

**TOWN OF BRADLEY, MAINE**

**INDEPENDENT AUDITORS' REPORT AND**  
**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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# Maine Municipal Audit Services, PA

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Mindy J. Cyr, CPA

## Independent Auditors' Report

To the Town Council  
Town of Bradley  
Bradley, Maine

### OPINIONS

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

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 Bradley, Maine, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Bradley, Maine, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Bradley, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Bradley, Maine's ability to continue as a going concern for a reasonable period of time.

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

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net OPEB liability and related ratios, and budgetary comparison schedule, on pages 5-8, 28, and 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

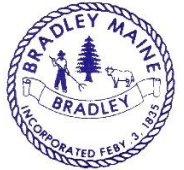
#### **SUPPLEMENTARY INFORMATION**

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

*Maine Municipal Audit Services, PA*

Levant, Maine  
September 18, 2023

# Town of Bradley



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**165B Main Street**  
**Bradley Maine 04411**  
**Telephone 207-827-7725**  
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## **Town of Bradley** **Management Discussion and Analysis** **Fiscal Year Ended June 30, 2023**

The following discussion is a brief overview and analysis of the financial situation of the Town of Bradley as documented in the annual financial statements for the year ending June 30, 2023. This information as well as the notes to the financial statements can be helpful when reading the Town's financial statements.

### **Financial Highlights**

- Total assets of the Town of Bradley exceeded its liabilities by \$3,848,965.00. The government-wide statement of activities showed an increase in net position of \$404,689.
- The ending undesignated municipal fund balance is \$1,747,777.85. The ending designated municipal fund balance is \$349,495.00

### **Fiscal Year Highlights**

- The State of Maine recorded a total valuation for the Town of Bradley for the 2022-2023 tax commitment as \$129,700,000; the Town of Bradley recorded a total valuation as \$123,771,113.
- The Regional School Unit Assessment/Appropriation for fiscal year ending June 30, 2023 was \$1,305,537.31. The balance of the Town of Bradley Education Surplus with Regional School Unit #34 for fiscal year ending June 30, 2023 was \$114,913.04. The decrease in the fund is due to using \$20,000 to minimize the tax rate.
- The Penobscot County Assessment was \$197,681 and increase of \$11,191 for the 2021-2022 fiscal year.
- In 2021 the voters of Bradley approved borrowing through a lease purchase up to \$375,000 for a fire suppression tanker. The bids for the truck build were completed in November of 2021 (the year of the build). In November of 2022 the bids for the financing were completed. Delivery of the tanker truck was in March of 2023. Below is the breakdown and detail:
  - \$376,049 Build
  - \$ (4,184) Discount to purchase Chassis
  - \$ (91,000) Downpayment-Estimated budgeted payments in 2022-2023
  - \$280,0865 Lease Purchase @ 4.45% 7 Annual Payments @\$63,0143.48
- Budgetary items with large anticipated increases include: Penobscot County Tax, school choice tuition, ambulance/EMS service and solid waste disposal.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Bradley's basic financial statements. The Town of Bradley's basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements* and 3) *notes to the financial statements*. The basic financial statements present two different views of the Town of Bradley using government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the readers understanding of the financial condition of the Town of Bradley.

## Basic Financial Statements

The first two statements in the basic financial statements are the *Government-wide Financial Statements*. They provide both short and long-term information about the Town of Bradley's financial status.

The next statements are *Fund Financial Statements*. These statements focus on the activities of the individual parts of the Town of Bradley's government. These statements provide more detail than the government-wide statements.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Town of Bradley finances, similar in format to a financial statement of a private-sector business. The *statement of net position* presents information on all the Town of Bradley's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Town of Bradley's financial position is improving or deteriorating. The *statement of activities* presents information showing how the Town of Bradley's net position changed during the fiscal year. All changes in net position 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 years.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Bradley, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town of Bradley can be divided into two categories: *governmental funds* and *fiduciary funds*.

**Governmental funds** are used to account for essentially the same functions reported as government activities in the government-wide financial statements. Most of the Town of Bradley's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year end that will be available for spending in the future years.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Bradley's own programs.

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information** includes a budgetary comparison schedule of the Town's General Fund. This section also includes the OPEB schedules required by GASB Statement #75.

**Governmental Accounting Standards Board (GASB)** is the source of generally accepted accounting principles used by state and local governments in the United States.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Bradley, assets exceeded liabilities by \$3,848,965.00 at the close of the current fiscal year.

	2023	2022	Change
Assets	\$ 4,671,559.00	\$ 4,019,984.00	\$ 651,575.00
Current & Non Current Liabilities	\$ (787,865.00)	\$ (538,454.00)	\$ (249,411.00)
OPEB Liabilities	\$ (17,107.00)	\$ (17,108.00)	\$ 1.00
OPEB Related Inflows	\$ (12,169.00)	\$ (11,770.00)	\$ (399.00)
Prepaid Property Taxes	\$ (5,453.00)	\$ (8,356.00)	\$ 2,903.00
Total Net Position	\$ 3,848,965.00	\$ 3,444,296.00	\$ 404,669.00

The following schedule compares the revenues and expenses for the current and previous fiscal year:

	2023	2022	Change
Revenues	\$ 3,091,522.00	\$ 2,673,363.00	\$ 418,159.00
Expenses	\$ (2,686,853.00)	\$ (2,370,209.00)	\$ (316,644.00)
Rounding Adjustment	\$ -	\$ -	\$ -
Change in Net Position	\$ 404,669.00	\$ 303,154.00	\$ 101,515.00
Beginning Net Assets	\$ 3,444,296.00	\$ 3,141,142.00	\$ 303,154.00
Change in Net Position	\$ 404,669.00	\$ 303,154.00	\$ 101,515.00
Ending Net Assets	\$ 3,848,965.00	\$ 3,444,296.00	\$ 404,669.00

## General Fund Regulatory Highlights

The Town of Bradley adopts an annual budget for its general fund as required by the Town of Bradley Charter. The budget process begins in early February and is completed and approved for the annual June referendum in public hearing in May. The document incorporates input from the citizens, management, and the Town Council.

The Town of Bradley Town Charter has a self-imposed budget regulation which is summarized as a limitation in raising the net budget (expenses-revenues) by the amount of the Cost-of-Living Allowance (COLA). The Town Council may exceed this budget cap by a majority vote of the Town Council. Below is a summarized calculation for the fiscal year ending June 30, 2023:

2021-2022 Net Municipal Budget	\$ 639,085.00
2022-2023 COLA amount	5.90%
Allowable 2023-2023 Net Budget	\$ 676,791.02
2022-2023 Net Budget	\$ 675,504.00
Over (Under) Budget Cap	\$ (1,287.02)

The State of Maine enacted legislation known as LD1 in 2005, it is summarized as a limitation created using a standard growth factor of total personal income (figure provided by the State of Maine each year) and another factor created by using actual new property value (new construction, new personal property and newly created building lots). The limitation also considers overlay and state revenue factors. The budget for the fiscal year ending June 30, 2023 was \$80,688.01 below the State of Maine LD1 regulation. Below is a calculation for the current fiscal year:

1 2021-2022 Property Tax Limit		\$ 452,595.00
2 2022-2023 Income Growth Factor	0.0119	
3 Property Growth Factor	0.0378	
4 LD1 Growth Factor	<u>0.0497</u>	
5 Add 1 to Growth Limitation	1.0497	
6 Adjusted State Revenue Sharing		
	6a R'd 21-22	\$ 244,523.00
	6b R'd 22-23	<u>\$ 264,318.00</u>
7 Gain / (Loss) in State Revenue Sharing		\$ 19,795.00
8 Municipal Revenue Sharing Gain		
8b Allowable Municipal Revenue Share Gain (6a x 5)	\$ 256,675.79	
8c Allowable Difference (6b - 8b)	\$ 7,642.21	
9 Municipal Property Tax Levy Limit (1 x 5)		\$ 475,088.97
10 Adjusted 2022 -2023 Property Tax Limit (9 -8c) or + Revenue Loss (7)		<b>\$ 467,446.76</b>
11 2022-2023 Municipal Appropriations -w/carryfowards	\$ 1,450,998.00	
12 2022-2023 Municipal Deductions -w/carryfowards	\$ 1,084,239.25	
13 2022-2023 Non Appropriated Revenue	<u>\$ 20,000.00</u>	
14 2022-2023 Municipal Property Tax Levy (11+13-12)		\$ 386,758.75
15 Over (Under) LD1 Limit (11-12)		\$ (80,688.01)

## Request for Information

This financial report is designed to provide a general overview of the Town of Bradley's finances for all those with an interest in this area. If you have questions about this report or need additional information, please contact me at the municipal office, 207-827-7725 or via e-mail, [mldoane@townofbradley.net](mailto:mldoane@townofbradley.net).

Sincerely,



Melissa L. Doane  
Town Manager



**Town of Bradley, Maine**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Total Governmental Activities</b>	
<hr/>		
<b>ASSETS:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,737,723	
Investments	593,935	
Due from other governments	24,388	
Taxes receivable	23,421	
Tax liens receivable	7,835	
<b>Total current assets</b>		\$ 2,387,302
<b>Non-current assets:</b>		
Capital assets, net of accumulated depreciation	2,274,004	
Non-depreciable capital assets	5,212	
<b>Total non-current assets</b>		2,279,216
<b>Deferred outflows of resources:</b>		
OPEB related outflows	5,041	
<b>Total deferred outflows of resources</b>		5,041
<b>TOTAL ASSETS</b>		<b>\$ 4,671,559</b>
<hr/>		
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 42,834	
Accrued interest expense	6,509	
Other current liabilities	14,873	
Current portion of capital leases payable	50,957	
Current portion of notes payable	30,118	
<b>Total current liabilities</b>		\$ 145,291
<b>Non-current liabilities:</b>		
Notes payable	412,666	
Capital leases payable	229,908	
OPEB liabilities	17,107	
<b>Total non-current liabilities</b>		659,681
<b>TOTAL LIABILITIES</b>		804,972
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Taxes collected in advance	5,453	
OPEB related inflows	12,169	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		17,622
<b>NET POSITION:</b>		
Net investment in capital assets	1,555,568	
Restricted for:		
Endowments	1,095	
Permanent funds - <i>nonexpendable principal</i>	7,860	
Unrestricted	2,284,443	
<b>TOTAL NET POSITION</b>		3,848,965
<b>TOTAL LIABILITIES AND NET POSITION</b>		<b>\$ 4,671,559</b>

The accompanying notes are an integral part of this statement.

Town of Bradley, Maine  
Statement of Activities  
For the Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	
				Governmental Activities	Total
<i>Governmental activities:</i>					
General government	\$ 355,127	\$ 12,131	\$ -	\$ (342,996)	\$ (342,996)
Public safety	258,259	-	-	(258,259)	(258,259)
Public works	106,386	-	8,204	(98,182)	(98,182)
Health, sanitation, and welfare	127,211	-	197	(127,013)	(127,013)
Education	1,385,438	-	-	(1,385,438)	(1,385,438)
County tax	197,681	-	-	(197,681)	(197,681)
Interest expense	22,350	-	-	(22,350)	(22,350)
Other	54,480	-	768	(53,712)	(53,712)
Depreciation	201,222	-	-	(201,222)	(201,222)
<i>Total governmental activities</i>	<i>2,708,153</i>	<i>12,131</i>	<i>9,169</i>	<i>(2,686,853)</i>	<i>(2,686,853)</i>
<i>Total primary government</i>	<i>2,708,153</i>	<i>12,131</i>	<i>9,169</i>	<i>(2,686,853)</i>	<i>(2,686,853)</i>
<i>General revenues:</i>					
Property taxes, levied for general purposes					1,920,787
Excise taxes					350,988
Interest and lien fees					4,564
Licenses and permits					5,566
Investment income					3,074
<i>Grants and contributions not restricted to specific programs:</i>					
Homestead exemption					91,064
State revenue sharing					264,318
Tree growth					36,858
Other					919
Post office lease					49,800
Miscellaneous revenues					363,585
<i>Total general revenues and transfers</i>					<i>3,091,522</i>
<i>Changes in net position</i>					<i>404,669</i>
<b>NET POSITION - BEGINNING</b>					<b>3,444,296</b>
<b>NET POSITION - ENDING</b>				<b>\$</b>	<b>3,848,965</b>

The accompanying notes are an integral part of this statement

Town of Bradley, Maine  
Balance Sheet  
Governmental Funds  
June 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,737,723	\$ -	\$ 1,737,723
Investments	527,404	66,531	593,935
Due from other governments	24,388	-	24,388
Taxes receivable, net	23,421	-	23,421
Tax liens receivable	7,835	-	7,835
<b>TOTAL ASSETS</b>	<b>\$ 2,320,771</b>	<b>\$ 66,531</b>	<b>\$ 2,387,302</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts payable	\$ 42,834	\$ -	\$ 42,834
Other accrued expenses	14,873	-	14,873
<i>Total liabilities</i>	<i>57,707</i>	<i>-</i>	<i>57,707</i>
<i>Deferred inflows of resources:</i>			
Taxes collected in advance	5,453	-	5,453
Uncollected property taxes	25,004	-	25,004
<i>Total deferred inflows of resources</i>	<i>30,457</i>	<i>-</i>	<i>30,457</i>
<i>Fund balances:</i>			
Non-spendable:			
Endowments	1,095	-	1,095
Permanent funds - nonexpendable principal	-	7,860	7,860
Assigned - see footnotes	477,225	-	477,225
Unassigned	1,754,287	58,671	1,812,958
<i>Total fund balances</i>	<i>2,232,606</i>	<i>66,531</i>	<i>2,299,138</i>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,320,771</b>	<b>\$ 66,531</b>	
<i>Amounts reported for governmental activities in the statement of net position (Stmt. 1) are different because:</i>			
Depreciable and non-depreciable capital assets as reported in Stmt. 1			2,279,216
Long-term liabilities, including bonds payable, as reported on Stmt. 1			(723,649)
Accrued interest expense as reported on Stmt. 1			(6,509)
Deferred property taxes not reported on Stmt. 1			25,004
Deferred outflows of resources - OPEB related expenditures			5,041
Deferred inflows of resources - OPEB related inflows			(12,169)
OPEB liabilities			(17,107)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>			<b>\$ 3,848,965</b>

The accompanying notes are an integral part of this statement.

Town of Bradley, Maine  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Property taxes	\$ 1,927,294	\$ -	\$ 1,927,294
Excise taxes	350,988	-	350,988
Intergovernmental revenue	402,328	-	402,328
Charges for services	12,131	-	12,131
Licenses and permits	5,566	-	5,566
Investment income	2,859	214	3,074
Interest and lien fees	4,564	-	4,564
Post office lease	49,800	-	49,800
Other revenue	363,585	-	363,585
<i>Total revenues</i>	<i>3,119,115</i>	<i>214</i>	<i>3,119,329</i>
<b>EXPENDITURES:</b>			
General government	349,764	-	349,764
Public safety	630,124	-	630,124
Public works	395,503	-	395,503
Health, sanitation, and welfare	127,211	-	127,211
Education	1,385,438	-	1,385,438
County tax	197,681	-	197,681
Debt service	47,282	-	47,282
Unclassified	96,989	248	97,237
<i>Total expenditures</i>	<i>3,229,992</i>	<i>248</i>	<i>3,230,240</i>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>(110,877)</i>	<i>(33)</i>	<i>(110,910)</i>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of capital lease payable	280,865	-	280,865
<i>Total other financing sources (uses)</i>	<i>280,865</i>	<i>-</i>	<i>280,865</i>
<i>Net change in fund balances</i>	<i>169,988</i>	<i>(33)</i>	<i>169,955</i>
<b>FUND BALANCES - BEGINNING</b>	<b>2,062,619</b>	<b>66,564</b>	<b>2,129,183</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 2,232,606</b>	<b>\$ 66,531</b>	<b>\$ 2,299,138</b>

The accompanying notes are an integral part of this statement.

(Continued)

Town of Bradley, Maine  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2023

<b>Net change in fund balances - total governmental funds (Statement 4)</b>	<b>\$ 169,955</b>
Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:	
Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditures on Governmental Funds Report	(201,222)
Capital outlays expensed on the Governmental Funds Report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2)	703,739
Revenues in the Statement of Activities (Stmt 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes and other deferred revenue.	(6,507)
Issuances of long-term debt are reported as other financing sources in the governmental funds, but debt issuances increase long-term liabilities in the Statement of Net Position. Issuances are as follows:	
Capital lease payable	(280,865)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. More specifically, this represents the net amount of principal reduction in debt service made during the fiscal year.	29,620
Change in accrued interest expense as reported on the Statement of Net Position (Stmt. 1)	(4,688)
Disposal of fixed assets, not recognized for purposes of the fund statements	(2,367)
OPEB expenses under GASB #75 are not reported in the governmental fund statements	(2,996)
<b>Changes in net position of governmental activities (see Stmt. 2)</b>	<b>\$ 404,669</b>

The accompanying notes are an integral part of this statement.

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Bradley, Maine (the Town) was incorporated on February 3, 1835. The Town operates under a town council-town meeting form of government and is incorporated under the laws of the State of Maine.

The accounting policies of the Town conform to U.S. generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, and its amendments, established new financial reporting requirements for governments and caused the Town to restructure much of the information presented in the past. The more significant of the government’s accounting policies are described below.

The financial statements include those of the various departments governed by the Select Board and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by GASB.

**B. Basis of Presentation**

The Town’s basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

**Government-Wide Financial Statements**

The Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reports information on all of the non-fiduciary activities of the Town as a whole.

The Statement of Net Position presents the financial condition of the governmental and business-type (if applicable) activities of the Town at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental and business-type (if applicable) activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

The Town has elected not to allocate indirect costs among programs. Program revenues include 1) charges to customers for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**Fund Financial Statements**

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. The focus of governmental and proprietary fund financial statements is on major funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column. The General Fund is always a major fund.

Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

**C. Fund Accounting**

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of three categories of funds: governmental, proprietary and fiduciary.

**Governmental Fund Types**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the Town's major funds:

*General Fund* – The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

*Permanent Fund* – This fund is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs. A permanent fund would be used, for example, to account for the perpetual care endowment of a municipal cemetery.

**TOWN OF BRADLEY, MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus**

*Government-Wide Financial Statements:*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on 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, deferred outflows of resources, current liabilities, and deferred inflows of resources 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 government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The fiduciary funds are reported using the economic resources measurement focus.

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements, proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. 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 – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.



**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the 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 Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes, charges for services, and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, property taxes receivable that will not be collected within the available period have been reported as deferred inflows of resources.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. 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.

**F. Budgets and Budgetary Accounting**

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised by department heads, town administration and the Select Board. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Select Board or required by law.

**G. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses**

**Cash and Cash Equivalents**

Cash and cash equivalents include currency on hand, demand deposits with financial institutions, and other accounts with an original maturity of three months or less when purchased. Investments are recorded at fair market value.

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts.

Compensated Absences

The Town awards two weeks of vacation time for full time employees per year; sick time is earned .5 hours every month worked. Vacation time may be carried forward; sick time must be cashed-out at year-end. At June 30, 2023, accrued vacation time was \$3,818.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value as of the date received. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-40
Infrastructure	20-35
Machinery and Equipment	5-10

Net Position and Fund Balances

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position is the residual amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. These designations are categorized as follows:

*Non-spendable* – Funds that are not in spendable form, such as funds that are legally required to be maintained in tact (corpus of a permanent fund).

*Restricted* – Funds that are restricted for use by an external party, constitutional provision, or enabling legislation.

*Committed* – Funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the governing body.

*Assigned* – Funds intended to be used for specific purposes set by the Select Board.

*Unassigned* – Funds available for any purpose.

When an expenditure is incurred for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

**Deferred Revenue**

Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue arises when resources are received by the Town before the Town has legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the Town has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**Property Taxes**

Property taxes for the current year were committed on July 19, 2022, on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Payment of taxes was due September 30 and February 24, 2023 with interest at 4% on all tax bills unpaid as of the due date.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$27,295 for the year ended June 30, 2023.

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

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**Risk Management**

The Town pays insurance premiums to certain agencies to cover risks that may occur in normal operations. The Town purchases employee fidelity bond coverage. There have been no significant reductions in insurance coverage from the prior year. No settlements of claims have exceeded insurance coverage in the current year.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense. Actual results could differ from those estimates.

**2. DEPOSITS AND INVESTMENTS**

Typically, the Town invests funds in checking accounts, savings accounts, certificates of deposit, and U.S. government obligations (through an investment group owned by a financial institution). From time to time the Town's deposits and investments may be subject to risks, such as the following:

**Custodial Credit Risk – Deposits** - the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town uses only financial institutions that are insured by the FDIC or additional insurance. At June 30, 2023, cash deposits had a carrying value of \$1,737,723, all of which was covered by FDIC or collateralized.

**Interest Rate Risk** – The Town does not currently have a deposit policy for interest rate risk.

**Credit Risk** – The Town does not have a formal policy regarding credit risk. Maine statutes authorize the Town to invest in obligations of the U.S. Treasury, and U.S. Agencies and certain bonds, securities and real assets.

**Custodial Credit Risk – Investments** – the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy. None of the Town's investments were subject to custodial credit risk.

**TOWN OF BRADLEY, MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**2. DEPOSITS AND INVESTMENTS**

At June 30, 2023, the Town's investment balances were as follows:

	Fair value	Less than one year	1-5 years	More than 5 years
<b>Cash &amp; cash equivalents</b>				
Federal obligations				
(Camden National Wealth Mgmt Money Market)	\$ 42,932	\$ 42,932	\$ 0	\$ 0
<b>Fixed income</b>				
Fixed, nonrated				
Apple Inc	24,629		24,629	
Cisco Systems	23,419		23,419	
Estee Lauder CO	23,844		23,844	
Federal Farm Credit Bank	116,729		116,729	
Federal Home Loan Bank	114,716		114,716	
United States Treasury Notes	201,073		201,073	
Visa Inc	22,792		22,792	
3M Co	23,801		23,801	
<b>Total Investments</b>	<b>\$ 593,935</b>	<b>\$ 42,932</b>	<b>\$ 551,003</b>	<b>\$ 0</b>

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

**3. CAPITAL ASSETS**

Governmental activities:	Balance 7/1/22	Additions	Deletions	Balance 6/30/23
Capital assets				
being depreciated:				
Land & improvements	\$ 18,132	\$ -	\$ (2,367)	\$ 15,765
Buildings & improvements	1,425,647	42,757	-	1,468,404
Equipment	887,073	371,865	(55,000)	1,203,938
Infrastructure	1,156,367	289,117	-	1,445,484
<b>Total capital assets</b>	<b>3,487,219</b>	<b>703,739</b>	<b>(57,367)</b>	<b>4,133,591</b>
<i>Less accumulated depreciation</i>				
Land & improvements	(3,473)	(244)	-	(3,717)
Buildings & improvements	(328,025)	(21,426)	-	(349,451)
Equipment	(808,658)	(81,673)	55,000	(835,331)
Infrastructure	(567,998)	(97,879)	-	(665,877)
<b>Total accumulated depreciation</b>	<b>(1,708,154)</b>	<b>(201,222)</b>	<b>55,000</b>	<b>(1,854,376)</b>
<b>Governmental activities</b>				
<b>Capital assets, net</b>	<b>\$ 1,779,065</b>	<b>\$ 502,517</b>	<b>\$ (2,367)</b>	<b>\$ 2,279,215</b>

Depreciation expense has not been charged as a direct expense for any department of the Town.

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**4. CONTINGENCIES**

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town through the date of the audit report.

**5. SUBSEQUENT EVENTS**

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**6. ASSIGNED BALANCES**

The Town Council has the authority to assign amounts for specific future purposes. Approved assigned balances at June 30, 2023, consist of:

General government	\$ 47,200
Taxes/insurance	2,870
Public safety	1,000
Sanitation	21,000
Highways	270,000
Cemeteries	1,600
ARPA funds	127,730
Community service	4,125
Health services	<u>1,700</u>
<b>Total</b>	<b><u>\$ 477,225</u></b>

**TOWN OF BRADLEY, MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**7. LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended June 30, 2023, was as follows:

Description	Balance 7/1/22	Additions	(Reductions)	Balance 6/30/23	Due within one year
Notes payable – direct borrowings	\$ 472,404	\$ -	\$ (29,620)	\$ 442,784	\$ 30,118
Capital leases payable	-	280,865	-	280,865	50,957
<b>Total</b>	<b>\$ 500,938</b>	<b>\$ 280,865</b>	<b>\$ (29,620)</b>	<b>\$ 723,649</b>	<b>\$ 81,075</b>

Payments on bonds payable, notes payable and capital leases of the governmental activities are paid out of the General Fund.

***Notes Payable – Direct Borrowings***

Bonds payable at June 30, 2023 are comprised of the following:

	Interest Rate	Maturity Date	Balance at 6/30/2023	Collateral Pledged
<b>Governmental Activities:</b>				
Fire station	3.75%	6/2035	\$ 442,784	N/A
<b>Total governmental activities</b>			<b>\$ 442,784</b>	

Debt service requirements to retire the bonds payable outstanding for governmental activities at June 30, 2023 are as follows:

Year ending June 30,	Principal	Governmental Activities Interest	Total
2024	\$ 30,118	\$ 16,729	\$ 46,847
2025	31,247	15,600	46,847
2026	32,419	14,428	46,847
2027	33,635	13,212	46,847
2028	34,896	11,951	46,847
2029-2033	195,119	39,116	234,235
2034-2035	85,350	5,018	90,368
<b>Total</b>	<b>\$ 442,784</b>	<b>\$ 116,054</b>	<b>\$ 558,838</b>

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**7. LONG-TERM OBLIGATIONS (CONTINUED)**

***Capital Lease Obligations***

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function.

The following are the individual capital lease obligations outstanding for governmental activities at June 30, 2023:

	Interest Rate	Final Maturity Date	Balance at 6/30/2023
<b>Governmental activities:</b>			
Fire truck	4.45%	2028	\$ 280,865
			<u>\$ 280,865</u>

Debt service requirements to retire capital lease obligations outstanding for governmental activities at June 30, 2023 are as follows:

Year ending June 30,	Principal	Governmental Activities Interest	Total
2024	\$ 50,957	\$ 13,054	\$ 64,011
2025	53,780	10,231	64,011
2026	56,173	7,838	64,011
2027	58,672	5,339	64,011
2028	61,283	2,728	64,011
<b>Total</b>	<u>\$ 280,865</u>	<u>\$ 39,190</u>	<u>\$ 320,055</u>

**8. OPEB OBLIGATIONS**

***Plan Description***

The Town provides health insurance to its employees through Maine Municipal Employees Health Trust (MMEHT). The Town does not provide postemployment or postretirement health benefits, but it is subject to an implicit benefit for its members in MMEHT.

***Accounting Policies***

The impact of experience gains or losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining life of all active and inactive members of the Plan. As of the beginning of the measurement period, this average was 9 years.



**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**8. OPEB OBLIGATIONS (CONTINUED)**

The table below shows changes in the change in Net OPEB Liability during the 2023 measurement year:

	Net OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>Balances 1/1/2022 (Reporting 12/31/2022)</b>	\$ 17,108	\$ -	\$ 17,108
<b>Changes for the year:</b>			
Service cost	1,878	-	1,878
Interest	391	-	391
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(2,270)	-	(2,270)
Contributions -- employer	-	-	-
Benefit payments	-	-	-
<b>Net changes</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>
<b>Balances 1/1/2023 (Reporting 12/31/2023)</b>	<b>\$ 17,107</b>	<b>\$ -</b>	<b>\$ 17,107</b>

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next 5 years, and thereafter:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,011	\$ 9,393
Changes in assumptions	2,973	2,776
Contributions subsequent to measurement date	57	-
<b>Total</b>	<b>\$ 5,041</b>	<b>\$ 12,169</b>

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

**Year ended June 30:**

2024	780
2025	(822)
2026	(592)
2027	(1,393)
2028	(1,636)
Thereafter	(3,522)

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**8. OPEB OBLIGATIONS (CONTINUED)**

As of January 1, 2023, the plan membership data is comprised of 3 active members with only an implicit benefit.

**Key Economic Assumptions:**

*Measurement date:* January 1, 2023  
*Discount rates:* 3.72% per annum for year end 2023 reporting  
2.06% per annum for year end 2022 reporting  
*Trend assumptions:* *Pre-Medicare Medical* – Initial trend of 7.90% applied in FYE 2022 grading over 20 years to 4.55% per annum.  
*Pre-Medicare Drug* – Initial trend of 8.15% applied in FYE 2022 grading over 20 years to 4.55% per annum.  
*Medicare Medical* – Initial trend of 4.80% applied in FYE 2022 grading over 20 years to 4.55% per annum.  
*Medicare Drug* – Initial trend of 8.15% applied in FYE 2022 grading over 20 years to 4.55% per annum.

*Administrative and claims expense* – 3% per annum.

**Future Plan Changes**

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

**Demographic Assumptions:**

*Retiree continuation:* Retirees who are current Medicare participants – 100%  
Retirees who are Pre-medicare, active participants – 75%  
Spouses who are Pre-medicare, spouse is active participant – 50%

*Rate of mortality:* Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

*Marriage assumptions:* A husband is assumed to be 3-years older than his wife.

**TOWN OF BRADLEY, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**8. OPEB OBLIGATIONS (CONTINUED)**

*Assumed rate of retirement:* For employees hired prior to July 1, 2014

Age 55-58 – 5%  
Age 59-64 – 20%  
Age 65-69 - 25%  
Age 70+ - 100%

For employees hired after July 1, 2014

Age 55-63 – 5%  
Age 64-69 – 20%  
Age 70+ - 100%

*Salary increases:* 2.75% per year

**Discount Rate**

The discount rate used to measure the TOL was 3.72% based on a measurement date of January 1, 2023. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

The following table shows how the net OPEB liability as of June 30, 2023 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 3.72%.

1% Decrease 2.72%	Current Rate 3.72%	1% Increase 4.72%
\$ 20,202	\$ 17,107	\$ 14,586

Changes in the healthcare trend affect the measurement of the TOL. Lower healthcare trend rates produce a lower TOL and higher healthcare trend rates produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trend rates.

1% Decrease	Healthcare Trend Rates	1% Increase
\$ 14,127	\$ 17,107	\$ 20,893

A 1% decrease in the healthcare trend rate decreases the NOL by approximately 17.4%. A 1% increase in the healthcare trend rate increases the NOL by approximately 22.1%.

Town of Bradley, Maine  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (negative)
<b>REVENUES:</b>				
Property taxes	\$ 1,920,388	\$ 1,920,388	\$ 1,927,294	\$ 6,906
Excise taxes	342,000	342,000	350,988	8,988
Intergovernmental revenue	368,764	368,764	402,328	33,564
Charges for services	8,950	8,950	12,131	3,181
Licenses and permits	3,500	3,500	5,566	2,066
Investment income	5,500	5,500	2,859	(2,641)
Interest and lien fees	6,500	6,500	4,564	(1,936)
Post office lease	49,800	49,800	49,800	-
Other revenues	36,350	317,513	363,585	46,072
<i>Total revenues</i>	<i>2,741,752</i>	<i>3,022,915</i>	<i>3,119,115</i>	<i>96,200</i>
<b>EXPENDITURES:</b>				
General government	352,140	407,566	349,764	57,802
Public safety	305,984	638,849	630,124	8,725
Public works	224,850	649,236	395,503	253,734
Health, sanitation, and welfare	135,915	144,915	127,211	17,704
Education	1,393,653	1,393,653	1,385,438	8,215
County tax	197,681	197,681	197,681	-
Debt service	46,850	46,850	47,282	(432)
Unclassified	57,384	103,414	96,989	6,424
<i>Total expenditures</i>	<i>2,714,457</i>	<i>3,582,165</i>	<i>3,229,992</i>	<i>352,172</i>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>27,295</i>	<i>(559,250)</i>	<i>(110,877)</i>	<i>448,373</i>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of capital lease payable	-	280,865	280,865	-
<i>Total other financing sources</i>	<i>-</i>	<i>280,865</i>	<i>280,865</i>	<i>-</i>
<i>Net changes in fund balances</i>			169,988	
<b>FUND BALANCES - BEGINNING</b>			2,062,619	
<b>FUND BALANCES - ENDING</b>			<b>\$ 2,232,606</b>	

**TOWN OF BRADLEY, MAINE**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Schedules of Required Supplementary Information start with one year of information as of the implementation of GASB No. 75, but eventually will build up to 10 years of information. The schedule below shows changes in total OPEB liability and related ratios required by GASB No. 75.

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
<b>Total OPEB Liability</b>						
Service cost (BOY)	\$ 1,878	\$ 1,931	\$ 1,679	\$ 1,214	\$ 1,331	\$ 240
Interest (includes interest on service cost)	391	616	684	723	608	189
Changes of benefit terms	0	0	0	(469)	0	0
Differences between expected and actual experience	0	(12,077)	0	993	0	11,120
Changes of assumptions	(2,270)	(375)	1,707	4,619	(1,642)	139
Benefit payments, including refunds of member contributions	0	(231)	(222)	(213)	(205)	0
<b>Net change in total OPEB liability</b>	<b>\$ (1)</b>	<b>\$ (10,136)</b>	<b>\$ 3,848</b>	<b>\$ 6,867</b>	<b>\$ 92</b>	<b>\$ 11,688</b>
<b>Total OPEB liability – beginning</b>	<b>\$ 17,108</b>	<b>\$ 27,244</b>	<b>\$ 23,396</b>	<b>\$ 16,529</b>	<b>\$ 16,437</b>	<b>\$ 4,749</b>
<b>Total OPEB liability – ending</b>	<b>\$ 17,107</b>	<b>\$ 17,108</b>	<b>\$ 27,244</b>	<b>\$ 23,396</b>	<b>\$ 16,529</b>	<b>\$ 16,437</b>
<b>Plan fiduciary net position</b>						
Contributions – employer	0	231	222	213	205	0
Contributions – member	0	0	0	0	0	0
Net investment income	0	0	0	0	0	0
Benefit payments, including refunds of member contributions	0	(231)	(222)	(213)	(205)	0
Administrative expenses	0	0	0	0	0	0
<b>Net change in plan fiduciary net position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position – beginning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position – ending</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net OPEB liability – endings</b>	<b>\$ 17,107</b>	<b>\$ 17,108</b>	<b>\$ 27,244</b>	<b>\$ 23,396</b>	<b>\$ 16,529</b>	<b>\$ 16,437</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 137,955	\$ 137,955	\$ 114,444	\$ 114,444	\$ 109,960	\$ 109,960
Net OPEB liability as a percentage of covered employee payroll	12.4%	12.4%	23.8%	20.4%	15.0%	14.9%

## Schedule B

**Town of Bradley, Maine**  
**Combining Balance Sheet - All Other Non-Major Governmental Funds**  
**June 30, 2023**

	Total Non-Major Permanent Funds	Governmental Funds
<b>ASSETS:</b>		
Investments	\$ 66,531	\$ 66,531
<b>TOTAL ASSETS</b>	<b>\$ 66,531</b>	<b>\$ 66,531</b>
<b>LIABILITIES AND FUND BALANCE:</b>		
<i>Fund Balance:</i>		
Non-spendable - <i>reserved for endowments</i>	\$ 7,860	\$ 7,860
Unassigned	58,671	58,671
<i>Total fund balance</i>	66,531	66,531
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 66,531</b>	<b>\$ 66,531</b>

**Town of Bradley, Maine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Other Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

	Permanent Funds	Total Non-Major Governmental Funds
<b>REVENUES:</b>		
Investment income <i>(net)</i>	\$ 214	\$ 214
<i>Total revenues</i>	<u>214</u>	<u>214</u>
<b>EXPENDITURES:</b>		
Bank fees	248	248
<i>Total expenditures</i>	<u>248</u>	<u>248</u>
<b>EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(33)</u>	<u>(33)</u>
<i>NET CHANGE IN FUND BALANCES</i>	(33)	(33)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>66,564</u>	<u>66,564</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 66,531</u></u>	<u><u>\$ 66,531</u></u>

**Town of Bradley, Maine**  
**Schedule of Property Valuation, Assessments, and Appropriations**  
**General Fund**  
**For the Year Ended June 30, 2023**

*Assessed Valuation:*

Real estate valuation	\$ 123,583,600
Personal property valuation	<u>312,400</u>

<b>Total valuation</b>	<u>123,896,000</u>
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*Tax Commitment:*

Tax assessment at \$15.50 per thousand	<u>1,920,388</u>
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*Reconciliation of Commitment with Appropriation:*

Current year tax commitment, as above	1,920,388
Estimated revenues	<u>821,364</u>

<b>Appropriations per original budget</b>	<u>2,741,752</u>
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<i>Overlay</i>	<u>(27,295)</u>
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<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 2,714,457</u></u>
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Town of Bradley, Maine  
Schedule of Taxes Receivable  
General Fund  
June 30, 2023

*Taxes receivable:*

Real	\$	23,061	
Personal property		<u>360</u>	
	\$		23,421

*Tax liens receivable:*

2022		<u>7,835</u>	
			<u>7,835</u>

<b>TOTAL TAXES RECEIVABLE AND TAX LIENS RECEIVABLE</b>	<b>\$</b>	<b><u><u>31,255</u></u></b>	
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