



# **TOWN OF BEDFORD**

## Comprehensive Annual Financial Report For the Year Ended December 31, 2005



# **2005**

### **Town Council**

Kevin Keyes, Chairman  
William Van Anglen, V. Chair  
Michael Scanlon  
Lori Radke  
David Danielson  
William Greiner  
Andrew Egan

### **Town Manager**

Keith R. Hickey

### **Finance Department**

Crystal A. Dionne, CPA  
*Director of Finance*

Tammy M. Penny  
*Accountant*  
Diane W. Gott  
*Bookkeeper*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

Comprehensive Annual Financial Report

For the Year Ended December 31, 2005

Prepared By:

**The Finance Department**

Crystal A. Dionne, CPA  
Director of Finance

*Town of Bedford, New Hampshire*  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2005*

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*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2005*

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# **INTRODUCTORY SECTION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT 2005**

**KEITH R. HICKEY**  
Town Manager

khickey@ci.bedford.nh.us



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***Town of Bedford, New Hampshire***  
**OFFICE OF THE TOWN MANAGER**

June 1, 2006

To the Members of the Bedford Town Council:

We are pleased to submit the Comprehensive Annual Financial Report of the Town of Bedford for the year ended December 31, 2005. This report consists of management's representations concerning the finances for the Town of Bedford. As such, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principals. Because the cost of internal controls should not outweigh the benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and cash flows of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town's financial statements have been audited by Melanson Heath & Co., PC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements for the year ended December 31, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the financial statements for the year ended December 31, 2005, are fairly presented in conformity with generally accepted accounting principle (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and therefore should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors on page 9.

**PROFILE OF GOVERNMENT**

The Town of Bedford is located in Hillsborough County in southern New Hampshire, approximately 60 minutes northwest of Boston via Routes 3 and 93, and is situated between Manchester and Nashua, New Hampshire's two largest cities. The Town has a population of 20,760 and occupies 38 square miles.

Bedford was named for Lord John Russell, fourth Duke of Bedford, and was incorporated in 1750. Since 1988 the Town has operated under a charter with a Council-Manager form of local government. The Town Council consists of seven members elected to staggered three-year terms. The Council acts as the legislative body of the Town (except for the adoption of the annual budget) and appoints a Town Manager to serve an indefinite term as the Town's chief executive. The Manager is responsible for the administrative and financial affairs of the Town, and implements policies established by the Town Council.

Bedford has a diverse character, combining residential, commercial, industrial and recreational activities. The Town has experienced significant tax base growth of more than 35% in the last six years with an increasing amount of the growth accruing in commercial and industrial property. This is due to Bedford's proximity to New Hampshire's major north/south and east/west highways, as well as its location within 5 minutes of the Manchester Airport, which offers direct flights to many major cities around the nation.

The Town of Bedford provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal, recreational and cultural events.

#### *Budgetary Process*

The Town operates on a calendar year basis, January 1 through December 31. The Town's budget process begins in the summer of each year with departments submitting their annual budget requests to the Town Manager. After reviews with the departments, the Town Manager makes final adjustments to the recommended budget and submits it to the Town Council in September or October. The Town Council then reviews the Manager's recommendations and may add or cut items by a majority vote. Once the Council has made any changes they deem necessary, hearings are held for input from the public. The Council then brings the finalized budget to the citizens for a vote to adopt at Budgetary Town Meeting in March.

### **FACTORS AFFECTING FINANCIAL CONDITION**

#### *Local Economy*

The Town of Bedford continues to enjoy a favorable economic environment. Economic indicators include the number of real estate transfers at 7.9% of taxable parcels for 2005, an increase from 6.4% in 2004. The equalized value per capita for 2005 was \$156,140, an increase of 7.6% over 2004 (\$145,084).

Bedford's unemployment for 2005 was 2.9%, well below the State and U.S rate of 3.6% and 5.1% respectively.

The percentage of uncollected taxes at the end of 2005 was 2.9% (\$1,327,728). The amount of property tax liens, processed during 2005, for the 2004 tax year was 0.7% (\$310,976) of the property tax levy.

Motor vehicle permits increased during 2005 from 23,428 vehicles to 24,754, bringing the total increase over the past 10 years to 46.6%. The number of new dwelling building permits remained fairly stagnant in 2005 with 144 permits issued, which is only a 0.7% increase over 2004 permits of 143.

#### *Financial Position*

The Town's General Fund ended 2005 with a notable increase to undesignated fund balance of \$1,188,623 (39%) to \$4,213,841. This increase is attributable to a significant excess of revenue collected during 2005 for investment income, motor vehicle permit fees and building permits that was unanticipated as well as unexpended appropriations. Furthermore, in 2005 the Town Council adopted a Fund Balance Policy as part of the Town's overall financial policies which set a goal to acquire a minimum undesignated fund balance of 8% of the Town's total budget. In conjunction with the adoption of this policy, the Council appropriated \$430,000 in 2005 to be set aside for the sole purpose of increasing undesignated fund balance to the new required minimum. The General Fund undesignated fund balance was 7.6 % of the total 2005 budget (including the Town \$16,930,706, School \$34,861,376 and County \$3,321,573), which is slightly below the new required 8% minimum according to the

Town's financial policies. The Sewer Fund's unrestricted net assets increased 25% from \$839,386 in 2004 to \$1,048,744 in 2005.

The Governmental Activities reported \$11.435 million in outstanding debt for 2005 versus \$12.72 million in 2004. The debt per capita for 2005 was \$609, which is a reasonable amount for a community the size of Bedford.

In 1998, the Town received a bond rating upgrade from Moody's Investor Services to Aa3. The Town received a second upgrade to its bond rating in 2003 to Aa2. According to Moody's, the upgraded rating reflects the Town's rapid growing, wealthy tax base, strong financial position and very favorable debt position. The Town's financial operations are expected to remain strong given the commitment to balanced budgeting and healthy reserve levels.

#### *Long-Term Financial Planning*

The Town uses its Capital Improvements Program (CIP) as a tool for long-term planning for the purchase or construction of capital assets. The CIP is prepared in accordance with Section 1-5-7 of the Town Charter and projects capital purchases for a period of 10 years. The program also defines how capital projects will be financed and the impact of these projects on the property tax and sewer rates. It is the goal of the CIP to plan in advance for major expenses so that funds can be set aside annually to fund future projects and therefore reduce the need to bond funds.

#### **ACKNOWLEDGEMENTS**

This report represents the continuous development and refinement of the Town's detailed financial reporting. It is the second year that the Town has issued a comprehensive annual financial report (CAFR).

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Bedford for its comprehensive annual financial report for the year ended December 31, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must also satisfy both generally accepted accounting principles and applicable legal requirements. Attainment of this prestigious award signifies a true accomplishment by the Town and the Town's management.

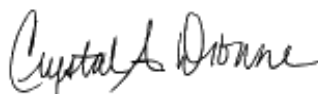
A CAFR is a much more detailed reporting of the Town's finances, and includes the Town's audited financial statements with a complete management analysis of the Town's financial health as well as providing useful historical statistical information. The Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and as such, we are submitting it to the GFOA to determine its eligibility for another certificate.

This report reflects the Town's commitment to improve and maintain our financial statements and record keeping systems in conformity with the highest standards of accountability. The report also reflects our commitment to maintaining the public's trust through high ethics and uncompromising integrity. The dedicated efforts of the entire Finance staff have been invaluable in compiling this report. We would also like to recognize the Bedford Town Council for their continued support, guidance and dedication in managing the Town's finances.

Respectfully Submitted,



**Keith R. Hickey**  
*Town Manager*

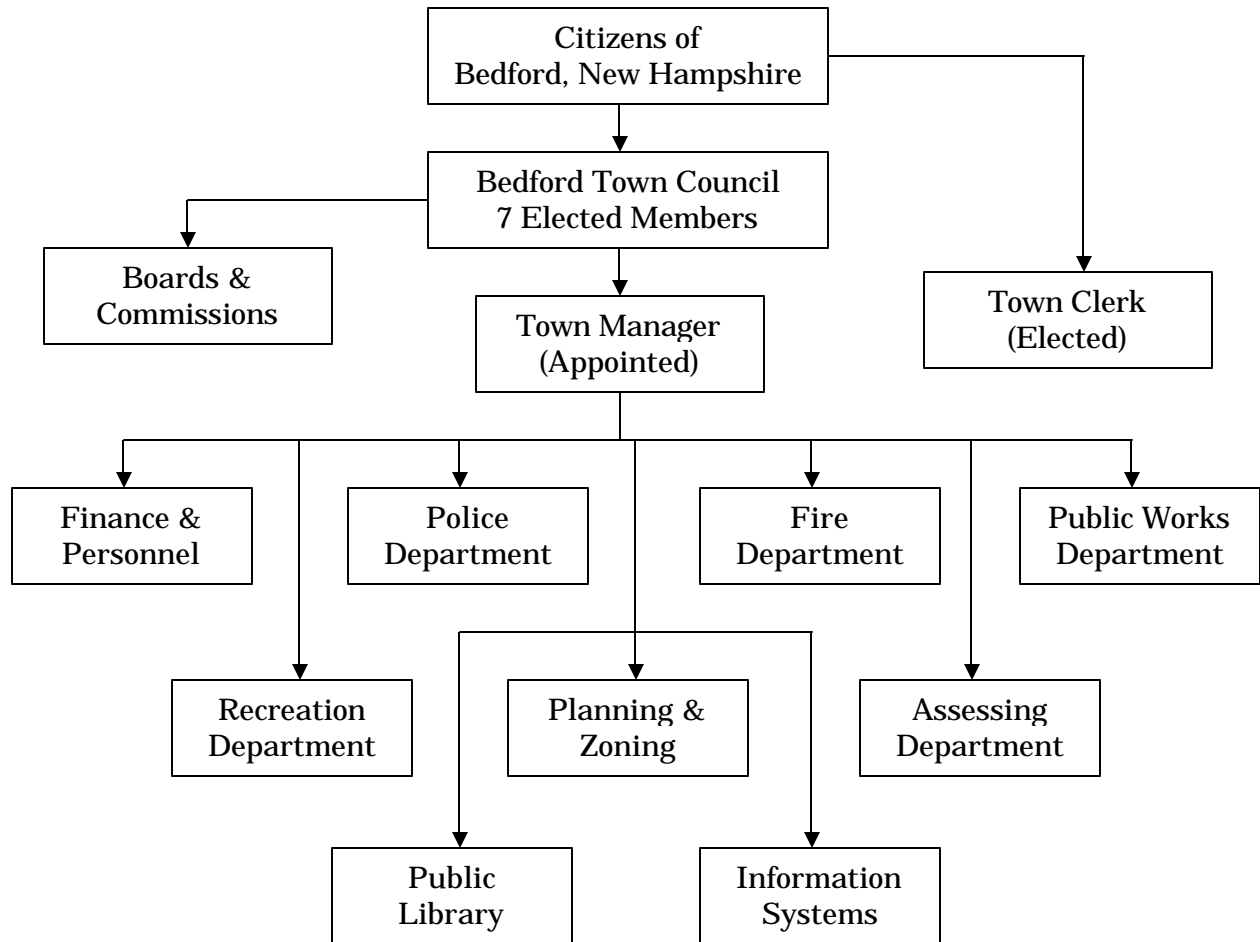


**Crystal A. Dionne, CPA**  
*Director of Finance*



# *Town of Bedford, New Hampshire*

## ORGANIZATIONAL CHART





# *Town of Bedford, New Hampshire*

## **DIRECTORY OF OFFICIALS**

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### **TOWN COUNCIL MEMBERS**

(Elected)

Kevin Keyes, Chairman.....	2008
William Van Anglen, Vice Chair.....	2008
Michael Scanlon.....	2007
Lori Radke.....	2007
David Danielson.....	2006
William Greiner.....	2006
Andrew Egan.....	2006

### **TOWN MANAGER**

(Appointed)

Keith R. Hickey

### **DEPARTMENT HEADS**

Finance & Personnel.....	Crystal A. Dionne, CPA
Town Clerk.....	Wanda L. Jenkins
Police.....	David C. Bailey
Fire.....	Scott A. Wiggin
Planning/Zoning.....	Karen E. White, AICP
Assessing.....	William H. Ingalls, CNHA
Public Works.....	James B. Stanford, P.E.
Public Library.....	Mary Ann Senatro
Recreation.....	Craig W. Sanderson
Information Systems.....	Brian M. Davis

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Bedford,  
New Hampshire

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

President

*Jeffrey R. Emery*

Executive Director



# **FINANCIAL SECTION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT 2005**



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT ADVISORS

102 Perimeter Road  
Nashua, NH 03063-1301  
Tel (603)882-1111 • Fax (603)882-0456  
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INDEPENDENT AUDITORS' REPORT

To the Town Council  
Bedford, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bedford, New Hampshire, as of and for the year ended December 31, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Bedford's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bedford, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis, appearing on the following pages, is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supple-

*Additional Offices:*  
Andover, MA • Greenfield, MA • Ellsworth, ME

mentary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bedford, New Hampshire's basic financial statements. The introductory section, supplementary statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Nashua, New Hampshire  
April 18, 2006

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## ***TOWN OF BEDFORD – MANAGEMENT’S DISCUSSION AND ANALYSIS (2005)***

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The following is a discussion and analysis of the financial activities of the Town of Bedford (the Town) for the year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information included in our letter of transmittal, as well as with the Town’s financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

Government-Wide Highlights:

- **Net Assets:** The total assets of the Town exceeded total liabilities at year ending December 31, 2005 by \$32.83 million. This amount is presented as “net assets” on the Statement of Net Assets for the Total Primary Government (a condensed Statement can be seen in this MD&A section of this report). Of this amount, \$7.88 million was reported as unrestricted. Unrestricted net assets represent the amount available to be used to meet the Town’s ongoing obligations to citizens and creditors.
- **Changes in Net Assets:** The Town’s total net assets increased by \$4.9 million, or 17.5% in 2005. Net assets of governmental activities increased by \$4.5 million (19.5%), while net assets of the business-type activities showed an increase of \$0.4 million (7.9%). The notable increase in governmental activities is due in part to a restatement of the beginning balance as detailed on page 40 in the Notes to the Financial Statements (Note 17).

Fund Highlights:

**Governmental Funds: Fund Balances** – As of the close of year 2005, the Town’s governmental funds reported a combined ending fund balance of \$10.8 million, a decrease of \$0.7 million in comparison to the prior year (\$11.5m). Included in the combined governmental fund balance is the activity of the Town’s General Fund (\$6.2m), Capital Projects Fund (\$1.1m), and other Governmental Funds (\$3.5m). The General Fund ended the year with an undesignated fund balance of \$4.2 million.

### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town’s basic financial statements. The Town’s basic financial statements include three components:

- Government-Wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains supplementary information in addition to the basic financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the Town’s finances. These statements (Statement of Net Assets and the Statement of Activities) provide both short-term and long-term information about the Town’s overall financial position. They are prepared using the accrual basis of accounting, which recognizes all revenues and expenses connected with the year even if cash has not been received or paid.

- The *Statement of Net Assets*, found on page 16 presents all of the Town’s non-fiduciary assets and liabilities. The difference between assets and liabilities is reported as “net assets” instead of fund balances as shown on the Fund Statements. Over time, increases or decreases in the net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- The *Statement of Activities*, found on page 17 presents information showing how the Town’s net assets changed during the most recent year. All changes in net assets 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 not result in cash flows until future periods

(such as uncollected taxes and licenses). This statement also presents a comparison between direct expenses and program revenues for each function of the Town.

Both of the government-wide financial statements have separate sections for two different types of Town activities. These two types of activities are:

- *Governmental Activities:* The activities in this section represent most of the Town's basic services and are generally supported by taxes, grants and intergovernmental revenues. The governmental activities of the Town include general government, police and fire protection, administration of public works, planning and assessing functions, and culture and recreation. Other governmental activities include special revenue and capital projects funds.
- *Business-Type Activities:* These activities are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of the goods and services. These business-type activities of the Town include the operation of:
  - Sewer Department,
  - Bedford Community Television,
  - Police Special Detail, and
  - Day Camp

### 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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the individual parts of the Town government, and report the Town's operations in more detail than the government-wide statements. The Town's funds are divided into 3 categories – governmental, proprietary and fiduciary. For governmental and proprietary funds, only those funds that are considered Major Funds are reported in individual columns in the Fund Financial Statements with combining schedules in the Supplementary Section to support the Non-Major activities. Fiduciary Funds are reported by fiduciary type (trust and agency).

- *Governmental Funds:* Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements report using the modified-accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found beginning on page 18.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented here with similar information presented in the government-wide financial statements. Reconciliations are provided between the Governmental Fund Statements and the Government-Wide Statements, which can be found on pages 19 and 21.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- *Proprietary Funds:* The Town's proprietary funds provide goods and services to the general public and charge a user fee. These activities are reported in enterprise funds. They include the operations of the Sewer Department, Bedford Community Television (BCTV), Police Special Detail and Recreation Day Camp.

Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. Therefore there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The basic proprietary funds financial statements can be found on pages 23 through 25.

- *Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's programs. The accounting used for fiduciary funds is much like that used for proprietary funds in that they use the accrual basis of accounting. The Town's fiduciary funds found on pages 26 and 27 include the:
  - Agency Funds (which account for the resources held in a pure custodial capacity)
  - Private Purpose Trust Funds (which account for activity of trust arrangements under which principal and income benefit individuals, private organizations, or other governments)

### Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the basic financial statements begin on page 28.

### Supplementary Information

Other supplementary information includes combining and individual fund financial statements and schedules.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town's combined net assets (government and business-type activities) totaled \$32.83 million at the end of 2005, which increased by \$4.9 million when compared to the end of the previous year.

### **Financial Position**

The following is a summary of condensed government-wide financial data of net assets for the current and restated prior fiscal years.

<b>TOWN OF BEDFORD</b>							
<b>Condensed Statement of Net Assets</b>							
as of December 31, 2005 and 2004							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>		
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	
Current Assets	\$ 29,535,619	\$ 30,018,941	\$ 1,249,336	\$ 1,307,461	\$ 30,784,955	\$ 31,326,402	
Capital Assets	<u>30,003,093</u>	<u>25,995,713</u>	<u>5,041,471</u>	<u>5,054,544</u>	<u>35,044,564</u>	<u>31,050,257</u>	
<b>Total Assets</b>	<b>\$ 59,538,712</b>	<b>\$ 56,014,654</b>	<b>\$ 6,290,807</b>	<b>\$ 6,362,005</b>	<b>\$ 65,829,519</b>	<b>\$ 62,376,659</b>	
Current Liabilities	\$ 20,590,401	\$ 18,628,112	\$ 79,710	\$ 210,220	\$ 20,670,111	\$ 18,838,332	
Noncurrent Liabilities	<u>11,356,526</u>	<u>14,300,808</u>	<u>973,619</u>	<u>1,297,611</u>	<u>12,330,145</u>	<u>15,598,419</u>	
<b>Total Liabilities</b>	<b>31,946,927</b>	<b>32,928,920</b>	<b>1,053,329</b>	<b>1,507,831</b>	<b>33,000,256</b>	<b>34,436,751</b>	
<b>Net Assets</b>							
Invested in Capital Assets	20,979,652	18,587,735	3,946,471	3,780,571	24,926,123	22,368,306	
Restricted	25,255	25,243	-	-	25,255	25,243	
Unrestricted	6,586,878	4,472,756	1,291,007	1,073,603	7,877,885	5,546,359	
<b>Total Net Assets</b>	<b>\$ 27,591,785</b>	<b>\$ 23,085,734</b>	<b>\$ 5,237,478</b>	<b>\$ 4,854,174</b>	<b>\$ 32,829,263</b>	<b>\$ 27,939,908</b>	

The largest portion of the Town's net assets, \$25 million (76%), reflects our investment in capital assets such as land, buildings and equipment, less any related outstanding debt used to acquire those assets. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves generally cannot be used to liquidate these liabilities.

## Financial Position (continued)

An additional portion of net assets, \$25k represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$7.88 million may be used to meet the government's ongoing obligations to its citizens and creditors. However, internally imposed designations of resources are not presented as restricted net assets.

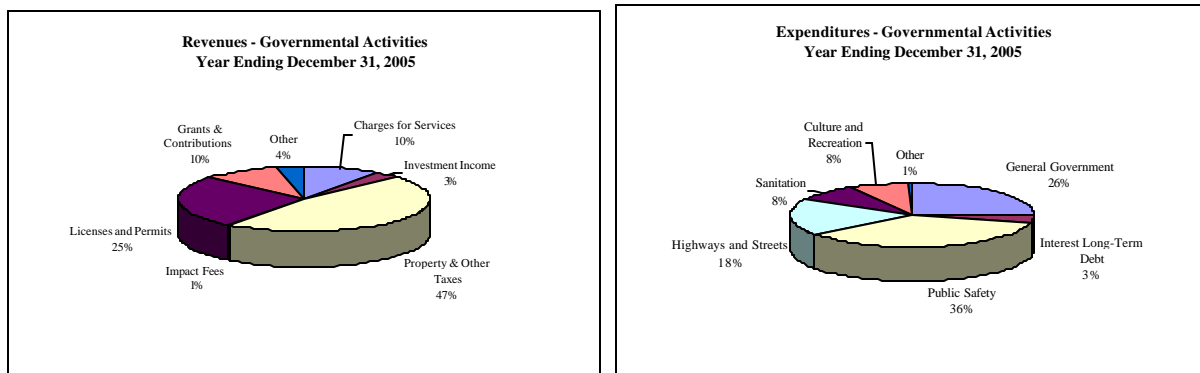
*Governmental Activities* for the year resulted in an increase to net assets of \$4.5 million. Key elements of this increase are as follows:

General Fund Revenues in excess of Expenditures	\$ 1,711,383
Principal Debt Service in excess of depreciation expense	559,388
Fixed Asset additions from current year revenues	2,092,690
Other	<u>142,590</u>
Increase in Governmental Net Assets	<u>\$ 4,506,051</u>

*Business-Type Activities* for the year resulted in an increase to net assets of \$383,304 primarily from excess revenues over expenditures.

## Financial Results

The following is a summary of condensed government-wide financial data of changes in net assets for fiscal years 2005 and 2004.



### TOWN OF BEDFORD, NH Analysis of Change in Revenues and Expenses For the Year Ending December 31, 2005 Compared to 2004

	Governmental Activities		Business-Type Activities		Total Primary Government	
	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 493,681	40.9%	\$ (5,010)	-0.3%	\$ 488,671	16.6%
Grants and Contributions	294,299	47.4%	33,903	195.9%	328,202	51.4%
General Revenues						
Property Taxes	1,177,702	17.4%	-	-	1,177,702	17.4%
Other Taxes	(17,191)	-5.3%	-	-	(17,191)	-5.3%
Licenses and Permits	(233,062)	-4.9%	-	-	(233,062)	-4.9%
Grants and Contributions - unrestricted	71,463	8.7%	-	-	71,463	8.7%
Impact Fees	(101,524)	-100.0%	-	-	(101,524)	-100.0%
Interest Income	274,273	64.5%	-	-	274,273	64.5%
Gain on Sale of Capital Assets	(117,609)	-100.0%	-	-	(117,609)	-100.0%
Other	(190,574)	-24.3%	-	-	(190,574)	-24.3%
<b>Total Revenues</b>	<b>1,651,458</b>	<b>10.4%</b>	<b>28,893</b>	<b>1.6%</b>	<b>1,680,351</b>	<b>9.5%</b>
<b>Expenses:</b>						
General Government	191,720	6.1%	-	-	191,720	6.1%
Public Safety	148,344	3.2%	-	-	148,344	3.2%
Highways and Streets	487,769	25.1%	-	-	487,769	25.1%
Sanitation	(449,137)	-29.2%	-	-	(449,137)	-29.2%
Welfare	3,364	37.8%	-	-	3,364	37.8%
Culture and Recreation	(72,362)	-5.9%	-	-	(72,362)	-5.9%
Economic Development	15,225	197.3%	-	-	15,225	197.3%
Interest on Long-Term Debt	(133,678)	-23.9%	-	-	(133,678)	-23.9%
Police Special Detail	-	-	(10,491)	-2.5%	(10,491)	-2.5%
Recreation Day Camp	-	-	(8,038)	-6.7%	(8,038)	-6.7%
Bedford Community Television	-	-	(144,304)	-49.4%	(144,304)	-49.4%
Sewer Department	-	-	3,472	0.6%	3,472	0.6%
<b>Total Expenses</b>	<b>\$ 191,245</b>	<b>1.5%</b>	<b>\$ (159,361)</b>	<b>-11.1%</b>	<b>\$ 31,884</b>	<b>0.2%</b>

**TOWN OF BEDFORD**  
**Statement of Change in Net Assets**  
December 31, 2005

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 1,701,920	\$ 1,208,239	\$ 1,738,373	\$ 1,743,383	\$ 3,440,293	\$ 2,951,622
Grants and Contributions	915,009	620,710	51,213	17,310	966,222	638,020
General Revenues						
Property Taxes	7,964,510	6,786,808	-	-	7,964,510	6,786,808
Other Taxes	307,688	324,879	-	-	307,688	324,879
Auto Permits	4,484,645	4,717,707	-	-	4,484,645	4,717,707
Grants and Contributions - unrestricted	894,442	822,979	-	-	894,442	822,979
Impact Fees	-	101,524	-	-	-	101,524
Investment Income	699,815	425,542	-	-	699,815	425,542
Gain on Sale of Capital Assets	-	117,609	-	-	-	117,609
Other	593,032	783,606	-	-	593,032	783,606
<b>Total Revenues</b>	<b>17,561,061</b>	<b>15,909,603</b>	<b>1,789,586</b>	<b>1,760,693</b>	<b>19,350,647</b>	<b>17,670,296</b>
<b>Expenses:</b>						
General Government	3,327,264	3,135,544	-	-	3,327,264	3,135,544
Public Safety	4,723,467	4,575,118	-	-	4,723,467	4,575,118
Highways and Streets	2,429,593	1,941,824	-	-	2,429,593	1,941,824
Sanitation	1,089,809	1,538,946	-	-	1,089,809	1,538,946
Welfare	12,266	8,902	-	-	12,266	8,902
Culture and Recreation	1,150,720	1,223,082	-	-	1,150,720	1,223,082
Conservation	22,943	7,718	-	-	22,943	7,718
Interest on Long-Term Debt	424,533	558,211	-	-	424,533	558,211
Police Special Detail	-	-	404,217	414,708	404,217	414,708
Recreation Day Camp	-	-	111,943	119,981	111,943	119,981
Bedford Community Television	-	-	148,031	292,335	148,031	292,335
Sewer Department	-	-	616,511	613,039	616,511	613,039
<b>Total Expenses</b>	<b>13,180,590</b>	<b>12,989,345</b>	<b>1,280,702</b>	<b>1,440,063</b>	<b>14,461,292</b>	<b>14,429,408</b>
Change in Net Assets before Transfers	4,380,471	2,920,258	508,884	320,630	4,889,355	3,240,888
Transfers In (Out)	125,580	149,000	(125,580)	(116,418)	-	32,582
<b>Change in Net Assets</b>	<b>4,506,051</b>	<b>3,069,258</b>	<b>383,304</b>	<b>204,212</b>	<b>4,889,355</b>	<b>3,273,470</b>
Net Assets - beginning of year (as restated)	23,085,734	20,016,476	4,854,174	4,649,962	27,939,908	24,666,438
<b>Net Assets - end of year</b>	<b>\$ 27,591,785</b>	<b>\$ 23,085,734</b>	<b>\$ 5,237,478</b>	<b>\$ 4,854,174</b>	<b>\$ 32,829,263</b>	<b>\$ 27,939,908</b>

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$10.8 million, a decrease of \$0.74 million in comparison with the prior year. Key elements of this decrease are as follows:

General Fund excess Revenues and Transfers In over Expenditures and Transfers Out	\$ 1,541,579
Special Revenue Fund excess Revenues over Expenditures	495,549
Excess current year Capital Expenditures over current year Bond Proceeds – Road Reconstruction Project	<u>(2,775,079)</u>
<b>Total</b>	<b><u>\$ (737,951)</u></b>

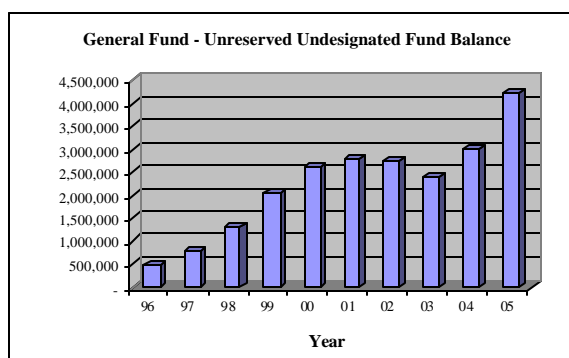
As illustrated in the table above, "Analysis of Change in Revenues and Expenditures" there are certain expense categories which experienced significant increases and decreases in 2005 as compared to 2004. They are as follows:

- **Highways and Streets** reports an increase of \$488k which is due primarily to the purchase of heavy equipment as well as additional deposits to various capital reserve accounts for future heavy equipment purchases.
- **Sanitation** reported a decrease of \$449k which is due primarily to a one-time project budgeted for and completed in 2004 to construct a water line on Magazine Street.

## General Fund

The general fund is the chief operating fund of the Town. At the end of the current year, the general fund had an unreserved, undesignated balance of \$4.2 million, while total fund balance was \$6.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 28.5% of total general fund expenditures, while total fund balance represents 42.1% of the same amount.

The undesignated fund balance of the general fund increased by \$1.2 million during the current year, which is attributable in part to surplus revenues collected from sources such as taxes, investment income and motor vehicle permits during 2005 as well as a lapse of appropriations. Furthermore, the Town adopted a fund balance policy during 2005 which set a goal to acquire a minimum undesignated fund balance of 8% of the Town's total budget. In order to achieve this goal, funding in the amount of \$430,000 was appropriated during the budget process for the purpose of building fund balance.



## Proprietary Funds

The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, yet in more detail. Proprietary fund financial statements use the accrual basis of accounting, like the government-wide financials. As such, there is no reconciliation needed between the government-wide financial statements for business type activities and the proprietary fund financial statements.

The unrestricted fund balance for the Town's Sewer fund, increased by \$209k (25%) during 2005, bringing the total to over \$1 million. Other non-major funds also reported an increase in unrestricted fund balance of \$40k (20%), bringing their cumulative total to \$242k.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the original adopted budget did not change. There were no major variations from the original budget to actual amounts with the exception of unexpended appropriations in both the Town Council and Conservation Commission budgets for the purchase of land which did not become available during 2005. The 2005 budget included an appropriation in the amount of \$500,000 for the Town Council and \$350,000 for the Conservation Commission.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2005, amounted to \$35 million, net of accumulated depreciation, an increase of approximately \$4.0 million after restatement of the 2004 ending balances. Detailed information regarding the restatement can be found in the Notes to the Financial Statements on page 40 (Note 17). This investment in capital assets includes land, buildings, and equipment. The following yearly comparison shows net fixed assets by category:

#### Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Land and Improvements	\$ 13,666,196	\$ 13,681,368	\$ 15,000	\$ 15,000	\$ 13,681,196	\$ 13,696,368
Buildings and Improvements	4,122,374	4,030,835	1,570,394	1,506,945	5,692,768	5,537,780
Vehicles & Equipment	2,672,356	2,573,162	93,066	57,670	2,765,422	2,630,832
Infrastructure	9,542,168	5,752,000	-	-	9,542,168	5,752,000
Sewer System	-	-	3,363,013	3,475,429	3,363,013	3,475,429
Total Assets	<u>\$ 30,003,094</u>	<u>\$ 26,037,365</u>	<u>\$ 5,041,473</u>	<u>\$ 5,055,044</u>	<u>\$ 35,044,567</u>	<u>\$ 31,092,409</u>

Major capital asset acquisitions during the current year included the following:

- Various Public Works vehicles including two International six-wheel dump trucks.
- Construction of the Public Works Salt Shed.
- Legacy Field lights for the Parks & Recreation Department.
- Completion of various road reconstruction projects including Bedford Center Road and Beals/Jenkins Road.

### Debt Administration

At the end of the current year, the Town had total bonded debt outstanding of \$12.53 million, all of which was backed by the full faith and credit of the Town. The Town did not issue any general obligation bonds during 2005. However, bonding in the amount of \$12 million was authorized in 2005 for the purposes of road reconstruction. It is anticipated that this bonding authorization will be issued in June 2006.

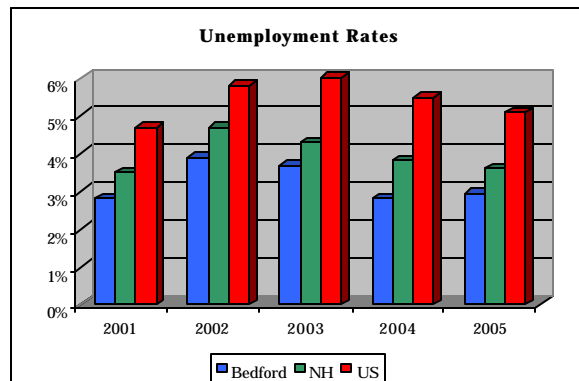
Additional information on the Town's capital assets and long-term debt can be found in the notes to the financial statements on pages 35 and 37 respectively.

## ECONOMIC CONDITIONS

While the Town has not realized a steady growth of revenues as it had in past years, the reliance on our moderately growing tax base has added relative stability to the Town's revenue structure. Furthermore, the Town's ultra-conservative budgeting practices have significantly limited the need for a tax rate increase to pay for Town services.

For fiscal year 2006, the Town approved a \$21,644,602 operating budget, \$8,192,710 of which represents the general fund budget. This budget includes limited funding for a modified capital improvement program, additional funding to increase personnel within the Fire Department, and the necessary funding to maintain Town services at their current levels.

Along with the state and other local municipalities, the Town's economy has remained stagnant with modest growth during 2005. Unemployment is expected to increase, however NH is expected to remain below both the US average and the New England average. According to the NH Department of Employment Security, the unemployment rate in Bedford has increased from 2.8% to 2.9% at the end of 2005. The table to the right depicts unemployment rates in Bedford for the past 5 years compared to the New Hampshire and US unemployment rates.



## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all Bedford citizens, taxpayers, customers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Bedford, Finance Director, 24 North Amherst Road, Bedford, New Hampshire, 03110.

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Statement of Net Assets**

**December 31, 2005**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current:			
Cash and short-term investments	\$ 25,500,622	\$ 743,010	\$ 26,243,632
Investments	2,000,000	-	2,000,000
Receivables, net of allowance for uncollectibles:			
Property taxes	1,435,095	-	1,435,095
User fees	310,138	255,841	565,979
Departmental and other	38,276	9,791	48,067
Intergovernmental	20,000	240,694	260,694
Prepaid items	231,488	-	231,488
Noncurrent:			
Capital assets not being depreciated	13,407,400	15,000	13,422,400
Capital assets being depreciated, net of accumulate depreciation	<u>16,595,693</u>	<u>5,026,471</u>	<u>21,622,164</u>
<b>TOTAL ASSETS</b>	<b>59,538,712</b>	<b>6,290,807</b>	<b>65,829,519</b>
<b>LIABILITIES</b>			
Current:			
Accounts payable	548,882	53,009	601,891
Accrued liabilities	350,212	21,093	371,305
Retainage payable	46,371	-	46,371
Tax refunds payable	73,224	-	73,224
Due to other governments	17,569,855	-	17,569,855
Internal balances	157,225	(157,225)	-
Other current liabilities	-	12,808	12,808
Current portion of long-term liabilities:			
Bonds payable	1,380,000	140,000	1,520,000
Capital leases	28,391	-	28,391
Landfill liability	20,000	-	20,000
Accrued employee benefits	416,241	10,025	426,266
Noncurrent:			
Bonds payable, net of current portion	10,055,000	955,000	11,010,000
Capital leases, net of current portion	88,506	-	88,506
Landfill liability, net of current portion	440,000	-	440,000
Accrued employee benefits, net of current portion	773,020	18,619	791,639
<b>TOTAL LIABILITIES</b>	<b>31,946,927</b>	<b>1,053,329</b>	<b>33,000,256</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	20,979,652	3,946,471	24,926,123
Restricted for:			
Permanent funds:			
Nonexpendable	25,255	-	25,255
Unrestricted	<u>6,586,878</u>	<u>1,291,007</u>	<u>7,877,885</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 27,591,785</b>	<b>\$ 5,237,478</b>	<b>\$ 32,829,263</b>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Statement of Activities**

**For the Year Ended December 31, 2005**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>							
General government	\$ 3,327,264	\$ 166,565	\$ 15,655	\$ -	\$ (3,145,044)	\$ -	\$ (3,145,044)
Public safety	4,723,462	792,788	105,373	-	(3,825,301)	-	(3,825,301)
Highways and streets	2,429,593	476,420	-	792,080	(1,161,093)	-	(1,161,093)
Sanitation	1,089,809	183,752	-	-	(906,057)	-	(906,057)
Welfare	12,266	3,829	-	-	(8,437)	-	(8,437)
Culture and recreation	1,150,720	78,566	1,901	-	(1,070,253)	-	(1,070,253)
Conservation	22,943	-	-	-	(22,943)	-	(22,943)
Interest on long-term debt	424,533	-	-	-	(424,533)	-	(424,533)
Total Governmental Activities	13,180,590	1,701,920	122,929	792,080	(10,563,661)	-	(10,563,661)
<b>Business-Type Activities:</b>							
Sewer services	616,511	951,692	51,213	-	-	386,394	386,394
Other enterprise services	664,191	786,681	-	-	-	122,490	122,490
Total Business-Type Activities	1,280,702	1,738,373	51,213	-	-	508,884	508,884
Total	\$ 14,461,292	\$ 3,440,293	\$ 174,142	\$ 792,080	(10,563,661)	508,884	(10,054,777)
				General Revenues and transfers:			
					7,964,510	-	7,964,510
					4,484,645	-	4,484,645
					307,688	-	307,688
					894,442	-	894,442
					699,815	-	699,815
					593,032	-	593,032
					125,580	(125,580)	-
					15,069,712	(125,580)	14,944,132
					4,506,051	383,304	4,889,355
					23,085,734	4,854,174	27,939,908
					\$ 27,591,785	\$ 5,237,478	\$ 32,829,263

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Governmental Funds**  
**Balance Sheet**

**December 31, 2005**

	General	Road Reconstruction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and short-term investments	\$ 20,707,259	\$ 1,149,748	\$ 3,643,616	\$ 25,500,623
Investments	2,000,000	-	-	2,000,000
Receivables:				
Property taxes, net	1,435,095	-	-	1,435,095
Departmental and other	307,764	-	2,374	310,138
Intergovernmental	20,000	38,276	-	58,276
Due from other funds	33,531	-	-	33,531
Prepaid items	<u>231,488</u>	<u>-</u>	<u>-</u>	<u>231,488</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 24,735,137</u></b>	<b><u>\$ 1,188,024</u></b>	<b><u>\$ 3,645,990</u></b>	<b><u>\$ 29,569,151</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 544,173	\$ 4,709	\$ -	\$ 548,882
Accrued liabilities	222,367	-	-	222,367
Retainage payable	-	46,372	-	46,372
Deferred revenues	109,021	-	-	109,021
Tax refunds liability	73,223	-	-	73,223
Due to other funds	-	-	190,756	190,756
Due to other governments	17,569,855	-	-	17,569,855
<b>TOTAL LIABILITIES</b>	<b>18,518,639</b>	<b>51,081</b>	<b>190,756</b>	<b>18,760,476</b>
Fund Balances:				
Reserved for:				
Encumbrances	649,912	-	-	649,912
Prepaid items	231,488	-	-	231,488
Other purposes	1,121,257	-	-	1,121,257
Perpetual permanent funds	-	-	25,255	25,255
Unreserved:				
Undesignated, reported in:				
General fund	4,213,841	-	-	4,213,841
Special revenue funds	-	-	3,429,734	3,429,734
Capital project funds	-	1,136,943	-	1,136,943
Permanent funds	<u>-</u>	<u>-</u>	<u>245</u>	<u>245</u>
<b>TOTAL FUND BALANCES</b>	<b><u>6,216,498</u></b>	<b><u>1,136,943</u></b>	<b><u>3,455,234</u></b>	<b><u>10,808,675</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 24,735,137</u></b>	<b><u>\$ 1,188,024</u></b>	<b><u>\$ 3,645,990</u></b>	<b><u>\$ 29,569,151</u></b>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Reconciliation of Total Governmental Fund**  
**Balances to Net Assets of Governmental**  
**Activities in the Statement of Net Assets**

**December 31, 2005**

<b>Total governmental fund balances</b>	\$ 10,808,675
· Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,003,093
· Revenues are reported on the accrual basis of accounting and are not deferred until collection.	109,021
· In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(127,846)
· Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(13,201,158)</u>
<b>Net assets of governmental activities</b>	<u>\$ 27,591,785</u>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2005**

	<u>General</u>	<u>Road Reconstruction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 8,272,198	\$ -	\$ -	\$ 8,272,198
Licenses and permits	4,862,208	-	-	4,862,208
Intergovernmental	1,478,886	-	-	1,478,886
Charges for services	879,050	-	68,551	947,601
Investment income	590,722	-	53,735	644,457
Miscellaneous	395,478	55,369	112,784	563,631
Total Revenues	16,478,542	55,369	235,070	16,768,981
<b>Expenditures:</b>				
Current:				
General government	3,171,430	-	76,206	3,247,636
Public safety	4,577,462	-	2,315	4,579,777
Highways and streets	2,906,602	-	-	2,906,602
Sanitation	1,109,809	-	18,868	1,128,677
Welfare	12,266	-	-	12,266
Culture and recreation	1,184,118	-	302	1,184,420
Conservation	22,943	-	-	22,943
Debt service	1,782,529	-	-	1,782,529
Capital outlay	-	<u>2,830,448</u>	-	<u>2,830,448</u>
Total Expenditures	14,767,159	2,830,448	97,691	17,695,298
Excess (deficiency) of revenues over (under) expenditures	1,711,383	(2,775,079)	137,379	(926,317)
<b>Other Financing Sources (Uses):</b>				
Capital Leases	62,786	-	-	62,786
Transfers in	256,360	-	538,950	795,310
Transfers out	(488,950)	-	(180,780)	(669,730)
Total Other Financing Sources (Uses)	(169,804)	-	358,170	188,366
Changes in fund balances	1,541,579	(2,775,079)	495,549	(737,951)
Fund Balances, at Beginning of Year, as restated	<u>4,674,919</u>	<u>3,912,022</u>	<u>2,959,685</u>	<u>11,546,626</u>
Fund Balances, at End of Year	<u>\$ 6,216,498</u>	<u>\$ 1,136,943</u>	<u>\$ 3,455,234</u>	<u>\$ 10,808,675</u>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**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, 2005**

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$	(737,951)															
<ul style="list-style-type: none"> <li>· Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 70%;">Capital outlay purchases, net</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">4,867,769</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">(825,612)</td> </tr> </table> </li> <li>· The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 70%;">Repayments of debt</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">1,385,000</td> </tr> </table> </li> <li>· In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(27,005)</td> </tr> </table> </li> <li>· Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(156,150)</td> </tr> </table> </li> </ul>			Capital outlay purchases, net		4,867,769	Depreciation		(825,612)	Repayments of debt		1,385,000			(27,005)			(156,150)
Capital outlay purchases, net		4,867,769															
Depreciation		(825,612)															
Repayments of debt		1,385,000															
		(27,005)															
		(156,150)															
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	\$	<u>4,506,051</u>															

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**General Fund**  
**Statement of Revenues and Other Sources**  
**And Expenditures and Other Uses – Budget and Actual**  
**For the Year Ended December 31, 2005**

	Original and Final Budget	Actual Amounts	Variance With Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 8,204,312	\$ 8,204,312	\$ -
Licenses and permits	4,711,200	4,862,208	151,008
Intergovernmental	1,571,136	1,478,886	(92,250)
Charges for services	806,313	879,050	72,737
Miscellaneous	1,329,750	986,200	(343,550)
 Total Revenues	 16,622,711	 16,410,656	 (212,055)
<b>Expenditures:</b>			
Current:			
General government	4,208,995	3,264,007	944,988
Public Safety	4,673,649	4,595,297	78,352
Highways and streets	2,854,884	2,890,216	(35,332)
Sanitation	1,238,737	1,196,339	42,398
Welfare	26,100	12,266	13,834
Culture and recreation	1,284,402	1,276,055	8,347
Conservation	372,520	23,575	348,945
Debt service	1,782,529	1,782,529	-
 Total Expenditures	 <u>16,441,816</u>	 <u>15,040,284</u>	 <u>1,401,532</u>
<b>Other financing sources (uses):</b>			
Capital Leases	-	62,786	62,786
Transfers in	308,055	256,360	(51,695)
Transfers out	(488,950)	(488,950)	-
 Total Other Financing Sources (Uses)	 (180,895)	 (169,804)	 11,091
 Excess of revenues and other sources over expenditures and other uses	 <u>\$ -</u>	 <u>\$ 1,200,568</u>	 <u>\$ 1,200,568</u>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Proprietary Funds**  
**Statement of Net Assets**  
**December 31, 2005**

	Business-Type Activities		
	Enterprise Funds		
	Sewer Fund	Nonmajor Enterprise Funds	Total
<b>ASSETS</b>			
Current:			
Cash and short-term investments	\$ 508,933	\$ 234,077	\$ 743,010
Receivables, net of allowance for uncollectibles:			
User fees	219,046	36,795	255,841
Intergovernmental	240,694	-	240,694
Due from other funds	157,225	-	157,225
Total current assets	1,125,898	270,872	1,396,770
Noncurrent:			
Deferred special assessments	9,791	-	9,791
Capital assets:			
Capital assets not being depreciated	15,000	-	15,000
Capital assets being depreciated, net of accumulated depreciation	4,965,093	61,378	5,026,471
Total noncurrent assets	4,989,884	61,378	5,051,262
<b>TOTAL ASSETS</b>	6,115,782	332,250	6,448,032
<b>LIABILITIES</b>			
Current:			
Accounts payable	42,124	10,885	53,009
Accrued liabilities	21,093	-	21,093
Other current liabilities	12,520	288	12,808
Current portion of long-term liabilities:			
Bonds payable	140,000	-	140,000
Accrued employee benefits	4,010	6,015	10,025
Total current liabilities	219,747	17,188	236,935
Noncurrent:			
Bonds payable, net of current portion	955,000	-	955,000
Accrued employee benefits	7,198	11,421	18,619
Total noncurrent liabilities	962,198	11,421	973,619
<b>TOTAL LIABILITIES</b>	1,181,945	28,609	1,210,554
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,885,093	61,378	3,946,471
Unrestricted	1,048,744	242,263	1,291,007
<b>TOTAL NET ASSETS</b>	\$ 4,933,837	\$ 303,641	\$ 5,237,478

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended December 31, 2005**

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Nonmajor Enterprise Funds	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 950,096	\$ 784,167	\$ 1,734,263
Miscellaneous	1,596	2,514	4,110
 Total Operating Revenues	 951,692	 786,681	 1,738,373
<b>Operating Expenses:</b>			
Personnel services	69,981	575,983	645,964
Non-personnel services	357,638	74,125	431,763
Depreciation	188,892	14,083	202,975
 Total Operating Expenses	 <u>616,511</u>	 <u>664,191</u>	 <u>1,280,702</u>
 Operating Income	 335,181	 122,490	 457,671
<b>Nonoperating Revenues:</b>			
Intergovernmental revenue	51,213	-	51,213
 Total Nonoperating Revenues	 <u>51,213</u>	 <u>-</u>	 <u>51,213</u>
 Income Before Transfers	 386,394	 122,490	 508,884
Transfers to other funds	<u>(85,000)</u>	<u>(40,580)</u>	<u>(125,580)</u>
 Changes in Net Assets	 301,394	 81,910	 383,304
Net Assets at Beginning of Year, as restated	4,632,443	221,731	4,854,174
Net Assets at End of Year	<u>\$ 4,933,837</u>	<u>\$ 303,641</u>	<u>\$ 5,237,478</u>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Proprietary Funds**  
**Statement of Cash Flows**

**For the Year Ended December 31, 2005**

	Business-Type Activities		
	Enterprise Funds		
	Sewer Fund	Nonmajor Enterprise Funds	Total
<b><u>Cash Flows From Operating Activities:</u></b>			
Receipts from customers and users	\$ 957,748	\$ 818,732	\$ 1,776,480
Payments to employees and professional contractors for services	(69,981)	(575,939)	(645,920)
Payments to suppliers for goods and services	(338,800)	(163,717)	(502,517)
Net Cash Provided By Operating Activities	548,967	79,076	628,043
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>			
Transfers to other funds	(85,000)	(40,580)	(125,580)
Net Cash (Used For) Noncapital Financing Activities	(85,000)	(40,580)	(125,580)
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>			
Acquisition and construction of capital assets	(134,537)	(55,365)	(189,902)
Principal payments on bonds and notes	(178,973)	-	(178,973)
Intergovernmental revenue	51,213	-	51,213
Net Cash (Used For) Capital and Related Financing Activities	(262,297)	(55,365)	(317,662)
Net Change in Cash and Short-Term Investments	201,670	(16,869)	184,801
Cash and Short-Term Investments, Beginning of Year	307,263	250,946	558,209
Cash and Short-Term Investments, End of Year	<u>\$ 508,933</u>	<u>\$ 234,077</u>	<u>\$ 743,010</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u></b>			
Operating income	\$ 335,181	\$ 122,490	\$ 457,671
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	188,892	14,083	202,975
Changes in assets and liabilities:			
User fees	6,056	32,051	38,107
Other assets	47,594	-	47,594
Accounts payable	17,726	(93,535)	(75,809)
Accrued liabilities	(2,924)	-	(2,924)
Other liabilities	(43,558)	3,987	(39,571)
Net Cash Provided By Operating Activities	<u>\$ 548,967</u>	<u>\$ 79,076</u>	<u>\$ 628,043</u>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**December 31, 2005**

	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
<b><u>ASSETS</u></b>		
Cash and short-term investments	\$ 876,657	\$ 2,448,076
Total Assets	876,657	2,448,076
<b><u>LIABILITIES</u></b>		
Other liabilities	<u>-</u>	<u>2,448,076</u>
Total Liabilities	<u>-</u>	<u>2,448,076</u>
<b><u>NET ASSETS</u></b>		
Total net assets held in trust	<u>\$ 876,657</u>	<u>\$ -</u>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended December 31, 2005**

	Private Purpose Trust Funds
<b>Additions:</b>	
Investment income	\$ 29,954
Total additions	29,954
<b>Deductions:</b>	
General governmental	<u>680</u>
Total deductions	<u>680</u>
Net increase	29,274
<b>Net assets:</b>	
Beginning of year	<u>847,383</u>
End of year	<u>\$ 876,657</u>

*The notes to the financial statements are an integral part of this statement.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

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**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

***1-A Reporting Entity***

The Town of Bedford, New Hampshire, is a municipal corporation governed by an elected Town Council who appoints a Town Manager. As required by generally accepted accounting principles, these financial statements present the Town of Bedford (primary government). Component units are organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In 2005, it was determined that no entities met the required GASB-39 criteria of component units.

***1-B Basis of Presentation***

The Town's basic financial statements consist of government-wide statements, including a statement of net assets and statement of activities; and fund financial statements, which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** – The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Town as a whole. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed at this reporting level as all individual funds are consolidated as governmental or business-type activities.

The statement of net assets presents the financial position of the governmental and business-type activities of the Town at year-end. This statement includes all of the Town's assets, liabilities and net assets.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental and business-type activities. Direct expenses are those that are specifically associated with the function and therefore, clearly identifiable to that particular function. Certain indirect costs are included in the program expense reported for individual functions and activities.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with the functional activity.

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

The Town reports two major governmental funds; the general and road reconstruction funds, and one major proprietary fund, the sewer fund. All non-major funds are aggregated in one column on the fund financial statements.

***1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

***Government-Wide Financial Statements*** – The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

## **TOWN OF BEDFORD, NEW HAMPSHIRE**

### *Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

Amounts reported as program revenues include: (1) charges for services, which include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to the program uses. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and permit revenue.

***Fund Financial Statements*** – All governmental funds are accounted for using a flow of *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Road Reconstruction Fund* accounts for the Town's ongoing road reconstruction projects.

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

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

The private purpose trust funds use an economic resources measurement focus. These funds report all assets and liabilities, if any, on the statement of fiduciary net assets. The statement of changes in fiduciary net assets reports additions and deductions to net assets.

#### ***D. Cash and Short-Term Investments***

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type is included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

**E. Investments**

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments for the Trust Funds consist of marketable securities, bonds and short-term money market investments. Investments are carried at market value.

**F. Interfund Receivables and Payables**

Transactions between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due from/to other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 5,000 for machinery and equipment, \$25,000 for land improvements, \$50,000 for buildings and building improvements and \$250,000 for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Land improvements	20 – 30
Buildings and building improvements	7 – 40
Equipment & vehicles	5 – 15
Infrastructure	20 – 50
Sewer system	25

**H. Compensated Absences**

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the Town’s experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide and proprietary fund financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “when due”.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

***I. Long-term Obligations***

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year.

***J. Fund Equity***

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

***Fund Balance*** – Generally, fund balance represents the difference between the current assets and current liabilities. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management’s intent to set aside these resources for specific purposes.

***Net Assets*** – Net assets represent 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 improvement of those assets. Net assets are 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. All other net assets are reported as unrestricted.

***K. Use of Estimates***

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

***NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

***A. Budgetary Information***

At the annual town meeting, the Town Council presents an operating budget for the proposed expenditures of the fiscal year commencing the previous January 1. The budget, as enacted by town meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues.

The legal spending limit is at the Town-wide level, as voted by town meeting.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

***B. Budgetary Basis***

The General Fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final budget.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

**C. Budget/GAAP Reconciliation**

The budgetary data for the general is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
General Fund Revenues/Expenditures (GAAP basis)	\$ 16,478,542	\$ 14,767,159
Other financing sources/Uses (GAAP basis)	<u>319,146</u>	<u>488,950</u>
Subtotal	16,797,688	15,256,109
Adjust tax revenue to accrual basis	(67,886)	-
Reverse beginning of year appropriation carryforwards From expenditures	-	(314,001)
Add end of year appropriation carryforwards to expenditures	<u>-</u>	<u>649,912</u>
Budgetary Basis	<u>\$ 16,729,802</u>	<u>\$ 15,529,234</u>

**NOTE 3 – CASH AND SHORT TERM INVESTMENTS**

*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 to it. RSA 48:16 limits “deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, exception that a city with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank.” The Town does not have a deposit policy for custodial credit risk.

As of December 31, 2005, the Town’s bank balance of \$30,176,629 collateralized through repurchase agreements with the Town’s financial institutions.

**NOTE 4 – INVESTMENTS**

**A. Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

The Town’s policy states that credit risk will be minimized by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Town will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

The Town's investments at year end (in thousands) are composed of two certificates of deposit totaling \$2,000, for which ratings are not available.

***B. Custodial Credit Risk***

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town does not have formal policies for custodial credit risk.

***C. Concentration of Credit Risk***

The Town places no limit on the amount the Town may invest in any one issuer.

***D. Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Town's policy seek to minimize interest rate risk by:

- Structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools

The Town's investments, consisting of two certificates of deposit, mature in 1-5 years.

***E. Foreign Currency Risk***

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have policies for foreign currency risk.

***NOTE 5 – TAXES RECEIVABLE***

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year. The net assessed valuation as of April 1, 2005, upon which the 2005 property tax levy was based is:

For the New Hampshire Education Tax	\$ 2,982,577,494
For All Other Taxes	\$ 3,002,978,758

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are due on or around July 1 and December 1 of each year, with interest accruing at a rate of 12% on bills outstanding after the due date. The June 1 billing is considered an estimate only and is one half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the New Hampshire Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

During the current fiscal year, the Tax Collector executed a lien on April 21<sup>st</sup> for all uncollected 2004 property taxes.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

Taxes receivable at December 31, 2005, are as follows:

<u>Property</u>	
Levy of 2005	\$ 1,327,728
<u>Unredeemed (under tax lien)</u>	
Levy of 2004	100,211
Levy of 2003	16,093
Land Use Change	83,487
Less: Allowance for estimated uncollectible taxes	<u>(92,423)</u>
Net Taxes Receivable	<u><u>\$ 1,435,096</u></u>

**NOTE 6 – INTERFUND RECEIVABLES/PAYABLES**

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the December 31, 2005 balances in interfund receivable and payable accounts:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund:	\$ 33,531	\$ -
Special Revenue Funds:		
Impact and Review Fees	-	190,756
Enterprise Funds:		
Sewer fund	<u>157,225</u>	<u>-</u>
Total	<u><u>\$ 190,756</u></u>	<u><u>\$ 190,756</u></u>

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital Assets, being depreciated				
Land Improvements	\$ 303,330	\$ -	\$ -	\$ 303,330
Buildings	6,143,930	195,601	-	6,339,531
Machinery, Equipment & Vehicles	5,164,145	590,298	(321,272)	5,433,171
Infrastructure ( <i>see note below</i> )	5,920,176	4,081,870	-	10,002,046
Total Capital Assets, being depreciated	<u>17,531,581</u>	<u>4,867,769</u>	<u>(321,272)</u>	<u>22,078,078</u>
Less accumulated depreciation for:				
Land Improvements	(29,362)	(15,172)	-	(44,534)
Buildings	(2,113,095)	(104,062)	-	(2,217,157)
Machinery, Equipment & Vehicles	(2,590,983)	(456,327)	286,495	(2,760,815)
Infrastructure	(209,827)	(250,051)	-	(459,878)
Total Accumulated Depreciation	<u>(4,943,267)</u>	<u>(825,612)</u>	<u>286,495</u>	<u>(5,482,384)</u>
Total Capital Assets, being depreciated, net	<u><u>12,588,314</u></u>	<u><u>4,042,157</u></u>	<u><u>(34,777)</u></u>	<u><u>16,595,694</u></u>
Capital Assets, not being depreciated				
Land	13,407,400	-	-	13,407,400
Total Capital Assets, not being depreciated	<u>13,407,400</u>	<u>-</u>	<u>-</u>	<u>13,407,400</u>
Governmental Activities Capital Assets, net	<u><u>\$ 25,995,714</u></u>	<u><u>\$ 4,042,157</u></u>	<u><u>\$ (34,777)</u></u>	<u><u>\$ 30,003,094</u></u>

*Note: The Town has not yet fully capitalized infrastructure assets for governmental activities.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

	Beginning Balance	Additions	Deletions	Ending Balance
<b><i>Business-Type Activities</i></b>				
Capital Assets, being depreciated				
Buildings	\$ 2,767,591	\$ 134,538	\$ -	\$ 2,902,129
Machinery, Equipment & Vehicles	81,051	55,366	-	136,417
Sewer System	4,496,655	-	-	4,496,655
Total Capital Assets, being depreciated	7,345,297	189,904	-	7,535,201
Less accumulated depreciation for:				
Buildings	(1,261,146)	(70,589)	-	(1,331,735)
Machinery, Equipment & Vehicles	(23,381)	(19,970)	-	(43,351)
Sewer System	(1,021,226)	(112,416)	-	(1,133,642)
Total Accumulated Depreciation	(2,305,753)	(202,975)	-	(2,508,728)
Total Capital Assets, being depreciated, net	5,039,544	(13,071)	-	5,026,473
Capital Assets, not being depreciated				
Land	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Total Capital Assets, not being depreciated	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Business-Type Activities Capital Assets, net	<u>\$ 5,054,544</u>	<u>\$ (13,071)</u>	<u>\$ -</u>	<u>\$ 5,041,473</u>

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

<i>Governmental activities:</i>		
General government		\$ 42,137
Public safety		231,164
Highways and streets		486,608
Culture and recreation		<u>65,703</u>
Total deprecation expense – governmental activities		<u>\$ 825,612</u>
<i>Business-type activities:</i>		
Sewer department		\$ 188,892
Bedford community television		<u>14,083</u>
Total deprecation expense – business-type activities		<u>\$ 202,975</u>

**NOTE 8 – ACCOUNTS PAYABLE**

Accounts payable represent additional 2005 expenditures paid after December 31, 2005.

**NOTE 9 – DEFERRED REVENUE**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the total of all December 31, 2005 receivable balances. Deferred revenue does not include property taxes which are accrued for 60-day collections.

**Note 10 – CAPITAL LEASES PAYABLE**

The Town's outstanding lease agreements include the acquisition of vehicles. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

The assets acquired through capital leases are as follows:

Machinery and Equipment	\$ 145,800
Less: Accumulated Depreciation	<u>( 22,453)</u>
Equipment Under Capital Lease, net	<u>\$ 123,347</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2005, were as follows:

2006	\$ 28,391
2007	32,465
2008	32,465
2009	27,958
2010	<u>4,105</u>
Total Minimum Lease Payments	125,384
Less amount representing interest	<u>(8,487)</u>
Present Value of Minimum Lease Payments	<u>\$ 116,897</u>

**NOTE 11 – LONG-TERM DEBT**

**A. General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds currently outstanding are as follows:

	<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at December 31, 2005</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>						
Joppa Hill Land	\$ 2,300,000	2001	2011	4.00-4.35	\$ 1,380,000	\$ 230,000
Road Construction	8,000,000	2003	2013	2.60-3.25	6,400,000	800,000
Safety Complex Refunding	1,165,000	2004	2014	2.0-3.25	935,000	115,000
Library Construction Refunding	1,455,000	2004	2016	2.0-3.75	1,320,000	135,000
Landfill Closure	2,003,924	1999	2019	4.48	<u>1,400,000</u>	<u>100,000</u>
Total Governmental Activities:					<u>\$ 11,435,000</u>	<u>\$ 1,380,000</u>
<i>Business-Type Activities:</i>						
Sewer Construction	\$ 2,020,000	1998	2012	4.00-4.85	\$ 1,095,000	\$ 140,000
Total Business-Type Activities:					<u>\$ 1,095,000</u>	<u>\$ 140,000</u>

**B. Future Debt Service**

The annual requirements to amortize all general obligation debt outstanding as of December 31, 2005, including interest payments, are as follows:

*Governmental Activities:*

2006	\$ 1,380,000	\$ 357,949	\$ 1,737,949
2007	1,375,000	318,519	1,693,519
2008	1,365,000	279,033	1,644,033
2009	1,360,000	237,884	1,597,884
2010	1,355,000	194,511	1,549,511
2011-2015	4,090,000	383,537	4,473,537
2016-2019	<u>510,000</u>	<u>46,863</u>	<u>556,863</u>
Totals	<u>\$ 11,435,000</u>	<u>\$ 1,818,296</u>	<u>\$ 13,253,296</u>

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

*Business-Type Activities:*

Fiscal Year Ending December 31,	Principal	Interest	Total
2006	\$ 140,000	\$ 49,958	\$ 189,958
2007	140,000	43,938	183,938
2008	150,000	37,812	187,812
2009	155,000	31,212	186,212
2010	165,000	24,238	189,238
2011-2012	<u>345,000</u>	<u>25,137</u>	<u>370,137</u>
<b>Totals</b>	<b><u>\$ 1,095,000</u></b>	<b><u>\$ 212,295</u></b>	<b><u>\$ 1,307,295</u></b>

All debt is general obligation debt of the Town, which is backed by its full faith and credit. Enterprise fund debt will be funded through user fees. All other debt will be repaid from general governmental revenues of the general fund.

**C. Changes in General Long-Term Liabilities**

During the year ended December 31, 2005, the following changes occurred in long-term liabilities:

	Total Balance 1/1/05	Additions	Reductions	Total Balance 12/31/05	Less Current Portion	Equals Long-Term Portion 12/31/05
<b>Governmental Activities:</b>						
Bonds Payable	\$ 12,820,000	\$ -	\$ 1,385,000	\$ 11,435,000	\$ 1,380,000	\$ 10,055,000
Capital Leases	66,969	62,786	12,856	116,897	28,391	88,506
Landfill Post Closure	480,000	-	20,000	460,000	20,000	440,000
Accrued Employee Benefits	1,100,808	88,453	-	1,189,261	416,241	773,020
<b>Totals</b>	<b><u>\$ 14,467,777</u></b>	<b><u>\$ 151,239</u></b>	<b><u>\$ 1,417,856</u></b>	<b><u>\$ 13,201,158</u></b>	<b><u>\$ 1,844,632</u></b>	<b><u>\$ 11,356,526</u></b>
<b>Business-Type Activities:</b>						
Bonds Payable	\$ 1,273,973	\$ -	\$ 178,973	\$ 1,095,000	\$ 140,000	\$ 955,000
Accrued Employee Benefits	23,638	5,005	-	28,643	10,025	18,618
<b>Totals</b>	<b><u>\$ 1,297,611</u></b>	<b><u>\$ 5,005</u></b>	<b><u>\$ 178,973</u></b>	<b><u>\$ 1,123,643</u></b>	<b><u>\$ 150,025</u></b>	<b><u>\$ 973,618</u></b>

**NOTE 12 – RESTRICTED NET ASSETS**

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

Permanent fund restricted net assets are segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings, which are available to be spent based on donor restrictions.

**NOTE 13 – RESERVES OF FUND EQUITY**

“Reserves” of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use.

The following types of reserves are reported at December 31, 2005:

Reserved for Encumbrances - An account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Prepaid Items - An account used to segregate that portion of fund balance representing 2006 expenditures paid during 2005.

Reserved for Other Purposes - Represents the amount of fund balance appropriated to be used for expenditures related to Joppa Hill land purchase.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

Reserved for Perpetual Permanent Funds - Represents the principal of the nonexpendable trust fund investments. The balance cannot be spent for any purpose; however, it may be invested and the earnings may be spent.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

*Outstanding Lawsuits* – There are several pending lawsuits in which the Town is involved. The Town's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

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

**NOTE 15 – PENSION PLAN**

**A. Plan Description and Provisions**

The Town of Bedford participates in the New Hampshire Retirement System (The System) which is the administrator of a cost-sharing multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Provisions for benefits and contributions are established and can be amended by the New Hampshire State Legislature. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 4 Chenell Drive, Concord, NH 03301-8509.

**B. Funding Policy**

The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees except police officers and firefighters are required to contribute 5% of earnable compensation. Police officers and firefighters are required to contribute 9.3% of gross earnings. For the year ended December 31, 2005, the Town contributed 7.87% through June 30<sup>th</sup> and 9.68% through December 31<sup>st</sup> for police officers, 13.44% through June 30<sup>th</sup> and 14.36% through December 31<sup>st</sup> for firefighters and 5.90% through June 30<sup>th</sup> and 6.81% through December 31<sup>st</sup> for other employees. The contribution requirements for the Town of Bedford for the fiscal years 2003, 2004, and 2005 were \$343,533, \$409,513 and \$491,270 respectively, which were paid in full in each year. Contributions from employees for the years 2003, 2004 and 2005 were \$334,777, \$368,614 and \$411,756 respectively. The Town's covered payroll for 2005 was \$6,082,758.

**NOTE 16 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2005, the Town was a member of the Local Government Center (LGC) Property-Liability Trust, LLC and the Workers' Compensation Trust. This entity is considered public entity risk pool, currently operating as a common risk management and insurance program for member towns and cities.

The Local Government Center Property-Liability Trust, Inc. is a Trust organized to provide certain property and liability insurance coverages to member towns, cities and other qualified political subdivisions of New Hampshire. As a member of the Local Government Center Property-Liability Trust, LLC, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 to June 30. The program includes a Self-Insured Retention Fund (SIR) from which is paid up to \$500,000 for each and every covered property, auto physical damage and crime loss, subject to a \$1,000 deductible, and each and every covered general liability and public officials' liability loss. The Trust maintains, on behalf of its members, reinsurance policies shared by the membership.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

*Notes to the Basic Financial Statements*

*For the Year ended December 31, 2005*

Contributions paid in 2005 for fiscal year 2006, ending June 30, 2006, to be recorded as an insurance expenditure/expense totaled \$110,701. There were no unpaid contributions for the year ending June 30, 2006 due in 2006. The trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of any additional assessments for past years. The amount of settlements has not exceeded insurance coverage for any of the past three years.

The Local Government Center (LGC) Workers' Compensation Trust is a pooled risk management program under RSAs 5-B and 281-A. The workers' compensation policy provides statutory coverage for workers' compensation. LGC retained \$500,000 of each loss. The membership and coverage run from January 1 through December 31. The estimated net contribution from the Town of Bedford billed and paid for the year ended December 31, 2005 was \$97,533. The member participation agreement permits LGC to make additional assessments to members, should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. At this time, LGC foresees no likelihood of any additional assessment for this or any prior year. The amount of settlements has not exceeded insurance coverage for any of the past three years.

**NOTE 17 – BEGINNING FUND BALANCE/NET ASSETS RESTATEMENT**

The beginning (January 1, 2005) net assets of the governmental and business-type activities have been restated as follows:

*Government-Wide Financial Statements:*

	Governmental Activities	Business-Type Activities		
		Sewer Fund	Nonmajor Enterprise	Total Business- Type Activities
As previously reported	\$ 19,696,938	\$ 4,599,861	\$ 221,731	\$ 4,821,592
Adjustments:				
Joppa Hill Deferral	1,121,257	-	-	-
Due from Other Funds	33,531	-	-	-
Intergovernmental Receivable	-	32,582	-	32,582
Fixed Asset Restatement	2,442,951	-	-	-
Depreciation Restatement	(210,283)	-	-	-
Vehicle Leases	(65,860)	-	-	-
Prepaid Debt Payment	<u>67,200</u>	-	-	-
As Restated	<u>\$ 23,085,734</u>	<u>\$ 4,632,443</u>	<u>\$ 221,731</u>	<u>\$ 4,854,174</u>

The beginning (January 1, 2005) fund balance of the General Fund has been restated as follows:

*Governmental Fund Financial Statements:*

	General Fund
As previously reported	\$ 3,629,111
Adjustments:	
Joppa Hill Deferral	1,121,257
Deferred Revenue	(108,980)
Due from Other Fund	<u>33,531</u>
As Restated	<u>\$ 4,674,919</u>

## **SUPPLEMENTARY STATEMENTS AND SCHEDULES**

*Detail Schedule of Revenues and Other Financing Sources  
Budget and Actual – General Fund*

*Detail Schedule of Expenditures and Other Financing Uses  
Budget and Actual – General Fund*

*Combining Statements – Non-major Governmental Funds*

*Combining Statements – Non-major Proprietary Funds*

*Combining Statements – Fiduciary Funds*

*Statement of Changes – Agency Fund*

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Detail Schedule of Revenues and Other Financing Sources**  
**Budget and Actual - General Fund**

**For the Year Ended December 31, 2005**

	Original and Final Budget	Actual	Variance With Budget Positive (Negative)
<u>Revenues</u>			
Taxes			
Property taxes	\$ 7,891,312	\$ 7,891,312	\$ -
Land use change	165,000	154,512	(10,488)
Timber	3,000	4,765	1,765
Interest and penalties	<u>145,000</u>	<u>153,723</u>	<u>8,723</u>
Total Taxes	8,204,312	8,204,312	-
<u>Licenses and Permits</u>			
Business licenses, permits and fees	22,000	20,461	(1,539)
Motor vehicle permits and fees	4,402,000	4,484,645	82,645
Building permits	247,000	315,748	68,748
Other licenses and permits	40,200	41,354	1,154
Total Licenses and Permits	4,711,200	4,862,208	151,008
Intergovernmental			
State:			
Shared revenues	155,590	155,590	-
Meals and rooms distribution	666,874	738,375	71,501
Highway block grant	451,582	451,582	-
Other state grants	31,090	31,541	451
Federal:			
Other - COPS and other grants	<u>266,000</u>	<u>101,798</u>	<u>(164,202)</u>
Total Intergovernmental	1,571,136	1,478,886	(92,250)
<u>Charges for Services</u>			
Income from departments	<u>806,313</u>	<u>879,050</u>	<u>72,737</u>
Total Charges for Services	806,313	879,050	72,737
Miscellaneous Revenues			
Sale of municipal property	852,500	32,106	(820,394)
Interest on investments	150,000	590,722	440,722
Joppa Hill	327,250	363,372	36,122
Total Other Revenues	1,329,750	986,200	(343,550)
<u>Other Financing Sources</u>			
Transfers from Capital Reserve	128,475	133,232	4,757
Transfers from special revenue funds	104,000	47,548	(56,452)
Transfers from enterprise funds	<u>75,580</u>	<u>75,580</u>	<u>-</u>
Total Other Financing Sources	<u>308,055</u>	<u>256,360</u>	<u>(51,695)</u>
Total Revenues and Other Financing Sources	<u>\$ 16,930,766</u>	<u>\$ 16,667,016</u>	<u>\$ (263,750)</u>

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Detail Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual - General Fund**

**For the Year Ended December 31, 2005**

	Original and Final Budget	Actual	Variance With Budget Positive (Negative)
<u>Expenditures</u>			
<u>General Government</u>			
Executive	\$ 801,891	\$ 275,882	\$ 526,009
Elections and registrations	96,033	96,854	(821)
Financial administration	629,785	624,308	5,477
Revaluation of property	120,140	119,697	443
Legal	55,000	75,208	(20,208)
Planning/zoning/HDC	268,423	267,931	492
General government buildings	283,144	319,422	(36,278)
Cemetaries	38,900	35,723	3,177
Insurance, not otherwise allocated	1,347,100	1,334,103	12,997
Advertising and regional assessments	68,779	68,852	(73)
Other	<u>499,800</u>	<u>46,027</u>	<u>453,773</u>
Total General Government	4,208,995	3,264,007	944,988
<u>Public Safety</u>			
Police department	2,643,272	2,601,472	41,800
Fire department	1,893,669	1,864,918	28,751
Building inspection/health department	136,608	128,599	8,009
Emergency management	100	308	(208)
Total Public Safety	4,673,649	4,595,297	78,352
<u>Highways and Streets</u>			
Administration	218,980	238,103	(19,123)
Highways and streets	2,576,604	2,592,678	(16,074)
Street lighting	<u>59,300</u>	<u>59,435</u>	<u>(135)</u>
Total Highways and Streets	2,854,884	2,890,216	(35,332)
<u>Sanitation</u>			
Solid waste disposal	1,238,737	1,196,339	42,398
Total Sanitation	1,238,737	1,196,339	42,398
<u>Welfare</u>			
Welfare administration	17,500	3,721	13,779
Intergovernmental payments	<u>8,600</u>	<u>8,545</u>	<u>55</u>
Total Welfare	26,100	12,266	13,834
<u>Culture and Recreation</u>			
Parks and recreation	620,262	624,185	(3,923)
Library	659,940	649,690	10,250
Other - Town events	<u>4,200</u>	<u>2,180</u>	<u>2,020</u>
Total Culture and Recreation	1,284,402	1,276,055	8,347
Conservation	372,520	23,575	348,945
<u>Debt Service</u>			
Principal	1,385,000	1,385,000	-
Interest	397,529	397,529	-
Total Debt Service	1,782,529	1,782,529	-
<u>Other Financing Uses:</u>			
Transfers - Capital reserve	<u>488,950</u>	<u>488,950</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 16,930,766</u>	<u>\$ 15,529,234</u>	<u>\$ 1,401,532</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***Special Revenue Funds***

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

*Capital Reserve* – This fund is used to account for the Town’s capital reserves established by vote of Town meeting.

*Impact & Review Fees* – This fund is used to account for various fees charged in accordance with Town policies that are restricted for specific purposes.

*Community Development* – This fund is used to account for collections and expenditures designated for special community development projects.

*Donations* – This fund is used to account for donations collected to fund certain projects or purchases.

### ***Permanent Funds***

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting Town’s programs.

*Cemetery Perpetual Care* – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the Town’s cemeteries.

*Library* – This fund is used to account for principal trust amounts received and related interest income for which the interest only can be used for purposes of the Town’s public library.

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

**December 31, 2005**

	Special Revenue Funds				Permanent Funds		Total Nonmajor Governmental Funds
	Capital Reserve	Impact and Review Fees	Community Development	Donations	Cemetery Perpetual Care	Library	
<b>ASSETS</b>							
Cash and short-term investments	\$ 2,402,382	\$ 1,185,522	\$ 20,830	\$ 9,382	\$ 20,021	\$ 5,479	\$ 3,643,616
Departmental and other receivables	<u>-</u>	<u>2,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,374</u>
Total Assets	<u>\$ 2,402,382</u>	<u>\$ 1,187,896</u>	<u>\$ 20,830</u>	<u>\$ 9,382</u>	<u>\$ 20,021</u>	<u>\$ 5,479</u>	<u>\$ 3,645,990</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Due to other funds	\$ -	\$ 190,756	\$ -	\$ -	\$ -	\$ -	\$ 190,756
Total Liabilities	-	190,756	-	-	-	-	190,756
<b>Fund Balances:</b>							
<b>Reserved for:</b>							
Perpetual permanent funds	-	-	-	-	19,825	5,430	25,255
<b>Unreserved:</b>							
<b>Undesignated, reported in:</b>							
Special revenue funds	2,402,382	997,140	20,830	9,382	-	-	3,429,734
Permanent funds	-	-	-	-	196	49	245
Total Fund Balances	2,402,382	997,140	20,830	9,382	20,021	5,479	3,455,234
Total Liabilities and Fund Balances	<u>\$ 2,402,382</u>	<u>\$ 1,187,896</u>	<u>\$ 20,830</u>	<u>\$ 9,382</u>	<u>\$ 20,021</u>	<u>\$ 5,479</u>	<u>\$ 3,645,990</u>

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Equity**  
**Nonmajor Governmental Funds**

**For the Year Ended December 31, 2005**

	Special Revenue Funds				Permanent Funds		Total Nonmajor Governmental Funds
	Capital Reserve	Impact and Review Fees	Community Development	Donations	Cemetery Perpetual Care	Library	
Revenues:							
Charges for services	\$ -	\$ 68,551	\$ -	\$ -	\$ -	\$ -	\$ 68,551
Investment income	52,884	-	-	-	675	176	53,735
Miscellaneous	<u>79,553</u>	<u>27,725</u>	<u>1,889</u>	<u>3,617</u>	<u>-</u>	<u>-</u>	<u>112,784</u>
Total Revenues	132,437	96,276	1,889	3,617	675	176	235,070
Expenditures:							
Current:							
General government	9,624	66,582	-	-	-	-	76,206
Public safety	-	-	-	2,315	-	-	2,315
Highways and streets	17,764	-	-	-	1,104	-	18,868
Culture and recreation	-	-	-	-	-	302	302
Total Expenditures	27,388	66,582	-	2,315	1,104	302	97,691
Excess (deficiency) of revenues over (under) expenditures	105,049	29,694	1,889	1,302	(429)	(126)	137,379
Other Financing Sources (Uses):							
Transfers in	538,950	-	-	-	-	-	538,950
Transfers out	<u>(180,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,780)</u>
Total Other Financing Sources (Uses)	<u>358,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,170</u>
Net change in fund balances	463,219	29,694	1,889	1,302	(429)	(126)	495,549
Fund Balances, beginning of year	<u>1,939,163</u>	<u>967,446</u>	<u>18,941</u>	<u>8,080</u>	<u>20,450</u>	<u>5,605</u>	<u>2,959,685</u>
Fund Balances, end of year	\$ 2,402,382	\$ 997,140	\$ 20,830	\$ 9,382	\$ 20,021	\$ 5,479	\$ 3,455,234

## **NONMAJOR PROPRIETARY FUNDS**

### ***Enterprise Funds***

Enterprise funds are used to account for activities of the Town for which a fee is charged to external users for goods or services.

*Bedford Community Television* – This fund accounts for the activities of the Town’s local cable television service.

*Police Detail* – This fund accounts for the provision of Town police personnel for traffic control and other special details.

*Day Camp* – This fund accounts for the transactions of the Town’s summer day camp program.

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Combining Statement of Net Assets**  
**Nonmajor Proprietary Funds**

**December 31, 2005**

	Bedford Community Television	Police Detail	Day Camp	Total Nonmajor Funds
<b><u>ASSETS</u></b>				
Current:				
Cash and short-term investments	\$ 65,145	\$ 154,746	\$ 14,186	\$ 234,077
Receivables, net of allowance for uncollectibles:				
User fees	-	36,795	-	36,795
Total current assets	65,145	191,541	14,186	270,872
Noncurrent:				
Capital assets being depreciated, net of accumulated depreciation	61,378	-	-	61,378
Total noncurrent assets	<u>61,378</u>	<u>-</u>	<u>-</u>	<u>61,378</u>
<b>TOTAL ASSETS</b>	126,523	191,541	14,186	332,250
<b><u>LIABILITIES</u></b>				
Current:				
Accounts payable	10,752	133	-	10,885
Other current liabilities	-	288	-	288
Current portion of long-term liabilities:				
Accrued employee benefits	<u>6,015</u>	<u>-</u>	<u>-</u>	<u>6,015</u>
Total current liabilities	16,767	421	-	17,188
Noncurrent:				
Accrued employee benefits	<u>11,421</u>	<u>-</u>	<u>-</u>	<u>11,421</u>
Total noncurrent liabilities	11,421	-	-	11,421
<b>TOTAL LIABILITIES</b>	28,188	421	-	28,609
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	61,378	-	-	61,378
Unrestricted	<u>36,957</u>	<u>191,120</u>	<u>14,186</u>	<u>242,263</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 98,335</u>	<u>\$ 191,120</u>	<u>\$ 14,186</u>	<u>\$ 303,641</u>

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Nonmajor Proprietary Funds**

**For the Year Ended December 31, 2005**

	Bedford Community Television	Police Detail	Day Camp	Total Nonmajor Funds
<b>Operating Revenues:</b>				
Charges for services	\$ 206,770	\$ 439,263	\$ 138,134	\$ 784,167
Miscellaneous	<u>1,225</u>	<u>1,289</u>	<u>-</u>	<u>2,514</u>
Total Operating Revenues	207,995	440,552	138,134	786,681
<b>Operating Expenses:</b>				
Personnel services	59,823	404,217	111,943	575,983
Non-personnel services	74,125	-	-	74,125
Depreciation	14,083	-	-	14,083
Total Operating Expenses	148,031	404,217	111,943	664,191
Operating Income	59,964	36,335	26,191	122,490
Transfers to other funds	(5,580)	(20,000)	(15,000)	(40,580)
Change in Net Assets	54,384	16,335	11,191	81,910
Net Assets at Beginning of Year	<u>43,951</u>	<u>174,785</u>	<u>2,995</u>	<u>221,731</u>
Net Assets at End of Year	<u>\$ 98,335</u>	<u>\$ 191,120</u>	<u>\$ 14,186</u>	<u>\$ 303,641</u>

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**

**For the Year Ended December 31, 2005**

	Bedford Community Television	Police Detail	Day Camp	Total Nonmajor Funds
<b><u>Cash Flows From Operating Activities:</u></b>				
Receipts from customers and users	\$ 207,995	\$ 472,603	\$ 138,134	\$ 818,732
Payments to employees and contractors for services	(59,823)	(404,173)	(111,943)	(575,939)
Payments to suppliers for goods and services	(163,717)	-	-	(163,717)
Net Cash Provided By (Used For) Operating Activities	(15,545)	68,430	26,191	79,076
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>				
Transfers to other funds	(5,580)	(20,000)	(15,000)	(40,580)
Net Cash (Used For) Noncapital Financing Activities	(5,580)	(20,000)	(15,000)	(40,580)
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>				
Acquisition and construction of capital assets	(55,365)	-	-	(55,365)
Net Cash (Used For) Capital and Related Financing Activities	(55,365)	-	-	(55,365)
Net Change in Cash and Short-Term Investments	(76,490)	48,430	11,191	(16,869)
Cash and Short-Term Investments, Beginning of Year	141,635	106,316	2,995	250,946
Cash and Short-Term Investments, End of Year	\$ 65,145	\$ 154,746	\$ 14,186	\$ 234,077
<b><u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u></b>				
Operating income (loss)	\$ 59,964	\$ 36,335	\$ 26,191	\$ 122,490
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	14,083	-	-	14,083
Changes in assets and liabilities:				
User fees	-	32,051	-	32,051
Accounts payable	(93,291)	(244)	-	(93,535)
Other liabilities	3,699	288	-	3,987
Net Cash Provided By Operating Activities	\$ (15,545)	\$ 68,430	\$ 26,191	\$ 79,076

## **PRIVATE-PURPOSE TRUST FUNDS**

Private-purpose trust funds are fiduciary funds used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

*School District Capital Reserve* – This fund is used to account for capital reserves of the Bedford School District which by N.H. law must be held by the Town’s trustees of trust funds.

*Private Cemetery Association* – This fund is used to account for trust arrangements which benefit a private cemetery association.

*Church* – This fund is used to account for a trust arrangement which benefits a local church.

*Scholarship* – This fund is used to account for a trust arrangement which provides scholarships for individuals.

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Combining Statement of Fiduciary Net Assets**  
**Private-Purpose Trust Funds**

**December 31, 2005**

	School District Capital Reserve	Private Cemetery Association	Church	Scholarship	Total
<b><u>ASSETS</u></b>					
Cash and short-term Investments	\$ 861,951	\$ 1,211	\$ 10,090	\$ 3,405	\$ 876,657
Total Assets	<u>\$ 861,951</u>	<u>\$ 1,211</u>	<u>\$ 10,090</u>	<u>\$ 3,405</u>	<u>\$ 876,657</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>NET ASSETS</u></b>					
Net assets held in trust	<u>\$ 861,951</u>	<u>\$ 1,211</u>	<u>\$ 10,090</u>	<u>\$ 3,405</u>	<u>\$ 876,657</u>

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Private-Purpose Trust Funds**

**For the Year Ended December 31, 2005**

	School District Capital Reserve	Private Cemetery Association	Church	Scholarship	Total
<b><u>ADDITIONS</u></b>					
Investment income	\$ 29,484	\$ 39	\$ 325	\$ 106	\$ 29,954
Total Additions	29,484	39	325	106	29,954
<b><u>DEDUCTIONS</u></b>					
General expenditures	-	67	557	56	680
Net increase	29,484	(28)	(232)	50	29,274
<b><u>NET ASSETS</u></b>					
Beginning of year	832,467	1,239	10,322	3,355	847,383
End of year	\$ 861,951	\$ 1,211	\$ 10,090	\$ 3,405	\$ 876,657

## **AGENCY FUND**

An agency fund is a fiduciary fund used to report resources held by the Town in a purely custodial capacity (assets equal liabilities).

*Developers' Performance Bonds* – This fund is used to report deposits posted by developers pending satisfactory performance of work.

**TOWN OF BEDFORD, NEW HAMPSHIRE**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**

**For the Year Ended December 31, 2005**

	Balance January 1, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2005</u>
<u>Developer's</u>				
<u>Performance Bonds Fund</u>				
Assets - cash and short-term investments	\$ 3,057,346	\$ 38,442	\$ (647,712)	\$ 2,448,076
Liabilities - other liabilities	\$ 3,057,346	\$ 38,442	\$ (647,712)	\$ 2,448,076



# STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2005

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Net Assets by Component**

**Last Ten Years (1)**

*(accrual basis of accounting)*

	<b>2003</b>	<b>2004 (2)</b>	<b>2005</b>
<b><i>Governmental Activities</i></b>			
Invested in Capital Assets, net of related debt	\$ 7,523,670	\$ 18,587,735	\$ 20,979,652
Restricted	25,243	25,243	25,255
Unrestricted	10,783,171	4,472,756	6,586,878
Total Governmental Activities	18,332,084	23,085,734	27,591,785
<b><i>Business-Type Activities</i></b>			
Invested in Capital Assets, net of related debt	3,762,374	3,780,571	3,946,471
Restricted	-	-	-
Unrestricted	887,588	1,073,603	1,291,007
Total Business-Type Activities	4,649,962	4,854,174	5,237,478
<b><i>Total Primary Government</i></b>			
Invested in Capital Assets, net of related debt	11,286,044	22,368,306	24,926,123
Restricted	25,243	25,243	25,255
Unrestricted	11,670,759	5,546,359	7,877,885
Total Primary Government, Net Assets	\$ 22,982,046	\$ 27,939,908	\$ 32,829,263

Notes:

(1) The Town will continue reporting the information until such schedule includes ten years of data.

(2) Amounts reflected here are restated as per the 2005 financial audit.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Changes in Net Assets  
Last Ten Years (1)**  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004 (2)</u>	<u>2005</u>
<b>Expenses</b>			
Governmental Activities:			
General Government	\$ 3,624,923	\$ 3,152,164	\$ 3,362,473
Public Safety	4,103,048	4,575,118	4,723,462
Highways and Streets	2,356,782	1,941,824	2,429,593
Sanitation	1,080,225	1,538,946	1,089,809
Culture and Recreation	1,231,989	1,223,082	1,150,720
Interest on Long-Term Debt	<u>460,766</u>	<u>558,211</u>	<u>424,533</u>
Total Governmental Activities Expenses	12,857,733	12,989,345	13,180,590
Business-Type Activities:			
Sewer Department	594,427	613,039	616,511
Other Enterprise	525,204	827,024	664,191
Total Business-Type Activities Expenses	1,119,631	1,440,063	1,280,702
Total Primary Government Expenses	<u>\$ 13,977,364</u>	<u>\$ 14,429,408</u>	<u>\$ 14,461,292</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
General Government	\$ 299,905	\$ 414,268	\$ 170,394
Public Safety	359,972	382,583	792,788
Highways and Streets	-	3,766	476,420
Sanitation	141,563	224,398	183,752
Culture and Recreation	<u>131,029</u>	<u>183,224</u>	<u>78,566</u>
Total Charges for Services	932,469	1,208,239	1,701,920
Operating Grants and Contributions	536,191	620,710	122,929
Capital Grants and Contributions	<u>147,252</u>	<u>-</u>	<u>792,080</u>
Total Governmental Activities Program Revenues	1,615,912	1,828,949	2,616,929
Business-Type Activities:			
Charges for Services			
Sewer Department	717,342	772,900	951,692
Other Enterprise	619,270	970,483	786,681
Total Charges for Services	1,336,612	1,743,383	1,738,373
Operating Grants and Contributions	-	-	51,213
Capital Grants and Contributions	18,854	17,310	-
Total Business-Type Activities Program Revenues	1,355,466	1,760,693	1,789,586
Total Primary Government Program Revenues	<u>\$ 2,971,378</u>	<u>\$ 3,589,642</u>	<u>\$ 4,406,515</u>
<b>Net (Expenses) Revenues</b>			
Governmental Activities	\$ (11,241,821)	\$ (11,160,396)	\$ (10,563,661)
Business-Type Activities	<u>235,835</u>	<u>320,630</u>	<u>508,884</u>
Total Primary Government Net Expense	<u>\$ (11,005,986)</u>	<u>\$ (10,839,766)</u>	<u>\$ (10,054,777)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities:			
Property Taxes	\$ 5,860,520	\$ 6,786,808	\$ 7,964,510
Auto Permits	4,576,504	4,717,707	4,484,645
Other Taxes	494,844	324,879	307,688
Grants/Contributions - unrestricted	780,921	822,979	894,442
Impact Fees	236,254	101,524	-
Investment Income	251,829	425,542	699,815
Gain on Sale of Capital Assets	92,000	117,609	-
Other Revenues	714,706	783,606	593,032
Transfers, net	145,500	149,000	125,580
Total Governmental Activities	13,153,078	14,229,654	15,069,712
Business-Type Activities:			
Transfers, net	(145,500)	(116,418)	(125,580)
Total Business-Type Activities	(145,500)	(116,418)	(125,580)
Total Primary Government	<u>\$ 13,007,578</u>	<u>\$ 14,113,236</u>	<u>\$ 14,944,132</u>
<b>Change in Net Assets</b>			
Governmental Activities	\$ 1,911,257	\$ 3,069,258	\$ 4,506,051
Business-Type Activities	90,335	204,212	383,304
Total Primary Government	<u>\$ 2,001,592</u>	<u>\$ 3,273,470</u>	<u>\$ 4,889,355</u>

Source: Exhibit B - Statement of Activities

(1) The Town will continue reporting the information until such schedule includes ten years of data.

(2) Amounts reflected here are restated as per the 2005 financial audit.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Government-Wide Expenses by Function  
Last Ten Years**

Fiscal Year	Governmental Activities							Business-Type Activities					Total
	General Government	Public Safety	Public Works	Culture & Recreation	Interest	Misc.	Subtotal	Sewer	Police Special Detail	BCTV	Dev Camp	Subtotal	
2012							-					-	-
2011							-					-	-
2010							-					-	-
2009							-					-	-
2008							-					-	-
2007							-					-	-
2006							-					-	-
2005	\$ 3,327,264	\$ 4,723,462	\$ 3,519,402	\$ 1,150,720	\$ 424,533	\$ 35,209	\$ 13,180,590	\$ 616,511	\$ 404,217	\$ 148,031	\$ 111,943	\$ 1,280,702	\$ 14,461,292
2004 *	3,135,544	4,575,118	3,480,770	1,223,082	558,211	16,620	12,989,345	613,039	414,708	292,335	119,981	1,440,063	14,429,408
2003	3,600,130	4,103,048	3,437,007	1,231,989	460,766	24,793	12,857,733	594,427	331,649	112,461	81,094	1,119,631	13,977,364

*Note: Information for fiscal years 2003 - 2005 is provided due to the Town's implementation of the GASB 34 reporting requirements in 2003.*

*In future years, the Town intends to report additional year comparative information in this table.*

*\* Amounts provided herein are restated for 2004 as per the 2005 financial audit.*

*Source: Statement of Activities*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Government-Wide Revenues and Transfers  
Last Ten Years**

Fiscal Year	Governmental Activities									Business-Type Activities				Total
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Property Taxes	Auto Permits	Interest, Penalties & Other Taxes	Investment Income	Other Revenues & Transfers	Subtotal	Charges for Services	Grants & Contributions	Other Income	Subtotal	
2012									-				-	-
2011									-				-	-
2010									-				-	-
2009									-				-	-
2008									-				-	-
2007									-				-	-
2006									-				-	-
2005	\$ 1,701,920	\$ 122,929	\$ 792,080	\$ 7,964,510	\$ 4,484,645	\$ 307,688	\$ 699,815	\$ 1,613,054	\$ 17,686,641	\$ 1,738,373	\$ 51,213	\$ (125,580)	\$ 1,664,006	\$ 19,350,647
2004	1,208,239	620,710	-	6,786,808	4,717,707	426,403	425,542	1,873,194	16,058,603	1,743,383	17,310	(149,000)	1,611,693	17,670,296
2003	932,469	536,191	147,252	5,860,520	4,576,504	731,098	251,829	1,733,127	14,768,990	1,336,612	18,854	(145,500)	1,209,966	15,978,956

*Note: Information for fiscal years 2003 - 2005 is provided due to the Town's implementation of the GASB 34 reporting requirements in 2003. In future years, the Town intends to report additional year comparative information in this table.*

*Source: Statement of Activities*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**General Government Expenditures by Function and Transfers  
Last Ten Years**

<b>ALL GOVERNMENTAL FUNDS</b>										
Fiscal Year	General Government	Public Safety	Highways & Streets	Sanitation	Culture & Recreation	Intergovernmental	Debt Service	Capital Outlay	Transfers Out	Total
2005	\$ 3,282,845	\$ 4,579,777	\$ 2,906,602	\$ 1,128,677	\$ 1,184,420	\$ -	\$ 1,782,529	\$ 2,830,448	\$ 669,730	\$ 18,365,028
2004	3,461,411	4,325,864	2,594,082	1,558,946	1,888,069	-	1,818,789	2,543,980	799,748	18,990,889
2003	3,497,818	4,586,593	2,666,862	1,080,225	1,199,412	-	965,315	1,829,605	900,185	16,726,015
2002	2,660,343	3,605,701	3,661,080	979,082	1,239,046	-	883,916	-	1,234,421	14,263,589
2001	2,686,064	3,716,354	2,860,608	1,027,115	908,165	-	558,105	3,600,223	1,196,598	16,553,232
2000	2,491,915	3,462,337	2,635,248	871,196	1,042,414	-	569,200	-	666,350	11,738,660
1999	2,836,637	3,135,404	2,101,189	748,389	890,796	-	405,225	1,351,011	824,027	12,292,678
1998	2,116,483	2,999,390	2,028,768	607,492	873,813	23,083,828	416,345	1,712,283	795,746	34,634,148
1997	1,898,877	2,790,864	2,000,325	536,692	979,485	22,385,746	486,453	21,656	573,791	31,673,889
1996	1,364,519	2,811,595	1,966,410	546,790	796,102	20,488,873	207,750	1,195,077	533,081	29,910,197

<b>GENERAL FUND</b>										
Fiscal Year	General Government	Public Safety	Highways & Streets	Sanitation	Culture & Recreation	Intergovernmental	Debt Service	Capital Outlay	Transfers Out	Total
2005	\$ 3,206,639	\$ 4,577,462	\$ 2,906,602	\$ 1,109,809	\$ 1,184,118	\$ -	\$ 1,782,529	\$ -	\$ 488,950	\$ 15,256,109
2004	3,331,173	4,322,408	2,594,082	1,464,477	1,853,142	-	1,818,789	-	454,000	15,838,071
2003	3,418,695	4,583,550	2,666,862	1,080,225	1,178,185	-	965,315	-	249,500	14,142,332
2002	2,602,355	3,400,003	3,661,080	979,082	891,286	-	1,401,505	-	477,250	13,412,561
2001	2,620,562	3,433,892	2,860,608	1,027,115	698,362	-	558,105	3,600,223	477,632	15,276,499
2000	2,437,869	3,179,574	2,635,248	871,196	833,144	-	569,200	-	221,500	10,747,731
1999	2,697,374	2,879,734	2,101,189	748,389	769,602	-	405,225	869,000	167,000	10,637,513
1998	2,052,186	2,801,546	2,028,768	607,492	330,375	23,083,828	416,345	130,000	398,698	31,849,238
1997	1,704,787	2,572,149	2,000,325	536,692	403,872	22,385,746	486,453	-	373,047	30,463,071
1996	1,273,833	2,670,506	1,966,410	546,790	622,306	20,488,873	207,750	-	313,769	28,090,237

<b>OTHER FUNDS</b>										
Fiscal Year	General Government	Public Safety	Highways & Streets	Sanitation	Culture & Recreation	Intergovernmental	Debt Service	Capital Outlay	Transfers Out	Total
2005	\$ 76,206	\$ 2,315	\$ -	\$ 18,868	\$ 302	\$ -	\$ -	\$ 2,830,448	\$ 180,780	\$ 3,108,919
2004	130,238	3,456	-	94,469	34,927	-	-	2,543,980	345,748	3,152,818
2003	79,123	3,043	-	-	21,227	-	-	1,829,605	650,685	2,583,683
2002	57,988	205,698	-	-	347,760	-	-	-	239,582	851,028
2001	65,502	282,462	-	-	209,803	-	-	-	718,966	1,276,733
2000	54,046	282,763	-	-	209,270	-	-	-	444,850	990,929
1999	139,263	255,670	-	-	121,194	-	-	482,011	657,027	1,655,165
1998	64,297	197,844	-	-	543,438	-	-	1,582,283	397,048	2,784,910
1997	194,090	218,715	-	-	575,613	-	-	21,656	200,744	1,210,818
1996	90,686	141,089	-	-	173,796	-	-	1,195,077	219,312	1,819,960

Source: Exhibit B of audited financial statements (years 2002 and prior)

Audited financial statements (years 2003 - 2005) Statement of Revenues, Expenditures and Changes in Fund Balances

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**General Government Revenues by Source and Transfers  
Last Ten Years**

<b>ALL GOVERNMENTAL FUNDS</b>									
Fiscal Year	Taxes	Licenses & Permits	Intergovernmental	Charges for Services	Other Misc.	Proceeds from GO Debt	Transfers In	Total	
2005	\$ 8,272,198	\$ 4,862,208	\$ 1,478,886	\$ 947,601	\$ 1,208,088	\$ -	\$ 858,096	\$ 17,627,077	
2004	7,111,687	4,717,707	1,437,645	1,178,802	1,590,653	-	948,748	16,985,242	
2003	6,345,364	4,576,504	1,456,661	805,699	1,439,050	8,009,194	1,045,685	23,678,157	
2002	6,309,840	4,336,893	1,216,153	1,538,891	1,176,047	-	801,832	15,379,656	
2001	5,654,661	4,145,402	1,240,889	1,242,936	627,740	2,300,000	1,233,136	16,444,764	
2000	4,899,826	3,949,026	1,056,407	936,694	1,108,443	-	797,579	12,747,975	
1999	4,434,159	3,516,037	1,000,285	1,083,655	720,322	1,210,023	855,319	12,819,800	
1998	27,129,187	3,151,858	2,453,712	895,426	633,905	-	871,724	35,135,812	
1997	26,231,989	2,714,279	826,771	753,861	721,387	-	670,448	31,918,735	
1996	23,966,347	2,338,126	769,371	815,306	727,391	2,200,000	530,168	31,346,709	
<b>GENERAL FUND</b>									
Fiscal Year	Taxes	Licenses & Permits	Intergovernmental	Charges for Services	Other Misc.	Proceeds from GO Debt	Transfers In	Total	
2005	\$ 8,272,198	\$ 4,862,208	\$ 1,478,886	\$ 879,050	\$ 986,200	\$ -	\$ 319,146	\$ 16,797,688	
2004	7,111,687	4,717,707	1,437,645	927,931	1,034,855	-	419,748	15,649,573	
2003	6,260,167	4,576,504	1,309,409	771,203	959,599	-	720,615	14,597,497	
2002	6,183,715	4,336,893	1,216,153	565,091	1,104,650	-	274,582	13,681,084	
2001	5,654,661	4,145,402	1,240,889	738,376	331,377	2,300,000	755,112	15,165,817	
2000	4,899,826	3,949,026	1,056,407	425,365	663,438	-	525,766	11,519,828	
1999	4,434,159	3,516,037	1,000,285	667,216	358,976	687,000	605,953	11,269,626	
1998	27,129,187	3,151,858	972,812	457,599	342,316	-	312,701	32,366,473	
1997	26,231,989	2,714,279	826,771	410,205	357,372	-	286,108	30,826,724	
1996	23,966,347	2,338,126	769,371	571,913	262,601	-	216,312	28,124,670	
<b>OTHER FUNDS</b>									
Fiscal Year	Taxes	Licenses & Permits	Intergovernmental	Charges for Services	Other Misc.	Proceeds from GO Debt	Transfers In	Total	
2005	\$ -	\$ -	\$ -	\$ 68,551	\$ 221,888	\$ -	\$ 538,950	\$ 829,389	
2004	-	-	-	250,871	555,798	-	529,000	1,335,669	
2003	85,197	-	147,252	34,496	479,451	8,009,194	325,070	9,080,660	
2002	126,125	-	-	973,800	71,397	-	527,250	1,698,572	
2001	-	-	-	504,560	296,363	-	478,024	1,278,947	
2000	-	-	-	511,329	445,005	-	271,813	1,228,147	
1999	-	-	-	416,439	361,346	523,023	249,366	1,550,174	
1998	-	-	1,480,900	437,827	291,589	-	559,023	2,769,339	
1997	-	-	-	343,656	364,015	-	384,340	1,092,011	
1996	-	-	-	243,393	464,790	2,200,000	313,856	3,222,039	

Source: Exhibit B of audited financial statements (2002 and prior)

Audited financial statements (years 2003 - 2005) Statement of Revenues, Expenditures and Changes in Fund Balances

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Fund Balances, Governmental Funds  
Last Ten Years**  
*(modified accrual basis of accounting)*

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>All Governmental Funds</b>										
Reserved for Encumbrances	\$ 291,027	\$ 415,150	\$ 853,707	\$ 305,163	\$ 516,391	\$ 243,607	\$ 597,406	\$ 1,907,429	\$ 2,961,058	\$ 649,912
Reserved for Endowments	-	-	-	-	-	-	-	25,243	25,243	25,255
Reserved for Special Purposes	-	-	-	-	-	-	-	7,296,031	3,414,793	1,352,745
Unreserved										
Undesignated, reported in:										
Special Revenue and/or Capital Projects	378,800	372,152	279,730	284,381	307,863	238,120	555,495	810,482	297,353	4,566,922
General Fund	448,865	772,272	734,467	2,047,196	2,622,852	2,771,634	2,746,331	2,381,023	3,804,294	4,213,841
<b>Total All Governmental Funds</b>	<b>\$ 1,118,692</b>	<b>\$ 1,559,574</b>	<b>\$ 1,867,904</b>	<b>\$ 2,636,740</b>	<b>\$ 3,447,106</b>	<b>\$ 3,253,361</b>	<b>\$ 3,899,232</b>	<b>\$ 12,420,208</b>	<b>\$ 10,502,741</b>	<b>\$ 10,808,675</b>
<b>General Fund</b>										
Reserved for Encumbrances	\$ 291,027	\$ 415,150	\$ 389,034	\$ 297,130	\$ 493,571	\$ 234,107	\$ 527,933	\$ 1,348,406	\$ 603,540	\$ 649,912
Reserved for Endowments	-	-	-	-	-	-	-	-	-	-
Reserved for Special Purposes	-	-	-	-	-	-	-	-	-	1,352,745
Unreserved										
Designated for Special Purposes	-	-	-	-	-	-	-	-	297,353	-
Undesignated	455,398	794,928	1,323,179	2,047,196	2,622,852	2,771,634	2,746,331	2,381,023	3,025,218	4,213,841
<b>Total General Fund</b>	<b>\$ 746,425</b>	<b>\$ 1,210,078</b>	<b>\$ 1,712,213</b>	<b>\$ 2,344,326</b>	<b>\$ 3,116,423</b>	<b>\$ 3,005,741</b>	<b>\$ 3,274,264</b>	<b>\$ 3,729,429</b>	<b>\$ 3,926,111</b>	<b>\$ 6,216,498</b>
<b>Special Revenue and Permanent Funds</b>										
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ 8,033	\$ 22,820	\$ 9,500	\$ 69,473	\$ 66,607	\$ 217,314	\$ -
Reserved for Endowments	-	-	-	-	-	-	-	25,243	25,243	25,255
Reserved for Special Purposes	-	-	-	-	-	-	-	1,424,550	1,939,975	-
Unreserved										
Designated for Special Purposes	378,800	372,152	279,730	284,381	307,863	238,120	555,495	810,482	-	-
Undesignated	-	-	-	-	-	-	-	-	779,076	3,429,979
<b>Total Special Revenue and Permanent Funds</b>	<b>\$ 378,800</b>	<b>\$ 372,152</b>	<b>\$ 279,730</b>	<b>\$ 292,414</b>	<b>\$ 330,683</b>	<b>\$ 247,620</b>	<b>\$ 624,968</b>	<b>\$ 2,326,882</b>	<b>\$ 2,961,608</b>	<b>\$ 3,455,234</b>
<b>Capital Projects Fund</b>										
Reserved for Encumbrances	\$ -	\$ -	\$ 464,673	\$ -	\$ -	\$ -	\$ -	\$ 492,416	\$ 2,437,204	\$ -
Reserved for Endowments	-	-	-	-	-	-	-	-	-	-
Reserved for Special Purposes	-	-	-	-	-	-	-	5,871,481	1,474,818	-
Unreserved										
Designated for Special Purposes	-	-	-	-	-	-	-	-	-	-
Undesignated	(6,533)	(22,656)	(588,712)	-	-	-	-	-	-	1,136,943
<b>Total Capital Projects Fund</b>	<b>\$ (6,533)</b>	<b>\$ (22,656)</b>	<b>\$ (124,039)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,363,897</b>	<b>\$ 3,912,022</b>	<b>\$ 1,136,943</b>

Source: Audited Financial Statements (Balance Sheet)

Notes: Prior to 2003, certain funds were considered Special Revenue Funds (ie. Police Detail, Day Camp and BCTV) which are now reported as Enterprise Funds.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Changes in Fund Balances, Governmental Funds  
Last Ten Years**

*(modified accrual basis of accounting)*

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Revenues</b>										
Taxes	\$ 3,477,474	\$ 3,846,243	\$ 4,045,359	\$ 4,434,159	\$ 4,899,826	\$ 5,654,661	\$ 6,183,715	\$ 6,345,364	\$ 7,111,687	\$ 8,272,198
Licenses and Permits	2,338,126	2,714,279	3,151,858	3,516,037	3,949,026	4,145,402	4,336,893	4,576,504	4,717,707	4,862,208
Intergovernmental	769,371	826,771	2,453,712	1,000,285	1,056,407	1,240,889	1,216,153	1,456,661	1,437,645	1,478,886
Charges for Services	815,306	753,861	895,426	1,083,655	936,694	1,242,936	1,538,891	805,699	1,178,802	947,601
Miscellaneous	431,240	676,679	448,273	572,009	896,144	585,329	1,149,632	1,439,050	1,590,653	1,208,088
<b>Total Revenues</b>	<b>\$ 7,831,517</b>	<b>\$ 8,817,833</b>	<b>\$ 10,994,628</b>	<b>\$ 10,606,145</b>	<b>\$ 11,738,097</b>	<b>\$ 12,869,217</b>	<b>\$ 14,425,284</b>	<b>\$ 14,623,278</b>	<b>\$ 16,036,494</b>	<b>\$ 16,768,981</b>
<b>Expenditures</b>										
General Government	\$ 1,282,744	\$ 1,801,136	\$ 1,980,903	\$ 2,331,270	\$ 2,458,623	\$ 2,664,061	\$ 2,633,022	\$ 3,473,025	\$ 3,444,791	\$ 3,247,636
Public Safety	2,811,595	2,790,864	2,999,390	3,135,404	3,462,337	3,716,354	3,605,701	4,586,593	4,325,864	4,579,777
Highways and Streets	1,966,410	2,000,325	2,028,768	2,101,189	2,635,248	2,860,608	3,661,080	2,666,862	2,594,082	2,906,602
Sanitation	546,790	536,692	607,492	748,389	871,196	1,027,115	979,082	1,080,225	1,558,946	1,128,677
Welfare	80,964	45,177	46,669	28,464	31,890	20,408	11,720	21,742	8,902	12,266
Culture and Recreation	796,102	979,485	873,813	890,796	1,042,414	908,165	1,239,046	1,199,412	1,888,069	1,184,420
Conservation	811	52,564	88,911	476,903	1,402	1,595	15,589	3,051	7,718	22,943
Capital Outlay	1,195,077	21,656	1,712,283	1,351,011	-	3,600,223	-	1,829,605	2,543,980	2,830,448
Debt Service										
Principal	100,000	210,000	210,000	210,000	310,000	310,000	1,057,589	540,000	1,350,000	1,385,000
Interest	107,750	276,453	206,345	195,225	259,200	248,105	343,916	425,315	468,789	397,529
<b>Total Expenditures</b>	<b>\$ 8,888,243</b>	<b>\$ 8,714,352</b>	<b>\$ 10,754,574</b>	<b>\$ 11,468,651</b>	<b>\$ 11,072,310</b>	<b>\$ 15,356,634</b>	<b>\$ 13,546,745</b>	<b>\$ 15,825,830</b>	<b>\$ 18,191,141</b>	<b>\$ 17,695,298</b>
<b>Excess of Revenues</b>										
Over (Under) Expenditures	(1,056,726)	103,481	240,054	(862,506)	665,787	(2,487,417)	878,539	(1,202,552)	(2,154,647)	(926,317)
<b>Other Financing Sources (Uses)</b>										
Capital Leases	-	-	-	-	-	-	-	-	-	62,786
Transfers In	328,611	665,448	697,399	688,319	526,079	755,504	274,582	1,045,685	948,748	795,310
Transfers Out	(448,769)	(428,047)	(614,023)	(267,000)	(381,500)	(761,832)	(507,250)	(900,185)	(799,748)	(669,730)
Proceeds from Borrowing	2,200,000	-	-	1,210,023	-	2,300,000	-	8,009,194	-	-
<b>Total Governmental Activities</b>	<b>\$ 2,079,842</b>	<b>\$ 237,401</b>	<b>\$ 83,376</b>	<b>\$ 1,631,342</b>	<b>\$ 144,579</b>	<b>\$ 2,293,672</b>	<b>\$ (232,668)</b>	<b>\$ 8,154,694</b>	<b>\$ 149,000</b>	<b>\$ 188,366</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,023,116</b>	<b>\$ 340,882</b>	<b>\$ 323,430</b>	<b>\$ 768,836</b>	<b>\$ 810,366</b>	<b>\$ (193,745)</b>	<b>\$ 645,871</b>	<b>\$ 6,952,142</b>	<b>\$ (2,005,647)</b>	<b>\$ (737,951)</b>
<b>Ratio of Total Debt Service Expenditures to</b>										
Non-Capital Expenditures	2.7%	5.6%	4.6%	4.0%	5.1%	4.7%	10.3%	6.9%	11.6%	12.0%

Source: Audited Financial Statements

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Changes in Fund Balances, General Fund  
Last Ten Years**

*(modified accrual basis of accounting)*

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Revenues</b>										
Taxes	\$ 3,477,474	\$ 3,846,243	\$ 4,045,359	\$ 4,434,159	\$ 4,899,826	\$ 5,654,661	\$ 6,183,715	\$ 6,260,167	\$ 7,111,687	\$ 8,272,198
Licenses and Permits	2,338,126	2,714,279	3,151,858	3,516,037	3,949,026	4,145,402	4,336,893	4,576,504	4,717,707	4,862,208
Intergovernmental	769,371	826,771	972,812	1,000,285	1,056,407	1,240,889	1,216,153	1,309,409	1,437,645	1,478,886
Charges for Services	571,913	410,205	457,599	667,216	425,365	738,376	565,091	771,203	927,931	879,050
Miscellaneous	262,601	357,372	342,316	358,976	663,438	331,377	1,104,650	959,599	1,034,855	986,200
Total Revenues	7,419,485	8,154,870	8,969,944	9,976,673	10,994,062	12,110,705	13,406,502	13,876,882	15,229,825	16,478,542
<b>Expenditures</b>										
General Government	1,192,253	1,658,046	1,916,606	2,192,007	2,404,577	2,598,559	2,575,046	3,393,902	3,314,553	3,171,430
Public Safety	2,670,506	2,572,149	2,801,546	2,879,734	3,179,574	3,433,892	3,400,003	4,583,550	4,322,408	4,577,462
Highways and Streets	1,966,410	2,000,325	2,028,768	2,101,189	2,635,248	2,860,608	3,661,080	2,666,862	2,594,082	2,906,602
Sanitation	546,790	536,692	607,492	748,389	871,196	1,027,115	979,082	1,080,225	1,464,477	1,109,809
Welfare	80,964	45,177	46,669	28,464	31,890	20,408	11,720	21,742	8,902	12,266
Culture and Recreation	622,306	403,872	330,375	769,602	833,144	698,362	891,286	1,178,185	1,853,142	1,184,118
Conservation	616	1,564	88,911	476,903	1,402	1,595	15,589	3,051	7,718	22,943
Capital Outlay	-	-	130,000	869,000	-	3,600,223	-	-	-	-
Debt Service										
Principal	100,000	210,000	210,000	210,000	310,000	310,000	1,057,589	540,000	1,350,000	1,385,000
Interest	107,750	276,453	206,345	195,225	259,200	248,105	343,916	425,315	468,789	397,529
Total Expenditures	7,287,595	7,704,278	8,366,712	10,470,513	10,526,231	14,798,867	12,935,311	13,892,832	15,384,071	14,767,159
<b>Excess of Revenues</b>										
Over (Under) Expenditures	131,890	450,592	603,232	(493,840)	467,831	(2,688,162)	471,191	(15,950)	(154,246)	1,711,383
<b>Other Financing Sources (Uses)</b>										
Capital Leases	-	-	-	-	-	-	-	-	-	62,786
Transfers In	216,312	286,108	312,701	605,953	525,766	755,112	274,582	720,615	419,748	256,360
Transfers Out	(313,769)	(373,047)	(398,698)	(167,000)	(221,500)	(477,632)	(477,250)	(249,500)	(454,000)	(488,950)
Proceeds from Borrowing	-	-	-	687,000	-	2,300,000	-	-	-	-
Total Governmental Activities	(97,457)	(86,939)	(85,997)	1,125,953	304,266	2,577,480	(202,668)	471,115	(34,252)	(169,804)
Net Change in Fund Balances	\$ 34,433	\$ 363,653	\$ 517,235	\$ 632,113	\$ 772,097	\$ (110,682)	\$ 268,523	\$ 455,165	\$ (188,498)	\$ 1,541,579

Source: Audited Financial Statements

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Property Tax Levies and Collections  
Last Ten Years**

Fiscal Year	Total Property Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2005	\$ 46,191,449	\$ 44,863,721	97.13%	\$ -	\$ 44,863,721	97.13%	\$ 1,327,728	2.87%
2004	45,928,814	44,695,503	97.31%	1,133,100	45,828,603	99.78%	100,211	0.22%
2003	37,353,546	36,467,887	97.63%	869,566	37,337,453	99.96%	16,093	0.04%
2002	34,978,484	33,962,732	97.10%	1,015,752	34,978,484	100.00%	-	0.00%
2001	32,773,551	31,804,195	97.04%	969,356	32,773,551	100.00%	-	0.00%
2000	29,979,148	28,991,736	96.71%	987,412	29,979,148	100.00%	-	0.00%
1999	26,512,540	25,455,538	96.01%	1,057,002	26,512,540	100.00%	-	0.00%
1998	26,847,718	25,750,933	95.91%	1,096,785	26,847,718	100.00%	-	0.00%
1997	25,754,911	24,563,764	95.38%	1,191,147	25,754,911	100.00%	-	0.00%
1996	23,674,838	22,380,176	94.53%	1,294,662	23,674,838	100.00%	-	0.00%

Source: Audited Financial Statements (for 1996 through 2005)

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Assessed and Estimated Full Value of Real Property  
Last Ten Years**

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less: Exemptions to Assessed Value (1)	Net Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Valuation	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/ Industrial	Utilities						
2005	\$ 2,508,883,801	\$ 479,715,700	\$ 20,401,264	\$ 3,009,000,765	\$ 6,022,007	\$ 3,002,978,758	\$ 14.34	\$ 3,360,294,465	89.55%
2004	2,451,653,822	466,041,400	17,014,489	2,934,709,711	4,808,407	2,929,901,304	14.64	3,034,860,094	96.70%
2003	1,531,600,529	303,866,900	14,355,075	1,849,822,504	3,765,907	1,846,056,597	18.63	2,843,748,934	65.05%
2002	1,466,144,419	313,905,400	16,155,875	1,796,205,694	3,268,438	1,792,937,256	17.77	2,480,263,353	72.42%
2001	1,397,911,791	305,732,800	18,708,600	1,722,353,191	1,135,138	1,721,218,053	17.33	2,202,066,245	78.22%
2000	1,292,117,150	335,928,700	16,348,575	1,644,394,425	1,142,085	1,643,252,340	16.54	1,816,654,434	90.52%
1999	1,243,163,344	287,740,900	17,810,675	1,548,714,919	1,167,085	1,547,547,834	15.53	1,603,531,937	96.58%
1998	1,170,157,321	270,902,342	17,718,275	1,458,777,938	1,247,085	1,457,530,853	16.62	1,405,797,582	103.77%
1997	1,106,299,188	265,720,021	16,889,700	1,388,908,909	1,252,085	1,387,656,824	16.69	1,276,279,636	108.82%
1996	1,040,995,889	260,887,800	15,693,300	1,317,576,989	1,577,085	1,315,999,904	15.99	1,190,932,205	110.63%

*Sources:*

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's Annual Equalization Survey

**TOWN OF BEDFORD, NEW HAMPSHIRE**

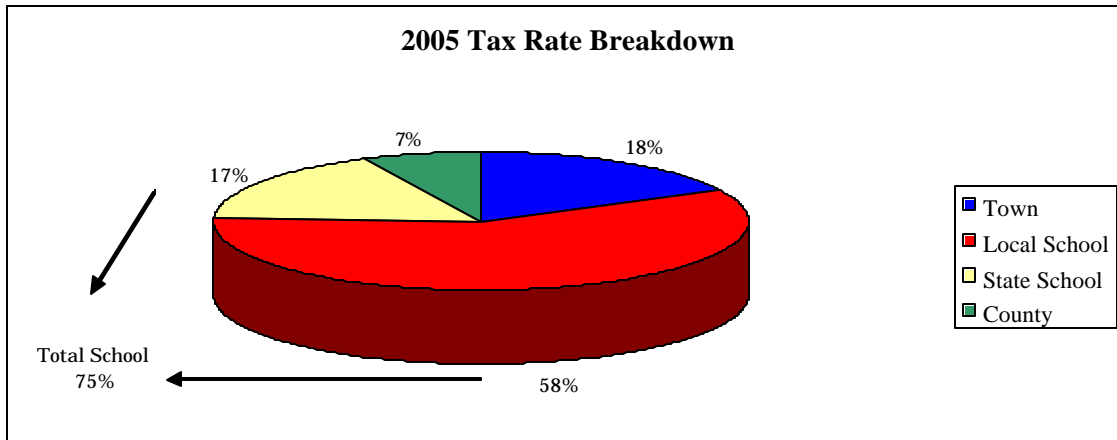
**Property Tax Rates per \$1,000 of Assessed Value  
Direct and Overlapping Governments  
Last Ten Years**

Fiscal Year	Town Direct Rate					Overlapping Rate			Estimated Full Value Rate
	Town	Local School	State School (1)	Total School	Total Direct Rate	County	Total	% Incr/Dcrs Tax Rate	
2005	\$ 2.71	\$ 8.94	\$ 2.69	\$ 11.63	\$ 14.34	\$ 1.10	\$ 15.44	-1.9%	\$ 13.82
2004	2.50	9.33	2.81	12.14	14.64	1.10	15.74	-22.6%	15.17
2003	3.29	9.47	5.87	15.34	18.63	1.71	20.34	4.0%	13.18
2002	3.23	8.67	5.87	14.54	17.77	1.79	19.56	2.4%	14.10
2001	2.71	8.46	6.16	14.62	17.33	1.78	19.11	4.4%	14.88
2000	2.71	8.18	5.65	13.83	16.54	1.76	18.30	6.1%	16.50
1999	2.71	6.81	6.01	12.82	15.53	1.72	17.25	-6.2%	16.57
1998	2.71	13.91	-	13.91	16.62	1.77	18.39	-0.9%	19.07
1997	2.59	14.10	-	14.10	16.69	1.87	18.56	3.2%	20.42
1996	2.59	13.40	-	13.40	15.99	2.00	17.99	1.3%	20.15

Source:

*NH Department of Revenue Administration*

(1) The NH State Legislature revised education funding in fiscal year 2000, establishing a State Education Property Tax. This rate does not apply to utility assessments.



**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Property Values and Construction  
Last Ten Years**

Fiscal Year	Local Assessed Value (1)					% Change	Building Permits (2)	
	Residential	Commercial/ Industrial	Utilities	Total Assessed Value	Number of Permits		Construction Value	
2005	\$ 2,508,883,801	\$ 479,715,700	\$ 20,401,264	\$ 3,009,000,765	2.53%	622	\$ 70,237,741	
2004	2,451,653,822	466,041,400	17,014,489	2,934,709,711	58.65%	665	73,548,783	
2003	1,531,600,529	303,866,900	14,355,075	1,849,822,504	2.99%	667	81,087,807	
2002	1,466,144,419	313,905,400	16,155,875	1,796,205,694	4.29%	709	74,639,766	
2001	1,397,911,791	305,732,800	18,708,600	1,722,353,191	4.74%	692	58,564,522	
2000	1,292,117,150	335,928,700	16,348,575	1,644,394,425	6.18%	766	73,378,177	
1999	1,243,163,344	287,740,900	17,810,675	1,548,714,919	6.17%	707	67,735,912	
1998	1,170,157,321	270,902,342	17,718,275	1,458,777,938	5.03%	728	<i>not available</i>	
1997	1,106,299,188	265,720,021	16,889,700	1,388,908,909	5.41%	730	47,258,000	
1996	1,040,995,889	260,887,800	15,693,300	1,317,576,989	2.67%	584	48,095,000	

*Sources:*

(1) *State MS-1 Report of Assessed Values*

(2) *Town of Bedford Building Department (as reported in the annual town report)*

*All permits issued including new dwelling, commercial, residential additions, etc.*

*Notes: The Town completed a property revaluation in 2004, the Town's first since 1987. Therefore, as a result of the revaluation, property values increased significantly from 2003 to 2004.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Bedford's Share of the Hillsborough County Tax Apportionment  
Last Ten Fiscal Years  
(based on percentage of equalized value)**

Total Equalized Values				Apportionment of County Tax Levy					
Tax Year	Bedford	Hillsborough County	Bedford's %	Fiscal Year	County Tax Levy	Bedford's Share %	Bedford's Share \$	Share \$ Change	Share % Change
2005	3,360,294,465	44,045,516,136	7.629%	2005	43,487,679	7.638%	3,321,573	68,821	2.12%
2004	3,034,860,094	39,756,319,650	7.634%	2004	40,917,396	7.950%	3,252,752	83,048	2.62%
2003	2,843,748,934	35,772,416,479	7.950%	2003	40,233,427	7.878%	3,169,704	(54,582)	-1.69%
2002	2,480,263,353	31,483,236,852	7.878%	2002	40,421,656	7.977%	3,224,286	139,605	4.53%
2001	2,202,066,245	27,607,114,973	7.976%	2001	39,912,619	7.729%	3,084,681	169,765	5.82%
2000	1,816,654,434	23,505,650,009	7.729%	2000	37,360,711	7.802%	2,914,916	244,681	9.16%
1999	1,603,531,937	20,552,599,405	7.802%	1999	34,750,952	7.684%	2,670,235	68,299	2.62%
1998	1,405,797,582	18,295,319,120	7.684%	1998	33,751,589	7.709%	2,601,936	(12,321)	-0.47%
1997	1,276,279,636	16,555,541,089	7.709%	1997	34,521,411	7.573%	2,614,257	(31,112)	-1.18%
1996	1,190,932,205	15,726,324,395	7.573%	1996	35,259,940	7.502%	2,645,369	195,247	7.97%

*Data Sources:*

*NH Department of Revenue Equalization Surveys*

*Adopted Hillsborough County Budgets (MS-42)*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Ratio of Net Bonded Debt to Assessed Value  
and Net Bonded Debt per Capita  
Last Ten Years**

Fiscal Year	Bedford Population (1)	Estimated Full Value (2)	Gross Long-Term Debt (3)	Debt Payable from Sewer Fund (3)	Net Long-Term Debt	Ratio of Net LT Debt to Estimated Full Assessed Value	Net LT Debt per Capita
2005	21,489	\$ 3,360,294,465	\$ 14,560,591	\$ 1,307,295	\$ 13,253,296	0.39%	\$ 617
2004	20,918	3,034,860,094	15,747,392	1,346,584	14,400,808	0.47%	688
2003	20,347	2,843,748,934	16,914,664	1,463,071	15,451,593	0.54%	759
2002	19,776	2,480,263,353	9,729,984	1,670,892	8,059,092	0.32%	408
2001	19,205	2,202,066,245	10,547,957	1,834,865	8,713,092	0.40%	454
2000	18,274	1,816,654,434	8,747,698	1,809,865	6,937,833	0.38%	380
1999	17,702	1,603,531,937	9,305,465	1,943,838	7,361,627	0.46%	416
1998	17,131	1,405,797,582	7,242,677	2,072,811	5,169,866	0.37%	302
1997	16,560	1,276,279,636	9,023,792	2,196,785	6,827,007	0.53%	412
1996	15,989	1,190,932,205	10,827,087	2,320,757	8,506,330	0.71%	532

*Sources:*

- (1) Trended amounts based in the 1990 and 2000 US Census information.
- (2) NH Department of Revenue Administration's Annual Equalization Survey
- (3) Audited Financial Statements - Footnote for Future Debt Service (includes interest due)

*Notes:*

Gross long-term debt includes general obligations of the Town only. School debt is excluded.

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Ratio of Annual Debt Service Expenditures  
for General Obligation Long-Term Debt  
to General Government Expenditures  
Last Ten Years**

Fiscal Year	Principal (1)	Interest (1)	Total Debt Service	General Governmental Expenditures (2)	Ratio of Debt Service to General Govt Expenditures
2005	\$ 1,385,000	\$ 397,529	\$ 1,782,529	\$ 15,256,109	11.68%
2004	1,350,000	468,789	1,818,789	14,641,488	12.42%
2003	540,000	425,315	965,315	15,375,919	6.28%
2002	540,000	343,916	883,916	13,872,765	6.37%
2001	310,000	248,105	558,105	15,449,163	3.61%
2000	310,000	259,200	569,200	11,189,951	5.09%
1999	210,000	195,225	405,225	10,201,943	3.97%
1998	210,000	206,345	416,345	9,117,131	4.57%
1997	210,000	276,453	486,453	8,492,475	5.73%
1996	100,000	107,750	207,750	7,892,391	2.63%

*Source:*

*Audited Financial Statements (Schedule A-2) for years 1996 - 2002*

*Audited Financial Statements (Schedule E-2) for 2003*

*Audited Financial Statements for 2004 - 2005 (Statement of Revenues, Expenditures and Changes in Fund Balances)*

*Notes:*

*(1) includes debt service for the general fund only.*

*(2) includes only general fund expenditures and transfers out.*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Computation of Legal Debt Margin  
December 31, 2005**

	Town	School	Sewer	Total in Limits	Exempt from Limits	Total Debt
Bonded Debt	\$ 11,435,000	\$ 7,374,400	\$ 1,095,000	\$ 18,809,400	\$ 1,095,000	\$ 19,904,400
Total Debt Outstanding	11,435,000	7,374,400	1,095,000	18,809,400	1,095,000	19,904,400
Debt Authorized - Unissued	12,000,000	115,205	-	12,115,205	-	12,115,205
Total Issued Debt & Authorized	\$ 23,435,000	\$ 7,489,605	\$ 1,095,000	\$ 30,924,605	\$ 1,095,000	\$ 32,019,605
Legal debt % Rates of Base Value for Debt Service (1)	3.00%	7.00%	exempt			
Base Value for Debt Limits (2)	3,360,294,465					
Debt Limits	100,808,834	235,220,613	none			
Unused Capacity	\$ 77,373,834	\$ 227,731,008				
Percentage Used	23.25%	3.18%				

*Notes:*

*(1) Legal Debt % Rates are set by NH State Statute (RSA 33:4-a and 33:5-a)*

*(2) Base Value for Debt Limits are computed by the NH Department of Revenue Administration*

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Ratios of Long-Term Debt Outstanding and Legal Debt Limits  
Last Ten Years**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Debt at December 31 - (1)</b>										
Town	\$ 4,000,000	\$ 3,790,000	\$ 3,580,000	\$ 5,373,924	\$ 5,060,000	\$ 7,050,000	\$ 6,510,000	\$ 13,970,000	\$ 12,751,097	\$ 11,551,897
School	1,485,000	975,000	8,524,400	7,809,400	7,094,400	6,704,400	9,495,400	8,804,400	8,089,400	7,374,400
Sewer	2,320,757	2,196,785	2,072,811	1,943,838	1,809,865	1,834,865	1,670,892	1,452,946	1,322,946	1,095,000
Town - Authorized & Unissued	404,000	1,904,000	404,000	404,000	404,000	404,000	404,000	904,000	500,000	12,000,000
School - Authorized & Unissued	-	-	-	-	-	115,205	115,205	115,205	115,205	115,205
Total Debt at December 31	<u>\$ 8,209,757</u>	<u>\$ 8,865,785</u>	<u>\$ 14,581,211</u>	<u>\$ 15,531,162</u>	<u>\$ 14,368,265</u>	<u>\$ 16,108,470</u>	<u>\$ 18,195,497</u>	<u>\$ 25,246,551</u>	<u>\$ 22,778,648</u>	<u>\$ 32,136,502</u>
<b>Base Value for Debt Limits (2)</b>	1,190,932,205	1,276,279,636	1,405,797,582	1,603,531,937	1,816,654,434	2,202,066,245	2,480,263,353	2,843,748,934	3,034,860,094	3,355,283,529
<b>Legal Debt Limits (% of Base Value) (3)</b>										
Town, 1.75% thru 1998, 3% thereafter	20,841,314	22,334,894	24,601,458	48,105,958	54,499,633	66,061,987	74,407,901	85,312,468	91,045,803	100,658,506
School, 7%	83,365,254	89,339,575	98,405,831	112,247,236	127,165,810	154,144,637	173,618,435	199,062,425	212,440,207	234,869,847
<b>Debt Against Legal Debt Limits</b>										
Town	4,404,000	5,694,000	3,984,000	5,777,924	5,464,000	7,454,000	6,914,000	14,874,000	13,251,097	23,551,897
School	1,485,000	975,000	8,524,400	7,809,400	7,094,400	6,819,605	9,610,605	8,919,605	8,204,605	7,489,605
Sewer - exempt from debt limits	2,320,757	2,196,785	2,072,811	1,943,838	1,809,865	1,834,865	1,670,892	1,452,946	1,322,946	1,095,000
Total Bonded Debt at December 31	<u>\$ 8,209,757</u>	<u>\$ 8,865,785</u>	<u>\$ 14,581,211</u>	<u>\$ 15,531,162</u>	<u>\$ 14,368,265</u>	<u>\$ 16,108,470</u>	<u>\$ 18,195,497</u>	<u>\$ 25,246,551</u>	<u>\$ 22,778,648</u>	<u>\$ 32,136,502</u>
<b>Unused Capacity of Legal Debt</b>										
Town	\$ 16,437,314	\$ 16,640,894	\$ 20,617,458	\$ 42,328,034	\$ 49,035,633	\$ 58,607,987	\$ 67,493,901	\$ 70,438,468	\$ 77,794,706	\$ 77,106,609
School	\$ 81,880,254	\$ 88,364,575	\$ 89,881,431	\$ 104,437,836	\$ 120,071,410	\$ 147,325,032	\$ 164,007,830	\$ 190,142,820	\$ 204,235,602	\$ 227,380,242
<b>% of Legal Debt Limits Used</b>										
Town	21.13%	25.49%	16.19%	12.01%	10.03%	11.28%	9.29%	17.43%	14.55%	23.40%
School	1.78%	1.09%	8.66%	6.96%	5.58%	4.42%	5.54%	4.48%	3.86%	3.19%

Source: Audited Financial Statements

Notes:

(1) Town debt includes bonded and leasing debt only and does not include other debt such as compensated absences and landfill post-closure care costs.

(2) Base Value for Debt Limits are computed by the NH Department of Revenue Administration and are estimated for 2005 based on ratio of .895

(3) Legal Debt % Rates are set by NH State Statute (RSA 33:4-a and 33:5-a)

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Computation of Overlapping Debt  
General Obligation Bonds  
Last Ten Years**

**Hillsborough County**

Year	Amount of Debt Outstanding (1)	Authorized but Unissued Debt	% of Debt Charged to Town (2)	Amount of Debt Charged to Town
2005	\$ -	\$ -	7.6380%	\$ -
2004	-	-	7.9496%	-
2003	-	-	7.8783%	-
2002	-	-	7.9760%	-
2001	1,400,000	-	7.7290%	108,206
2000	2,800,000	-	7.8021%	218,458
1999	4,200,000	-	7.6840%	322,728
1998	5,600,000	-	7.7090%	431,704
1997	7,000,000	-	7.5730%	530,110
1996	8,564,505	-	7.5020%	642,509

Source:

(1) Hillsborough County Financial Statements at year end

(2) NH Department of Revenue Administration

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Principal Taxpayers  
Current Year and Nine Years Ago**

<b>2005</b>			<b>2005</b>	Percent of	<b>1996</b>		
Rank	Taxpayer	Type of Business	Assessed Value	Total Assessed Value	Rank	Assessed Value	Percent of Total Assessed Value
1	Hampshire Green Apartments	Apartments	\$ 26,667,800	0.89%		\$ -	0.00%
2	Massachusetts Mutual Life	Apartments	23,254,400	0.77%		-	0.00%
3	NH Heritage Ltd Partnership	Bedford Mall	17,611,700	0.59%	1	8,250,000	0.63%
4	Kensington Close LLC	Apartments	14,681,900	0.49%		-	0.00%
5	Public Service of NH	Utility	12,461,400	0.41%	5	6,616,000	0.50%
6	Macy's East Inc.	Retail	11,873,400	0.40%	2	8,003,100	0.61%
7	Grove Court Shopping Center	Retail Shops/Offices	8,376,900	0.28%	6	6,220,300	0.47%
8	Colby Grove Retail LLC	Retail/Shopping Center	8,241,700	0.27%	9	5,644,900	0.43%
9	Bedford Norwalk LLC	Retail Shops/Offices	8,111,500	0.27%		-	0.00%
10	Independence Equity Partners LLC	Offices	7,947,900	0.26%		-	0.00%
	New England HydroTrans Corp.		-	0.00%	3	6,879,000	0.52%
	Bedford Farms		-	0.00%	4	6,733,700	0.51%
	Meditrust of Bedford		-	0.00%	7	6,087,900	0.46%
	Continental Pet Technologies		-	0.00%	8	5,706,500	0.43%
	Unum Life Insurance		-	0.00%	10	5,107,200	0.39%
		Total Principal Taxpayers	\$ 139,228,600	4.64%		65,248,600	4.96%
		Net Assessed Valuation	\$ 3,002,978,758			\$ 1,315,999,904	

Source:  
Town of Bedford Tax Warrant and Assessing Records

**Principal Employers  
Current Year and Nine Years Ago**

Name	Type of Business	<b>2005</b>		<b>1996</b>	
		Approximate # of Employees	Percent of Total Town Employment	Approximate # of Employees	Percent of Total Town Employment
Wal-Mart	Department Store	283	2.65%	-	
Bedford School District	Public School System	245	2.30%	245	3.66%
Macy's	Retail Store	199	1.86%	199	2.97%
Car Components Tech.	Manufacturing	196	1.84%	196	2.93%
Sheraton Tara Wayfarer	Hotel/Restaurant	185	1.73%	185	2.76%
Managed Operation Com.	Computer Technology	180	1.69%	-	
Kelly Services	Temp Employment Service	150	1.41%	100	1.49%
Continental PET	Research/Manufacturing	100	0.94%	100	1.49%
Harvey Construction	Construction	100	0.94%	100	1.49%
Montgomery Ward	Retail Store	-		115	1.72%
Somerville Lumber	Retail Building Materials	-		100	1.49%
Caldor's	Retail Store	-		97	1.45%
	Total Employed by Principal Employers	1,638	15.35%	1,437	21.47%
	Total Town Civilian Labor Force	10,674		6,693	

Source:  
Employment and Labor Market Information Bureau - New Hampshire Employment Security

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Demographic Statistics  
Last Ten Years**

Fiscal Year	Bedford Population (1)	Bedford Median Family Income (1)	Bedford Per Capita Income (1)	Bedford Unemployment Rate (2)	Bedford School Enrollment (3)
2005	21,489	103,708	43,655	2.95%	4,545
2004	20,918	101,340	42,470	2.80%	4,394
2003	20,347	98,972	41,285	3.70%	4,267
2002	19,776	96,604	40,100	3.90%	4,223
2001	19,205	94,236	38,915	2.80%	4,038
2000	18,274	91,868	37,730	2.20%	3,932
1999	17,702	89,499	36,547	1.80%	3,762
1998	17,131	87,131	35,362	1.80%	3,556
1997	16,560	84,763	34,177	1.80%	3,404
1996	15,989	82,395	32,992	2.40%	3,279

**State of New Hampshire  
Demographic Statistics  
Last Ten Years**

Fiscal Year	NH Population (1)	NH Median Family Income (1)	NH Per Capita Income (1)	NH Unemployment Rate (2)	NH School Enrollment (4)
2005	1,299,121	65,550	27,789	3.60%	205,767
2004	1,286,454	63,955	27,000	3.80%	206,852
2003	1,273,787	62,360	26,211	4.30%	203,359
2002	1,261,120	60,765	25,422	4.70%	203,715
2001	1,248,453	59,170	24,633	3.50%	203,072
2000	1,235,786	57,575	23,844	2.80%	201,568
1999	1,223,120	55,982	23,058	2.70%	200,363
1998	1,210,453	54,387	22,269	2.90%	198,570
1997	1,197,786	52,792	21,480	3.10%	195,919
1996	1,185,119	51,197	20,691	4.20%	192,989
1995	1,172,452	49,602	19,902	4.00%	189,180

*Sources:*

(1) Trended amounts based in the 1990 and 2000 US Census information.

(2) NH Department of Employment Security (<http://www.nhes.state.nh.us/elmi/lausdataarchive.htm>)

Amounts for year 2000 - 2004 were revised by the US Department of Labor in August 2005.

(3) Bedford School Department, annual reports

(4) NH Department of Education (<http://www.ed.state.nh.us/education/data/Enrollment.htm>)

**TOWN OF BEDFORD, NEW HAMPSHIRE**

**Operating Indicators by Function  
Last Ten Fiscal Years**

Function	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Assessing										
Residential Taxable Parcels Assessed	5,887	5,958	6,035	6,294	6,371	6,555	7,027	7,123	7,186	7,245
Commercial/Industrial Taxable parcels Assessed	519	518	522	512	514	512	514	519	551	569
Total Parcels (assessed and exempt)	6,565	6,767	6,889	7,309	7,432	7,623	7,845	7,883	7,976	8,059
Finance										
Motor Vehicles Registered	16,883	17,756	18,961	19,882	21,339	22,132	23,087	24,515	23,428	24,754
Planning										
Subdivision Plans Approved	14	11	20	18	12	14	11	10	14	14
Lot Line Adjustment Plans Approved	10	8	10	8	10	4	9	3	4	5
Site Plans Approved	30	20	12	23	9	12	23	12	24	19
ZBA Requests Approved	38	33	24	38	25	16	20	16	34	29
Police										
Physical Arrests	744	942	697	824	888	1,006	1,051	1,139	1,212	1,077
MV Summons	1,455	1,625	2,237	2,340	2,725	1,943	2,193	1,775	1,471	1,629
MV Warnings	4,516	3,938	4,818	5,000	6,108	5,167	5,712	6,257	5,598	5,269
Parking Tickets	52	66	83	60	92	90	254	136	228	206
Fire and Rescue										
Fire Calls	668	570	618	633	615	464	463	434	481	509
Ambulance Calls	660	688	790	781	810	836	866	875	1,089	1,189
Miscellaneous Calls	1,011	855	830	871	822	705	709	728	1,170	1,190
Building										
Building Permits for New Dwelling Units	369	220	540	242	301	217	210	136	143	144
Certificates of Occupancy	n/a	347	259	455	297	253	218	135	123	123
Community services -public works										
Number of Crews Dispatched for Snow Storms	34	40	23	20	16	29	34	25	28	34
Miles of Road Improved	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7	10
Public Library										
Total Library Holdings	53,359	53,967	74,348	77,630	83,078	77,170	79,139	82,282	81,844	80,545
Circulated Items	154,185	159,924	178,802	225,197	229,346	245,547	266,857	286,666	315,366	335,655

Source: Annual Town Reports and Department Records



**Town of Bedford, New Hampshire**  
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