2017

Town of Mapleton Financial Statements December 31, 2017

Mapleton, Me.
TOWN OF MAPLETON, MAINE
FINANCIAL STATEMENTS
DECEMBER 31, 2017

Chester M. Kearney, Certified Public Accountants
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Chester M. Kearney, Certified Public Accountants
To the Board of Selectmen of
Town of Mapleton, Maine

INDEPENDENT AUDITORS' REPORT

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 Town of Mapleton, Maine, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Mapleton, Maine, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 3 through 6 and the budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mapleton’s basic financial statements as a whole. The accompanying supplementary information on pages 28 through 30 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 2, 2018 on our consideration of the Town of Mapleton’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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town’s internal control over financial reporting and compliance.

Chester M. Kearney
Presque Isle, Maine
February 2, 2018
MANAGEMENT’S DISCUSSION AND ANALYSIS

Chester M. Kearney, Certified Public Accountants
As management of Mapleton, Maine, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of Mapleton exceeded its liabilities at the close of the most recent fiscal year by $2,187,957 (net position). Of this amount, $657,425 (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors.

- The government's total net position increased by $183,996 in the year ended December 31, 2017.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $1,052,462 a decrease of $73,233 in comparison with the prior year. Approximately 48% of this total amount, $506,633, is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was $506,633 or 19% of total general fund expenditures.

**USING THIS ANNUAL REPORT**

The Town of Mapleton's financial statements are comprised of a series of statements. The Statement of Net Position and the Statement of Activities provide an overview of the government as a whole and its activities. The Fund Financial Statements, which begin immediately after the Statement of Activities, provide a more detailed look at the governmental funds. Next are the notes to the financial statements, which provide information essential to a complete understanding of the data provided. Following the notes are the combining and individual fund schedules, including non-major governmental funds.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements present financial information in two statements, the Statement of Net Position and the Statement of Activities. These statements provide an overview of the government as a whole (similar to private-sector statements). All of the current year's revenues are taken into account regardless of when cash is received. The Statement of Net Position provides a picture of the difference between assets and liabilities, which is called Net Position. The Statement of Activities provides a look at how the net position has changed from the prior year to the current year. Increases or decreases in net position can show whether the Town is improving or deteriorating. Other factors need to be considered, such as changes in the Town's property tax base and the condition of the roads, to assess the overall health of the Town.

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Chester M. Kearney, Certified Public Accountants
FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts which is used to maintain control over resources which have been segregated for specific activities or objectives. The Town of Mapleton, like other state and local governments, uses fund accounting to insure and demonstrate compliance with finance related legal requirements. All of the funds of the Town are governmental funds. The Fund Financial Statements provide details of the Town's most significant funds, not the Town as a whole. These statements begin immediately after the Statement of Activities. Some funds are required to be established by state law and by bond covenants. However, management establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

* Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end which are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets which can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the town's general government operations and the basic services it provides. Governmental funds information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

* Proprietary funds - The Town maintains no proprietary funds.

* Fiduciary funds - The Town maintains no fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 to 26 of this report.

Other information. This report also includes various supplemental schedules to provide additional detail for the various items reported. These supplemental schedules can be found on pages 27 to 30 of this report.

THE TOWN AS A WHOLE - STATEMENT OF NET POSITION and STATEMENT OF ACTIVITIES

The first two financial statements presented (pages 7 and 8) are the Statement of Net Position and the Statement of Activities and are designed to present the Town as a whole similar to the way a business presents its financial statements. The Statement of Net Position combines the assets and liabilities as presented in the governmental funds with the Town's capital assets and long-term liabilities. The Statement of Activities shows the gross and net cost of the various departments which are funded by various general revenues including property taxes and other revenues. Revenues are recognized when earned regardless of when they are collected and expenses are recognized when the liability becomes due. Since capital asset purchases are not considered an expense under this measurement focus, annual charges for depreciation are recognized to indicate the use of these assets over time.

Chester M. Kearney, Certified Public Accountants
The following information is a condensed version of the Statement of Net Position and Activities with comparative information included. The analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town of Mapleton's net position for the governmental activities increased by $183,996 during the year ended December 31, 2017. The total cost of governmental activities was $2,418,389. However, many programs are subsidized by user fees, grants and contributions. Therefore, the ultimate cost to the taxpayers was $2,380,753 after taking into consideration the program revenues. See the Statement of Activities for greater detail.

### Statement of Net Position

<table>
<thead>
<tr>
<th></th>
<th>12/31/17</th>
<th>12/31/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total current assets</td>
<td>1,153,401</td>
<td>1,253,872</td>
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<tr>
<td>Total non-current assets</td>
<td>1,564,584</td>
<td>1,308,684</td>
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<tr>
<td>Total assets</td>
<td>2,717,985</td>
<td>2,562,556</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>44,991</td>
<td>91,713</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>(37,188)</td>
<td>(36,999)</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>(479,392)</td>
<td>(554,110)</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>(58,439)</td>
<td>(59,199)</td>
</tr>
<tr>
<td>Total net position</td>
<td>2,187,957</td>
<td>2,003,961</td>
</tr>
</tbody>
</table>

### Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>12/31/17</th>
<th>12/31/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax revenues</td>
<td>2,197,447</td>
<td>2,291,433</td>
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<td>Intergovernmental revenues</td>
<td>224,060</td>
<td>210,433</td>
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<td>Other revenues</td>
<td>180,878</td>
<td>122,727</td>
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<tr>
<td>Total revenues</td>
<td>2,602,385</td>
<td>2,624,593</td>
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<tr>
<td>Education</td>
<td>1,398,086</td>
<td>1,371,489</td>
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<tr>
<td>County tax</td>
<td>160,923</td>
<td>151,755</td>
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<tr>
<td>General government</td>
<td>269,124</td>
<td>274,796</td>
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<tr>
<td>Reserves</td>
<td>15,239</td>
<td>8,465</td>
</tr>
<tr>
<td>Public safety</td>
<td>39,776</td>
<td>39,673</td>
</tr>
<tr>
<td>Property services</td>
<td>19,000</td>
<td>30,597</td>
</tr>
<tr>
<td>Protection</td>
<td>87,831</td>
<td>89,633</td>
</tr>
<tr>
<td>Highways</td>
<td>360,833</td>
<td>352,320</td>
</tr>
<tr>
<td>General assistance</td>
<td>-</td>
<td>363</td>
</tr>
<tr>
<td>Recreation</td>
<td>43,376</td>
<td>35,082</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>16,149</td>
<td>17,600</td>
</tr>
<tr>
<td>Community service</td>
<td>27,611</td>
<td>114,659</td>
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<tr>
<td>Pension expense</td>
<td>(19,559)</td>
<td>26,764</td>
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<tr>
<td>Total expenses</td>
<td>2,418,389</td>
<td>2,513,196</td>
</tr>
<tr>
<td>Change in net position</td>
<td>183,996</td>
<td>111,397</td>
</tr>
</tbody>
</table>
TOWN OF MAPLETON, MAINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
UNAUDITED

FINANCIAL ANALYSIS OF THE TOWN’S FUNDS AND GENERAL FUND BUDGETARY HIGHLIGHTS

The Town continues to meet its responsibilities for sound financial management. Actual revenues were over budget by $140,792. Actual expenditures were over budget by $124,025. The change in fund balance was a decrease of $73,233. The only expenditure lines where expenditures exceeded appropriations was Highways and Recreation.

CAPITAL ASSETS

Governmental activities, capital assets net of depreciation totaled $1,530,532 as of December 31, 2017, representing a $221,848 increase from the prior year end. The Town spent funds on road improvements and building improvements. Annual depreciation expense totaled $164,306. See financial statement note 3 for further details. The town maintains a number of reserve accounts to contribute to the replacement and acquisition of new assets for the purpose of providing public service. See financial statement page 28 for a listing of these reserve accounts.

LONG-TERM DEBT

In 2008 the Town entered into an Inter Community Agreement to operate a landfill and has incurred debt totaling $420,000. Debt retired for the year totaled $8,822. See financial statement footnote number 5 for more information.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

• The unemployment rate for Aroostook County is currently 4.2%, which is a decrease from a rate of 5.5% a year ago. The County’s rate is comparable to the national rate of 4.1% and the state rate 3.0%.

• Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town’s budget for the 2018 fiscal year.

CONTACTING THE TOWN’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town’s finances and to show the Town’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Town Manager, at P.O. Box 500, Mapleton, ME 04757.
BASIC FINANCIAL STATEMENTS
TOWN OF MAPLETON, MAINE

GOVERNMENT WIDE STATEMENT OF NET POSITION

DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
</tr>
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<tbody>
<tr>
<td>Current assets</td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$ 957,029</td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>101,372</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>95,000</td>
</tr>
<tr>
<td>Tax liens</td>
<td>34,052</td>
</tr>
<tr>
<td>Capital assets net of accumulated depreciation</td>
<td>1,530,532</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>2,717,985</strong></td>
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<table>
<thead>
<tr>
<th>DEFERRED OUTFLOWS OF RESOURCES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension related expenditures</td>
<td>44,991</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>10,875</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>17,116</td>
</tr>
<tr>
<td>Notes due within one year</td>
<td>9,197</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
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<tr>
<td>Notes due in more than one year</td>
<td>361,965</td>
</tr>
<tr>
<td>Pension liabilities</td>
<td>117,427</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>516,580</strong></td>
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<table>
<thead>
<tr>
<th>DEFERRED INFLOWS OF RESOURCES</th>
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</thead>
<tbody>
<tr>
<td>Pension related inflows</td>
<td>58,439</td>
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</tbody>
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<table>
<thead>
<tr>
<th>NET POSITION</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>1,530,332</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>657,425</td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td><strong>$ 2,187,957</strong></td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of these statements.

Chester M. Kearney, Certified Public Accountants
# Government Wide Statement of Activities

For the Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Program Revenues</th>
<th>Net (Expense)</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expenses</td>
<td>Charges for Operating Services</td>
<td>Charges and Grants and Contributions</td>
</tr>
<tr>
<td>Education</td>
<td>$1,398,086</td>
<td>$160,923</td>
<td>$269,124</td>
</tr>
<tr>
<td>County tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General assistance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension expense</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total governmental activities</td>
<td>$2,418,389</td>
<td>$1,727,391</td>
<td>$470,056</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of these statements.

Chester M. Kearney, Certified Public Accountant
**GENERAL FUND**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$957,029</td>
</tr>
<tr>
<td>Uncollected taxes</td>
<td>101,372</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>95,000</td>
</tr>
<tr>
<td>Tax liens</td>
<td>34,053</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,187,453</td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>$10,875</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>17,116</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>27,991</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED INFLOW OF RESOURCES</th>
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</thead>
<tbody>
<tr>
<td>Unavailable revenue-property taxes</td>
<td>$107,000</td>
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</table>

<table>
<thead>
<tr>
<th>FUND BALANCES</th>
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<tbody>
<tr>
<td>Non-spendable</td>
<td>34,032</td>
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<tr>
<td>Committed for Capital Projects</td>
<td>511,777</td>
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<tr>
<td>Unassigned</td>
<td>506,633</td>
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<tr>
<td><strong>Total fund balances</strong></td>
<td>1,052,462</td>
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</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,187,453</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of these statements.

Chester M. Kearney, Certified Public Accountants
TOWN OF MAPLETON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2017

Total fund balance, governmental funds $ 1,052,462

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 1,530,532

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds:

Unavailable revenue - property taxes 107,000

Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Notes payable (371,162)

Liabilities, deferred outflows of resources and deferred inflows of resources related to pensions are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Deferred outflows of resources - pension related expenditures 44,991
Deferred inflows of resources - pension related inflows (58,439)
Pension liabilities (117,427)

Net Position of Governmental Activities in the Statement of Net Position $ 2,187,957

The notes to the financial statements are an integral part of these statements.

Chester M. Kearney, Certified Public Accountants
TOWN OF MAPLETON, MAINE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>GENERAL FUND (MAJOR FUND)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$1,720,391</td>
</tr>
<tr>
<td>Property, net</td>
<td>470,056</td>
</tr>
<tr>
<td>Excise</td>
<td>224,060</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>10,851</td>
</tr>
<tr>
<td>Interest income</td>
<td>170,027</td>
</tr>
<tr>
<td>Other revenues</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>2,595,385</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>1,398,086</td>
</tr>
<tr>
<td>County tax</td>
<td>160,923</td>
</tr>
<tr>
<td>General government</td>
<td>262,477</td>
</tr>
<tr>
<td>Reserves</td>
<td>164,965</td>
</tr>
<tr>
<td>Public safety</td>
<td>39,776</td>
</tr>
<tr>
<td>Property services</td>
<td>19,000</td>
</tr>
<tr>
<td>Protection</td>
<td>85,841</td>
</tr>
<tr>
<td>Highways</td>
<td>445,514</td>
</tr>
<tr>
<td>General assistance</td>
<td>-</td>
</tr>
<tr>
<td>Recreation</td>
<td>39,454</td>
</tr>
<tr>
<td>Debt service</td>
<td>24,971</td>
</tr>
<tr>
<td>Community service</td>
<td>27,611</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>2,668,618</strong></td>
</tr>
</tbody>
</table>

| CHANGE IN FUND BALANCE | (73,233) |

| FUND BALANCE - JANUARY 1, 2017 | 1,125,695 |
| FUND BALANCE - DECEMBER 31, 2017 | $1,052,462 |

The notes to the financial statements are an integral part of these statements.

Chester M. Kearney, Certified Public Accountants
TOWN OF MAPLETON, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

Net change in fund balances - total governmental funds: $ (73,233)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital asset purchases capitalized</td>
<td>386,154</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(164,306)</td>
</tr>
<tr>
<td></td>
<td>221,848</td>
</tr>
</tbody>
</table>

Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal payments on long-term debt</td>
<td>8,822</td>
</tr>
<tr>
<td></td>
<td>8,822</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in unavailable property tax revenue</td>
<td>7,000</td>
</tr>
</tbody>
</table>

Pension expense reported under GASB #68 is not reported in the governmental funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension expense reported under GASB #68</td>
<td>19,559</td>
</tr>
</tbody>
</table>

Change in net position of governmental activities $ 183,996

The notes to the financial statements are an integral part of these statements.

Chester M. Kearney, Certified Public Accountants
REPORT OF INDEPENDENT EXAMINERs

Town of Mapleton, Maine

NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Mapleton, Maine, was incorporated under the laws of the State of Maine and operates under a town meeting, selectmen, town manager form of government and provides the following services: public safety, public works, health and social services, education, public improvements, planning and zoning, and general administrative services.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. In evaluating how to define the reporting entity, for financial purposes, management has considered all potential component units. The criteria used to determine which entities are part of the Town’s operations include how the budget is adopted, whether debt is secured by general obligation of the Town, the Town’s duty to cover any deficits that may occur, and supervision over the accounting functions. Based upon all pertinent facts derived from the analysis of the above criteria, it was determined that no additional entities should be included as part of these financial statements.

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Currently there are no proprietary and fiduciary funds.

Chester M. Kearney, Certified Public Accountants
TOWN OF MAPLETON, MAINE

NOTES TO FINANCIAL STATEMENTS (cont’d.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont’d.)

Measurement Focus and Basis of Accounting

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

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

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

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

The Town reports the following major governmental funds:

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

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town’s public service function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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Chester M. Kearney, Certified Public Accountants
(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont’d.)

Budgets

An operating budget is adopted each year for the general fund on the same modified accrual basis used to reflect actual revenues and expenditures. Special revenue funds do not have legally adopted budgets, but administratively approved project budgets.

Cash and temporary investments

The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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 and temporary investments. Earnings from these investments are reported as investment revenue in the general fund. The Town’s policy is to invest in regional banks and federal securities and to insure 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.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are reported at fair value.

Short-term Inter-fund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the combined balance sheet.

Capital Assets

Capital assets, not including infrastructure assets, purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost if actual historical is not available. Infrastructure assets capitalized have an original cost of $50,000 or more. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives. Estimated useful lives are as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20-50 years</td>
</tr>
<tr>
<td>Building improvements</td>
<td>50 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>5-15 years</td>
</tr>
<tr>
<td>Paving</td>
<td>10-15 years</td>
</tr>
</tbody>
</table>

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Chester M. Kearney, Certified Public Accountants
TOWN OF MAPLETON, MAINE

NOTES TO FINANCIAL STATEMENTS (cont’d.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont’d.)

Compensated absences

Town employees are granted vacation and sick leave in varying amounts. Vacation is intended to be taken within the year earned. Unused vacation is paid to employees prior to year-end, or with town manager’s approval, transferred to the next year. Accumulated sick leave is payable, at a 25% and 50% rate (maximum 30 days) to an employee upon voluntary termination or retirement. The liability for accumulated sick and vacation pay has been accrued in the financial statements in the amount of $10,875. The Town has a designated account totaling $11,855 to fund this liability, any remaining balance would be charged to surplus.

Long-Term Obligations

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

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

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted — net position and unrestricted — net position in the government-wide statement, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted — net position to have been depleted before unrestricted — net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amount to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last and upon approval of the legislative body.

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Chester M. Kearney, Certified Public Accountants
TOWN OF MAPLETON, MAINE

NOTES TO FINANCIAL STATEMENTS (cont’d.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont’d.)

Deferred outflows/inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town’s deferred outflows of resources are detailed in Note #7.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Deferred inflows of resources related to pensions are detailed in Note #8.

Fund Equity or Balances

The Town of Mapleton follows Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). GASB 54 establishes a fund balance hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds and defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

Under the GASB #54 reporting format, fund balance is reported as follows:

- Non-spendable: Items that are either not in spendable form or legally or contractually required to remain intact.
- Restricted fund balance: Resources that have constraints imposed by creditors, grantors, contributors or laws and regulations of other governments; or amounts that have very stringent conditions imposed by external parties or law.
- Unrestricted fund balance: Has 3 components;
  - Committed fund balance: Amounts with internally imposed restrictions mandated by the government’s highest level of decision making authority which require action from that authority to be redeployed. In the case of the Town of Mapleton, this action requires a vote at a town meeting.
  - Assigned fund balance: Amounts that are constrained by the government’s intent that they will be used for specific purposes. Decision making authority with respect to these amounts lies with a committee or other government official (board of selectpersons) but not the highest level authority.
  - Undesignated fund balance: This is the residual balance of the general fund which represents the remaining fund balance after allocation to the other fund balance categories. It reflects resources that are available for further appropriation and expenditure for general governmental purposes.

Chester M. Kearney, Certified Public Accountants
NOTES TO FINANCIAL STATEMENTS (cont’d.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont’d.)

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Allowance for Uncollectible Accounts

The Town of Mapleton provides for the valuation of outstanding taxes and accounts receivable through an allowance account based on estimated bad debts as of the period then ended.

Use of Estimates

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

Property Tax

The Town’s property tax was levied August 16, 2017, on the assessed value listed as of April 1, 2017, for all real and personal property located in the Town. Property taxes for the fiscal year ended December 31, 2017, $1,727,823, were assessed at a rate of 15.45 mils on the dollar on a total taxable valuation of $111,833,213. Taxes were due and payable on October 31, 2017 with interest at the rate of 7% being charged on taxes unpaid after that date.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues. Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if the tax lien and associated costs remain unpaid.

Unrecognized Property Tax Revenue

The Town has adopted the standard established by GASB 33 regarding the recognition of property taxes. The criteria for this standard is to recognize property tax revenue as it becomes both “measurable and available”. Measurable is defined as the amount that the Town can reasonably expect to receive of the property taxes assessed for the current year. Available is defined as the amount of current and past due taxes that will be collected 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 liability has been reported on the governmental funds’ balance sheet for the taxes considered collectible but not available for current liabilities of $107,000 as of December 31, 2017.
Other General Items
The Town is exposed to various risks of loss related to torts; theft of, damages to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Settled claims, if any, resulting from these risks, have not exceeded commercial insurance coverage.

Minimum Fund Balance
The select board has adopted a financial policy of maintaining a level of undesignated fund balance in the general fund that is equivalent to 2-3 months of annual assessments, comprised of the municipal appropriation, school education appropriation, County tax and TIF finance plan amount. Maintaining the fund balance at this level will ensure municipal operations may continue with no revenue stream while meeting external tax obligations for up to 1 fiscal quarter.

Excess of Expenditures Over Appropriations
For the year ended December 31, 2017, the Town’s expenditures exceeded appropriations in the Highways and recreation accounts. The Teakettle Brook project was the reason for the overrun in the Highways account.

CASH AND EQUIVALENTS
Cash and equivalents at December 31, 2017 consist of the following:

<table>
<thead>
<tr>
<th>Deposits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking account</td>
<td>355,195</td>
</tr>
<tr>
<td>ICS account/Certificate of deposit portfolio</td>
<td>601,464</td>
</tr>
<tr>
<td>Total deposits</td>
<td>956,659</td>
</tr>
<tr>
<td>Petty cash on hand</td>
<td>370</td>
</tr>
<tr>
<td>Cash held in:</td>
<td>957,029</td>
</tr>
<tr>
<td>Governmental funds</td>
<td></td>
</tr>
</tbody>
</table>

Custodial Credit Risk-Deposits
Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned. The Town does have a policy with respect to custodial credit risk for deposit accounts. The bank has pledged securities to collateralize the Town’s deposits that exceed FDIC Insurance. The Pledged Securities will carry a market value greater than the value of the deposits exceeding FDIC Insurance. As of December 31, 2017, none of the Town’s bank balances were exposed to custodial credit risk.
TOWN OF MAPLETON, MAINE

NOTES TO FINANCIAL STATEMENTS (cont’d.)

(3) CAPITAL ASSETS

Total capital assets and activity for the year ended December 31, 2017 for the 3 towns participating in the interlocal agreement is as follows:

<table>
<thead>
<tr>
<th>Asset:</th>
<th>Balance January 1</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>898,187</td>
<td></td>
<td></td>
<td>898,187</td>
</tr>
<tr>
<td>Pool/Bathhouse</td>
<td>160,788</td>
<td></td>
<td></td>
<td>160,788</td>
</tr>
<tr>
<td>Trucks/Equipment</td>
<td>1,886,583</td>
<td>33,228</td>
<td></td>
<td>1,919,811</td>
</tr>
<tr>
<td>Road improvements</td>
<td>2,315,280</td>
<td>457,207</td>
<td></td>
<td>2,585,987</td>
</tr>
<tr>
<td></td>
<td>5,074,338</td>
<td>490,435</td>
<td></td>
<td>5,564,773</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>422,994</td>
<td>22,237</td>
<td></td>
<td>445,231</td>
</tr>
<tr>
<td>Pool/Bathhouse</td>
<td>129,179</td>
<td>6,536</td>
<td></td>
<td>135,715</td>
</tr>
<tr>
<td>Trucks/Equipment</td>
<td>1,360,474</td>
<td>102,374</td>
<td></td>
<td>1,462,848</td>
</tr>
<tr>
<td>Road improvements</td>
<td>725,594</td>
<td>141,739</td>
<td></td>
<td>867,333</td>
</tr>
<tr>
<td></td>
<td>2,638,241</td>
<td>272,886</td>
<td></td>
<td>2,911,127</td>
</tr>
<tr>
<td>Net book value</td>
<td>2,436,091</td>
<td>217,549</td>
<td></td>
<td>2,653,646</td>
</tr>
</tbody>
</table>

The Town of Mapleton's portion (approximately 60%) of the above is as follows:

<table>
<thead>
<tr>
<th>Asset:</th>
<th>Balance January 1</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>546,560</td>
<td></td>
<td></td>
<td>546,560</td>
</tr>
<tr>
<td>Pool/Bathhouse</td>
<td>100,152</td>
<td></td>
<td></td>
<td>100,152</td>
</tr>
<tr>
<td>Trucks/Equipment</td>
<td>1,152,175</td>
<td>19,937</td>
<td></td>
<td>1,172,112</td>
</tr>
<tr>
<td>Road improvements</td>
<td>1,084,639</td>
<td>366,217</td>
<td></td>
<td>1,450,856</td>
</tr>
<tr>
<td></td>
<td>2,883,526</td>
<td>386,154</td>
<td></td>
<td>3,269,680</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>253,792</td>
<td>13,342</td>
<td></td>
<td>267,134</td>
</tr>
<tr>
<td>Pool/Bathhouse</td>
<td>77,509</td>
<td>3,922</td>
<td></td>
<td>81,431</td>
</tr>
<tr>
<td>Trucks/Equipment</td>
<td>807,051</td>
<td>61,424</td>
<td></td>
<td>868,475</td>
</tr>
<tr>
<td>Road improvements</td>
<td>436,490</td>
<td>85,618</td>
<td></td>
<td>522,108</td>
</tr>
<tr>
<td></td>
<td>1,574,842</td>
<td>164,306</td>
<td></td>
<td>1,739,148</td>
</tr>
<tr>
<td>Net book value</td>
<td>1,308,684</td>
<td>221,848</td>
<td></td>
<td>1,530,532</td>
</tr>
</tbody>
</table>

Depreciation expense was charged to functions in the Statement of Activities as follows:

Governmental Activities:
General government              | 13,342            |
Protection                      | 1,990             |
Highways                        | 145,052           |
Recreation                      | 3,922             |
                              | 164,306           |

-20-

Chester M. Kearney, Certified Public Accountants
(4) STATUTORY DEBT LIMITATION

In accordance with MRSA Title 30, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of a certain percentage of the state valuation of such municipality. The Town believes it is in compliance with State statutes.

(5) LONG-TERM DEBT

In May of 2008, the Towns of Mapleton, Castle Hill, Chapman, Washburn, Perham and Wade entered into an Inter Community Agreement to maintain and operate a solid waste facility and recycling center that is located in, and owned by, the city of Presque Isle. The landfill has incurred substantial debt for expansion of $6.3 million dollars that is shared by the various communities as follows:

<table>
<thead>
<tr>
<th>Community</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Presque Isle</td>
<td>83.57%</td>
</tr>
<tr>
<td>Town of Mapleton</td>
<td>6.64%</td>
</tr>
<tr>
<td>Town of Chapman</td>
<td>1.37%</td>
</tr>
<tr>
<td>Town of Castle Hill</td>
<td>0.64%</td>
</tr>
<tr>
<td>Town of Washburn</td>
<td>6.32%</td>
</tr>
<tr>
<td>Town of Perham</td>
<td>0.93%</td>
</tr>
<tr>
<td>Town of Wade</td>
<td>0.53%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

This debt is paid annually at $376,076 including interest at 4.25% with a final payment due January 27, 2041. The Town of Mapleton is responsible for paying $24,971 as its portion of the annual payment.

The Town of Mapleton’s portion is as follows:

<table>
<thead>
<tr>
<th>Balance January 1</th>
<th>Debt Issued</th>
<th>Debt Retired</th>
<th>Balance December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>379,984</td>
<td>8,822</td>
<td>371,162</td>
<td></td>
</tr>
</tbody>
</table>

As of December 31, 2017, long-term debt matures as follows:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>9,197</td>
<td>15,774</td>
<td>24,971</td>
</tr>
<tr>
<td>2019</td>
<td>9,588</td>
<td>15,383</td>
<td>24,971</td>
</tr>
<tr>
<td>2020</td>
<td>9,995</td>
<td>14,976</td>
<td>24,971</td>
</tr>
<tr>
<td>2021</td>
<td>10,420</td>
<td>14,551</td>
<td>24,971</td>
</tr>
<tr>
<td>2022</td>
<td>10,863</td>
<td>14,108</td>
<td>24,971</td>
</tr>
<tr>
<td>2023-27</td>
<td>61,646</td>
<td>63,211</td>
<td>124,857</td>
</tr>
<tr>
<td>2028-32</td>
<td>75,908</td>
<td>48,949</td>
<td>124,857</td>
</tr>
<tr>
<td>2033-37</td>
<td>93,468</td>
<td>31,389</td>
<td>124,857</td>
</tr>
<tr>
<td>2038-41</td>
<td>90,077</td>
<td>9,810</td>
<td>99,887</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>371,162</strong></td>
<td><strong>228,151</strong></td>
<td><strong>599,313</strong></td>
</tr>
</tbody>
</table>
(6) OTHER REVENUES – GENERAL FUND

Other revenues are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Department</td>
<td>1,347</td>
<td>1,354</td>
<td>7</td>
</tr>
<tr>
<td>Fire Department</td>
<td>8,073</td>
<td>8,832</td>
<td>759</td>
</tr>
<tr>
<td>Recreation Department</td>
<td>8,996</td>
<td>8,989</td>
<td>(7)</td>
</tr>
<tr>
<td>Property services</td>
<td>5,400</td>
<td>4,883</td>
<td>(517)</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,000</td>
<td>1,075</td>
<td>75</td>
</tr>
<tr>
<td>PAYT credit</td>
<td>4,146</td>
<td></td>
<td>(4,146)</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>125,000</td>
<td>125,000</td>
<td></td>
</tr>
<tr>
<td>Other various fees</td>
<td>20,267</td>
<td>19,894</td>
<td>(373)</td>
</tr>
</tbody>
</table>

Total: 49,229 170,027 120,798

(7) JOINT VENTURE - INTERLOCAL AGREEMENT

The legislative body held a joint town meeting September 9, 2009 to approve the fourth amendment to the Interlocal Agreement. The cost sharing formula for administration is now based on 70% of the population as set by the current U.S. Census and 30% of the current State valuation with the resulting percentage rounded to the nearest 10th and adopted annually. The cost sharing formula for the highway department and capital costs are apportioned between the towns on the basis of the total road miles maintained within each community in a given year. Road miles for each party will be determined by adding the total number of road miles maintained during the summer months to the total number of road miles maintained during the winter months and dividing the total by two. The calculation will be utilized and updated annually each fiscal year.

The ownership of the Municipal building is as follows:

<table>
<thead>
<tr>
<th>Before Transfer</th>
<th>After Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town of Mapleton</td>
<td>75% 60%</td>
</tr>
<tr>
<td>Town of Castle Hill</td>
<td>25% 20%</td>
</tr>
<tr>
<td>Town of Chapman</td>
<td>0% 20%</td>
</tr>
</tbody>
</table>

Administrative and highway department cost allocations are as follows:

<table>
<thead>
<tr>
<th>Municipal Building</th>
<th>Administration</th>
<th>Highway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town of Mapleton</td>
<td>60%</td>
<td>51.8%</td>
</tr>
<tr>
<td>Town of Castle Hill</td>
<td>20%</td>
<td>25.2%</td>
</tr>
<tr>
<td>Town of Chapman</td>
<td>20%</td>
<td>23.0%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
(8) PENSION PLAN

Town employees contribute to the Maine Public Employees Retirement System ("System"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for public school teachers. The system maintains a defined benefit pension plan.

Benefits vest after ten years of service. Employees who retire at or after age sixty with one year of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two percent of the average of the average of their benefits. These benefit provisions and all other requirements are established by state statute.

All participants are required to contribute 7.8% of their annual salary. The Town contributes the remaining amounts necessary to fund the System, using the actuarial basis specified by statute.

The Maine State Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the Consolidated Plan. That report may be obtained by writing to the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

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

At December 31, 2017, the Town reported a liability of $117,427 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. For the year ended December 31, 2017, the Town recognized pension expense recovery of $19,559 plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between expected and actual experience</td>
<td>5,642</td>
</tr>
<tr>
<td>Difference between projected and actual earnings</td>
<td>40,469</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>9,992</td>
</tr>
<tr>
<td>Less: Contributions made July 2017 – December 2017</td>
<td>(12,686)</td>
</tr>
<tr>
<td>Changes in proportion and differences between employer contributions and proportionate share of contributions</td>
<td>7,216</td>
</tr>
<tr>
<td></td>
<td>44,991</td>
</tr>
</tbody>
</table>

Chester M. Kearney, Certified Public Accountants
Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense as follows:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(4,105)</td>
<td>10,551</td>
<td>788</td>
<td>(7,995)</td>
</tr>
</tbody>
</table>

Discount Rate

The discount rate used to measure the collective pension liability was 6.875% for 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at the 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 as of June 30, 2017 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.875% for the PLD Consolidated Plan.

<table>
<thead>
<tr>
<th>1% Decrease</th>
<th>Current Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.875%</td>
<td>6.875%</td>
<td>7.875%</td>
</tr>
<tr>
<td>$235,595</td>
<td>$117,427</td>
<td>$28,465</td>
</tr>
</tbody>
</table>

Town employees not participating in MainePERS are covered under the social security system.

(9) RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.
(9) RISK MANAGEMENT (cont’d.)

The Town participates in the Maine Municipals Association – Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through commercial company’s reinsurance contracts, individual stop loss coverage for member Town’s for claims in excess of $400,000 with an excess limit of $2,000,000. There have been no significant changes in insurance coverage during the past year.

The Town also is a member of the Maine Municipal Association – Property and Casualty Pool ("Pool"). As with the Fund above, the Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, to $26,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to $100,000.

(10) CONTINGENCIES

The Town is liable for its proportional share of any defaulted debt by entities of which it is a member. At December 31, 2017 the Town’s share is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Outstanding Debt</th>
<th>Town’s Percentage</th>
<th>Town’s share</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Aroostook</td>
<td>0</td>
<td>.39 %</td>
<td>0</td>
</tr>
<tr>
<td>SAD #1</td>
<td>3,935,764</td>
<td>15.81%</td>
<td>622,244</td>
</tr>
</tbody>
</table>

(11) NONSPENDABLE FUND BALANCES

At December 31, 2017, the non-spendable fund balance consists of tax acquired property and expired lien property.

(12) TAXES

As a municipal entity, the Town is not subject to Federal and State income taxes, accordingly it is not necessary to consider the effects of any uncertain tax positions.

(13) DEFERRED COMPENSATION PLAN

The Town has established for its employees, as an alternative to participation in the defined benefit pension plan, a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salaries until future years. The deferred compensation amount is not available to the employees until termination, retirement or death. The plan is being maintained by the International City Management Retirement Corporation (I.C.M.A.).
(13) DEFERRED COMPENSATION PLAN (cont'd.)

Contributions are at the rate of 10.25% of the town manager's salary, with an additional 3.5% added for employees with ten or more years of service. The Town's contribution to the plan for December 31, 2017 totals $8,447.

(14) SUBSEQUENT EVENTS

Management has evaluated all subsequent events through February 2, 2018, the date the financial statements were available to be issued, and determined that no additional disclosures are required in order for these financial statements to be fairly stated.
SUPPLEMENTARY INFORMATION
TOWN OF MAPLETON, MAINE

SCHEDULE OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>ORIGINAL BUDGET</th>
<th>FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>$ 1,727,823</td>
<td>$ 1,727,823</td>
<td>$ 1,727,823</td>
</tr>
<tr>
<td>Supplemental tax</td>
<td>100</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Abatements</td>
<td>-</td>
<td>-</td>
<td>(432)</td>
</tr>
<tr>
<td>Taxes unavailable for use in 2017</td>
<td>-</td>
<td>-</td>
<td>(7,000)</td>
</tr>
<tr>
<td>Escalation tax</td>
<td>440,000</td>
<td>440,000</td>
<td>470,056</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue sharing</td>
<td>68,000</td>
<td>68,000</td>
<td>70,815</td>
</tr>
<tr>
<td>U.R.L.P Funds</td>
<td>37,000</td>
<td>37,000</td>
<td>37,636</td>
</tr>
<tr>
<td>Homestead exemption</td>
<td>90,637</td>
<td>90,637</td>
<td>83,868</td>
</tr>
<tr>
<td>BETE reimbursement</td>
<td>26,204</td>
<td>26,204</td>
<td>25,248</td>
</tr>
<tr>
<td>Veterans reimbursement</td>
<td>400</td>
<td>400</td>
<td>830</td>
</tr>
<tr>
<td>Tree growth</td>
<td>2,000</td>
<td>2,000</td>
<td>2,563</td>
</tr>
<tr>
<td>General assistance</td>
<td>4,000</td>
<td>4,000</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>49,229</td>
<td>49,229</td>
<td>170,037</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$2,454,593</td>
<td>$2,454,593</td>
<td>$2,953,385</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>1,398,086</td>
<td>1,398,086</td>
<td>1,398,086</td>
</tr>
<tr>
<td>County tax</td>
<td>160,923</td>
<td>160,923</td>
<td>160,923</td>
</tr>
<tr>
<td>General government</td>
<td>273,908</td>
<td>273,908</td>
<td>262,477</td>
</tr>
<tr>
<td>Reserves</td>
<td>199,783</td>
<td>199,783</td>
<td>164,965</td>
</tr>
<tr>
<td>Public safety</td>
<td>41,685</td>
<td>41,685</td>
<td>39,775</td>
</tr>
<tr>
<td>Property services</td>
<td>38,641</td>
<td>38,641</td>
<td>19,000</td>
</tr>
<tr>
<td>Protection</td>
<td>93,130</td>
<td>93,130</td>
<td>85,841</td>
</tr>
<tr>
<td>Highways</td>
<td>220,697</td>
<td>220,697</td>
<td>445,114</td>
</tr>
<tr>
<td>General assistance</td>
<td>11,500</td>
<td>11,500</td>
<td>-</td>
</tr>
<tr>
<td>Recreation</td>
<td>56,731</td>
<td>56,731</td>
<td>39,454</td>
</tr>
<tr>
<td>Debt service</td>
<td>24,971</td>
<td>24,971</td>
<td>24,971</td>
</tr>
<tr>
<td>Community service</td>
<td>44,536</td>
<td>44,536</td>
<td>27,611</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$2,454,593</td>
<td>$2,454,593</td>
<td>$2,668,618</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>$ (90,000)</td>
<td>$ (90,000)</td>
<td>(73,233)</td>
</tr>
</tbody>
</table>

FUND BALANCE - JANUARY 1, 2017

$ 1,125,695

FUND BALANCE - DECEMBER 31, 2017

$ 1,053,462

The notes to the financial statements are an integral part of these statements.

Chester M. Kearney, Certified Public Accountants
**TOWN OF MAPLETON, MAINE**

**SCHEDULE OF CHANGES IN COMMITTED FUND BALANCE**

**YEAR ENDED DECEMBER 31, 2017**

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Balance January 1</th>
<th>Appropriation</th>
<th>Receipts</th>
<th>Total Available</th>
<th>Disbursements</th>
<th>Transfers</th>
<th>Balance December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway equipment</td>
<td>1,813</td>
<td>27,972</td>
<td>-</td>
<td>29,785</td>
<td>-</td>
<td>-</td>
<td>29,785</td>
</tr>
<tr>
<td>Community development</td>
<td>25,676</td>
<td>-</td>
<td>-</td>
<td>25,676</td>
<td>-</td>
<td>-</td>
<td>25,676</td>
</tr>
<tr>
<td>Local road improvement</td>
<td>150,104</td>
<td>126,075</td>
<td>-</td>
<td>276,179</td>
<td>(127,816)</td>
<td>-</td>
<td>148,363</td>
</tr>
<tr>
<td>Fire department</td>
<td>181,035</td>
<td>29,064</td>
<td>-</td>
<td>210,099</td>
<td>(20,954)</td>
<td>-</td>
<td>189,145</td>
</tr>
<tr>
<td>Municipal building</td>
<td>13,522</td>
<td>3,690</td>
<td>-</td>
<td>17,212</td>
<td>-</td>
<td>-</td>
<td>17,212</td>
</tr>
<tr>
<td>Comprehensive planning</td>
<td>8,668</td>
<td>692</td>
<td>-</td>
<td>9,360</td>
<td>-</td>
<td>-</td>
<td>9,360</td>
</tr>
<tr>
<td>Recreation program</td>
<td>25,310</td>
<td>5,190</td>
<td>-</td>
<td>30,500</td>
<td>-</td>
<td>-</td>
<td>30,500</td>
</tr>
<tr>
<td>Hanson Lake reserve</td>
<td>3,500</td>
<td>-</td>
<td>-</td>
<td>3,500</td>
<td>-</td>
<td>-</td>
<td>3,500</td>
</tr>
<tr>
<td>FEDMA funds</td>
<td>5,220</td>
<td>-</td>
<td>-</td>
<td>5,220</td>
<td>(494)</td>
<td>-</td>
<td>4,726</td>
</tr>
<tr>
<td>Legal fees-individual</td>
<td>8,584</td>
<td>2,500</td>
<td>-</td>
<td>11,084</td>
<td>(292)</td>
<td>-</td>
<td>10,792</td>
</tr>
<tr>
<td>Legal fees-joint</td>
<td>4,713</td>
<td>1,384</td>
<td>-</td>
<td>6,097</td>
<td>-</td>
<td>-</td>
<td>6,097</td>
</tr>
<tr>
<td>Wilcox subdivision</td>
<td>1,000</td>
<td>-</td>
<td>-</td>
<td>1,000</td>
<td>-</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Septic systems</td>
<td>8,353</td>
<td>-</td>
<td>-</td>
<td>8,353</td>
<td>-</td>
<td>-</td>
<td>8,353</td>
</tr>
<tr>
<td>Assessing</td>
<td>13,742</td>
<td>1,384</td>
<td>-</td>
<td>15,126</td>
<td>(2,950)</td>
<td>-</td>
<td>12,176</td>
</tr>
<tr>
<td>Employee incentive fund</td>
<td>80</td>
<td>-</td>
<td>3,252</td>
<td>3,332</td>
<td>(3,327)</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>11,647</td>
<td>208</td>
<td>-</td>
<td>11,855</td>
<td>-</td>
<td>-</td>
<td>11,855</td>
</tr>
<tr>
<td>Office equipment reserve</td>
<td>10,738</td>
<td>1,626</td>
<td>-</td>
<td>12,364</td>
<td>(9,132)</td>
<td>-</td>
<td>3,232</td>
</tr>
</tbody>
</table>

| Total                | 473,705           | 199,785       | 3,252    | 676,742         | (164,965)     | -         | 511,777             |

The notes to the financial statements are an integral part of these statements.

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Chester M. Kearney, Certified Public Accountants
TOWN OF MAPLETON, MAINE

SCHEDULE OF EMPLOYER’S PENSION CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>Contractually Required Contribution</th>
<th>Contributions in Relation to Contractually Required Contribution</th>
<th>Employer's Covered Employee Payroll</th>
<th>Contributions as a % of Covered Employee Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>12,794</td>
<td>12,794</td>
<td>196,830</td>
<td>6.50%</td>
</tr>
<tr>
<td>2015</td>
<td>14,271</td>
<td>14,271</td>
<td>182,958</td>
<td>7.80%</td>
</tr>
<tr>
<td>2016</td>
<td>14,407</td>
<td>14,407</td>
<td>161,884</td>
<td>8.90%</td>
</tr>
<tr>
<td>2017</td>
<td>17,054</td>
<td>17,054</td>
<td>179,517</td>
<td>9.50%</td>
</tr>
</tbody>
</table>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF MAPLETON, MAINE

SCHEDULE OF EMPLOYER’S SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer’s proportion of the Net Pension Liability (Asset)</td>
<td>0.055366%</td>
<td>0.049974%</td>
<td>0.06263%</td>
<td>0.058186%</td>
</tr>
<tr>
<td>Employer’s proportionate share of the Net Pension Liability (Asset)</td>
<td>$117,427</td>
<td>$159,316</td>
<td>$111,388</td>
<td>$57,829</td>
</tr>
<tr>
<td>Employer’s covered payroll</td>
<td>$179,518</td>
<td>$161,884</td>
<td>$182,958</td>
<td>$196,830</td>
</tr>
<tr>
<td>Employer’s proportionate share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll</td>
<td>65.41%</td>
<td>98.41%</td>
<td>60.88%</td>
<td>29.38%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>86.4%</td>
<td>81.6%</td>
<td>88.3%</td>
<td>94.1%</td>
</tr>
</tbody>
</table>

Amounts presented have a measurement date of June 30, 2017

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

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Chester M. Kearney, Certified Public Accountants
Valuation Date:

Only fiscal years 2014 - 2017 are reported. The Town will continue to present information until a full ten-year trend is compiled.

Changes of Benefit Terms include:

There were no benefit changes for the Town employees in the employees' retirement plan.

Changes of Assumptions Include:

The discount rate was unchanged at 6.875% and the COLA increase was changed from 2.75% to 2.20%. The rate of inflation was 2.75%. 2.75% was also used by MainePers in its year ended June 30, 2016.

Methods and assumptions used to determine contribution rates

<table>
<thead>
<tr>
<th>Method</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
</tr>
<tr>
<td>Amortization method</td>
<td>A level percentage of payroll using a method where a separate twenty-year closed period is established</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td>One-third of the investment return that is different from the actuarial assumption for investment return</td>
</tr>
<tr>
<td>Retirement age</td>
<td>60 or 65, depending on years of creditable service at certain dates</td>
</tr>
<tr>
<td>Mortality</td>
<td>RP2014 Total Dataset Health Annuitant Mortality Table for males and females is used</td>
</tr>
</tbody>
</table>
ADDITIONAL REPORT

Chester M. Kearney, Certified Public Accountants
To the Board of Selectmen of the
Town of Mapleton, Maine

INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Mapleton, Maine, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town of Mapleton, Maine’s basic financial statements and have issued our report thereon dated February 2, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

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

Purpose of this Report

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

Chester M. Kearney

Presque Isle, Maine
February 2, 2018