Rita M.	2,006.04
Corbin, Joseph F. & Laura L.	1,206.83	Evans, Rita M.	1,151.86
Corriveau, Ellie J.	1,023.63	Ewing, Brian E. & Darlene M.	2,180.08
Cossiboom, Carolyn	883.94	Farley-Belanger, Arlene	535.86
Cote, Margaret M.	1,408.35	Farmers Realty Trust	11.45
Cote, Matthew A.	1,094.62	Fisher, Scott	59.54
Coty, Cheryl	366.40	Five Star Home Maintenance, LLC	357.24
Coty, Gordon P., Jr.	904.55	Five Star Home Maintenance, LLC	3,231.19
Couture, Bobbi-Jo & Gregory Hanley	1,099.20	Flagg, April A.	1,790.77
Craig, Marcus & Jennifer	25.19	Flagg, Elizabeth M. & Flagg, William B.	166.78
Craig, Marcus A. and Jennifer L.	4,312.07	Flaherty, Eric and Mary	7,747.07
Crotto, Leo E. - Dec	1,039.78	Forbes, Bryan L.	3,029.67
Cullins, Terry S.	1,953.37	Ford, Randolph, et.al. & Trevor J.D. & Susan P. Parr	412.20
Curran, David	703.03	Fortin, Linda	137.40
Curtis, Jon M.	886.23	Fortin, Linda	169.46
Cyr, Doris Hitchings and Ruth A.	327.14	Fortin, Linda	114.50
Cyr, James A. and Colleen S.	515.45	Fortin, Lisa M. - King	911.42
Cyr, James A. and Colleen S.	699.70	Fortin, Roland	29.77
Cyr, Lindsay & Richard	164.88	Fortin, Shirley, Richard and Phillip	277.09
Cyr, Lon L. and De Angela M.	2,757.16	Foster, Darrel J. & Victoria S.	757.95
Cyr, Michael L.	5,175.40	Fournier, Curtis F.	524.41
Cyr, Nancy M. - Heirs	589.28	Frank, Robin D. and Martha J.	1,434.87
Cyr, Rowena G.	2,253.36	Frank, Robin D. and Martha J.	2,814.41
Daigle, Douglas A.	1,450.74	Frank, Robin D. & Martha J.	2,167.86



2016 Unpaid Real Estate Taxes

as of December 31, 2016

Frazier, Holli Marie	1,053.40	Haney, Christopher A.	1,502.24
Freeman, Peter J.	2,515.20	Haney, Christopher A.	1,147.29
Frost, Leland	1,064.85	Haney, Nathan	1,060.27
Frost, Leland - Life Estate	3,226.61	Hanley, Gregory M. & Bobbi Jo	4,341.84
Fuhrmann, Francis and Gail	593.08	Hanson, Darlene Albert- & Darren E. Albert	532.74
Gagnon, Angela and John	1,657.96	Harmon, Colleen	1,348.81
Gagnon, Angela C. & John B.	1,412.93	Harmon, Colleen	233.58
Gagnon, Angela C. & John B.	2,342.67	Harris, James L. & Nancy J.	2,404.50
Gagnon, Debra	64.12	Harrison, Richard B.	1,630.46
Gagnon, Debra L.	703.03	Herbert, Jack and Teelynne	1,630.48
Gagnon, Debra L.	867.91	Herbert, Jack S. & Teelynne R.	3,183.10
Gagnon, Dwane A.	201.52	Hewitt, Flint A.	1,030.50
Gagnon, Lori	229.00	Hewitt, Travis L.	1,635.06
Gagnon, Michael E. and Lu H.	1,470.42	High Meadow Realty Trust	
Gagnon, Nicholas B. and Tammy A. and Robert Gagnon	2,017.49	Roger M. Connolly, Trustee	251.90
Gagnon, Nicholas B. and Tammy A. and Robert Gagnon	913.71	High Meadow Realty Trust	
Gagnon, Nicholas B. and Tammy A. and Robert Gagnon	835.85	Roger M. Connolly, Trustee	245.03
Gagnon, Nicholas B. and Tammy A. and Robert Gagnon	1,085.46	High Meadow Realty Trust	
Gagnon, Ronald L.	167.17	Roger M. Connolly, Trustee	245.03
Gagnon, Tammy A.	934.32	High Meadow Realty Trust c/o	
Gallagher, Gail L.	2,344.96	Roger Connolly, Trustee	760.28
Gandee, Diana	1,245.77	High Meadow Realty Trust	229.00
Gauvin, Randy	989.28	High Meadow Realty Trust	
Gauvin, Robert O. & Carol A.	833.56	Connolly, Roger M. - Trustee of The	128.24
Gazak, LLC	3,391.49	High Meadow Realty Trust	
Gerow, Arthur	2,647.24	Connolly, Roger M. - Trustee of The	128.24
Giggey, Lena	375.24	High Meadow Realty Trust	
Giggey, Lena	318.31	Connolly, Roger M. - Trustee of The	128.24
Giggey, Lena M.	57.25	High Meadow Realty Trust	
Giles, Kevin D. & Paula J.	29.77	Connolly, Roger M. - Trustee of The	123.66
Ginzburg, Sergey & Kislov, Evgenii	1,378.58	High Meadow Realty Trust	
Girard, Karen T. and Steven P. Mounts	1,115.23	Connolly, Roger M. - Trustee of The	123.66
Glass, Priscilla	2,996.96	High Meadow Realty Trust	
Godin, Adrien J. & Nancy L.	128.24	Connolly, Roger M. - Trustee of The	123.66
Godin, Daniel E. & Shannan M.	889.69	Hodsdon, Kevin R. and Sharon A.	455.70
Gorence, Richard B. & Paula A.	487.77	Holdsworth, Ghent II	2,617.47
Grant, Michelle	2,125.12	Holdsworth, Ghent II	572.50
Gray, Kimberley & Gutherie, Robert	98.47	Holdsworth, Ghent II.	622.88
Greenier Inc.	160.30	Holman, Lori Jean Wark	1,392.32
Griffeth, Kenneth M.	4,774.65	Holmes, Kevin L.	1,096.49
Griffeth, Matthew A., John F. II and Stephen C.	783.18	Holmes, Kevin L. and Jocelyn C.	199.15
Griffeth, Sharon L.	918.29	Holmes, Loretta M.	577.08
Griffin, Kip A.	698.45	Hooey, Raymond and Gladys	1,135.84
Guerrette, Alan	1,174.77	Hooey, Raymond R, Jr. and Raymond R., Sr.	1,266.37
Guerrette, Sheri R.	531.28	Hotelling, Carol	616.01
Guy, Dylan M.	3,549.50	Huckins, Madeline and Michael Lovely	1,454.15
Haley Family Farm, Inc.	1,637.35	Hunter, Matthew A.	1,875.51
Hall, Wayne K. and Donna M.	1,190.80	Jackson, Angela	1,632.66
Hallett, Bryan	351.23	Jackson, Carlton E., Sr. and Diane	913.71
	1,003.00	Jackson, Craig P.	1,222.86



2016 Unpaid Real Estate Taxes

as of December 31, 2016

Jalbert, Gerald C. - Dev	1,149.58	Libby, Robert A. and Daniel Douglass	298.24
Janitz, Waltraud I. - Dev.	1,259.50	Lindsey, Bryant C. and Brandy L.	1,781.62
Jewett, Richard W.	370.07	Lister, Allyn L. and Cheryl A.	1,481.63
Johansen, Cheryl A.	851.88	Little, Basil Edward, Jr.	709.90
Johndro, Joel R. and Michelle K.	1,774.75	Little, Gary W. & Lagasse, Karen	425.94
Johns, Karen & Ed Van Dusen	38.93	Littleton, Iris A.	1,930.47
Johns, Karen & Ed Van Dusen	183.20	Lizotte, Ronald J.	225.94
Johnson, Christian & Cindy	4,293.75	Lizotte, Ronald J.	216.78
Johnson, Christian J.d. & Cindy A.	2,244.20	Lloyd, Kenneth J. L. and John D.	430.12
Johnston, Dana L.	2,042.68	Loggans, Donald L.	308.88
Johnston, Lawrence R.	275.34	Loggans, Donald L.	158.01
Johnston, Nancy	702.16	Longley, Lance L. & Lisa G.	1,097.43
Johnston, Ronald D. and Joyce	190.07	Longley, Patricia E.	1,218.28
Jones, Dana G.	350.37	Love, Justin L. & Sarah M.	989.28
Kaja Holdings 2, LLC	1,094.62	Lozoway, Fred C.	1,669.41
Keaton, Kevin P. and Allison R.	5,271.58	Lunney, Irene	121.37
Keaton, Vaughn & Brenda	3,128.14	Madore, Gary R. Jr & Amber R.	1,845.74
Keaton, Vaughn R. and Brenda	3,206.00	Madore, Phyllis - Dev	3,029.67
Keller, Bobby	1,795.36	Madore, Phyllis - Dev	286.25
Kelley, James W. Sr. and Patricia M.	1,841.16	Malenfant, Gary E. and Nancy L.	1,815.97
Kelly, James L.	1,692.31	Malm, Timothy E.	1,110.65
Ketch, Max H., Tammy Clark, Scott Ketch & Heidi Lamothe	1,062.56	Mancos, Michael A.	774.02
Kidney, Gloria J.	340.70	Maple Ridge Property Management, LLC	1,339.65
Kieffer, Robert J. & Lehrle W.	1,509.11	Martin, Billie-Jo	448.84
King, Jeremy J.	447.64	Martin, Daniel N.	206.00
Kingsbury, Robb and Kristi	1,527.43	Martin, Scott	604.56
Kinney, John D. and Ethel M.	149.38	Martin, Scott	819.82
Kinney, Joshua D. & Julie J. Blackstone-Kinney	55.67	Martin, Scott A.	4,321.23
Knowlton, Thelma M.	93.89	Martin, Scott A.	3,982.31
Kouhought, Aaron P. & Tina M.	4,257.11	Martin, Scott A.	2,867.08
Kuklak, Joseph, Jr. and Leslie	361.82	Martin, Scott Allen	4,598.32
Labreck, Alfred Jr. and Gloria D.	893.10	Martin, Scott M.	2,367.86
Lafrancois, Mildred - Dec	50.38	Massey, Shelley	526.70
Lagasse, Douglas P. and Lisa	364.52	McBreairty, Donald	838.14
Lagasse, Llewellyn N.- Heirs	1,357.97	McDougal, Walter & Janet	1,118.28
Lagasse, Rosaire C.- Life Estate	4,183.83	McKellips, Kitty L. and Celena M. Paul - Greenier	1,351.10
Lagasse, Troy N.	643.49	McLaughlin, Danielle	954.93
Lamothe, Claude A.	1,783.91	McLaughlin, Evans D. and Rhonda A.	2,592.28
Land Ho, Inc.	698.45	McLaughlin, Jerry, Jr.	441.97
Landeem, Kendall D. & Darlene	199.23	Merlin One, LLC	153.34
Lapointe, Sheril A.	1,341.94	Merlin One, LLC	50.35
Larson, Nathan	618.30	Merlin One, LLC	26,707.02
Latham, Kate & Fraser, Wesley	975.54	Michaud and Michaud Trucking	57.25
Lausier, Denise M.	2,635.79	Michaud and Michaud Trucking Corp.	1,012.18
Lavoie, Louis J., Jr.	2,283.13	Michaud and Michaud Trucking Corp.	87.02
Lavoie, Louis, Jr.	3,272.41	Michaud, Indira	1,189.04
Leavitt, Brian	389.30	Michaud, Jay and Lisa	1,362.54
Leavitt, Brian G.	57.25	Michaud, Kim R.	849.59
Leavitt, Thomas M.	238.16	Michaud, Kristi Haines & Reginald John	1,422.09
Leavitt, Thomas M. & Shirley A.	1,440.41	Michaud, Michael P.	130.92
Levasseur, Daniel E.	1,014.47	Michaud, Michael P. and Yuri K.	229.00
Levesque, Andrew J. & Heather R.	2,846.47	Michaud, Michael P., Yuri K., Matthew L.A. & Maxbryan L.T.	297.70
Levesque, Willard and Aline	2,276.26	Mikes Family Market, LLC	2,613.59
Lewis, James A.	421.36	Miller, Ronald E., Jr.	810.66



2016 Unpaid Real Estate Taxes

as of December 31, 2016

Milton, Chester H.-Life Estate	822.11	Page, Steven and Debby	215.26
Milton, Garrick E. and Sandra L.	1,536.59	Paradis, Leland O., Jr.	934.32
Mitchell, William B. Sr.	1,296.14	Pd Investments, LLC	4,664.73
Mjg, Inc.	549.18	Pelkey, Jeffrey	342.94
Mjg, Inc.	31,107.36	Pelletier, Louise	275.08
Moiyee Corporation	82.44	Pelletier, Valdore J. & Ruby D. - Life Estate	1,028.21
Moiyee Corporation, The	114.50	Pendergast, Michael S. & Kerri A.	1,868.64
Moiyee Corporation, The	1,190.80	Perry, Carl Lee	325.78
Moiyee Corporation, The	45.80	Phair, Judy M.	913.71
Moiyee Corporation, The	96.18	Picard, Mario M. & Lana E.	199.23
Moiyee Corporation, The	84.73	Piper, Douglas J., Jr. & Anna C. Anderson	1,417.50
Moiyee Corporation, The	105.34	Plavnick, Kimberly	1,905.28
Moiyee Corporation, The	119.08	Plourde, Diane	1,298.43
Moiyee Corporation, The	886.23	Plourde, Larry and Nola	2,047.26
Moiyee Corporation, The	790.05	Pooler, Todd M. & Marcy L.	753.41
Moiyee Corporation, The	27.48	Pratt, Carl and Melanie	558.76
Moiyee Corporation, The	125.95	Quimby, Lewis G., Jr.	902.26
Moiyee Corporation, The	160.30	R.m.b. Frank, LLC	701.65
Moiyee Corporation, The	96.18	Rafford, Winfield A.	64.86
Moiyee Corporation, The	22.90	Rand, Timothy	1,387.74
Moiyee Corporation, The	34.35	Rand, Timothy A.	64.12
Moiyee Corporation, The	105.34	Randazzo, Daniel T.	2,276.26
Moiyee Corporation, The	103.05	Randolph, Dale I.	1,568.65
Moiyee Corporation, The	52.67	Raymond, Marla	1,967.11
Morin, Corey	491.17	Richardson, Derrell	16,304.80
Morin, John - Life Estate	1,135.84	Richardson, Derrell	2,202.98
Morrell, James L.	563.34	Richardson, Derrell	7,337.16
Moxley, Thomas A. and Sharon B.E.	510.67	Richardson, Derrell	1,099.20
Msm Real Estate Trust Winkle, Michael K. - Trustee	549.60	Rielly, Richard W., Jr.	904.55
Muffler, Lynne Dell	194.65	Rines, John M.	945.77
Murphy, Leola A.	886.23	Robertson, Samuel A & Katelyn	1,286.98
Murphy, Leola A.	364.11	Robertson, Samuel A. & Katelyn	128.24
Murphy, Rita M.	1,371.71	Robertson, Samuel A. & Katelyn A.	1,264.08
Murray, Roberta	293.12	Roman Catholic Bishop of Portland	2,846.47
Nadeau, Kathleen T. c/o Kim Cushing	279.38	Rosser, Ronald A., Jr. and Johna G.	1,099.20
Nadeau, Tony	1,609.86	Rossignol, Daniel P. and Jacqueline L.	419.07
Nadeau, Tony and Gail	2,310.61	Rossignol, Gary A.	838.14
Nadeau, Wilson W.	1,380.87	Rossignol, Samantha A. and Bryan C. Greenwood	916.00
Nelson, Jay D. and Denise P.	265.78	Rowe-Pelkey, Brenda J. as Trustee of the Brenda J. Rowe-Pelkey 2005 Trust	2,028.94
Newbegin, Michael R. & Lucila F.	304.57	Roy, Jay Paul	880.88
Newbegin, Michael R. and Lucila F.	1,078.59	Sands, Willard H.	872.49
Noble, John	68.70	Saucier, Stephanie Ellen	192.36
Noble, John	2,395.34	Saunders, Suzanne	1,206.83
Noble, John T. and Carolyn Joyce	5,360.89	Savage, Konni R.	11.58
Noble, John T. and Carolyn Joyce	1,777.04	Schellenger, Richard & Marla	838.14
O'donal, Faye H.	522.12	Scott, Ronald and Alta M.	666.39
Olmstead, Aaron G. & Heather L. Nunez	1,387.74	Seaman, Yvette	80.61
Ossenfort, William J. and Tonya L.	4,083.07	Searles, Roseanna M.	610.48
Ouellette, Clifford J. & Linda A.	1,044.23	Sears, Joseph M.	556.47
Ouellette, Heidi L. & Chad M.	1,099.20	Shaw, David B.	1,783.91
Ouellette, Jerry	206.10	Shaw, Jeremy G.	2,317.48
Ouellette, Luke J and Christine L	904.55	Silsbee Family Trust, The	4,444.89
Ouellette, Philip	439.68	Silsbee, David	432.81
Ouellette, Steven A.	1,112.94	SM Trust	1,786.20
Paddleford, Milton B.	1,303.01		



2016 Unpaid Real Estate Taxes

as of December 31, 2016

SM Trust	171.75	Tracy, Cynthia L.	97.09
Smith, Donald F., Jr. and Hollis	283.96	Tracy, Galen R.	16.90
Smith, Rodney	382.43	Tracy, Galen R.	297.81
Somers, Galen O.	1,412.93	Tracy, Galen S.	1,039.58
Spencer, Larry and Teresa	496.93	Tracy, Kurt W.	1,784.47
St. John, Peter P.	1,428.96	Trombley Industries	1,161.03
St. Peter, Gary R.	4,930.37	Trombley, Alan R.	277.09
St. Peter, Gary R.	2,223.59	Trombley, Alan R.	616.01
St. Peter, Raymond	516.57	Trombley, Philip	332.05
St. Peter, Rudolph & Violette, Jennifer J.	2,292.29	Trombley, Philip	1,470.18
St. Thomas, Sharon L.	614.87	Trombley, Philip E.	1,142.71
Stairs, David	872.35	Trombley, Phillip E.	43.51
Statewide Housing Solutions, LLC	909.00	Trombley, Phillip E.	38.93
Stavnesli, David M. & Tina L. Tracy	549.60	Trombley, Richard A. & Alan R.	1,071.72
Stoeckeler, George Robert	295.41	Trombley, Shawn	190.07
Sullivan, David	1,186.22	Trombley, Steven Lee	389.30
Summerson, Christopher and Stacey	1,818.26	Turck, Katherine M.	547.31
Sutherland, Tammy	329.76	Turcotte, Hermel	225.18
Taggett, Harry A. & Tammy A. Saucier	783.18	Valentino, Frank & Paula	998.44
Tahoe Gaming, LLC	5,944.84	Veinote, Jason L. & Carrie R.	510.67
Tahoe Gaming, LLC	231.25	Verhoff, Janet Lee	5,518.90
Tamburello, George	322.89	Violette, Brent B.	1,433.54
Tardie, Mark	1,777.04	Violette, Brian J.	1,499.95
Tardie, Wilmer A. - Dev.	32.42	Violette, Larry D. & Louise C.	912.10
Tasker, William J. and Jayne M.	4,002.91	Von Merta, Richard and Linda	1,740.40
Taylor, Eric	561.05	Walker, Scott A.	1,433.54
Therault Lawn Care	325.18	Walker, Theodore Jacob	219.84
Therault, Gregory	34.86	Walton, Diana L.	650.36
Therault, Gregory J.	12.31	Wambold, Darla M.	2,063.29
Therault, Gregory J.	11.26	Warner, Loyce Mary, et.al.	1,303.01
Therault, Gregory J.	15.04	Weatherhead, Frank C.	2,887.69
Therault, Gregory J. and Bonnie J.	11.90	Weatherhead, Laurie L.	1,149.58
Therault, Kristi Rose	1,048.82	Webber, Brandon Shawn, et.al.	5,234.94
Therault, Michael and Sonya	625.17	Wells, Angela	128.24
Therault, Randy	554.18	Wesson, Bruce E.	511.69
Therault, Shane H.	2,983.87	Wesson, Bruce E.	12,383.98
Thibodeau Family Irrevocable Trust,		Wesson, Bruce E.	1,841.16
The Thibodeau, Robyn R. - Trustee	39.64	Westin, Mark L.	1,406.06
Thibodeau, Bobby Jr - Estate of	178.62	White, Jessie M.	1,145.00
Thibodeau, Carl	458.00	White, Joey	186.25
Thibodeau, Carl J.	89.31	White, Joey R.	1,142.71
Thibodeau, Daniel A. and Bonita E.	1,554.91	Whitmore, Jason & Stacey	112.21
Thibodeau, Josie Mae Kennard et al	1,078.88	Whitmore, Travis	132.82
Thibodeau, P. Ronald	1,612.16	Willette, Ryan J.	1,589.26
Thibodeau, Tracy L.	540.44	Williams, Seth and Karlyn	4,566.26
Thibodeau, William A., Jr.	501.51	Witherly, Murel - Dev.	249.61
Thomas, Allan	190.07	Woo, Lucinda G.	176.33
Thomas, Ashley	128.24	Woods, Sean & Murphy, Terrance	1,337.36
Thomas, Becky L.	703.03	Worster, Pamie	139.69
Thompson, Christopher Lee	838.14	Zernicke, Kenneth - Dec	54.96
Thompson, Jay R. and Shelley R.	2,601.44	Zernicke, Kenneth - Dec	313.73
Thompson, Pamela	954.93	Zorn, Reginald C. and Sally	260.76
Tilley, Jessica L.	348.08		
Todd, Nancy L.	87.02		
Tompkins, Michele D.	1,284.69		
			<u>845,053.34</u>



Unpaid Personal Property Tax

<u>2012</u>			
Beaulieu, Gerry J.	521.10	Noble, John	862.46
Lavoie, Louis	849.20	Robertson, Samuel	291.98
Rossignol, Gary	34.74	Rossignol, Gary	38.18
Theriault, Shane	4,645.51	Sure Winner Foods, Inc.	186.42
White, Dennis	25.09	Theriault, Shane	5,406.12
		Thibodeau, Guilda	108.62
	6,075.64		26913.5
<u>2013</u>		<u>2016</u>	
Beaulieu, Gerry J.	530.95	Algonquin Powe & Utilities Corp.	105.34
Lavoie, Louis	721.60	Beaulieu, Gerry J.	540.44
Martin, Scott	4,244.09	Bell, Justin & Rick	325.18
Robertson, Samuel	2.63	Bernaiche Property Maintenance	229.00
Rossignol, Gary	34.85	Bouchard Potato Company	847.30
Theriault, Shane	4,934.35	Bouchard, Craig & Rickey	2,237.33
White, Dennis	24.60	Canxus Broadcasting Corp.	1,481.63
	10,493.07	Chadwick & Baross, Inc.	1,096.01
		Corbin, Chris	132.82
		Cote, Matthew	219.84
		County Plumbing & Heating, Inc	77.86
		Crown Park Inn	1,738.11
		Cullins, Bryan	261.06
		Cyr, Michael	1,719.79
		Cyr, Michael	13.74
		Five Star Home Maintenance, LLC	226.71
		Frank, Rob, Martha & Bradley	334.34
		Fulton, John	194.65
		Gagnon, Russell	151.14
		G-Force Laser Tag, Corp	36.64
		Herbert, Jack	359.53
		K.B.S. Enterprises, Inc.	9,217.25
		Kirouac, Lisa T.	52.67
		Lavoie, Louis	593.11
		Leavitt, Brian G.	114.50
		Martin, Scott	3,812.85
		Michaud, Edmond & Todd	183.20
		Murphy, Shelly	116.79
		Muzak, LLC	22.90
		Noble, John	879.36
		Perreault, Anne Guerrette	29.77
		Riopelle, Lamar	29.77
		Rossignol, Gary	38.93
		St. Peter, Gary	348.08
		Theriault, Shane	5,512.03
		Thibodeau, Guilda	267.93
		Trombley, Phil	91.60
		Williams, Karlyn	231.29
		Wilson, Matthew PMH-NP	29.77
			33900.26
<u>2014</u>			
Beaulieu, Gerry J.	553.04		
Canxus Broadcasting Corp.	193.66		
Harper, Sharlene	28.99		
Jones, Edward D. Co., LP	245.30		
Lavoie, Louis	577.57		
Martin, Scott	9,151.92		
Muzak, LLC	15.40		
Noble, John	471.07		
Robertson, Samuel	289.90		
Rossignol, Gary	37.91		
Theriault, Shane	5,367.61		
	16,932.37		
<u>2015</u>			
Algonquin Powe & Utilities Corp.	114.55		
Beaulieu, Gerry J.	543.53		
Canxus Broadcasting Corp.	1,453.16		
Chadwick & Baross, Inc.	10,455.13		
Corbin, Chris	139.25		
Cote, Matthew	220.11		
County Plumbing & Heating, Inc	76.36		
Cullins, Bryan	256.04		
Cyr, Michael	112.72		
Cyr, Michael	0.71		
Dewitt, Maryline	89.84		
Lavoie, Louis	581.71		
Martin, Scott	5,951.90		
Muzak, LLC	24.71		



Tax Liens as of December 31, 2016

Akerson, John - Dev	27.60	Frost, Leland - Life Estate	3,362.92
Alley, Walter	1,423.68	Gagnon, Debra L.	775.70
Anderson, Alexander and Constance Huston	874.30	Gagnon, Debra L.	1,068.59
Archer, Richard S. and Tammy J.	1,470.06	Gagnon, Dwane A.	261.54
Ballard, Wayne B. and Theresa J.	586.01	Gagnon, Tammy A.	2,465.51
Barnes, Alan L. & Kim R.	1,030.33	Gandee, Diana	732.17
Barretto, John	1,148.42	Gorence, Richard B. & Paula A.	2,598.76
Blackwell, Dwayne	73.72	Greenier Inc.	4,950.01
Blackwell, Dwayne H.	643.66	Haney, Nathan	1,141.95
Bragdon, Glen Jr.	775.12	Harris, James L. & Nancy J.	2,643.94
Brunette, Vincent J.	667.13	Hewitt, Flint A.	1,220.83
Burgay, Trent J.	2,234.91	Holman, Lori Jean Wark	1,303.36
Caparotta, Anthony L.	493.97	Hooey, Raymond and Gladys	1,336.82
Caron, Dana P. & Beverly J.	604.31	Hooey, Raymond R., Jr. and Raymond R., Sr.	1,477.11
Champagne, Ronald A., Jr. & Kimberly A.	36.12	Hotelling, Carol	594.39
Chestnut, Jeffrey S. & Chestnut, Kerri Lynn	508.06	Hunter, Matthew A.	56.23
Clevette, Kevin	641.30	Jalbert, Gerald C. - Dev	1,239.98
Cook, Allen L. and Claudine A.	1,137.89	Johansen, Cheryl A.	317.08
Cook, John	151.60	Johndro, Joel R. and Michelle K.	1,724.33
Corbin, Joseph F.	570.30	Johnson, Christian & Cindy	4,463.45
Corbin, Joseph F. & Laura L.	1,409.59	Jones, Dana G.	480.73
Cossiboom, Carolyn	655.46	Keaton, Vaughn & Brenda	398.55
Cote, Matthew A.	1,183.64	Kelly, James L.	1,907.32
Damboise, Bernard D. & Gloria M.	537.20	Ketch, Max H., Tammy Clark, Scott Ketch & Heidi Lamothe	957.57
Damboise, Orrick E.	822.65	Kingsbury, Robb and Kristi	731.73
Dionne, Mary	493.96	Kouhought, Aaron P. & Tina M.	4,191.11
Doak, Ricky L.	144.65	Kuklak, Joseph, Jr. and Leslie	549.75
Driscoll, Douglas A. and Donna M.	1,695.59	Labreck, Alfred Jr. and Gloria D.	820.04
Dube, Judy	661.22	Lagasse, Troy N.	714.66
Duncan, Jason B. and Gloria	3,240.27	Land Ho, Inc.	783.76
Espling, Debra and Mark	585.54	Larson, Nathan	688.83
Fisher, Scott	35.13	Latham, Kate & Fraser, Wesley	1,178.95
Five Star Home Maintenance, LLC	263.07	Lavoie, Louis J., Jr.	2,408.59
Five Star Home Maintenance, LLC	300.08	Lavoie, Louis, Jr.	3,544.20
Flaherty, Eric and Mary	8,120.63	Leavitt, Brian	224.53
Ford, Randolph, et.al. & Trevor J.D. & Susan P. Parr	52.13	Leavitt, Brian G.	113.63
Fortin, Linda	241.09	Leavitt, Thomas M.	299.10
Fortin, Linda	172.33	Leavitt, Thomas M. & Shirley A.	1,649.06
Frost, Leland	1,264.03		



Tax Liens as of December 31, 2016

Levasseur, Daniel E.	866.69	Sm Trust	71.53
Lewis, James A.	604.31	St. Peter, Gary R.	5,116.13
Longley, Patricia E.	1,293.07	St. Peter, Rudolph & Violette, Jennifer J.	1,173.89
Love, Justin L. & Sarah M.	1,193.03	Stoeckeler, George Robert	481.65
Lozoway, Fred C.	1,892.61	Tamburello, George	335.08
Madore, Phyllis - Dev	3,265.44	Tardie, Mark	662.66
Madore, Phyllis - Dev	347.58	Therault Lawn Care	387.22
Mancos, Michael A.	430.37	Thibodeau, Tracy L.	609.01
Martin, Scott A.	4,511.03	Thomas, Ashley	186.42
Martin, Scott A.	4,163.56	Thompson, Pamela	957.19
Martin, Scott A.	3,007.27	Tilley, Jessica L.	535.65
Martin, Scott Allen	4,788.65	Tompkins, Michele D.	1,529.96
Martin, Scott M.	2,480.47	Trombley, Steven Lee	447.25
Massey, Shelley	210.32	Turck, Katherine M.	711.73
McLaughlin, Danielle	1,033.95	Valentino, Frank & Paula	630.78
McLaughlin, Evans D. and Rhonda A.	2,829.99	Veinote, Jason L. & Carrie R.	578.49
Miller, Ronald E., Jr.	1,009.90	Verhoff, Janet Lee	5,830.42
Morin, John - Life Estate	373.08	Violette, Brent B.	1,642.03
Moxley, Thomas A. and Sharon B.E.	377.11	Von Merta, Richard and Linda	1,963.09
Noble, John	127.78	Weatherhead, Laurie L.	1,357.37
Noble, John	2,594.76	Webber, Brandon Shawn, et.al.	2,543.81
Noble, John T. and Carolyn Joyce	5,668.43	Westin, Mark L.	1,613.85
Noble, John T. and Carolyn Joyce	1,939.16	Whitmore, Travis	191.11
Ouellette, Philip	646.34	Woo, Lucinda G.	235.72
Ouellette, Steven A.	1,319.81	Woods, Sean & Murphy, Terrance	1,471.23
Paradis, Leland O., Jr.	1,157.48	Zernicke, Kenneth - Dec	124.22
Pelletier, Valdore J. & Ruby D. - Life Estate	1,126.24	Zernicke, Kenneth - Dec	705.31
Picard, Mario M. & Lana E.	498.66		
Randolph, Dale I.	951.71		
Richardson, Derrell	14,928.64		206604.72
Richardson, Derrell	2,319.95		
Richardson, Derrell	7,583.62		
Richardson, Derrell	1,181.86		
Rines, John M.	1,024.57		
Robertson, Samuel A & Katelyn	89.37		
Rossignol, Gary A.	1,031.61		
Rowe-Pelkey, Brenda J.as Trustee of			
The Brenda J. Rowe-Pelkey 2005 Trust	2,199.69		
Sands, Willard H.	1,090.28		

City Directory

493-3306	Fire & Ambulance Department
493-4204	Non-Emergency Fire & Ambulance
493-3301	Police Department
498-3111	Cary Medical Center
493-3324	City Office
Ext. 221 & 204	City Clerk's Office
201	City Manager's Office
207 & 204	Excise Tax
221	General Assistance
219	Section 8 Housing
217 & 222	Tax Assessing & Code Enforcement
220	Tax Collector / Finance Director
210	Deputy Tax Collector
223	Deputy Treasurer
493-4278	Ambulance Billing, Options 5 & 6
493-4224	Parks & Recreation Department
493-4214	Public Library
493-4211	Public Works
496-6311	Superintendent of Schools
493-4260	High School
493-4250	Hilltop School
493-4266	Learning Center
493-4240	Middle School
493-4248	Teague Park School
473-7840	Tri-Community Landfill
496-0911	Utilities District

This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

Notes

[illegible]

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.