

*In the opinion of Devine, Millimet & Branch Professional Association, Bond Counsel to the Town of Bedford, New Hampshire (the "Town"), based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the \$2,890,000 General Obligation Bonds, 2025 Series A (the "Bonds") is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Bonds will be exempt from the New Hampshire personal income tax on interest and dividends. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on the Bonds. (See "TAX MATTERS" herein.) **The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.***

OFFICIAL STATEMENT
of the
TOWN OF BEDFORD, NEW HAMPSHIRE
Relating to
\$2,890,000 General Obligation Bonds, 2025 Series A

Dated: Date of Delivery

Due: As shown herein

The Bonds are issuable only in fully registered forms without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. (See "THE BONDS—Book-Entry Only System" herein.)

The Bonds will be dated as of their date of delivery. Principal of the Bonds will be payable on July 15 in each year as set forth on the cover page. Interest on the Bonds will be payable on January 15, 2026 and semiannually thereafter on July 15 and January 15 of each year at the rates as shown in the maturity schedule as set forth on the inside cover page. Principal of and interest on the Bonds will be paid at the office of U.S. Bank Trust Company, National Association, Boston, Massachusetts (the "Paying Agent") to DTC. **Interest is computed on the basis of a 360-day year consisting of twelve 30-day months.**

Maturity July 15	Principal Amount	Interest Rate	Yield	CUSIP No.*	Maturity July 15	Principal Amount	Interest Rate	Yield	CUSIP No.*
2026	\$ 285,000	5.00%	2.46%	076280HW9	2031	\$ 290,000	5.00%	2.73%	076280JB3
2027	285,000	5.00	2.46	076280HX7	2032	290,000	5.00	2.85	076280JC1
2028	290,000	5.00	2.47	076280HY5	2033	290,000	5.00	2.94	076280JD9
2029	290,000	5.00	2.47	076280HZ2	2034	290,000	5.00	3.09	076280JE7
2030	290,000	5.00	2.57	076280JA5	2035	290,000	5.00	3.27	076280JF4

The Bonds are not subject to redemption prior to maturity.

The Bonds are offered for delivery when, as, and if issued, subject to the final approving opinion of Devine, Millimet & Branch, Professional Association, Bond Counsel, of Manchester, New Hampshire and to certain other conditions referred to herein. PFM Financial Advisors LLC will be serving as municipal advisor to the Town on this transaction. It is anticipated that the Bonds, in definitive form, will be available for delivery to DTC in New York, New York, or to its Custodial Agent, on or about July 23, 2025.

HilltopSecurities

Official Statement Dated: July 9, 2025

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This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

All quotations from and summaries and explanations of provisions of laws and documents described herein do not purport to be complete and reference is made to said laws and documents for full and complete statements of their provisions.

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than information and representations contained herein, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth herein has been furnished by the Town and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such Act. The Bonds will not be listed on any stock or other securities exchange. Any registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the states in which the Bonds may be registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except for the Town, will have passed upon the accuracy of the Official Statement or, except for the Town, approved the Bonds for sale. Any representation to the contrary may be a criminal offense.

The information relating to DTC and the book-entry only system contained in this Official Statement has been furnished by DTC (see "THE BONDS - Book-Entry Only System" herein). No representation is made by the Town as to the adequacy or accuracy of such information. The Town has not made any independent investigation of DTC or the book-entry only system.

The municipal advisor to the Town has provided the following sentence for inclusion in this Official Statement. The financial advisor has reviewed the information in this official statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the municipal advisor does not guarantee the accuracy or completeness of such information.

The cover page hereof, this page and the appendices attached hereto are part of this Official Statement.

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OFFICIAL STATEMENT
of the
TOWN OF BEDFORD, NEW HAMPSHIRE
Relating to
\$2,890,000
GENERAL OBLIGATION BONDS, 2025 SERIES A

This Official Statement provides certain information concerning the Town of Bedford, New Hampshire (the "Town", "Bedford" or the "Issuer") in connection with the issuance by the Town of its \$2,890,000 General Obligation Bonds, 2025 Series A dated their day of delivery (the "Bonds").

THE BONDS

Information contained herein has been obtained from the Town, unless otherwise noted, and from records and other sources believed to be reliable. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds.

Description of the Bonds

The Bonds will be dated their date of delivery. Principal of and interest on the Bonds will be paid at maturity at the office of U.S. Bank Trust Company, National Association, or its successor, acting as paying agent (the "Paying Agent") to DTC. Interest on the Bonds will be payable on January 15, 2026 and semiannually thereafter on July 15 and January 15 of each year at the rates as shown in the maturity schedule on the inside cover hereof until maturity or earlier redemption. Principal of the Bonds will be payable on July 15 as shown in the maturity schedule on the cover hereof. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. Disbursement of such payments to the Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct Participants and the Indirect Participants, as more fully described herein. **Interest on the Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months.**

The Bonds are issuable only in fully registered form without coupons and, when issued will be in the name of Cede & Co., as Bondowner and nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "THE BONDS - Book-Entry Only System" herein).

For every transfer and exchange of the Bonds, whether in certificated form or otherwise, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Adequate indemnification may be required to replace any lost, stolen or destroyed Bonds, whether in certificated form or otherwise.

Authorization and Purpose of the Bonds

The Bonds were authorized pursuant to Chapter 33 of the New Hampshire Revised Statutes Annotated ("RSA"), Town Council resolutions passed on June 11, 2025 and a warrant article passed by Town voters on March 14, 2023. A total of \$4,391,373 was authorized for the purpose of constructing a solar array at the capped landfill and electrical trash compactors with associated building and site improvements at the Transfer Station on Chubbuck Road, with \$3,142,390 being currently needed for the project.

Record Date

The Record Date for each payment of interest on the Bonds is the fifteenth (15th) day preceding the interest payment date or, if such day is not a business day of the Paying Agent, the next preceding day which is a regular business day of the Paying Agent.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents

such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to Direct Participants, (2) Direct Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with Direct Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC’s records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but neither the Town nor the Financial Advisor take any responsibility for the accuracy thereof.

Redemption Prior to Maturity

The Bonds are not subject to redemption prior to maturity.

Security for the Bonds

In the opinion of Devine, Millimet & Branch Professional Association, Bond Counsel to the Town ("Bond Counsel"), the Bonds described in this Official Statement, when issued, will be valid general obligations of the Town. All taxable property within the territorial limits of the Town is subject to taxation without limitation as to rate or amount to pay both principal and interest on the Bonds.

The New Hampshire Municipal Finance Act (RSA Chapter 33) provides that the amount of each payment of principal and interest on all loans issued by a municipality shall, without vote of the municipality, be assessed and collected. (No provision is made, however, for a lien on any portion of the tax levy to secure bonds or notes, or judgments thereon, in priority to other claims).

The obligations of the Town and the enforcement thereof are subject to the exercise of the sovereign police powers of the State of New Hampshire, the constitutional powers of the United States of America, to the federal bankruptcy code, provided the Town is qualified as a debtor pursuant to 11 U.S.C. Section 109(c) and is expressly authorized under the laws of the State to file for relief under the federal bankruptcy code. In this regard, no New Hampshire statute specifically authorizes a New Hampshire municipality such as the Town to file for bankruptcy under the federal code. The obligations of the Town and the enforcement thereof are also subject to other existing and future laws affecting creditors' rights to the extent the same may be constitutionally applied, and the exercise of judicial discretion in accordance with general equitable principles.

The scope of engagement of Bond Counsel does not extend to passing upon, or assuming responsibility for the accuracy or adequacy of any statement made in this Official Statement other than matters expressly set forth in Bond Counsel's opinion and, as such, Bond Counsel makes no representation that it has independently verified the same.

TOWN OF BEDFORD

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, which are New Hampshire's two largest cities. The Town has a population of 23,856, and it occupies 38 square miles of land.

Bedford was incorporated in 1750 and since 1988 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 actual budget) and appoints a Town Manager to serve for a contracted 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. The annual budget (including debt service) and the issuance of new long-term debt is approved by ballot vote at the second session of the Annual Town Meeting. The issuance of new debt requires a 3/5th majority vote.

Bedford has a diverse character, combining residential, commercial, industrial and recreational activities. The Town has experienced significant tax base growth of approximately 53% in the last five years, with the majority of growth occurring in residential property. While much of this growth can be attributed to national trends, it is also due to Bedford's excellent school systems, well-maintained infrastructure, and reputation for being a desirable place to live and work.

The Town provides a full-range of administrative, public works, public safety, recreational, and cultural services to its residents.

Principal Officials

<u>Office</u>	<u>Name</u>	<u>Term Expires</u>	<u>How Selected</u>
Chairwoman	Lori Radke	2026	Elected
Vice Chair	Phil Greazzo	2027	Elected
Council Member	William Carter	2026	Elected
Council Member	Gail Levesque	2028	Elected
Council Member	Kathleen Bemis	2028	Elected
Council Member	Michael Strand	2027	Elected
Council Member	Becky Soule	2027	Elected
Town Clerk	Sally Kellar	2026	Elected

Appointed:

<u>Name</u>	<u>Position</u>	
Rick Sawyer	Town Manager	Indefinite
Matt Mannino	Finance Director	Indefinite
Susan Thomas	Treasurer	March 2028

Public Schools

The Bedford School District (the "District"), governed by a five member School Board, is coterminous with the Town. The District provides for the education of the Town's public school students in grades P/K through 12. Its grade levels were reconfigured in 2007/2008 with the construction of a new middle school and high school. Bedford students previously tuitioned to Manchester High School West were transitioned to its own high school beginning with grades 11 and 12 in 2007/2008, and adding grade 10 in 2008/2009 and grade 9 in 2009/2010.

The grade reconfiguration now consists of three neighborhood elementary schools: Memorial, Peter Woodbury, and Riddle Brook Schools (grades K through 4 with Memorial housing preschool); McKelvie Intermediate School (grades 5 and 6); Ross A. Lurgio Middle School (grades 7 and 8); and Bedford High School (grades 9 through 12).

The District is subject to oversight by the New Hampshire State Board of Education. Responsibility for legislative decisions rests with the District's School Board which approves, among other things, the District budget and debt authorizations.

Principal Officials for the Bedford School District

OFFICE	INCUMBENT	MANNER OF SELECION	TERM EXPIRATION
Chair	Sue Jennato	Elected	2026
Vice Chair	Andrea Campbell	Elected	2028
Member	Bill Foote	Elected	2026
Member	Mindy Bator	Elected	2027
Member	Kara LaMarche	Elected	2027
Treasurer	Tina Kozak	Elected	2026
Moderator	Michael Courtney	Elected	2028

Administration - Appointed:

Michael Fournier
Superintendent

Tom Laiberte
Asst. Superintendent for Curriculum and Instruction

Lisa Ambrosio
Business Administrator

District Facilities

The District currently operates three elementary schools, one intermediate school, a middle school, and a high school.

District Enrollments

The following table sets forth the trend in school enrollments of the District.

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
P/K-8	3,024	2,971	2,993	2,923	2,785	2,809	2,774	2,671	2,611
9-12	1,510	1,501	1,532	1,511	1,484	1,459	1,397	1,407	1,374
Total	4,534	4,472	4,525	4,434	4,269	4,268	4,171	4,078	3,985

While there are no higher education facilities in Bedford, there are at least four such facilities within 10 miles of Bedford and many more within a short commuting distance. These facilities include: The University of New Hampshire; Saint Anselm College, New Hampshire Vocational-Technical College; University of New Hampshire Franklin Pierce School of Law School; Southern New Hampshire University; Keene State College; Plymouth State University; and the many fine schools in the Boston and Lowell, Massachusetts areas.

Municipal and School Employee Bargaining Organizations

Pursuant to New Hampshire R.S.A. 273-A, all public employees in the State of New Hampshire have the right to organize and to bargain collectively with their public employers on matters of wages, hours, and other conditions of employment other than managerial policy. The following identifies Bedford's municipal and school labor organizations, their affiliations, the length of each current contract, and its expiration date. New Hampshire law provides for no third-party determination of wages and conditions of employment, so that the local appropriating or legislative body has final authority over these items.

<u>Employees Town</u>	<u>Organization</u>	<u>Expiration of Contract</u>
Police	State Employees Assoc. Local 1984	2025*
Fire	IAFF, AFL-CIO, CLC – Local 3639	2025*
Public Works/Water	Teamsters Local 633	2026

*New contracts are being negotiated.

<u>School</u>		
Teachers	NH National Education Association	2028
Custodians	NH National Education Association	2026
Support Staff	NH National Education Association	2026

Income and Wealth Levels

The following table compares census figures for the Town of Bedford, Hillsborough County, the State of New Hampshire and the United States.

Median Age (Years)	Bedford	Hillsborough County	New Hampshire	United States
2023	44.4	41.1	43.4	39.2
2020	44.2	40.8	43.0	38.2
2010	42.3	39.3	41.1	37.2
2000	39.2	37.6	37.0	35.4
1990	36.5	32.2	32.8	32.8
Median Family Income	Bedford	Hillsborough County	New Hampshire	United States
2023	\$160,253	\$100,436	\$95,628	\$78,538
2020	\$135,374	\$82,099	\$77,923	\$64,994
2010	\$135,411	\$83,636	\$78,310	\$64,293
2000	\$91,868	\$62,363	\$57,575	\$49,600
1990	\$68,187	\$46,249	\$41,628	\$35,225
Per Capita Income	Bedford	Hillsborough County	New Hampshire	United States
2023	\$50,867	\$52,243	\$71,137	\$43,289
2020	\$57,961	\$42,081	\$41,234	\$35,384
2010	\$52,855	\$33,653	\$32,357	\$27,915
2000	\$37,730	\$25,198	\$23,844	\$21,690
1990	\$25,883	\$17,404	\$15,959	\$14,420
% of People in Poverty	Bedford	Hillsborough County	New Hampshire	United States
2023	3.0%	6.5%	7.2%	11.1%
2020	3.0	7.4	7.4	12.8
2010	3.2	7.5	8.0	14.3
2000	2.2	6.3	6.5	11.3
1990	2.2	5.9	6.2	14.2

Source: United States Census, 2019-2023 American Community Survey

Population Trends

<u>Year</u>	<u>Bedford</u>	<u>% Change From Prior Census</u>	<u>New Hampshire</u>	<u>% Change from Prior Census</u>
2024	23,856	2.3%	1,409,032	2.3%
2020	23,322	10.0	1,377,529	4.6
2010	21,203	16.0	1,316,470	6.5
2000	18,274	45.5	1,235,786	11.4
1990	12,563	33.0	1,109,117	20.5
1980	9,481	62.0	920,475	25.0
1970	5,859	61.0	737,578	22.0

Source: United States Census, 2019-2023 American Community Survey

Employment and Wages – Annual Average 2023

<u>Industry Title</u>	<u>Average Annual Establishments</u>	<u>Average Annual Employment</u>	<u>Average Weekly Wage</u>
Total, Private plus Government	1,108	17,785	\$1,562
Total Private	1,089	16,595	\$1,586
Goods-Producing Industries	107	1,706	\$2,029
Service-Providing Industries	982	14,889	\$1,535
Total Government	19	1,190	\$1,229
Federal Government	2	34	\$2,780
State Government	7	75	\$1,440
Local Government	10	1,082	\$1,166

Source: N.H. Department of Employment Security.

Unemployment

	<u>Annual</u>								
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bedford	2.4%	2.4%	2.2%	2.2%	5.0%	2.5%	2.2%	2.0%	2.4%
New Hampshire	2.8	2.7	2.4	2.5	6.7	3.5	2.4	2.3	2.6
United States	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6	4.0

	<u>Monthly 2025</u>			
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>
Bedford	3.0%	3.1%	3.0%	2.7%
New Hampsh	3.3	3.6	3.5	2.9
United States	4.4	4.5	4.2	3.9

Source: N.H. Department of Employment Security – not seasonally adjusted.

Building Permits

Year	Number Issued	Total Value
2024	480	\$78,824,735
2023	434	87,520,304
2022	515	133,883,525
2021	404	60,094,151
2020	232	35,603,151
2019	444	83,230,421
2018	402	50,329,501
2017	445	47,173,186
2016	499	54,234,948
2015	498	66,657,490

Largest Employers – as of December 31, 2023

Rank	Name	Type of Business	Approximate # of Employees	Percent of Total Town Employment
1	Bedford School District	Public School System	732	6.12%
2	Market Basket	Retail Grocery Store	462	3.86%
3	Hannaford	Retail Grocery Store	400	3.34%
4	Whole Foods	Retail Grocery Store	325	2.72%
5	LSNE	Medical	275	2.30%
6	Lowe's	Home Improvement Center	215	1.80%
7	Town of Bedford	Municipal Services	205	1.71%
8	Kelly Services	Temporary Employment Agency	200	1.67%
9	Target	Department Store	175	1.46%

Source: Employment and Labor Market Information Bureau – New Hampshire Employment Security (Community Profiles)

TOWN FINANCES

Audit

The Town and the District employ outside independent Certified Public Accounting Firms to audit their operations annually. The audits are in accordance with generally accepted auditing standards. (See Appendix B)

Budget Procedures

Town of Bedford

The Town Manager, using data from department heads and other sources, prepares a recommended budget which the Manager submits in October to the Town Council. The Council may amend the recommended appropriations, revenues, and warrant articles by majority vote. Once the Town Council has made changes, a public hearing is held for input from the public in January. The Council brings the finalized budget and warrant articles to the deliberative session in early February. During this meeting, citizens may amend the Council's recommended budget and warrant articles by majority vote. The Council's budget, with any amendments, then goes onto the official ballot to be voted on in the March election.

Bedford School District

The District's budgetary process begins with the building principals submitting their budget recommendations to the Superintendent of Schools. Extensive review takes place which culminates in the administration's proposed budget, which is then transmitted to the Bedford School Board. The Bedford School Board completes its deliberations of the administration's recommendations and then a public hearing is held at which time the public is provided the opportunity to offer input into the budget process. Following the public hearing, the School Board will determine a final budget for the District which will be presented to the voters of the District at the District's Annual Meeting in March. All registered voters are eligible to participate in voting at the polls by the means of an official ballot.

Major Sources of Revenue

Local Property Taxes: The principal source of revenue for the Town is the tax on real property. There is no limit as to the rate or amount. A single tax applies for each fiscal year to the assessed value of the taxable real property.

The property taxes collected by the Town include taxes levied for the School District and Hillsborough County, which are remitted to those governmental units as required by law.

The Town's property taxes are due each year in two installments, July 1 and December 1. Interest accrues on delinquent taxes at the rate of 8% to the date of payment. Under RSA 80:58-86, there is a real estate tax lien procedure under which only a municipality or county where the property is located or the state may acquire a tax lien against land and building for unpaid taxes. From the date of the tax lien, a two-year period of redemption will be accepted and the lien released; 14% interest is charged during the two-year redemption period. If the property is not redeemed within the two year period of redemption, the property is deeded by Tax Collector's Deed. Except for any paramount federal lien and subject to bankruptcy and insolvency laws, tax liens take precedence over all the liens. Tax Collector's Deeds are free and clear of all encumbrances. All interest rates are on a per annum basis.

PROPERTY TAXES

Property Valuations and Tax Rates

<u>Fiscal Tax Year</u>	<u>Local Assessed Valuations</u>	<u>Equalized Assessed Valuation</u>	<u>Ratio of Local Assessed Valuation to Equalized Assessed Valuation</u>	<u>Local Tax Rate</u>	<u>Estimated Full Value Tax Rate</u>
2024	\$ 6,268,838,404	6,957,624,483	90.10	\$ 14.96	\$ 14.14
2023	6,205,119,702	6,456,928,118	96.10	13.94	14.00
2022	4,881,327,925	6,163,246,336	79.20	16.63	13.71
2021	4,837,719,676	5,368,698,166	90.11	16.21	15.17
2020	4,144,560,827	4,574,225,175	90.61	18.95	17.88
2019	4,096,632,640	4,325,031,946	94.72	17.83	17.72
2018	3,817,958,051	4,233,634,121	90.18	19.18	18.17
2017	3,759,980,714	4,007,723,408	93.82	17.64	17.65
2016	3,284,986,761	3,844,675,776	85.44	20.90	18.77
2015	3,243,612,983	3,830,817,068	84.67	21.36	19.16

Tax Collections

<u>Calendar Year</u>	<u>Local Tax Rate</u>	<u>Total Property Tax Levy</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Tax Levy</u>
2024	\$14.96	\$ 98,237,858	\$ 96,424,113	98.15%
2023	13.94	91,069,340	90,944,995	99.86%
2022	16.63	85,156,902	85,075,923	99.90%
2021	16.21	82,052,235	82,028,195	99.97%
2020	18.95	82,061,469	82,056,829	99.99%
2019	17.83	76,700,841	76,693,473	99.99%
2018	19.18	76,959,141	76,954,332	99.99%
2017	17.64	70,718,113	70,713,724	99.99%
2016	20.90	72,806,409	72,802,258	99.99%
2015	21.36	73,169,762	73,165,525	99.99%

Principal Taxpayers as of December 31, 2024

Rank	Taxpayer	Type of Business	Assessed Value	Percent of Total Assessed Value
1	Public Service of NH	Utility	\$ 91,761,512	1.47%
2	AMFP VI Heritage LLC	Apartments	43,104,000	0.69%
3	Hampshire Green Apartments	Apartments	36,274,500	0.58%
4	LSNE Real Estate LLC	Office Building	32,715,634	0.52%
5	Cooper Lane Apartments	Apartments	27,032,700	0.43%
6	GFI-JHM Bedford Owner LLC	Apartments	26,845,400	0.43%
7	RM23A Holdings, LLC	Senior Living Community	24,726,400	0.40%
8	Shoppes at Bedford	Retail/Shopping Center	24,622,000	0.39%
9	Farley White Bedford	Office Building	21,332,216	0.34%
10	Kensington Close	Apartments	20,732,400	0.33%

Source: Town of Bedford Tax Warrant and Assessing Records.

TOWN AND DISTRICT DEBT

Principal Payments by Purpose

Town of Bedford

Year	2015 Road Improvements	2017 Road Improvements	2020 Road Improvements	Total
2025	\$ 1,025,000	\$ 980,000	\$ 845,000	\$ 2,850,000
2026	-	975,000	845,000	1,820,000
2027	-	975,000	845,000	1,820,000
2028	-	-	845,000	845,000
2029	-	-	845,000	845,000
2030	-	-	845,000	845,000
Total	\$ 1,025,000	\$ 2,930,000	\$ 5,070,000	\$ 9,025,000

Bedford School District

Year	Capital Improvements	2014 Refunding Bonds	2022 NHMBB Bond	2023 NMHBB Bond	2024 NMHBB Bond	Total
2025	\$ 40,000	\$ 2,195,000	\$ 226,500	\$ 37,884	\$ -	\$ 2,499,384
2026	40,000	-	226,500	37,884	2,227,000	2,531,384
2027	40,000	-	226,500	37,884	2,350,000	2,654,384
2028	-	-	226,500	37,884	2,470,000	2,734,384
2029	-	-	226,500	37,884	2,600,000	2,864,384
2030	-	-	226,500	37,884	2,725,000	2,989,384
2031	-	-	226,500	37,884	-	264,384
2032	-	-	226,500	37,884	-	264,384
2033	-	-	226,500	37,884	-	264,384
2034	-	-	226,500	37,884	-	264,384
2035	-	-	226,500	37,883	-	264,383
2036	-	-	226,500	37,883	-	264,383
2037	-	-	226,500	37,883	-	264,383
2038	-	-	226,400	37,883	-	264,283
2039	-	-	226,400	37,883	-	264,283
2040	-	-	226,400	37,883	-	264,283
2041	-	-	226,400	37,883	-	264,283
2042	-	-	226,400	37,883	-	264,283
2043	-	-	226,300	37,883	-	264,183
2044	-	-	-	37,883	-	37,883
Total	\$ 120,000	\$ 2,195,000	\$ 4,302,800	\$ 757,670	\$ 12,372,000	\$ 19,747,470

Debt Ratios and Debt Per Capita

Fiscal Year	Population ⁽¹⁾	Estimated Full Market Value	Net Bonded Debt	Debt Per Capita	Ratio Bonded Debt/EFMV
2024	23,856	\$ 6,957,624,483	\$ 9,025,000	\$ 378	0.13%
2023	23,764	6,456,928,118	12,310,000	518	0.19%
2022	23,704	6,163,246,336	16,275,000	687	0.26%
2021	23,322	5,368,698,166	20,200,000	866	0.38%
2020	23,322	4,574,225,175	24,755,000	1,061	0.54%
2019	22,390	4,325,031,946	19,950,000	891	0.46%
2018	22,458	4,233,634,121	23,670,000	1,054	0.56%
2017	22,733	4,007,723,408	27,360,000	1,204	0.68%
2016	22,236	3,844,675,776	20,245,000	910	0.53%
2015	22,668	3,830,817,068	24,175,000	1,066	0.63%

Source: United States Census, 2019-2023 American Community Survey

Bond Authorized but Unissued

After the issuance of the Bonds, the Town will have \$1,248,983 authorized but unissued debt.

Pension Plans

Town of Bedford – Retirement System

The Town contributes to the New Hampshire Retirement System (“NHRS” or the “Plan”), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The Plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301. Reference is hereby made to the State of New Hampshire Information Statement dated March 27, 2025 which has been filed with the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12.

NHRS pension expense paid by the Town for fiscal year 2024 totaled \$2,632,337.

Town of Bedford - Other Post-Employment Benefits

The Town does not explicitly provide or subsidize the costs of retiree health care coverage for its employees, (including those employed by the Bedford School District.) The Town does however provide an implicit rate subsidy since the inherently higher health care costs for retired employees are not directly reflected in the determination of the premium rates paid by those retirees.

The Town has implemented Government Accounting Standards Board (GASB) Statement number 75 for other post-employments benefits (OPEB). The Town’s most recent analysis of its total OPEB liability of \$3,234,514 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024.

The actuarially determined contribution was \$403,617 for December 31, 2024. Actual contributions were (\$94,709) for December 31, 2024. In addition, the Town’s proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2024 was \$1,635,007.

Please see Appendix B, Audited Financial Statements, page 57, *Note 17 – Other Post-Employment Benefits (GASB 75)*, for a full description of the benefits provided and the actuarial determined liability of the Town as of December 31, 2023.

Bedford School District – Retirement System

The District also contributes to the NHRS and NHRS pension expense paid by the District for fiscal year 2024 totaled \$6,959,197.

Bedford School District – Other Post-Employment Benefits

The School District has implemented GASB Statement number 75 for other post-employment benefits (OPEB). At June 30, 2024, the District reported a liability of \$3,600,732 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2022.

Legal Requirements for Approval of Borrowing

Bonds and serial notes are authorized on behalf of the Town by a 60% vote by Official Ballot at a Town election and by the District with a 60% vote by Official Ballot at a School District election. The general debt limit of the Town is 3.00% of “base valuation” determined annually by the State Department of Revenue Administration Board of Taxation. The District’s debt limit is 7% of limitation against base valuation. Water and Sewer Projects undertaken by order of the New Hampshire Water Supply and Pollution Control Commission are excluded from the measure of indebtedness as is debt that is supported by grants and user fees. Superfund sites and certain landfill debt are also excluded. Non-compulsory water projects are subject to a debt limit of 10% of the “base valuation”. Borrowings authorized by special legislative acts rather than the general municipal finance statutes are sometimes excluded from a city or town's debt limit.

The “base valuation” for computing the debt limit consists of the Town’s equalized assessed valuation plus property formerly taxed by the Town prior to enactment of the State Business Profits Tax Law. For the Town, the “base valuation” is \$6,957,624,483 for 2024. The following is a schedule of outstanding overall and net debt of the Town and School District as of December 31, 2024, and June 30, 2024, respectively, and of the related debt limitations.

<u>Purpose</u>	<u>Debt Outstanding</u>	<u>Statutory Debt Limit</u>	<u>Debt Margin</u>
Town	\$9,025,000	3.00%	\$208,728,734
School	\$19,747,470	7.00%	\$487,033,714

Below Debt Not Subject to Statutory Debt Limitations:

Sewer None currently outstanding

RISK MANAGEMENT

Climate Change

The Town actively addresses the increasing frequency of extreme weather events caused by climate change, as detailed in its Hazard Mitigation Plan. This plan identifies several potential threats, including hurricanes, tornadoes, wind events, lightning storms, fires, and significant rain/flooding incidents. Additionally, prolonged periods of heat and limited precipitation can lead to drought, impacting the Town’s water supply and raising the risk of fires.

The Town is committed to enhancing its climate resilience through ongoing evaluations and the implementation of various measures. These efforts aim to lessen the impact of these events, safeguard town assets, and build overall resilience.

While the precise rate of climate change's effects on the Town remain uncertain, it is utilizing data and projections to identify and mitigate risks proactively. In 2024, there were no significant events that caused property damage in Bedford. The Town did experience abnormally dry to moderate drought conditions from September 2024 through early May 2025 however no impacts were reported to any private or public wells or property as a result.

To address increased water volumes, the Town has incorporated drainage requirements into the subdivision and site plan regulations, and the Department of Public Works has developed an inventory of stormwater management structures and completes regular inspections. As part of the road reconstruction program over the last 20 years, resiliency has been built into the Town’s stormwater collection system by upgrading culverts and bridge crossings as the roads were rebuilt. Regarding high wind risks, which are mainly associated with fallen trees causing property damage, road blockages, and power outages, the Town along with Eversource conduct an annual tree trimming and removal program adjacent to roadways and power lines. This initiative is designed to minimize utility disruptions and prevent obstructions in rights-of-way.

Cyber Security

Like many other public and private entities, Bedford relies on a large and complex technology environment to conduct its operations. As recipient and provider of personal, private, or sensitive information, the Town may be subject to cyber threats including, but not limited to, phishing and spear phishing attacks, ransomware, hacking, viruses, malware, and other such attacks on Town infrastructure, which includes computers, servers, networking components, user accounts, and public and private data. Threat actors may attempt to gain unauthorized access to the Town's systems for financial gain, the misappropriation of assets or information, or to cause operational disruption and damage.

Bedford has implemented preventive measures to protect against malicious activity targeting critical technology infrastructure, including the use of firewalls, VPNs, endpoint security, multi-factor authentication, and is re-architecting its Security Awareness Training program which combines end-user learning with simulated phishing attempts. Most importantly, the Town has increased its on-site and off-site data backup capabilities. As the Town migrates towards its goal of reducing its on-premises workload, it continually reevaluate our security profile, Policies and Procedures, and Action Plans. Bedford continues collaborating with the Cybersecurity Infrastructure Agency (CISA) on cyber resiliency initiatives. Additionally, the Town has contracted to move to a .gov structure to be completed in the fall of 2025. No assurances can be given that the Town's efforts to manage cyber threats and attacks will be successful or that any such attack will not have a material impact on the Town's operations or finances.

CONDITIONS PRECEDENT TO DELIVERY

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

No Litigation Certificate

Upon the delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the Chair of the Town Council and the Town Treasurer, dated the date of delivery to the effect that there is no litigation pending or, to the knowledge of such officers, threatened affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them and that neither the corporate existence nor boundaries of the Town, nor the title of any of said officers to their respective offices, is being contested.

Certificate With Respect to Official Statement

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Chair of the Town Council and the Town Treasurer certifying that, to the best of their knowledge and belief, both as of its date and as of the date of delivery of the Bonds, this Official Statement does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading.

STATE SCHOOL FUNDING

On December 17, 1997, the New Hampshire Supreme Court ruled that the State's system of financing elementary and secondary public education primarily through local property taxes was unconstitutional. Since that decision, the State legislature has taken a number of actions to address the issues raised by the Court and to meet its constitutional obligation with respect to school funding. Many of such actions have been subject to subsequent review and decisions by the Court. For a description of the manner in which the State participates in the financing of public education, see the State's most recent Information Statement dated March 27, 2025, which has been filed with the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12.

The Town is unable to predict the outcome of these matters at this time.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulation rulings and court decisions, and assuming, among other matters, compliance with certain covenants under existing law, the interest on the Bonds is exempt from the New Hampshire personal income tax on interest and dividends and, except as described below, the interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds will not be included in computing the alternative minimum tax taxable income of Bondholders who are individuals. However, interest on the Bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Except as indicated in the following paragraph, Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds.

The Town will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Accordingly, via the opinion of Bond Counsel, a deduction will be allowable to a financial institution for 80% of its interest expense allocable to the Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Town has covenanted to comply with such requirements of the Code to ensure that interest on the Bonds will not be include in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from the New Hampshire personal income tax on interest and dividends, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of

interest on the Bonds in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the New Hampshire legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

The Internal Revenue Service (the "IRS") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS may treat the Town as the taxpayer and the owners of the Bonds may have limited rights to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

CONTINUING DISCLOSURE

In order to assist the original purchasers of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the Town will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than (9) nine months after the end of each fiscal year (the "Annual Report") and to provide notices of the occurrence of certain significant events. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix D. The Continuing Disclosure Certificate will be executed by the signers of the Bonds and incorporated by reference in the Bonds. The Town is the only "obligated person" with respect to the Bonds within the meaning of the Rule.

During the past five years, the Town has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

The Director of Finance, or such official's designee from time to time, shall be the contact person on behalf of the Town from whom the information, data and notices required by the Rule may be obtained. The name, address and telephone number of the initial contact person is Matthew Mannino, Director of Finance, Town of Bedford, 24 North Amherst Road Bedford, NH 03110. (603) 792-1313.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC ("PFM") has served as municipal advisor to the Town for the issuance of the Bonds. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in the Official Statement. PFM is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distributing securities or other public securities.

RATING

The Town has received a rating of “Aaa” on the Bonds from Moody’s Investors Service Inc. (“Moody’s”). The rating reflects only the view of Moody’s, and an explanation of the significance of such ratings may be obtained from Moody’s.

The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency. Any downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

FINANCIAL STATEMENTS

The Town’s Audited Financial Statements for the fiscal year ended December 31, 2023 are attached as Appendix B.

LITIGATION

There is no litigation pending, or to the knowledge of the Town’s attorney threatened, which would affect the validity of these Bonds, or the Town’s ability to levy and collect taxes to pay them, or which would have a material effect on the Town’s financial position.

CERTIFICATION

To the best of my knowledge, this Preliminary Official Statement relating to the Town and its finances is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

SALE AT COMPETITIVE BIDDING

The Bonds were offered for sale at competitive bidding on July 9, 2025. The Bonds were awarded to HilltopSecurities (the “Underwriter”). The Underwriter has supplied the information as to the yields of the Bonds as set forth on the cover page hereof. The Bonds are being purchased from the Town by the Underwriter as an aggregate price of \$3,182,348.73, reflecting the principal amount of \$2,890,000.00, plus an original premium of \$305,161.05, minus Underwriters’ discount of \$12,812.32. The Underwriter may offer to sell the Bonds to certain dealers and others at prices other than the initial public offering prices and the public offering prices may be changed from time to time by the Underwriter.

MISCELLANEOUS

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

TOWN OF BEDFORD, NH

By: /s/ Matthew Mannino
Director of Finance

Dated: July 9, 2025

APPENDIX A

TOWN OF BEDFORD

GENERAL FUND REVENUES & EXPENDITURES - COMPARATIVE STATEMENTS

	Audit	Audit	Audit	Audit	Audit
Fiscal Year End December 31	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Taxes	\$ 16,670,434	\$ 17,259,260	\$ 17,980,587	\$ 18,458,813	\$ 20,140,990
Licenses & Permits	6,418,511	6,397,896	6,477,956	6,486,294	6,676,032
Intergovernmental Revenues	2,196,706	3,041,185	3,009,806	3,435,576	4,517,904
Charges for Services	2,203,635	1,988,805	2,450,619	2,260,051	2,512,488
Investment Income	848,956	421,462	44,073	(81,339)	1,154,905
Miscellaneous	166,605	218,770	464,457	59,720	26,292
Total Revenues	<u>\$ 28,504,847</u>	<u>\$ 29,327,378</u>	<u>\$ 30,427,498</u>	<u>\$ 30,619,115</u>	<u>\$ 35,028,611</u>
Expenditures					
General Government	\$ 6,173,992	\$ 6,607,673	\$ 7,682,843	\$ 6,838,300	\$ 7,677,307
Public Safety	10,186,657	10,827,668	11,409,215	11,664,593	12,628,659
Highways & Streets	4,208,398	3,936,624	4,076,120	4,601,973	5,425,676
Sanitation	1,004,205	1,123,438	992,960	1,121,288	1,650,420
Welfare & Health	2,355	-	1,250	2,438	8,671
Culture & Recreation	1,376,021	1,456,441	2,183,164	1,737,018	2,046,031
Capital outlay	-	480,302	1,175,168	1,057,020	4,033,450
Debt Service	3,883,581	3,980,774	4,896,231	4,126,350	2,710,413
Total Expenditures	<u>\$ 26,835,209</u>	<u>\$ 28,412,920</u>	<u>\$ 32,416,951</u>	<u>\$ 31,148,980</u>	<u>\$ 36,180,627</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ 1,669,638	\$ 914,458	\$ (1,989,453)	\$ (529,865)	\$ (1,152,016)
Total Other Financing Sources (Uses)	<u>520,935</u>	<u>298,137</u>	<u>158,551</u>	<u>1,741,258</u>	<u>86,788</u>
Net Change in Fund Balance	<u>\$ 2,190,573</u>	<u>\$ 1,212,595</u>	<u>\$ (1,830,902)</u>	<u>\$ 1,211,393</u>	<u>\$ (1,065,228)</u>
Fund Balance, at Beginning of Year	\$ 23,727,126	\$ 25,917,699	\$ 27,130,294	\$ 25,299,392	\$ 26,510,785
Fund Balance, at End of Year	\$ 25,917,699	\$ 27,130,294	\$ 25,299,392	\$ 26,510,785	\$ 25,445,557

TOWN OF BEDFORD
GENERAL FUND BALANCE SHEET

Fiscal Year End December 31	Audit 2019	Audit 2020	Audit 2021	Audit 2022	Audit 2023
Assets					
Cash and short-term investments	\$ 45,759,984	\$ 22,716,954	\$ 19,707,974	\$ 19,701,878	\$ 19,249,181
Investments	4,479,039	5,033,831	5,645,863	6,105,604	6,495,513
Receivables:					
Property taxes, net	1,874,536	1,765,940	1,344,478	2,192,724	2,330,531
Departmental and other	524,333	449,754	740,026	752,191	939,701
Intergovernmental	43,370	79,972	135,148	2,165	122,937
Leases	-	-	-	2,173,359	2,131,699
Inventory	41,068	35,457	43,608	38,594	46,928
Prepaid items	758,164	831,673	728,369	853,930	225,151
Total Assets	<u>\$ 53,480,494</u>	<u>\$ 30,913,581</u>	<u>\$ 28,345,466</u>	<u>\$ 31,820,445</u>	<u>\$ 31,541,641</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 773,056	\$ 1,165,065	\$ 687,759	\$ 492,565	\$ 790,436
Accrued liabilities	28,078	27,714	25,607	20,117	443,365
Deposits held in custody	-	-	-	1,471,792	1,509,836
Due to other governments	25,599,684	1,419,636	1,527,779	-	-
Tax refunds liability	-	-	-	-	-
Unearned revenue	19,323	505	-	-	80,311
Other liabilities	4,038	4,331	3,138	3,134	7,747
Total Liabilities	<u>\$ 26,424,179</u>	<u>\$ 2,617,251</u>	<u>\$ 2,244,283</u>	<u>\$ 1,987,608</u>	<u>\$ 2,831,695</u>
Deferred Inflows of Resources	<u>\$ 1,138,616</u>	<u>\$ 1,166,036</u>	<u>\$ 801,791</u>	<u>\$ 3,322,052</u>	<u>\$ 3,264,389</u>
Fund Balances:					
Nonspendable	799,232	867,130	771,977	892,524	272,079
Restricted					394,141
Committed	4,615,907	6,619,050	6,500,053	6,996,751	7,338,689
Assigned	2,437,196	2,365,834	2,327,202	3,354,529	2,053,194
Unassigned	18,065,364	17,278,280	15,700,160	15,266,981	15,387,454
Total Fund Balances	<u>\$ 25,917,699</u>	<u>\$ 27,130,294</u>	<u>\$ 25,299,392</u>	<u>\$ 26,510,785</u>	<u>\$ 25,445,557</u>
Total Liabilities and Fund Balances	<u>\$ 53,480,494</u>	<u>\$ 30,913,581</u>	<u>\$ 28,345,466</u>	<u>\$ 31,820,445</u>	<u>\$ 31,541,641</u>

APPENDIX B
AUDITED FINANCIAL STATEMENTS



TOWN OF BEDFORD

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

2023



The Gazebo at the Bedford Village Common

ACFR Prepared By:

The Finance Department

Matt Mannino
Director of Finance

TOWN OF BEDFORD, NEW HAMPSHIRE

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

Prepared By:

The Finance Department

Matt Mannino
Director of Finance

Ellen Malatesta
Assistant Finance Director

Town of Bedford, New Hampshire
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

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Town of Bedford, New Hampshire
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

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INTRODUCTORY SECTION

Matt Mannino
Director of Finance



24 North Amherst Road
Bedford, NH 03110

Phone: (603) 472-5242
Fax: (603) 472-4573
www.bedfordnh.org

Town of Bedford, New Hampshire

FINANCE DEPARTMENT

June 18, 2024

To the Citizens of the Town of Bedford and the Members of the Bedford Town Council:

We are pleased to submit the Annual Comprehensive Financial Report of the Town of Bedford for the year ended December 31, 2023. 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 principles. 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 were audited by Marcum, 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, 2023, 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 unmodified opinion that the financial statements for the year ended December 31, 2023, 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.

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 23,764 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 tax base growth of 63% in the last five years with growth anticipated in residential, commercial, and industrial property for the ensuing years. Bedford continues to be a highly desirable place to live with historically low levels of inventory for sale. 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. As the Town reaches its build out potential, the focus will then shift to redevelopment of certain commercial areas.

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 and 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 experienced a slight decrease in the number of real estate transfers for 2023, amounting to 7% of taxable parcels (622 transactions of 8,346 taxable parcels), as compared to 8% in 2022. The number of single-family dwelling building permits slightly decreased in 2023 with 22 permits issued as compared to 26 in 2022.

Bedford's average unemployment for 2023 was 2.0%, which is below the State and U.S. rate of 2.2% and 3.6% respectively.

The percentage of uncollected taxes increased slightly over prior year and at the end of 2023 was 2.38% (\$2,164,546). The amount of property tax liens, processed during 2023, for the 2022 tax year, was 0.32% of the tax levy (\$272,988). This is a slight increase over the 0.22% of the 2021 tax levy converted to lien in 2022 (\$180,413).

Motor vehicle permits and fees increased by \$218,491 over the prior year and the combined count of new and renewed motor vehicle registrations slightly increased during 2023 to 27,283 vehicles from 27,085. New vehicle registrations accounted for 3,241 of the count in 2023, whereas new vehicles were at 3,270 in the prior year.

Financial Position

The overall fund balance of the Town's General Fund decreased by \$1.1 million in 2023 to \$25.5 million, while the Town's unassigned fund balance increased by \$120 thousand to \$15.4 million. The decrease to overall fund balance was primarily due to the budgeted use of \$3.1 million in fund balance to reduce the tax rate, the use of \$2.6 million in capital reserves to purchase land for construction of a new public safety facility, and a significant increase in grant

and investment revenues. The increase to unassigned fund balance was due to these factors as well as a decrease in prepaid expenses and encumbrances from 2022 to 2023. The General Fund unassigned fund balance is 14.43% of the total 2023 Town budget and local School and County Tax Effort (including the Town \$36,319,660, School \$65,069,787, and County \$5,276,841).

The unrestricted net position for the Town's Sewer fund increased by \$912 thousand (13.7%) during 2023, bringing the balance to \$7.6 million. Community TV reported an increase in unrestricted net position of \$50 thousand bringing the balance to \$459 thousand. Day Camp funds reported a decrease in unrestricted net position of \$15 thousand bringing the balance to \$125 thousand.

The Governmental Activities reported \$12.3 million in outstanding debt for 2023 versus \$16.3 million in 2022. The debt per capita for 2023 is \$585, which is a marginal amount for a community the size of Bedford.

Budgetary Initiatives

There were no budget initiatives that had a significant effect on the current year's financial statements.

Bond Rating

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. In May 2010, Moody's recalibrated the municipal rating scale to more closely resemble the global scale. With this recalibration, the Town's bond rating became a desirable Aa1. The Town's financial operations remain strong given the commitment to balanced budgeting and healthy reserve levels, therefore our rating was upgraded in 2011 to Aaa. This rating was reaffirmed in March 2017 and again in January 2020 for all outstanding issues.

According to Moody's most recent Annual Issuer Comment Report dated November 2023, Bedford's credit position is extremely strong and the Aaa rating far exceeds to median rating of Aa3 for U.S. cities. This rating is expected to remain unchanged provided our financial position remains strong and healthy reserves are maintained.

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 for future projects thereby reduce the need to bond funds.

Relevant Financial Policies

The Town has adopted key financial policies that contribute to its success. The Moody's rating reports consistently cite strengths that include formerly adopted financial policies, ample reserves, strong liquidity position, and low debt burden. The Town's Fund Balance policy originally dating back to 2005 can be largely credited with this accomplishment. It has been designed to mitigate risk, ensure stable tax rates, maintain fiscal stability, and provide for financial planning and cash flows during non-tax collection times.

ACKNOWLEDGEMENTS

This report represents the continuous development and refinement of the Town's detailed financial reporting. It is the 20th year that the Town has issued an annual comprehensive financial report.

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 annual comprehensive financial report for the year ended December 31, 2022 (see page 8). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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.

An annual comprehensive report 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 annual comprehensive 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.

Respectfully Submitted,

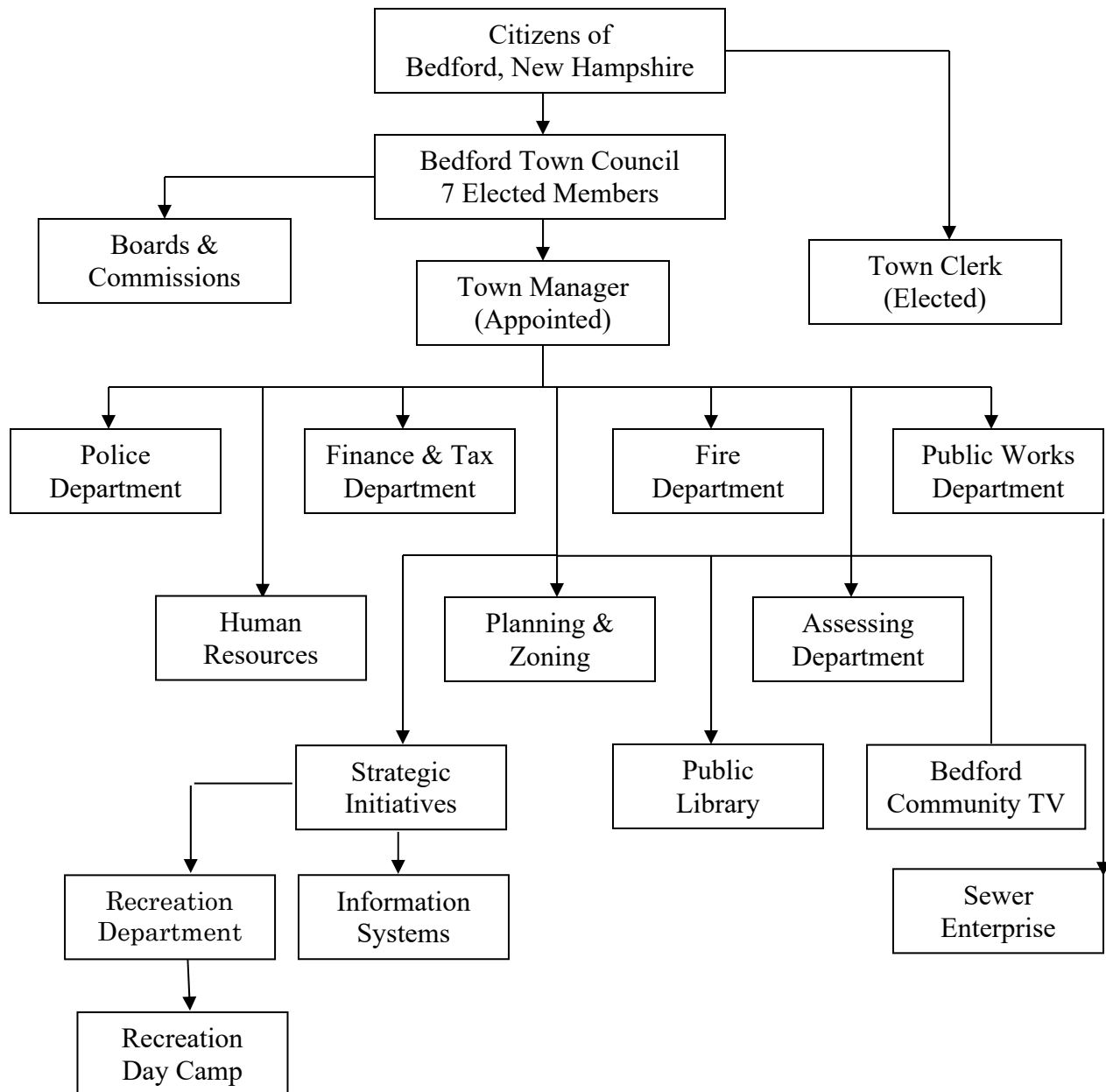
A handwritten signature in blue ink, appearing to be 'Matt Mannino', with a stylized, looping design.

Matt Mannino
Director of Finance



Town of Bedford, New Hampshire

ORGANIZATIONAL CHART





Town of Bedford, New Hampshire

2023 DIRECTORY OF OFFICIALS

TOWN COUNCIL MEMBERS

(Elected)

William Carter, Chairman	2023
Lori Radke, Vice Chair	2023
Michael Strand.....	2023
Kathleen Bemiss	2025
Dave Gilbert	2025
Phil Greazzo	2024
Sue Thomas	2024

TOWN MANAGER

(Appointed)

Richard S. Sawyer

DEPARTMENTS

Finance & Tax.....	Matt Mannino
Human Resources	Pamela Hogan
Town Clerk - elected	Sally Kellar
Police	John J. Bryfonski
Fire.....	Scott Hunter
Planning/Zoning	Rebecca Hebert
Assessing	Doug Irvine
Public Works	Jeff Foote
Public Library	Miriam Johnson
Parks & Recreation.....	Jane O'Brien



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Bedford
New Hampshire**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Bedford, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 (the Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Bedford, New Hampshire's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, New Hampshire, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Proportionate Share and Schedule of Contributions of the Net OPEB Liability, the Schedule of Changes in the Total OPEB Liability, and the Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual, be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information appearing on pages 70 through 80 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in this annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information included in this annual comprehensive financial report, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Marcum LLP

Merrimack, New Hampshire
June 18, 2024

TOWN OF BEDFORD – MANAGEMENT’S DISCUSSION AND ANALYSIS



The following is a discussion and analysis of the financial activities of the Town of Bedford (the Town) for the year ended December 31, 2023. 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 Position:** The total assets and deferred outflows of resources of the Town exceeded total liabilities and deferred inflows of resources at year ending December 31, 2023 by \$92.2 million. This amount is presented as “net position” on the Statement of Net Position for the Total Primary Government (a condensed Statement can be seen in this MD&A section of this report). Of this amount, \$7.4 million was reported as unrestricted. Unrestricted net position represents the amount available to be used to meet the Town’s ongoing obligations to citizens and creditors.
- **Changes in Net Position:** The Town’s total net position increased by \$5.0 million, or 5.74% in 2023. Net position of governmental activities increased by \$4.4 million or 5.86%, while net position of the business-type activities increased by \$615 thousand or 5.02%.

Fund Highlights:

Governmental Funds: Fund Balances – As of the close of year 2023, the Town’s governmental funds reported a combined ending fund balance of \$30.0 million, a decrease of \$2.4 million in comparison to the prior year. Included in the combined governmental fund balance is the Town’s General Fund \$25.4 million, ARPA Fund \$22 thousand, and Nonmajor Governmental Funds \$4.5 million. The General Fund ended the year with an unassigned fund balance of \$15.8 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
- Notes to the financial statements

This report also contains required and other 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 Position and the Statement of Activities) provide 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 Position*, found on page 23, presents all of the Town's non-fiduciary assets and liabilities. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as "net position" instead of fund balances as shown on the fund statements. Over time, increases or decreases in the net position 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 25, presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, welfare, and culture and recreation.
- *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
 - 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's 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 nonmajor activities. Fiduciary funds are reported by fiduciary type (trust and custodial).

- *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 26.

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 27 and 29.

- *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 Fund, Bedford Community Television Fund (BCTV), and Day Camp Fund.

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 30 through 32.

- *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 33 and 34 include the:

- Private Purpose Trust Funds (which account for activity of trust arrangements under which principal and income benefit individuals or other organizations).
- Custodial Funds (which account for the resources held in a pure custodial capacity).

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 35.

Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's combined net position (governmental and business-type activities) totaled \$92.2 million at the end of 2023, which increased by \$5.0 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 position for the current and prior fiscal year.

TOWN OF BEDFORD, NEW HAMPSHIRE						
Condensed Statement of Net Position						
as of December 31, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets and Deferred Outflows						
Assets:						
Other assets	\$ 37,478,249	\$ 39,828,621	\$ 9,004,715	\$ 8,053,037	\$ 46,482,964	\$ 47,881,658
Capital assets	<u>91,421,854</u>	<u>89,044,153</u>	<u>4,716,160</u>	<u>5,035,827</u>	<u>96,138,014</u>	<u>94,079,980</u>
Total assets	128,900,103	128,872,774	13,720,875	13,088,864	142,620,978	141,961,638
Deferred Outflows	<u>4,339,761</u>	<u>5,900,233</u>	<u>107,581</u>	<u>148,806</u>	<u>4,447,342</u>	<u>6,049,039</u>
Total Assets and Deferred Outflows	<u>\$ 133,239,864</u>	<u>\$ 134,773,007</u>	<u>\$ 13,828,456</u>	<u>\$ 13,237,670</u>	<u>\$ 147,068,320</u>	<u>\$ 148,010,677</u>
Liabilities, Deferred Inflows, and Net Position						
Liabilities:						
Other liabilities	\$ 4,080,252	\$ 3,892,636	\$ 110,709	\$ 81,198	\$ 4,190,961	\$ 3,973,834
Long-term liabilities	<u>43,852,467</u>	<u>49,628,583</u>	<u>749,973</u>	<u>795,057</u>	<u>44,602,440</u>	<u>50,423,640</u>
Total liabilities	47,932,719	53,521,219	860,682	876,255	48,793,401	54,397,474
Deferred Inflows	5,949,719	6,285,193	94,679	103,703	6,044,398	6,388,896
Net Position:						
Net investment in capital assets	78,052,690	73,234,202	4,716,160	5,035,828	82,768,850	78,270,030
Restricted	2,017,883	2,048,194	-	-	2,017,883	2,048,194
Unrestricted	<u>(713,147)</u>	<u>(315,801)</u>	<u>8,156,935</u>	<u>7,221,884</u>	<u>7,443,788</u>	<u>6,906,083</u>
Total net position	<u>79,357,426</u>	<u>74,966,595</u>	<u>12,873,095</u>	<u>12,257,712</u>	<u>92,230,521</u>	<u>87,224,307</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 133,239,864</u>	<u>\$ 134,773,007</u>	<u>\$ 13,828,456</u>	<u>\$ 13,237,670</u>	<u>\$ 147,068,320</u>	<u>\$ 148,010,677</u>

The largest portion of the Town's net position, \$82.8 million (90%), 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.

An additional portion of net position, \$2.0 million, represents resources that are subject to external restrictions on how they may be used. Internally imposed commitments of resources are not presented as restricted net position. The remaining balance of unrestricted net position \$7.4 million may be used to meet the Town's ongoing obligations to its citizens and creditors.

The increase in our unrestricted net position is primarily driven by an increase in investment income due to high interest rates and an increase in our sewer usage fees, due to rate increases.

Financial Results

The following is a summary of condensed government-wide financial data of changes in net position for fiscal years 2023 and 2022.

TOWN OF BEDFORD, NEW HAMPSHIRE Statement of Change in Net Position For the Years Ended December 31, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues						
Charges for services	\$ 3,068,352	\$ 3,226,613	\$ 2,402,047	\$ 2,249,210	\$ 5,470,399	\$ 5,475,823
Operating grants and contributions	2,906,114	1,296,820	-	-	2,906,114	1,296,820
Capital grants and contributions	889,209	1,464,356	-	-	889,209	1,464,356
General revenues						
Property taxes	21,217,168	19,826,115	-	-	21,217,168	19,826,115
Motor vehicle permits and fees	6,337,007	6,119,096	-	-	6,337,007	6,119,096
Grants and contributions not restricted to specific programs	2,235,282	2,073,729	-	-	2,235,282	2,073,729
Investment income (loss)	1,226,969	(74,191)	219,802	(16,143)	1,446,771	(90,334)
Other	<u>322,210</u>	<u>1,330,794</u>	<u>-</u>	<u>-</u>	<u>322,210</u>	<u>1,330,794</u>
Total revenues	38,202,311	35,263,332	2,621,849	2,233,067	40,824,160	37,496,399
Expenses:						
General government	8,088,606	6,793,670	-	-	8,088,606	6,793,670
Public safety	13,079,994	12,004,753	-	-	13,079,994	12,004,753
Highways and streets	8,860,199	7,606,143	-	-	8,860,199	7,606,143
Sanitation	1,149,730	1,103,738	-	-	1,149,730	1,103,738
Welfare	8,671	2,438	-	-	8,671	2,438
Culture and recreation	2,009,430	1,899,637	-	-	2,009,430	1,899,637
Interest on long-term debt	622,350	755,750	-	-	622,350	755,750
Sewer services	-	-	1,457,450	1,221,293	1,457,450	1,221,293
Bedford Community TV	-	-	465,413	317,933	465,413	317,933
Day camp	<u>-</u>	<u>-</u>	<u>76,103</u>	<u>45,011</u>	<u>76,103</u>	<u>45,011</u>
Total expenses	<u>33,818,980</u>	<u>30,166,129</u>	<u>1,998,966</u>	<u>1,584,237</u>	<u>35,817,946</u>	<u>31,750,366</u>
Change in net position before transfers	4,383,331	5,097,203	622,883	648,830	5,006,214	5,746,033
Transfers, net	<u>7,500</u>	<u>9,900</u>	<u>(7,500)</u>	<u>(9,900)</u>	<u>-</u>	<u>-</u>
Change in net position	4,390,831	5,107,103	615,383	638,930	5,006,214	5,746,033
Net position - beginning of year	<u>74,966,595</u>	<u>69,859,492</u>	<u>12,257,712</u>	<u>11,618,782</u>	<u>87,224,307</u>	<u>81,478,274</u>
Net position - end of year	<u>\$ 79,357,426</u>	<u>\$ 74,966,595</u>	<u>\$ 12,873,095</u>	<u>\$ 12,257,712</u>	<u>\$ 92,230,521</u>	<u>\$ 87,224,307</u>

Governmental Activities for the year resulted in an increase to net position of \$4.4 million. The increase is due to a multitude of factors including increased investment income due to high interest rates and an increase in operating grants and contributions.

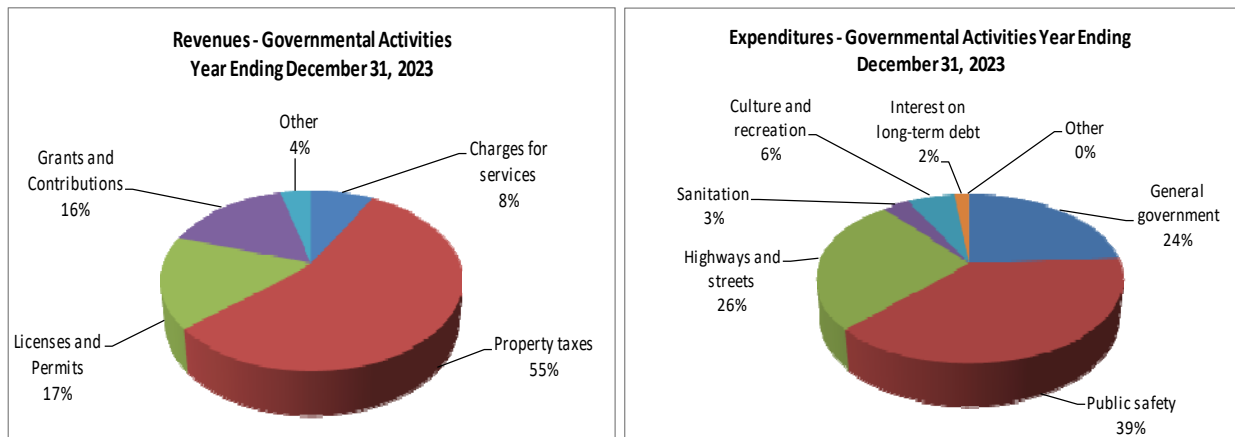
Business-Type Activities net position remained relatively the same with a slight increase of \$615 thousand.

TOWN OF BEDFORD, NEW HAMPSHIRE Analysis of Change in Revenues and Expenses For the Year Ended December 31, 2023						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>\$ Change</u>	<u>% Change</u>	<u>\$ Change</u>	<u>% Change</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:						
Program revenues						
Charges for services	\$ (158,261)	-4.90%	\$ 152,837	6.80%	\$ (5,424)	-0.10%
Operating grants and contributions	1,609,294	124.10%	-	-	1,609,294	124.10%
Capital grants and contributions	(575,147)	-39.28%	-	-	(575,147)	-39.28%
General revenues						
Property taxes	1,391,053	7.02%	-	-	1,391,053	7.02%
Motor vehicle permits and fees	217,911	3.56%	-	-	217,911	3.56%
Grants and contributions not restricted to specific programs	161,553	7.79%	-	-	161,553	7.79%
Investment income (loss)	1,301,160	1753.80%	235,945	1461.59%	1,537,105	1701.58%
Other	(1,008,584)	-75.79%	-	-	(1,008,584)	-75.79%
Total change in revenues	2,938,979	8.33%	388,782	17.41%	3,327,761	8.87%
Expenses:						
General government	1,294,936	19.06%	-	-	1,294,936	19.06%
Public safety	1,075,241	8.96%	-	-	1,075,241	8.96%
Highways and streets	1,254,056	16.49%	-	-	1,254,056	16.49%
Sanitation	45,992	4.17%	-	-	45,992	4.17%
Welfare	6,233	255.66%	-	-	6,233	255.66%
Culture and recreation	109,793	5.78%	-	-	109,793	5.78%
Interest on long-term debt	(133,400)	-17.65%	-	-	(133,400)	-17.65%
Sewer services	-	-	236,157	19.34%	236,157	19.34%
Bedford Community TV	-	-	147,480	46.39%	147,480	46.39%
Day camp	-	-	31,092	69.08%	31,092	69.08%
Total change in expenses	3,652,851	12.11%	414,729	26.18%	4,067,580	12.81%
Change before transfers	(713,872)	-14.01%	(25,947)	-4.00%	(739,819)	-12.88%
Transfers, net	(2,400)	-24.24%	2,400	-24.24%	-	0.00%
Total change	\$ (716,272)	-14.03%	\$ (23,547)	-3.69%	\$ (739,819)	-12.88%

As illustrated in "Analysis of Change in Revenues and Expenses" table, there are certain expense categories which experienced significant changes in 2023 as compared to 2022. They are as follows:

- **Operating grants and contributions** reports an increase of \$1.6 million primarily due to SLFRF grant revenues earned in 2023 for PFAS remediation.
- **Capital grants and contributions** reports a decrease of \$575 thousand due to a decrease in SB401 grant payments from the State from 2022 to 2023 for roads and bridges.
- **Property taxes** reports an increase of \$1.4 million and this is because appropriations increased over prior year without significant increased revenues to offset. Increased appropriations in 2023 included capital reserve deposits, which exceeded 2022 by \$1.8 million, and increased personnel costs. Note that capital reserve deposits are funded through the raising of property taxes.
- **Investment income** increased by \$1.3 million due to higher interest rates.
- **Other revenues** decreased by \$1 million because the Town sold 4 Sunset Lane for \$1.5 million in 2022 and there were no sales of Town land or buildings in 2023.
- **General Government** reflects a \$1.3 increase primarily due to an increase in personnel costs, including the filling of the Assistant Town Manager vacancy, and an increase in general government buildings costs, such as electricity.
- **Public Safety** reflects an increase of expenses amounting to \$1.1 million and is primarily due to increased personnel costs.

- **Highways and Streets** reflects an increase of \$1.2 million primarily due to the water main construction associated with PFAS remediation. Construction costs were covered by federal grant money.



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.

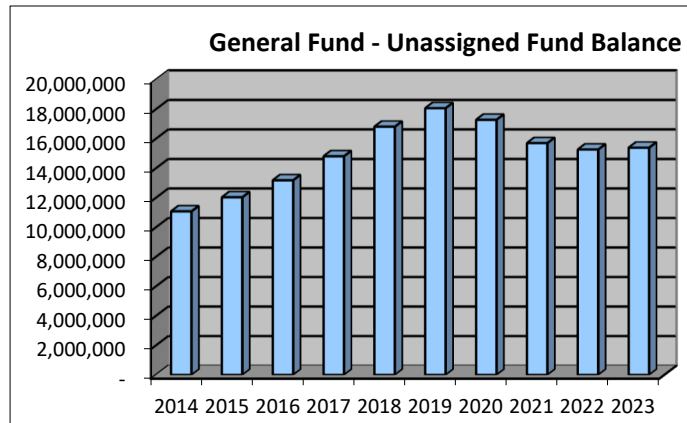
Governmental Funds

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$30.0 million, a decrease of \$2.4 million in comparison with the prior year. The General Fund saw a decrease in fund balance of \$1.1 million which stems primarily from the budgeted use of \$3.1 million in unassigned fund balance to reduce tax impacts, increased capital reserve spending from 2022 to 2023, including the \$2.4 million purchase of 300 South River Road, and a \$1.2 million increase investment income from 2022 to 2023.

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 unassigned fund balance of \$15.4 million, while total fund balance was \$25.4 million. The Town's General Fund policy states that the Town will maintain a minimum unassigned fund balance in its General Fund ranging from 8% to 17% of total expenditures as reported in the prior year for the Town, County, and School collectively. At year-end, the Town's unassigned fund balance was 14.4% of the total 2023 Town budget and local School tax effort (including the Town \$36,319,660, School \$65,069,787, and County \$5,276,841).



The unassigned fund balance of the General Fund increased by \$120 thousand during 2023. This increase is primarily attributable to the use of \$3.1 million in unassigned fund balance to reduce tax impacts combined with a significant increase in investment revenue from 2022 to 2023, due to historically high interest rates. Other causes include a decrease of encumbrances from 2022 to 2023, which shifted \$1.3 million into unassigned fund balance.

ARPA Fund

The Town was awarded \$2.4 million in Local Fiscal Recovery Funds from the American Rescue Plan Act. These monies are recognized as revenue in the year in which they are spent, and \$1.2 million of ARPA funds were spent in 2023.

Nonmajor Governmental Funds

At the end of the current fiscal year, the total fund balance of nonmajor governmental funds was \$4.5 million, which is a net decrease of \$1.4 million from the prior year. The decrease is primarily attributable to increased spending out of the capital projects fund on the Town's roads program.

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 net position for the Town's Sewer Fund increased by \$912 thousand (13.7%) during 2023, bringing the balance to \$7.6 million. The unrestricted net position for the nonmajor enterprise funds increased by \$23 thousand, bringing the balance to \$584 thousand.

GENERAL FUND BUDGETARY HIGHLIGHTS

Significant budget to actual variances for General Fund revenues and expenditures include the following:

- Licensing and permitting revenues exceeded the budget by \$230 thousand due primarily to motor vehicle revenues coming in over budget by \$156 thousand and building permit revenue coming in over budget by \$70 thousand.
- Intergovernmental revenues were over budget by \$926 thousand. \$441 thousand was budgeted for federal grants in 2023, while \$1.5 million was earned. The increase is due primarily due to \$1 million in SLFRF grant revenue for PFAS remediation.

- Miscellaneous revenues were over budget by \$339 thousand, due primarily to investment income exceeding budget by \$850 thousand, as well as unrealized bond premium that was budgeted at \$300 thousand.
- Expenditures were under budget by \$1.1 million, most notably in the areas of pay and benefits due to vacancies across many departments, especially in public safety.

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, 2023, amounted to \$96.1 million, net of accumulated depreciation. This investment in capital assets includes land and improvements, buildings and improvements, machinery, equipment, and vehicles, infrastructure, construction in progress, and the sewer system. The following yearly comparison shows net capital assets by category:

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and land improvements	\$ 20,110,173	\$ 17,735,971	\$ 15,000	\$ 15,000	\$ 20,125,173	\$ 17,750,971
Buildings and building improvements	4,658,927	4,442,379	195,417	264,387	4,854,344	4,706,766
Machinery, equipment, and vehicles	6,910,290	6,789,757	492,597	559,658	7,402,887	7,349,415
Infrastructure	58,908,407	59,776,548	-	-	58,908,407	59,776,548
Construction in progress	834,057	299,498	-	-	834,057	299,498
Sewer system	-	-	4,013,146	4,196,782	4,013,146	4,196,782
Total Capital Assets	<u>\$ 91,421,854</u>	<u>\$ 89,044,153</u>	<u>\$ 4,716,160</u>	<u>\$ 5,035,827</u>	<u>\$ 96,138,014</u>	<u>\$ 94,079,980</u>

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

- \$1.7 million of road infrastructure improvements. This includes Greenfield Parkway, Holbrook Hill Road, and other road reconstruction projects.
- The \$2.5 million purchase of 300 South River Road, to be used as the site for the proposed public safety complex.
- Police Department purchase of a records management system for \$326 thousand.
- Selvoski field improvements totaling \$555 thousand.
- The addition of construction in progress in the amount of \$834 thousand for three-phase power upgrades to the transfer station, improvements to the fire department, and other improvements.

Debt Administration

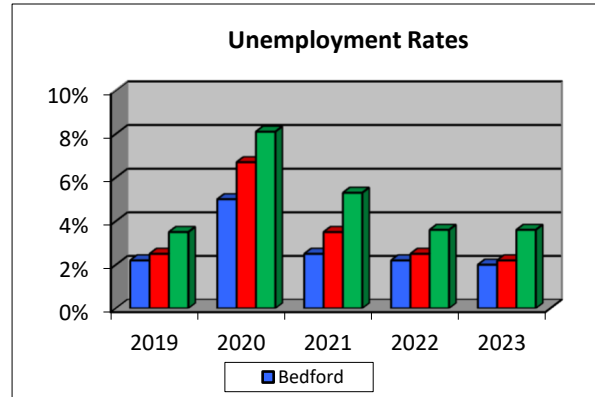
At the end of the current year, the Town had total bonded debt outstanding of \$12.3 million, all of which was backed by the full faith and credit of the Town. The Town also had \$1.6 million of unamortized bond premiums at year-end.

Additional information on capital assets and long-term debt can be found in Notes 8 and 11, respectively, of this report.

ECONOMIC CONDITIONS

For fiscal year 2023, the Town approved a \$38,798,978 budget, \$36,319,660 of which represents the General Fund budget, and the remaining amount represents enterprise funds. This budget includes \$3,280,325 in funding for a modified capital improvement program and the necessary funding to maintain Town services at their current levels.

Bedford's average unemployment for 2023 was 2.0% and remained below both the US average (3.6%) and the New Hampshire average (2.2%). The table to the right depicts unemployment rates in Bedford for the past 5 years compared to the New Hampshire and US unemployment rates.



REQUESTS 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 Position
December 31, 2023

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 25,011,675	\$ 7,004,598	\$ 32,016,273
Investments	6,538,254	1,173,325	7,711,579
Receivables, net of allowance for uncollectibles:			
Property taxes	2,080,731	-	2,080,731
User fees	-	824,194	824,194
Departmental and other	1,071,073	-	1,071,073
Intergovernmental	122,937	-	122,937
Leases	46,327	-	46,327
Inventory	46,928	-	46,928
Prepaid items	<u>225,151</u>	<u>2,598</u>	<u>227,749</u>
Total Current Assets	35,143,076	9,004,715	44,147,791
Noncurrent:			
Property taxes	249,800	-	249,800
Leases	2,085,373	-	2,085,373
Capital assets:			
Capital assets not being depreciated	18,499,555	15,000	18,514,555
Capital assets being depreciated, net of accumulated depreciation	<u>72,922,299</u>	<u>4,701,160</u>	<u>77,623,459</u>
Total Noncurrent Assets	<u>93,757,027</u>	<u>4,716,160</u>	<u>98,473,187</u>
Total Assets	128,900,103	13,720,875	142,620,978
Deferred Outflows of Resources			
Pension related	3,269,590	81,041	3,350,631
OPEB related	<u>1,070,171</u>	<u>26,540</u>	<u>1,096,711</u>
Total Deferred Outflows of Resources	<u>4,339,761</u>	<u>107,581</u>	<u>4,447,342</u>
Total Assets and Deferred Outflows of Resources	\$ <u>133,239,864</u>	\$ <u>13,828,456</u>	\$ <u>147,068,320</u>

(continued)

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE

Statement of Net Position

December 31, 2023

(continued)	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current:			
Accounts payable	\$ 1,374,066	\$ 110,709	\$ 1,484,775
Accrued liabilities	443,365	-	443,365
Deposits held in custody	1,509,836	-	1,509,836
Unearned revenue	745,238	-	745,238
Other current liabilities	7,747	-	7,747
Current portion of long-term liabilities:			
Bonds payable	3,646,568	-	3,646,568
Landfill liability	20,000	-	20,000
Accrued employee benefits	<u>462,987</u>	<u>16,876</u>	<u>479,863</u>
Total Current Liabilities	8,209,807	127,585	8,337,392
Noncurrent:			
Bonds payable, net of current portion	10,230,526	-	10,230,526
Landfill liability, net of current portion	80,000	-	80,000
Accrued employee benefits, net of current portion	859,834	25,314	885,148
Net pension liability	23,489,987	582,231	24,072,218
Net OPEB liability	<u>5,062,565</u>	<u>125,552</u>	<u>5,188,117</u>
Total Noncurrent Liabilities	<u>39,722,912</u>	<u>733,097</u>	<u>40,456,009</u>
Total Liabilities	47,932,719	860,682	48,793,401
Deferred Inflows of Resources			
Lease related	2,131,699	-	2,131,699
Pension related	644,945	15,986	660,931
OPEB related	<u>3,173,075</u>	<u>78,693</u>	<u>3,251,768</u>
Total Deferred Inflows of Resources	5,949,719	94,679	6,044,398
Net Position			
Net investment in capital assets	78,052,690	4,716,160	82,768,850
Restricted for:			
Highway	1,153,571	-	1,153,571
General government	391,282	-	391,282
Culture and recreation	60,369	-	60,369
Library	170,404	-	170,404
Endowments:			
Nonexpendable	30,419	-	30,419
Expendable	12,322	-	12,322
Other purposes	199,516	-	199,516
Unrestricted	<u>(713,147)</u>	<u>8,156,935</u>	<u>7,443,788</u>
Total Net Position	<u>79,357,426</u>	<u>12,873,095</u>	<u>92,230,521</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ <u>133,239,864</u>	\$ <u>13,828,456</u>	\$ <u>147,068,320</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Statement of Activities

For the Year Ended December 31, 2023

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Type Activities	
Governmental Activities							
General government	\$ 8,088,606	\$ 453,921	\$ 1,205,260	\$ -	\$ (6,429,425)	\$ -	\$ (6,429,425)
Public safety	13,079,994	2,090,971	649,620	-	(10,339,403)	-	(10,339,403)
Highways and streets	8,860,199	475	1,051,234	889,209	(6,919,281)	-	(6,919,281)
Sanitation	1,149,730	337,977	-	-	(811,753)	-	(811,753)
Welfare	8,671	40,585	-	-	31,914	-	31,914
Culture and recreation	2,009,430	144,423	-	-	(1,865,007)	-	(1,865,007)
Interest on long-term debt	622,350	-	-	-	(622,350)	-	(622,350)
Total Governmental Activities	33,818,980	3,068,352	2,906,114	889,209	(26,955,305)	-	(26,955,305)
Business-Type Activities							
Sewer services	1,457,450	1,818,670	-	-	-	361,220	361,220
Bedford Community TV	465,413	520,455	-	-	-	55,042	55,042
Day camp	76,103	62,922	-	-	-	(13,181)	(13,181)
Total Business-Type Activities	1,998,966	2,402,047	-	-	-	403,081	403,081
Total	\$ 35,817,946	\$ 5,470,399	\$ 2,906,114	\$ 889,209	(26,955,305)	403,081	(26,552,224)
General Revenues and Transfers							
Property taxes					21,217,168	-	21,217,168
Motor vehicle permits and fees					6,337,007	-	6,337,007
Grants and contributions not restricted to specific programs					2,235,282	-	2,235,282
Investment income					1,226,969	219,802	1,446,771
Other					322,210	-	322,210
Transfers, net					7,500	(7,500)	-
Total General Revenues and Transfers					31,346,136	212,302	31,558,438
Change in Net Position					4,390,831	615,383	5,006,214
Net Position							
Beginning of Year					74,966,595	12,257,712	87,224,307
End of Year					\$ 79,357,426	\$ 12,873,095	\$ 92,230,521

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Governmental Funds
Balance Sheet

December 31, 2023

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	\$ 19,249,181	\$ 903,609	\$ 4,858,885	\$ 25,011,675
Investments	6,495,513	-	42,741	6,538,254
Receivables				
Property taxes, net	2,330,531	-	-	2,330,531
Departmental and other	939,701	-	131,372	1,071,073
Intergovernmental	122,937	-	-	122,937
Leases	2,131,699	-	-	2,131,699
Inventory	46,928	-	-	46,928
Prepaid items	225,151	-	-	225,151
Total Assets	\$ 31,541,641	\$ 903,609	\$ 5,032,998	\$ 37,478,248
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 790,436	\$ 216,596	\$ 367,034	\$ 1,374,066
Accrued liabilities	443,365	-	-	443,365
Deposits held in custody	1,509,836	-	-	1,509,836
Unearned revenue	80,311	664,927	-	745,238
Other liabilities	7,747	-	-	7,747
Total Liabilities	2,831,695	881,523	367,034	4,080,252
Deferred Inflows of Resources				
Unavailable revenues	1,132,690	-	131,372	1,264,062
Lease related	2,131,699	-	-	2,131,699
Total Deferred Inflows of Resources	3,264,389	-	131,372	3,395,761
Fund Balances				
Nonspendable	272,079	-	30,419	302,498
Restricted	394,141	22,086	4,344,430	4,760,657
Committed	7,338,689	-	159,743	7,498,432
Assigned	2,053,194	-	-	2,053,194
Unassigned	15,387,454	-	-	15,387,454
Total Fund Balances	25,445,557	22,086	4,534,592	30,002,235
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,541,641	\$ 903,609	\$ 5,032,998	\$ 37,478,248

The accompanying notes are an integral part of these financial statements.

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

December 31, 2023

Total Governmental Fund Balances	\$ 30,002,235
<ul style="list-style-type: none"> Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 	91,421,855
<ul style="list-style-type: none"> Revenues are reported on the accrual basis of accounting and are not deferred until collection. 	1,264,062
<ul style="list-style-type: none"> Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: 	
Bonds payable, including unamortized premiums	(13,877,094)
Landfill liability	(100,000)
Accrued employee benefits	(1,322,821)
Net pension liability	(23,489,987)
Pension related deferred outflows	3,269,590
Pension related deferred inflows	(644,945)
Net OPEB liability	(5,062,565)
OPEB related deferred outflows	1,070,171
OPEB related deferred inflows	<u>(3,173,075)</u>
Net Position of Governmental Activities	\$ <u>79,357,426</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2023

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 20,140,990	\$ -	\$ 1,092,181	\$ 21,233,171
Licenses and permits	6,676,032	-	-	6,676,032
Intergovernmental	4,517,904	1,204,964	307,736	6,030,604
Charges for services	2,512,488	-	247,318	2,759,806
Investment income	1,154,905	18,543	53,519	1,226,967
Miscellaneous	<u>26,292</u>	<u>-</u>	<u>3,304</u>	<u>29,596</u>
Total Revenues	35,028,611	1,223,507	1,704,058	37,956,176
Expenditures				
Current:				
General government	7,677,307	-	403,912	8,081,219
Public safety	12,628,659	-	4,685	12,633,344
Highways and streets	5,425,676	-	16,707	5,442,383
Sanitation	1,650,420	-	-	1,650,420
Welfare	8,671	-	-	8,671
Culture and recreation	2,046,031	-	156,412	2,202,443
Debt service	4,033,450	-	553,900	4,587,350
Capital outlay	<u>2,710,413</u>	<u>1,204,963</u>	<u>1,968,300</u>	<u>5,883,676</u>
Total Expenditures	<u>36,180,627</u>	<u>1,204,963</u>	<u>3,103,916</u>	<u>40,489,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,152,016)	18,544	(1,399,858)	(2,533,330)
Other Financing Sources (Uses)				
Sale of capital assets	79,288	-	-	79,288
Transfers in	22,500	-	-	22,500
Transfers out	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	<u>86,788</u>	<u>-</u>	<u>-</u>	<u>86,788</u>
Changes in Fund Balances	(1,065,228)	18,544	(1,399,858)	(2,446,542)
Fund Balances, at Beginning of Year, as reclassified	<u>26,510,785</u>	<u>3,542</u>	<u>5,934,450</u>	<u>32,448,777</u>
Fund Balances, at End of Year	<u>\$ 25,445,557</u>	<u>\$ 22,086</u>	<u>\$ 4,534,592</u>	<u>\$ 30,002,235</u>

The accompanying notes are an integral part of these financial statements.

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, 2023

Net Change In Fund Balances - Total Governmental Funds	\$ (2,446,542)																		
<ul style="list-style-type: none"> 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> <tr> <td>Capital outlay purchases / disposals, net</td><td style="text-align: right;">6,672,921</td></tr> <tr> <td>Depreciation</td><td style="text-align: right;">(4,295,221)</td></tr> </table> Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differs between the two statements. This amount represents the net change in unavailable revenues. <div style="text-align: right;">(49,784)</div> The issuance of long-term debt (e.g., bonds and notes) 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 position: <table> <tr> <td>Repayments of debt</td><td style="text-align: right;">3,965,000</td></tr> <tr> <td>Bond premium amortization</td><td style="text-align: right;">361,568</td></tr> <tr> <td>Repayment of equipment notes payable</td><td style="text-align: right;">60,175</td></tr> </table> 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> <tr> <td>Estimated change in landfill postclosure care costs</td><td style="text-align: right;">20,000</td></tr> <tr> <td>Change in accrued employee benefits</td><td style="text-align: right;">119,061</td></tr> <tr> <td>Change in pension expense from GASB 68</td><td style="text-align: right;">(308,911)</td></tr> <tr> <td>Change in OPEB expense from GASB 75</td><td style="text-align: right;"><u>292,564</u></td></tr> </table> 	Capital outlay purchases / disposals, net	6,672,921	Depreciation	(4,295,221)	Repayments of debt	3,965,000	Bond premium amortization	361,568	Repayment of equipment notes payable	60,175	Estimated change in landfill postclosure care costs	20,000	Change in accrued employee benefits	119,061	Change in pension expense from GASB 68	(308,911)	Change in OPEB expense from GASB 75	<u>292,564</u>	
Capital outlay purchases / disposals, net	6,672,921																		
Depreciation	(4,295,221)																		
Repayments of debt	3,965,000																		
Bond premium amortization	361,568																		
Repayment of equipment notes payable	60,175																		
Estimated change in landfill postclosure care costs	20,000																		
Change in accrued employee benefits	119,061																		
Change in pension expense from GASB 68	(308,911)																		
Change in OPEB expense from GASB 75	<u>292,564</u>																		
Change in Net Position of Governmental Activities	\$ <u>4,390,831</u>																		

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Proprietary Funds
Statement of Net Position

December 31, 2023

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Nonmajor Funds	Total
Assets and Deferred Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 6,169,850	\$ 834,748	\$ 7,004,598
Investments	1,173,053	272	1,173,325
User fees receivable, net	824,194	-	824,194
Prepaid items	<u>2,598</u>	<u>-</u>	<u>2,598</u>
Total Current Assets	8,169,695	835,020	9,004,715
Noncurrent:			
Capital assets:			
Capital assets not being depreciated	15,000	-	15,000
Capital assets being depreciated, net of accumulated depreciation	<u>4,656,682</u>	<u>44,478</u>	<u>4,701,160</u>
Total Noncurrent Assets	<u>4,671,682</u>	<u>44,478</u>	<u>4,716,160</u>
Total Assets	12,841,377	879,498	13,720,875
Deferred Outflows of Resources			
Pension related	54,710	26,331	81,041
OPEB related	<u>17,876</u>	<u>8,664</u>	<u>26,540</u>
Total Deferred Outflows of Resources	<u>72,586</u>	<u>34,995</u>	<u>107,581</u>
Total Assets and Deferred Outflows of Resources	\$ <u>12,913,963</u>	\$ <u>914,493</u>	\$ <u>13,828,456</u>
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current:			
Accounts payable	\$ 106,261	\$ 4,448	\$ 110,709
Current portion of long-term liabilities:			
Accrued employee benefits	<u>8,801</u>	<u>8,075</u>	<u>16,876</u>
Total Current Liabilities	115,062	12,523	127,585
Noncurrent:			
Accrued employee benefits, net of current portion	13,200	12,114	25,314
Net pension liability	393,057	189,174	582,231
Net OPEB liability	<u>84,566</u>	<u>40,986</u>	<u>125,552</u>
Total Noncurrent Liabilities	<u>490,823</u>	<u>242,274</u>	<u>733,097</u>
Total Liabilities	605,885	254,797	860,682
Deferred Inflows of Resources			
Pension related	10,792	5,194	15,986
OPEB related	<u>53,004</u>	<u>25,689</u>	<u>78,693</u>
Total Deferred Inflows of Resources	<u>63,796</u>	<u>30,883</u>	<u>94,679</u>
Net Position			
Net investment in capital assets	4,671,682	44,478	4,716,160
Unrestricted	<u>7,572,600</u>	<u>584,335</u>	<u>8,156,935</u>
Total Net Position	<u>12,244,282</u>	<u>628,813</u>	<u>12,873,095</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ <u>12,913,963</u>	\$ <u>914,493</u>	\$ <u>13,828,456</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Nonmajor Funds	Total
Operating Revenues			
Charges for services	\$ 1,786,506	\$ 583,377	\$ 2,369,883
Interest and penalties	3,461	-	3,461
Miscellaneous	<u>28,703</u>	<u>-</u>	<u>28,703</u>
Total Operating Revenues	1,818,670	583,377	2,402,047
Operating Expenses			
Personnel services	345,957	365,364	711,321
Non-personnel services	704,586	155,482	860,068
Depreciation	<u>406,907</u>	<u>20,670</u>	<u>427,577</u>
Total Operating Expenses	<u>1,457,450</u>	<u>541,516</u>	<u>1,998,966</u>
Operating Income	361,220	41,861	403,081
Nonoperating Revenues			
Investment income	<u>203,912</u>	<u>15,890</u>	<u>219,802</u>
Total Nonoperating Revenues	<u>203,912</u>	<u>15,890</u>	<u>219,802</u>
Income Before Transfers	565,132	57,751	622,883
Transfers in	15,000	-	15,000
Transfers out	<u>-</u>	<u>(22,500)</u>	<u>(22,500)</u>
Change in Net Position	580,132	35,251	615,383
Net Position at Beginning of Year, as reclassified	<u>11,664,150</u>	<u>593,562</u>	<u>12,257,712</u>
Net Position at End of Year	<u>\$ 12,244,282</u>	<u>\$ 628,813</u>	<u>\$ 12,873,095</u>

The accompanying notes are an integral part of these financial statements.

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

For the Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Nonmajor Funds	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 1,669,602	\$ 583,377	\$ 2,252,979
Payments to employees and contractors for services	(353,262)	(370,942)	(724,204)
Payments to suppliers for goods and services	(657,733)	(172,087)	(829,820)
Net Cash Provided by Operating Activities	658,607	40,348	698,955
Cash Flows From Noncapital Financing Activities			
Transfers in	15,000	-	15,000
Transfers out	-	(22,500)	(22,500)
Net Cash Provided by (Used for) Noncapital Financing Activities	15,000	(22,500)	(7,500)
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(75,000)	(32,910)	(107,910)
Net Cash (Used for) Capital and Related Financing Activities	(75,000)	(32,910)	(107,910)
Cash Flows From Investing Activities			
Purchase of investments	(146,322)	14,351	(131,971)
Receipt of interest and dividends	177,405	15,890	193,295
Net Cash Provided By Investing Activities	31,083	30,241	61,324
Net Change in Cash and Short-Term Investments	629,690	15,179	644,869
Cash and Short-Term Investments, Beginning of Year	5,540,160	819,569	6,359,729
Cash and Short-Term Investments, End of Year	\$ 6,169,850	\$ 834,748	\$ 7,004,598
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 361,220	\$ 41,861	\$ 403,081
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	406,907	20,670	427,577
Changes in assets and liabilities and deferred outflows/inflows:			
User fees receivable	(149,068)	-	(149,068)
Prepaid items	(100)	837	737
Accounts payable	46,953	(17,442)	29,511
Accrued employee benefits	(2,241)	1,014	(1,227)
Net OPEB liability and related deferred outflows/inflows	(6,467)	(3,923)	(10,390)
Net pension liability and related deferred outflows/inflows	1,403	(2,669)	(1,266)
Net Cash Provided by Operating Activities	\$ 658,607	\$ 40,348	\$ 698,955

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position

December 31, 2023

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and short-term investments	\$ -	\$ 31,115,486
Investments	<u>84,399</u>	<u>-</u>
Total Assets	\$ <u><u>84,399</u></u>	\$ <u><u>31,115,486</u></u>
Liabilities and Net Position		
Liabilities		
Due to Bedford School District	\$ -	\$ 31,108,515
Due to State of New Hampshire	<u>-</u>	<u>6,971</u>
Total Liabilities	-	31,115,486
Net Position		
Restricted for:		
Individuals, organizations, and other governments	<u>84,399</u>	<u>-</u>
Total Liabilities and Net Position	\$ <u><u>84,399</u></u>	\$ <u><u>31,115,486</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2023

	Private Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>
Additions		
Property taxes collected for Bedford School District	\$ -	\$ 65,069,787
Property taxes collected for County of Hillsborough	-	5,276,841
Fees collected for State of New Hampshire	-	1,551,964
Investment income	1,916	152
Net increase in the fair value of investments	<u>11,597</u>	<u>465</u>
Total Additions	13,513	71,899,209
Deductions		
Payments of taxes to Bedford School District	-	65,069,787
Payments of taxes to County of Hillsborough	-	5,276,841
Payments of fees to State of New Hampshire	-	1,551,964
Payments to Bedford School District	-	8,755
Payments to beneficiaries	<u>2,000</u>	<u>-</u>
Total Deductions	<u>2,000</u>	<u>71,907,347</u>
Change in net position	11,513	(8,138)
Net Position		
Beginning of Year	<u>72,886</u>	<u>8,138</u>
End of Year	\$ <u>84,399</u>	\$ <u>-</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

	Note
Summary of Significant Accounting Policies	1
Reporting Entity	1 – A
Basis of Presentation	1 – B
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	1 – C
Cash and Short-Term Investments	1 – D
Investments	1 – E
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TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Bedford, New Hampshire (the Town) conform to accounting principles generally accepted in the United States of America (GAAP), as applicable 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 following is a summary of the significant policies of the Town.

A. Reporting Entity

The Town is a municipal corporation governed by an elected Town Council who appoints a Town Manager. As required by GAAP, these financial statements present the Town and applicable component units for which the Town is considered financially accountable. In 2023, no entities met the component unit requirements of GASB 14 (as amended).

B. Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including the Statement of Net Position 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 Position 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 Position 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, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

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.

Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All nonmajor funds are aggregated in one column on the fund financial statements.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 and fiduciary funds 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 are met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, however interfund services provided and used are not eliminated in the process of consolidation.

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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds for 2023:

- 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 *ARPA Fund* – This fund is used to account for the Town's American Rescue Plan Act of 2021 (ARPA) grant.

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 funds 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.

The Town reports the following major proprietary fund for 2023:

- The *Sewer Fund* accounts for all revenues and expenses pertaining to the Town's wastewater treatment and disposal sanitation operations.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The Town reports the following fiduciary funds:

- The *Private Purpose Trust Funds* are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals or other organizations. The private purpose trust funds accounts for the private cemetery association, the church trust, and the scholarship trust.
- The *Custodial Funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include the school district capital reserves and taxes and fees collected on behalf of other governments.

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, money markets, 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 financial statements under the caption "cash and short-term investments." The interest earnings attributable to each fund type are 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.

E. Investments

Assets of the trust funds may only be invested in accordance with the relevant RSA sections. RSA 35:9 specifies that capital reserves may only be deposited in banking institutions either domiciled or doing business under the laws of the State of New Hampshire or of the U.S. government. Likewise, RSA 31:25 specifies that general trust funds may only be deposited in banking institutions as stated above. However, in addition to those investments specified for capital reserves, general trust funds may also be invested in those stocks, bonds, and mutual funds that may be invested in by New Hampshire savings banks or as specified by the State Banking Commission.

The current asset allocation guideline for capital reserve investments is as follows:

Cash and cash equivalents	5 – 10%
Fixed income	90 – 95%

Investments for the trust funds consist of marketable securities, bonds, and certificates of deposits. Investments are carried at fair value, other than certificates of deposits, which are reported at cost.

F. Leases

The Town leases land, building, and equipment as a Lessor. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the effective interest method. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

period of the lease, including renewal terms reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease receivable and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

G. Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. 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 and in the proprietary fund statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for machinery, equipment and vehicles, \$25,000 for land improvements, \$50,000 for buildings and building improvements and \$250,000 for infrastructure and sewer system, and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. 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.

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
Machinery, equipment and vehicles	5 – 15
Infrastructure	20 – 50
Sewer system	25

J. 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.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The total compensated absence liability is reported in the government-wide and proprietary fund financial statements. Compensated absences are reported in governmental funds only if they have matured (unused reimbursement leave still outstanding following an employee's resignation or retirement).

K. Long-Term Liabilities

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" in the next year.

L. 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 position."

Fund Balance – Generally, fund balance represents the difference between 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. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods. The classifications of fund balance are defined in Note 14 on page 52.

The Town's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent (i.e., nonspendable balances of permanent funds) because they are legally or contractually required to be maintained intact.
- 2) Restricted funds are used solely for the purpose for which the fund was established. In the case of special revenue funds, these funds are created by Town ordinance and their use is specifically identified. Any change in the use of these funds would require revision of the ordinance enacted upon the initial development of the fund.
- 3) Committed funds are a result of motions passed at annual Budgetary Town Meeting. In order to expend these funds independent of the annual budgetary process, the Town Council (the Council) is required to hold a public hearing and pass a resolution with a minimum of 5 affirmative votes of the Council. This process can only be utilized with regard to timing of the expenditure. The purpose of the funds cannot be altered except by majority vote at the annual meeting mentioned above.
- 4) Assigned funds are used for specific purposes as established by management. These funds which include encumbrances have been assigned for specific goods and services contracted by the Town but not yet paid for. In the case of other funds, such as overlay for abatements and accrued leave, the Town's Council has authorized management to assign those funds for their designated purpose.
- 5) Unassigned funds are available to be spent in future periods within the restrictions as defined by the Town's Fund Balance Policy. Temporary fund balance deficits are reported as negative amounts in the unassigned classification in other governmental funds. Positive unassigned amounts are reported only in the General Fund. The Town's policy states that the Town will maintain a minimum unassigned fund balance in its General Fund ranging from 8 percent to 17 percent of total expenditures as reported in the prior year for the Town, County, and School collectively. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. The Town Council has the authority to appropriate any amount of unassigned

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

fund balance in excess of the designated percentage as part of the final adopted budget for any given fiscal year. The Council may also appropriate unassigned funds for emergency purposes at their discretion.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position – Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net investment in capital assets, 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 position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

M. Use of Estimates

The preparation of basic financial statements in conformity with GAAP 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 revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 revenue sources.

The Town's legal level of budgetary control is the total appropriation by fund, 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.

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Custodial Credit Risk

The custodial credit risk for deposits or investments is the risk that, in the event of the failure of the bank or counterparty to a transaction, the Town will not be able to recover the value of its deposits, investments, or collateral securities that are in possession of another party. The Town's policy is to follow New Hampshire RSA 41:29 and 383:22. The Town's investment policy limits all fixed income securities at time of purchase having A or better long-term debt rating from rating agencies. All of the Town's investments are held by third parties in the Town's name.

As of December 31, 2023, the Town's deposits and short-term investments bank balance of \$63,681,253 was either collateralized or held by a third party in the Town's name.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

B. Investment Summary

The following is a summary of the Town's Investments as of December 31, 2023:

<u>Investment Type</u>	<u>Amount</u>
Debt securities:	
U.S. Treasury notes	\$ 3,931,628
Federal agencies	895,026
Corporate bonds	2,847,927
Fixed income mutual funds	38,140
Equity mutual funds	<u>83,257</u>
Total investments	\$ <u><u>7,795,978</u></u>

C. Credit Risk - Investments

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

U.S. Treasury notes have an implied rating of AAA. Presented below is the actual rating as of year-end for the other fixed income investment types of the Town as issued by Standard & Poor's Global:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating as of Year End</u>			
		<u>AAA</u>	<u>AA+ to A-</u>	<u>BBB</u>	<u>Unrated</u>
Debt securities:					
Federal agencies	\$ 895,026	\$ 895,026	\$ -	\$ -	\$ -
Corporate bonds	2,847,927	2,847,927	-	-	-
Fixed income mutual funds	<u>38,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,140</u>
Total	\$ <u><u>3,781,093</u></u>	\$ <u><u>3,742,953</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>38,140</u></u>

D. Concentration of Credit Risk - Investments

Per the Town's investment policy, concentration in any one issue, except for U.S. Treasury or U.S. Government Agency obligations, shall not exceed 10% of its portfolio. No investments in any one issue exceeded that threshold at December 31, 2023.

As of December 31, 2023, the Town did not have an investment in one issuer greater than 5% of total investments.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

E. Interest Rate Risk - Investments

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 is to changes in market interest rates.

The Town's policy seeks to minimize interest rate risk by limiting maturity range to between 0 and 5 years for capital reserves and average maturity not to exceed 7 years for permanent trusts. Average maturity is dictated by the CIP budget provided by Trustees.

Information about the sensitivity of the fair values of the Town's debt related securities to market interest rate fluctuations was as follows at December 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Debt securities:		
U.S. Treasury notes	\$ 3,931,628	2.50
Federal agencies	895,026	1.68
Corporate bonds	2,847,927	5.30
Fixed income mutual funds	<u>38,140</u>	5.00
Total	<u>\$ 7,712,721</u>	

F. Foreign Currency Risk - Investments

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. Per the Town's policy, the investment manager shall not make investments in non-USD denominated assets.

G. Fair Value- Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of an asset or a liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 are valued using bid-side evaluations. The rules-based logic utilizes valuation techniques that reflect market participants' assumptions and vary by asset values and per methodology, and maximizes the use of relevant observable data including quoted market prices for similar assets, benchmark yield curves, and market corroborated inputs.

The Town does not have any Level 3 investments.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The Town had the following fair value measurements as of December 31, 2023:

<u>Description</u>	<u>Fair Value Measurements Using:</u>			
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value:				
Debt securities:				
U.S. Treasury notes	\$ 3,931,628	\$ 3,931,628	\$ -	\$ -
Federal agencies	895,026	-	895,026	-
Corporate bonds	2,847,927	-	2,847,927	-
Fixed income mutual funds	38,140	-	38,140	-
Equity mutual funds	<u>83,257</u>	<u>83,257</u>	<u>-</u>	<u>-</u>
Total	\$ <u>7,795,978</u>	\$ <u>4,014,885</u>	\$ <u>3,781,093</u>	\$ <u>-</u>

The Town also holds certificates of deposits that are nonparticipating interest-earning investment contracts and therefore uses cost-based measurement for these investments.

NOTE 4 – 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, 2023, upon which the 2023 property tax levy was based is:

For the New Hampshire Education Tax	\$6,023,296,732
For All Other Taxes	\$6,121,158,432

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 8% 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 year.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

During the current year, the Tax Collector executed a lien on May 11, 2023 for all uncollected 2023 property taxes. Taxes receivable at December 31, 2023, were as follows:

<u>Property</u>	
Levy of 2023	\$ 2,164,546
<u>Unredeemed (under tax lien)</u>	
Levy of 2022	179,283
Levy of 2021	29,624
Levy of 2020	4,616
Levy of 2019	7,368
Levy of 2018	4,809
Levy of 2017	4,389
Levy of 2016	4,151
Levy of 2015	4,238
Levy of 2014	3,800
Levy of 2013	2,919
Levy of 2012	3,195
Levy of 2009	1,195
Less: Allowance for estimated uncollectible taxes	<u>(83,602)</u>
Net Taxes Receivable	<u>\$ 2,330,531</u>

NOTE 5 – LEASES RECEIVABLE

In 2022, the Town implemented GASB Statement No. 87, *Leases*, which changed the definition of a lease and requires a lease receivable, offset with deferred inflows, to be shown on the financial statements. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

Leases receivable consisted of the following at December 31, 2023:

<u>Purpose</u>	Serial Maturities <u>Through</u>	Interest Rate(s) %	Amount Outstanding as of <u>December 31, 2023</u>
Verizon Shelter	12/31/2039	2.00%	\$ 190,958
STC Five LLC PCS Site	12/31/2046	2.00%	983,004
STC Five LLC PCS Site Subleases	12/31/2046	2.00%	<u>957,737</u>
Total			<u>\$ 2,131,699</u>

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Future minimum lease payments under these leases consisted of the following at December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 46,327	\$ 42,220	\$ 88,547
2025	50,551	41,251	91,802
2026	54,424	40,205	94,629
2027	58,508	72,226	130,734
2028	62,814	37,871	100,685
2029 - 2033	388,662	167,853	556,515
2034 - 2038	545,726	121,654	667,380
2039 - 2043	563,317	65,372	628,689
2044 - 2046	<u>361,370</u>	<u>10,548</u>	<u>371,918</u>
Total	\$ <u>2,131,699</u>	\$ <u>599,200</u>	\$ <u>2,730,899</u>

The Town recognized \$41,660 in lease revenue and \$43,093 in interest revenue during the current year related to these leases.

NOTE 6 – PREPAID ITEMS

Prepaid items reported in the General Fund include information technology payments and other miscellaneous items processed in December 2023 to ensure timely payment.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 15,698	\$ 1,967	\$ -	\$ 17,665
Construction in progress	<u>300</u>	<u>834</u>	<u>(299)</u>	<u>835</u>
Total capital assets, not being depreciated	15,998	2,801	(299)	18,500
Capital assets, being depreciated:				
Land improvements	2,922	554	-	3,476
Buildings and building improvements	9,407	484	-	9,891
Machinery, equipment, and vehicles	15,952	1,424	(1,259)	16,117
Infrastructure	<u>122,761</u>	<u>1,854</u>	<u>(198)</u>	<u>124,417</u>
Total capital assets, being depreciated	151,042	4,316	(1,457)	153,901
Less accumulated depreciation for:				
Land improvements	(884)	(147)	-	(1,031)
Buildings and building improvements	(4,964)	(267)	-	(5,231)
Machinery, equipment, and vehicles	(9,164)	(1,212)	1,167	(9,209)
Infrastructure	<u>(62,984)</u>	<u>(2,669)</u>	<u>145</u>	<u>(65,508)</u>
Total accumulated depreciation	<u>(77,996)</u>	<u>(4,295)</u>	<u>1,312</u>	<u>(80,979)</u>
Total capital assets, being depreciated, net	<u>73,046</u>	<u>21</u>	<u>(145)</u>	<u>72,922</u>
Governmental activities capital assets, net	\$ <u>89,044</u>	\$ <u>2,822</u>	\$ <u>(444)</u>	\$ <u>91,422</u>

TOWN OF BEDFORD, NEW HAMPSHIRE
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For the Year Ended December 31, 2023

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 15	\$ -	\$ -	\$ 15
Total capital assets, not being depreciated	15	-	-	15
Capital assets, being depreciated:				
Buildings	2,768	-	-	2,768
Machinery, equipment, and vehicles	1,815	108	(7)	1,916
Sewer System (infrastructure)	9,182	-	-	9,182
Total capital assets, being depreciated	13,765	108	(7)	13,866
Less accumulated depreciation for:				
Buildings	(2,504)	(69)	-	(2,573)
Machinery, equipment, and vehicles	(1,255)	(175)	7	(1,423)
Sewer System (infrastructure)	(4,985)	(184)	-	(5,169)
Total accumulated depreciation	(8,744)	(428)	7	(9,165)
Total capital assets, being depreciated, net	5,021	(320)	-	4,701
Business-type activities capital assets, net	<u>\$ 5,036</u>	<u>\$ (320)</u>	<u>\$ -</u>	<u>\$ 4,716</u>

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

Governmental Activities:	
General government	\$ 112,691
Public safety	621,894
Highways and streets	3,416,596
Culture and recreation	<u>144,040</u>
Total depreciation expense - governmental activities	<u>\$ 4,295,221</u>
Business-Type Activities:	
Sewer Fund	\$ 406,907
Nonmajor Funds	<u>20,670</u>
Total depreciation expense - business-type activities	<u>\$ 427,577</u>

NOTE 8 – DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to the Town's net pension and net OPEB liabilities, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

NOTE 9 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net assets by the Town that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized in expense in future years and are more fully described in the corresponding pension and OPEB notes.

TOWN OF BEDFORD, NEW HAMPSHIRE
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Deferred inflows of resources related to leases, in accordance with GASB Statement No. 87, have been recognized in 2023, and are offset with leases receivable.

Unavailable revenues are reported in the governmental funds Balance Sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

NOTE 10– LONG-TERM DEBT

A. Long-Term Debt Supporting Activities

General obligation bonds issued by the Town for acquisition and construction of major capital items are approved by the Town Council and repaid with property taxes recorded in the General Fund or the South River Road TIF fund.

Capital leases, landfill closure costs, accrued employee benefits, total OPEB liability, and the net pension liability are repaid from the funds that costs relate to, mostly the General, Sewer, and Bedford Community Television Funds.

B. General Obligation Bonds (Public Offerings)

General obligation bonds have been issued for governmental activities. The Town has outstanding general obligation bonds from public offerings totaling \$12,310,000 related to governmental activities. General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate(s) %</u>	<u>Outstanding at 12/31/23</u>	<u>Due Within One Year</u>
General Obligation Bonds - Public Offering:						
South River Road TIF (2014)	\$ 4,100,000	2014	2024	1.59%	\$ 455,000	\$ 455,000
Infrastructure (2015)	9,000,000	2015	2025	2.00 - 4.00%	2,025,000	1,000,000
Infrastructure (2017)	9,790,000	2017	2027	5.00%	3,910,000	980,000
Infrastructure (2020)	8,470,000	2020	2030	5.00%	<u>5,920,000</u>	<u>850,000</u>
Total Governmental Activities					\$ <u>12,310,000</u>	\$ <u>3,285,000</u>

C. Future Debt Service

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 2023, including interest payments, were as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending December 31,			
2024	\$ 3,285,000	\$ 495,350	\$ 3,780,350
2025	2,850,000	374,875	3,224,875
2026	1,820,000	263,250	2,083,250
2027	1,820,000	172,250	1,992,250
2028	845,000	105,625	950,625
2029 - 2030	<u>1,690,000</u>	<u>84,500</u>	<u>1,774,500</u>
Total	\$ <u>12,310,000</u>	\$ <u>1,495,850</u>	\$ <u>13,805,850</u>

TOWN OF BEDFORD, NEW HAMPSHIRE
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For the Year Ended December 31, 2023

D. Equipment Notes Payable

In 2023, the Town made its final payment on a financed 2019 wheeled excavator. There is no equipment notes payable balance in governmental activities at December 31, 2023.

E. Changes in Long-Term Liabilities

During the year ended December 31, 2023, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 1/1/23	Additions	Reductions	Total Balance 12/31/23	Less Current Portion	Equals Long-Term Portion 12/31/23
<u>Governmental Activities</u>						
Bonds payable - public offering	\$ 16,275	\$ -	\$ (3,965)	\$ 12,310	\$ (3,285)	\$ 9,025
Unamortized premium	<u>1,929</u>	<u>-</u>	<u>(362)</u>	<u>1,567</u>	<u>(361)</u>	<u>1,206</u>
Subtotal	18,204	-	(4,327)	13,877	(3,646)	10,231
Landfill post closure liability	120	-	(20)	100	(20)	80
Equipment notes payable	60	-	(60)	-	-	-
Accrued employee benefits	1,442	39	(158)	1,323	(463)	860
Net pension liability	24,704	-	(1,214)	23,490	-	23,490
Net OPEB liability	<u>5,099</u>	<u>-</u>	<u>(36)</u>	<u>5,063</u>	<u>-</u>	<u>5,063</u>
Totals	\$ <u>49,629</u>	\$ <u>39</u>	\$ <u>(5,815)</u>	\$ <u>43,853</u>	\$ <u>(4,129)</u>	\$ <u>39,724</u>
<u>Business-Type Activities</u>						
Accrued employee benefits	\$ 43	\$ 1	\$ (2)	\$ 42	\$ (17)	\$ 25
Net pension liability	623	-	(41)	582	-	582
Net OPEB liability	<u>129</u>	<u>-</u>	<u>(3)</u>	<u>126</u>	<u>-</u>	<u>126</u>
Totals	\$ <u>795</u>	\$ <u>1</u>	\$ <u>(46)</u>	\$ <u>750</u>	\$ <u>(17)</u>	\$ <u>733</u>

NOTE 11 – LANDFILL POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Town's landfill was closed during the year ended December 31, 1997. The remaining post closure care costs are reported as a liability in the financial statements.

The \$100,000 reported as a landfill post-closure care liability at December 31, 2023 represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. This amount is based on what it would cost for all equipment, facilities, and services to monitor and maintain the landfill as of December 31, 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 12 – RESTRICTED NET POSITION

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

TOWN OF BEDFORD, NEW HAMPSHIRE

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable portion represents accumulated earnings, which are available to be spent in accordance with donor restrictions.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 13 – GOVERNMENTAL FUNDS - FUND BALANCE

The Town's fund balances at December 31, 2023 were comprised of the following:

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid expenditures	\$ 225,151	\$ -	\$ -	\$ 225,151
Inventory	46,928	-	-	46,928
Nonexpendable permanent funds	-	-	30,419	30,419
Total Nonspendable	272,079	-	30,419	302,498
Restricted:				
Construction escrow	394,141	-	-	394,141
ARPA fund	-	22,086	-	22,086
Bonded projects, road rehab	-	-	507,929	507,929
South River Road TIF	-	-	1,980,407	1,980,407
Town special revenue accounts:				
Law enforcement forfeitures	-	-	103,968	103,968
Impact fees and grants	-	-	320,281	320,281
Community development	-	-	86,141	86,141
Donations	-	-	9,407	9,407
Library	-	-	170,404	170,404
Rte. 101 project	-	-	1,153,571	1,153,571
Expendable permanent funds	-	-	12,322	12,322
Total Restricted	394,141	22,086	4,344,430	4,760,657
Committed:				
Capital reserves:				
Conservation commission	1,370,996	-	-	1,370,996
Facilities/design build	1,022,763	-	-	1,022,763
Ambulance replacement	466,297	-	-	466,297
Fire engine replacement	404,322	-	-	404,322
Radio reserve	344,291	-	-	344,291
Fire ladder truck replacement	269,913	-	-	269,913
Fire equipment reserve	268,128	-	-	268,128
Sweeper replacement	262,218	-	-	262,218
One ton trucks	188,466	-	-	188,466
Sportsman field turf replacement	156,866	-	-	156,866
Other capital reserves	2,584,429	-	-	2,584,429
South River Road TIF	-	-	159,743	159,743
Total Committed	7,338,689	-	159,743	7,498,432
Assigned:				
Encumbrances:				
General government	78,534	-	-	78,534
Public safety	89,460	-	-	89,460
Highways and street	1,420,509	-	-	1,420,509
Culture and recreation	50,846	-	-	50,846
Sanitation	97,635	-	-	97,635
Overlay for abatements	316,210	-	-	316,210
Total Assigned	2,053,194	-	-	2,053,194
Unassigned:				
Unassigned	15,387,454	-	-	15,387,454
Total Unassigned	15,387,454	-	-	15,387,454
Total Fund Balance	\$ 25,445,557	\$ 22,086	\$ 4,534,592	\$ 30,002,235

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 14 – TRANSFERS

The Town reports interfund transfers between various funds. The sum of all transfers presented in the table below agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. The following is a summary of interfund transfers made in 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 22,500	\$ 15,000
Business-type Activities:		
Sewer Fund	15,000	-
Nonmajor Enterprise Funds:		
Bedford Community Television	-	4,500
Day Camp	-	18,000
Subtotal Nonmajor Enterprise Funds	-	22,500
Total Business-type Activities	15,000	22,500
Grand Total	\$ 37,500	\$ 37,500

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs that are accounted for in other funds in accordance with budgetary authorizations.

NOTE 15 – PENSION PLAN

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

The following pension disclosures for the New Hampshire Retirement System pension plan are based upon an actuarial valuation performed as of June 30, 2022, using a measurement date of June 30, 2023.

A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. NHRS provides service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in NHRS. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507 or from their website at nhrs.org.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

B. Benefits Provided

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service, and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

Years of creditable service as of <u>January 1, 2012</u>	Minimum <u>Age</u>	Minimum <u>Service</u>	Benefit <u>Multiplier</u>
At least 3 by less than 10 years	46	21	2.4%
At least 6 by less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

C. Contributions

Plan members are required to contribute a percentage of their earnable compensation to the pension plan. The contribution rates are 7% for employees, 11.55% for police, and 11.80% for fire. The Town makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, III, which are 13.75% for employees, 30.67% for police, and 29.78% for fire. The Town's contribution to NHRS for the year ended December 31, 2023 was \$2,585,761, which was equal to its contractually required contribution.

D. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At December 31, 2023, the Town reported a liability of \$24,072,218 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.4300%.

TOWN OF BEDFORD, NEW HAMPSHIRE

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

For the year ended December 31, 2023, the Town recognized pension expense of \$2,926,741. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual pension experience	\$ 615,098	\$ 9,674
Net difference between projected and actual earnings on pension plan investments	348,125	-
Changes in assumptions	633,568	-
Changes in proportion	462,645	651,257
Pension contributions subsequent to the measurement date	<u>1,291,195</u>	<u>-</u>
Total	<u>\$ 3,350,631</u>	<u>\$ 660,931</u>

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year ended December 31,</u>	
2024	\$ 713,210
2025	(393,338)
2026	1,212,564
2027	<u>(133,931)</u>
Total	<u>\$ 1,398,505</u>

Actuarial assumptions and other inputs: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.00%
Wage inflation	2.75%
Salary increases	5.40% average, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation

Mortality rates were updated to be based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Target allocation: The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected

TOWN OF BEDFORD, NEW HAMPSHIRE

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

The following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Weighted Average Average Long- Term Expected Real Rate of Return</u>
Broad US Equity	30.00 %	5.40%
Global Ex-US Equity	<u>20.00</u>	5.65%
Total Public Equities	50.00	
Real Estate Equity	10.00	4.00%
Private Equity	<u>10.00</u>	6.65%
Total Private Market Equity	20.00	
Core U.S. Fixed Income	<u>25.00</u>	2.15%
Total Fixed Income	25.00	
Private Debt	<u>5.00</u>	5.05%
Total Private Debt	5.00	
Inflation	<u>-</u>	2.50%
Total	<u><u>100.00</u></u> %	

Discount rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 32,663,085	\$ 24,072,218	\$ 16,731,847

TOWN OF BEDFORD, NEW HAMPSHIRE

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

NOTE 16 – DEFERRED COMPENSATION

The Town also offers its employees two deferred compensation plans in accordance with Internal Revenue Code Section 457(b) through the International City/County Management Association's (ICMA) Retirement Corporation and the Professional Fire Fighters of NH (PFPOPE). The plans permit full-time employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, or death. The Town has no liability for losses under the plans, but does have the duty of due care that would be required of an ordinary prudent investor for safeguarding purposes only. The investments are self-directed by employees.

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (GASB 75)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to period of employee service.

A. Town OPEB Plan

All of the following OPEB disclosures are based on a measurement date of December 31, 2023, using a valuation date of January 1, 2022.

General Information about the OPEB Plan

Plan Description

The Town provides its eligible retirees, including in some cases their beneficiaries, the ability to purchase health, dental, and prescription insurance at the Town's group rates. The authority for the benefits and amending of such benefits is NH RSA 100-A:50. The OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75. The Town OPEB plan is a single-employer defined benefit plan.

Although the Town does not supplement the cost of these plans, GASB Statement 75 requires the Town to recognize a liability for the inclusion of any implicit rate subsidies afforded to its retirees. This subsidy is generated as a result of the basic nature of insurance – one risk group subsidizes another to arrive at a blended premium, therefore current employees who are young and healthy subsidize the older retirees.

Benefits Provided

The Town provides medical benefits to its eligible retirees. The benefits are provided through a fully insured trust offered by the HealthTrust and Northern New England Benefit Trust (NNEBT).

Funding Policy

Currently, the Town does not pre-fund retiree health benefits and instead provides for benefits on a pay-as-you-go basis.

TOWN OF BEDFORD, NEW HAMPSHIRE
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For the Year Ended December 31, 2023

Plan Membership

As of December 31, 2023, there were 16 retiree subscribers, including eligible spouses and dependents and 150 active employees that meet the eligibility requirements. The plan does not issue a separate financial report.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the Entry Age Normal method as of January 1, 2022, in accordance with the parameters of GASB Statement No. 75. This method is in the family of future benefit cost methods, which requires an estimate of the projected benefit payable at retirement to determine costs and liabilities. The valuation used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth	3.50% per year
Participation rate	50.00%
Discount rate	3.26%
Healthcare cost trend rates	7.50% decreasing to 4.54%

Mortality rates were updated to be based on the Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.26%. The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year tax-exempt general obligation municipal bond rate as of December 31, 2023.

Changes in the Total OPEB Liability

The following summarizes the changes to the total OPEB liability for the past year:

	Total OPEB <u>Liability</u>
Balance at January 1, 2022	\$ 3,323,433
Changes for the year:	
Service cost	246,276
Interest	114,294
Assumption changes	24,803
Difference between actual and expected experience	
Benefit payments	<u>(177,132)</u>
Net Changes	<u>208,241</u>
Balance at December 31, 2023	\$ <u><u>3,531,674</u></u>

Assumption changes reflect an increase in the discount rate from 3.72% in 2022 to 3.26% in 2023 and advancement in trend rates.

TOWN OF BEDFORD, NEW HAMPSHIRE
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For the Year Ended December 31, 2023

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate of 3.26%, as well as what the Town's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.26%) or one percentage-point higher (4.26%).

1% <u>Decrease</u>	Discount <u>Rate</u>	1% <u>Increase</u>
\$ 3,897,370	\$ 3,531,674	\$ 3,200,186

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using the current healthcare cost trend rates of 7.50% decreasing to the ultimate rate of 4.54%, and the rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% <u>Decrease</u>	Current Healthcare Cost Trend <u>Rates</u>	1% <u>Increase</u>
\$ 3,027,714	\$ 3,531,674	\$ 4,144,735

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Town recognized an OPEB expense of \$106,459. At December 31, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between actual and expected experience	\$ 980,624	\$ 2,488,492
Changes in assumptions	<u>21,905</u>	<u>763,276</u>
Total	\$ <u>1,002,529</u>	\$ <u>3,251,768</u>

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as increases (decreases) in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2024	\$ (254,111)
2025	(254,111)
2026	(244,181)
2027	(261,665)
2028	(345,427)
Thereafter	<u>(889,744)</u>
Total	\$ <u>(2,249,239)</u>

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

B. New Hampshire Retirement System Medical Subsidy Plan

The following OPEB disclosures are based on a measurement date of June 30, 2023 determined by an actuarial valuation as of June 30, 2022.

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed previously, the Town participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer defined benefit postemployment medical subsidy healthcare plan designated in statute by membership type. The four membership groups are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord New Hampshire 03301-8507 or from their website at nhrs.org.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiability dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly medical subsidy rates are:

1 Person - \$375.56
2 Person - \$751.12
1 Person Medicare Supplement - \$236.84
2 Person Medicare Supplement - \$473.68

Contributions

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the Medical Subsidy payment is via the employer contributions rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of earnable compensation. The Town contributed 0.31% of earnable compensation for Group I employees and 3.21% earnable compensation for Group II employees. Employees are not required to contribute. The State Legislature has the authority to establish, amend, and disclose the contribution requirements of the Medical Subsidy plan.

Actuarial Assumptions and Other Inputs

Actuarial assumptions and other inputs for the collective total OPEB liability are the same as the New Hampshire Retirement System, which is disclosed in Note 15.

Net OPEB Liability, Expense, and Deferred Outflows and Inflows

The Town's proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2023 was \$1,656,444, representing 0.4847%.

TOWN OF BEDFORD, NEW HAMPSHIRE

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

For the year ended December 31, 2023, the Town recognized OPEB expense related to the NHRS Medical Subsidy of \$(32,059). At December 31, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual OPEB investment earnings	\$ 1,991	\$ -
OPEB contributions subsequent to the measurement date	<u>92,191</u>	<u>-</u>
Total	\$ <u>94,182</u>	\$ <u>-</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended December 31, 2024.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as increases (decreases) in OPEB expense as follows:

Year Ended December 31,

2024	\$ (330)
2025	(2,515)
2026	5,381
2027	<u>(545)</u>
Total	\$ <u>1,991</u>

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability calculated using the discount rate of 6.75%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current discount rate:

1% <u>Decrease</u>	Current Discount <u>Rate</u>	1% <u>Increase</u>
\$ 1,799,062	\$ 1,656,443	\$ 1,532,015

Healthcare Cost Trend Rate

Healthcare cost trend rates are not applicable given that the benefits are fixed stipends.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

C. Consolidation of Total/Net OPEB Liabilities, Related Deferred Outflows and (Inflows), and OPEB Expense

The following is a summary of all OPEB-related items in the aggregate across both governmental and business-type activities. Details related to these items are presented separately for each plan in parts A and B of this note.

	Total/Net OPEB <u>Liability</u>	Total Deferred Outflows of <u>Resources</u>	Total Deferred Inflows of <u>Resources</u>	Total OPEB <u>Expense</u>
Town OPEB Plan	\$ 3,531,674	\$ 1,002,529	\$ 3,251,768	\$ 106,459
Proportionate share of NHRS Medical Subsidy Plan	<u>1,656,443</u>	<u>94,182</u>	<u>-</u>	<u>(32,059)</u>
Total	<u>\$ 5,188,117</u>	<u>\$ 1,096,711</u>	<u>\$ 3,251,768</u>	<u>\$ 74,400</u>

NOTE 18 – 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 for which the Town carries insurance through Primex, a public entity risk pool. There were no reductions in insurance coverage from the previous year and there have been no material settlements in excess of coverage in any of the past three years.

NOTE 19 – 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.

Encumbrances

At year end the Town's General Fund had \$1,736,984 in encumbrances that will be honored in 2024.

Abatements

There are several cases pending before the NH Board of Tax and Land Appeals and/or the Supreme Court in regard to alleged discrepancies in property assessments. The Town intends to contest these cases vigorously.

TOWN OF BEDFORD, NEW HAMPSHIRE
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 20 – BEGINNING FUND BALANCE RECLASSIFICATION

The Town’s major enterprise funds for 2023, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, have changed from the previous year. Accordingly, the following reconciliation is provided:

Fund Basis Financial Statements:

	Bedford Community Television	Nonmajor Enterprise Funds
As previously reported	\$ 452,618	\$ 140,944
Major Fund reclassification	<u>(452,618)</u>	<u>452,618</u>
As reclassified	<u>\$ -</u>	<u>\$ 593,562</u>

NOTE 21 – SUBSEQUENT EVENTS

Management has evaluated events through June 18, 2024, which is the date the financial statements were available to be issued.

NOTE 22 – IMPLEMENTATION OF NEW GASB STANDARDS

During the current fiscal year, the Town conducted a thorough evaluation of the Governmental Accounting Standards Board (GASB) Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*.

GASB Statement No. 94 establishes guidance for reporting public-private and public-public partnership arrangements, including those with availability payment arrangements. It provides the criteria for these transactions to be recognized in the financial statements. Upon review, it was determined that the Town did not engage in any partnerships or availability payment arrangements that fall within the scope of GASB Statement No. 94 during the reporting period. Consequently, the Town concluded that GASB Statement No. 94 is not applicable to its financial reporting for the current period.

GASB Statement No. 96 addresses the accounting and financial reporting for subscription-based information technology arrangements (SBITA). As part of our analysis, the Town reviewed all relevant information technology subscriptions and contracts to assess the materiality of any potential SBITA. Based on this review, it was determined that the effects of applying GASB Statement No. 96 to the financial statements are immaterial. Therefore, no adjustments have been made to the financial statements in relation to GASB Statement No. 96 for the current fiscal year.

The Town will continue to monitor any new partnerships, availability payment arrangements, or subscription-based information technology arrangements in future reporting periods and will assess the applicability and potential impact of GASB Statements No. 94 and No. 96 accordingly.

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 101, *Compensated Absences*, effective for the Town for the year ending December 31, 2024. Management is currently evaluating the impact of implementing this pronouncement.

TOWN OF BEDFORD, NEW HAMPSHIRE
Schedule of Proportionate Share of the Net Pension Liability
Required Supplementary Information
(Unaudited)

New Hampshire Retirement System						
<u>Year Ended</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
December 31, 2023	June 30, 2022	0.4300%	\$24,072,218	\$11,479,836	209.69%	67.18%
December 31, 2022	June 30, 2021	0.4415%	\$25,327,204	\$11,273,897	224.65%	65.12%
December 31, 2021	June 30, 2020	0.4341%	\$19,237,411	\$10,573,081	181.95%	72.22%
December 31, 2020	June 30, 2020	0.4223%	\$27,010,600	\$10,049,619	268.77%	58.72%
December 31, 2019	June 30, 2019	0.4428%	\$21,304,999	\$ 9,950,971	214.10%	65.59%
December 31, 2018	June 30, 2018	0.4399%	\$21,182,836	\$ 9,581,712	221.08%	64.73%
December 31, 2017	June 30, 2017	0.4521%	\$22,233,570	\$ 9,306,521	238.90%	62.66%
December 31, 2016	June 30, 2016	0.4231%	\$22,498,842	\$ 8,096,040	277.90%	58.30%
December 31, 2015	June 30, 2015	0.4167%	\$16,509,302	\$ 8,312,054	198.62%	65.47%

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

See notes to the Town's financial statements of summary for significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE
Schedule of Pension Contributions
Required Supplementary Information
(Unaudited)

New Hampshire Retirement System					
<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2023	\$ 2,585,761	\$2,585,761	-	\$ 11,969,947	21.6%
December 31, 2022	\$ 2,556,572	\$2,556,572	-	\$ 11,127,099	23.0%
December 31, 2021	\$ 1,994,209	\$1,994,209	-	\$ 10,761,664	18.5%
December 31, 2020	\$ 1,955,345	\$1,955,345	-	\$ 10,532,202	18.6%
December 31, 2019	\$ 1,926,893	\$1,926,893	-	\$ 10,179,058	18.9%
December 31, 2018	\$ 1,859,338	\$1,859,338	-	\$ 9,791,601	19.0%
December 31, 2017	\$ 1,656,188	\$1,656,188	-	\$ 9,306,521	17.8%
December 31, 2016	\$ 1,515,039	\$1,515,039	-	\$ 8,096,040	18.7%
December 31, 2015	\$ 1,398,116	\$1,398,116	-	\$ 8,312,054	16.8%

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

See notes to the Town's financial statements of summary for significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE
*Schedule of Proportionate Share and Schedule
of Contributions of the Net OPEB Liability*
(Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy

Year Ended	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Net OPEB Liability
December 31, 2023	June 30, 2023	0.4847%	\$ 1,656,443	\$ 11,479,836	14.43%	12.80%
December 31, 2022	June 30, 2022	0.5038%	\$ 1,903,867	\$ 11,273,897	16.89%	10.64%
December 31, 2021	June 30, 2021	0.4684%	\$ 1,875,664	\$ 10,573,081	17.74%	11.06%
December 31, 2020	June 30, 2020	0.4515%	\$ 1,976,099	\$ 10,049,619	19.66%	7.74%
December 31, 2019	June 30, 2019	0.5154%	\$ 2,259,390	\$ 9,950,971	22.71%	7.75%
December 31, 2018	June 30, 2018	0.5125%	\$ 2,346,677	\$ 9,581,712	24.49%	7.53%
December 31, 2017	June 30, 2017	0.3475%	\$ 2,078,451	\$ 9,306,521	22.33%	7.91%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy

Year Ended	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2023	\$ 199,495	\$ 199,495	\$ -	\$ 11,969,947	1.67%
December 31, 2022	\$ 207,891	\$ 207,891	\$ -	\$ 11,127,099	1.87%
December 31, 2021	\$ 216,177	\$ 216,177	\$ -	\$ 10,761,664	2.01%
December 31, 2020	\$ 220,466	\$ 220,466	\$ -	\$ 10,532,202	2.09%
December 31, 2019	\$ 235,189	\$ 235,189	\$ -	\$ 10,179,058	2.31%
December 31, 2018	\$ 226,715	\$ 226,715	\$ -	\$ 9,791,601	2.32%
December 31, 2017	\$ 205,992	\$ 205,992	\$ -	\$ 9,306,521	2.21%

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

See notes to the Town's financial statements of summary for significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE
Schedule of Changes in the Total OPEB Liability
(Unaudited)

Schedule of Changes						
For the Years Ended December 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 246,276	\$ 221,912	\$ 565,809	\$ 554,063	\$ 240,701	\$ 262,129
Interest	114,294	122,274	130,827	118,016	168,943	143,782
Changes of assumptions	24,803	(3,162,698)	-	1,832,487	-	(304,193)
Differences between expected and actual experience	-	(519,969)	-	(680,333)	-	-
Benefit payments, including refunds of member contributions	<u>(177,132)</u>	<u>(171,541)</u>	<u>(68,504)</u>	<u>(67,082)</u>	<u>(164,078)</u>	<u>(157,616)</u>
Net change in total OPEB liability	208,241	(3,510,022)	628,132	1,757,151	245,566	(55,898)
Total OPEB liability - beginning	<u>3,323,433</u>	<u>6,833,455</u>	<u>6,205,323</u>	<u>4,448,172</u>	<u>4,202,606</u>	<u>4,258,504</u>
Total OPEB liability - ending	\$ <u>3,531,674</u>	\$ <u>3,323,433</u>	\$ <u>6,833,455</u>	\$ <u>6,205,323</u>	\$ <u>4,448,172</u>	\$ <u>4,202,606</u>
 Covered-employee payroll	 \$ 11,409,545	 \$ 11,023,715	 \$ 11,163,544	 \$ 10,944,651	 \$ 8,280,268	 \$ 8,445,873
Total OPEB liability as a percentage of covered employee payroll	30.95%	30.15%	61.21%	56.70%	53.72%	49.76%

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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

See notes to the Town's financial statements of summary for significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE

General Fund

*Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual
Budgetary Basis*

**For the Year Ended December 31, 2023
(Unaudited)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 19,860,809	\$ 19,860,809	\$ 19,731,718	\$ (129,091)
Licenses and permits	6,445,400	6,445,400	6,676,032	230,632
Intergovernmental	3,558,376	3,558,376	4,484,146	925,770
Charges for services	2,552,575	2,552,575	2,566,191	13,616
Miscellaneous	<u>590,000</u>	<u>590,000</u>	<u>928,807</u>	<u>338,807</u>
Total Revenues	33,007,160	33,007,160	34,386,894	1,379,734
Expenditures:				
Current:				
General government	7,946,335	7,889,031	7,624,328	264,703
Public safety	13,190,325	13,207,770	12,453,906	753,864
Highways and streets	4,696,851	4,846,533	4,829,045	17,488
Sanitation	1,415,079	1,334,585	1,320,230	14,355
Welfare	12,000	12,000	8,671	3,329
Culture and recreation	1,910,794	1,881,465	1,804,519	76,946
Debt service	<u>4,033,451</u>	<u>4,033,451</u>	<u>4,033,450</u>	<u>1</u>
Total Expenditures	33,204,835	33,204,835	32,074,149	1,130,686
Other financing sources (uses):				
Transfers in	222,500	222,500	222,500	-
Transfers out	(3,114,825)	(3,114,825)	(3,114,825)	-
Fund balance	<u>3,090,000</u>	<u>3,090,000</u>	<u>3,090,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>197,675</u>	<u>197,675</u>	<u>197,675</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,510,420</u>	\$ <u>2,510,420</u>

See Independent Auditors' Report.

Notes to the Required Supplementary Information

General Fund Statement of Revenues, Expenditures, and Other Financing Sources (Uses) – Budget and Actual

A. Budgetary Basis

The General Fund final appropriation appearing on previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

B. Budget/GAAP Reconciliation

The budgetary data for the General Fund is based upon accounting principles that differ from 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.

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 35,028,611	\$ 36,180,627
Other Financing Sources/Uses (GAAP basis)	<u>101,788</u>	<u>15,000</u>
GAAP Basis	35,130,399	36,195,627
To adjust property tax revenue to the budgetary basis	69,517	-
To record use of fund balance	3,090,000	-
To reverse expenditures of prior year appropriation carryforwards	-	(2,285,500)
To book current year appropriation carryforwards	-	1,363,227
To gross-up reimbursements from the Sewer Fund	200,000	(200,000)
To reverse capital reserve activity	(645,140)	303,201
Other reconciling items	<u>(145,382)</u>	<u>(187,581)</u>
Budgetary Basis	<u>\$ 37,699,394</u>	<u>\$ 35,188,974</u>

See Independent Auditors' Report.

SUPPLEMENTARY STATEMENTS

Combining Statements – Nonmajor Governmental Funds

Combining Statements – Private Purpose Trust Funds

Combining Statements – Custodial Funds

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.

Law Enforcement Forfeitures Funds – This fund is used to account for the Town’s receipt of law enforcement forfeitures received through the DEA Equitable Share Program.

Impact Fees and Grants – This fund is used to account for recreation and school impact fees charged to new developments in accordance with New Hampshire RSA 674:21, V which are used for costs of capital improvements related to the new growth. Further, this fund is used to account for various fees charged in accordance with Town policies and various grants 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.

Library - This fund is used to account for the public library special operating activities.

Grants for Roads and Bridges – This fund is used to account for certain road and bridge improvements.

Capital Project Funds

Capital project funds are used to account for capital improvement projects.

Capital Fund – This fund is used to account for the Town’s ongoing capital improvements.

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 investment 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 investment income for which the interest only can be used for purposes of the Town’s public library.

Debt Service Funds

Debt service funds are used to account for transactions relating to the payment of principal and interest.

South River Road TIF Fund – This fund is used to account for taxes received and expended for debt service for the South River Road Tax Increment Financing District.

TOWN OF BEDFORD, NEW HAMPSHIRE

*Combining Balance Sheet
Nonmajor Governmental Funds*

December 31, 2023

	Special Revenue Funds						
	Law Enforcement <u>Forfeitures</u>	Impact Fees and Grants	Community Development	Donations	Library	Grants for Roads and Bridges	Subtotals
Assets							
Cash and short-term investments	\$ 103,968	\$ 320,281	\$ 86,141	\$ 9,407	\$ 170,404	\$ 1,153,571	\$ 1,843,772
Investments	-	-	-	-	-	-	-
Departmental and other receivables	-	131,372	-	-	-	-	131,372
Total Assets	<u>\$ 103,968</u>	<u>\$ 451,653</u>	<u>\$ 86,141</u>	<u>\$ 9,407</u>	<u>\$ 170,404</u>	<u>\$ 1,153,571</u>	<u>\$ 1,975,144</u>
Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources	-	131,372	-	-	-	-	131,372
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	103,968	320,281	86,141	9,407	170,404	1,153,571	1,843,772
Committed	-	-	-	-	-	-	-
Total Fund Balances	<u>103,968</u>	<u>320,281</u>	<u>86,141</u>	<u>9,407</u>	<u>170,404</u>	<u>1,153,571</u>	<u>1,843,772</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 103,968</u>	<u>\$ 451,653</u>	<u>\$ 86,141</u>	<u>\$ 9,407</u>	<u>\$ 170,404</u>	<u>\$ 1,153,571</u>	<u>\$ 1,975,144</u>

(continued)

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE

*Combining Balance Sheet
Nonmajor Governmental Funds*

December 31, 2023

(continued)

	Capital Project Fund	Permanent Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Capital Fund	Cemetery Perpetual Care	Library	Subtotals	South River Road TIF	
Assets						
Cash and short-term investments	\$ 870,731	\$ -	\$ -	\$ -	\$ 2,144,382	\$ 4,858,885
Investments	-	32,276	10,465	42,741	-	42,741
Departmental and other receivables	-	-	-	-	-	131,372
Total Assets	<u>\$ 870,731</u>	<u>\$ 32,276</u>	<u>\$ 10,465</u>	<u>\$ 42,741</u>	<u>\$ 2,144,382</u>	<u>\$ 5,032,998</u>
Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 362,802	\$ -	\$ -	\$ -	\$ 4,232	\$ 367,034
Deferred Inflows of Resources	-	-	-	-	-	131,372
Fund Balances:						
Nonspendable	-	22,971	7,448	30,419	-	30,419
Restricted	507,929	9,305	3,017	12,322	1,980,407	4,344,430
Committed	-	-	-	-	159,743	159,743
Total Fund Balances	<u>507,929</u>	<u>32,276</u>	<u>10,465</u>	<u>42,741</u>	<u>2,140,150</u>	<u>4,534,592</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 870,731</u>	<u>\$ 32,276</u>	<u>\$ 10,465</u>	<u>\$ 42,741</u>	<u>\$ 2,144,382</u>	<u>\$ 5,032,998</u>

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE
*Combining Statement of Revenues, Expenditures,
and Changes in Fund Equity
Nonmajor Governmental Funds*
For the Year Ended December 31, 2023

	Special Revenue Funds						
	Law Enforcement <u>Forfeitures</u>	Impact Fees and Grants	Community Development	Donations	Library	Grants for Roads and Bridges	Subtotals
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,538	31,927	-	-	-	269,271	307,736
Charges for services	-	228,162	-	308	18,848	-	247,318
Investment income	-	-	186	-	6,859	10	7,055
Miscellaneous	-	-	-	-	3,304	-	3,304
Total Revenues	6,538	260,089	186	308	29,011	269,281	565,413
Expenditures							
Current:							
General government	-	403,912	-	-	-	-	403,912
Public safety	4,685	-	-	-	-	-	4,685
Highway and streets	-	2,561	-	-	-	-	2,561
Culture and recreation	-	143,637	27	168	12,580	-	156,412
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	4,685	550,110	27	168	12,580	-	567,570
Net Change in Fund Balances	1,853	(290,021)	159	140	16,431	269,281	(2,157)
Fund Balances, beginning of year	102,115	610,302	85,982	9,267	153,973	884,290	1,845,929
Fund Balances, end of year	\$ 103,968	\$ 320,281	\$ 86,141	\$ 9,407	\$ 170,404	\$ 1,153,571	\$ 1,843,772

(continued)

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE
*Combining Statement of Revenues, Expenditures,
and Changes in Fund Equity
Nonmajor Governmental Funds*
For the Year Ended December 31, 2023

(continued)

	Capital Project Fund	Permanent Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Capital Fund	Cemetery Perpetual Care	Library	Subtotals	South River Road TIF	
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,092,181	\$ 1,092,181
Intergovernmental	-	-	-	-	-	307,736
Charges for services	-	-	-	-	-	247,318
Investment income	22,345	4,403	1,428	5,831	18,288	53,519
Miscellaneous	-	-	-	-	-	3,304
Total Revenues	22,345	4,403	1,428	5,831	1,110,469	1,704,058
Expenditures						
Current:						
General government	-	-	-	-	-	403,912
Public safety	-	-	-	-	-	4,685
Highway and streets	-	-	-	-	14,146	16,707
Culture and recreation	-	-	-	-	-	156,412
Debt service	-	-	-	-	553,900	553,900
Capital outlay	1,968,300	-	-	-	-	1,968,300
Total Expenditures	1,968,300	-	-	-	568,046	3,103,916
Net Change in Fund Balances	(1,945,955)	4,403	1,428	5,831	542,423	(1,399,858)
Fund Balances, beginning of year	2,453,884	27,873	9,037	36,910	1,597,727	5,934,450
Fund Balances, end of year	\$ 507,929	\$ 32,276	\$ 10,465	\$ 42,741	\$ 2,140,150	\$ 4,534,592

See Independent Auditors' Report.

FIDUCIARY FUNDS

Private-Purpose Trust Funds

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

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.

Custodial Funds

Custodial funds account for resources received and held by the reporting government in a purely custodial capacity.

School District Capital Reserve – This fund is used to account for capital reserves of the Bedford School District which by New Hampshire law must be held by the Town's Trustees of Trust Funds.

Taxes and Fees – This fund is used to account for taxes and fees collected by the Town on behalf of other governments.

TOWN OF BEDFORD, NEW HAMPSHIRE
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
December 31, 2023

	Private Cemetery <u>Association</u>	<u>Church</u>	<u>Scholarship</u>	<u>Total</u>
Assets				
Investments	\$ <u>37,519</u>	\$ <u>16,276</u>	\$ <u>30,604</u>	\$ <u>84,399</u>
Total Assets	\$ <u><u>37,519</u></u>	\$ <u><u>16,276</u></u>	\$ <u><u>30,604</u></u>	\$ <u><u>84,399</u></u>
Net Position				
Net position held in trust	\$ <u><u>37,519</u></u>	\$ <u><u>16,276</u></u>	\$ <u><u>30,604</u></u>	\$ <u><u>84,399</u></u>

See Independent Auditors' Report.

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

For the Year Ended December 31, 2023

	Private Cemetery <u>Association</u>	<u>Church</u>	<u>Scholarship</u>	<u>Total</u>
Additions				
Investment income	\$ <u>5,118</u>	\$ <u>2,220</u>	\$ <u>6,175</u>	\$ <u>13,513</u>
Total Additions	5,118	2,220	6,175	13,513
Deductions				
Payments to beneficiaries	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total Deductions	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Change in Net Position	5,118	2,220	4,175	11,513
Net Position				
Beginning of year	<u>32,401</u>	<u>14,056</u>	<u>26,429</u>	<u>72,886</u>
End of year	\$ <u><u>37,519</u></u>	\$ <u><u>16,276</u></u>	\$ <u><u>30,604</u></u>	\$ <u><u>84,399</u></u>

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE
Combining Statement of Fiduciary Net Position
Custodial Funds

December 31, 2023

	School District Capital <u>Reserve</u>	Taxes and <u>Fees</u>	<u>Total</u>
Assets			
Cash and short-term investments	\$ -	\$ 31,115,486	\$ 31,115,486
Total Assets	\$ -	\$ 31,115,486	\$ 31,115,486
Liabilities and Net Position			
Liabilities			
Due to Bedford School District	\$ -	\$ 31,108,515	\$ 31,108,515
Due to State of New Hampshire	-	6,971	6,971
Total Liabilities	-	31,115,486	31,115,486
Net Position			
Restricted for other governments	-	-	-
Total Liabilities and Net Position	\$ -	\$ 31,115,486	\$ 31,115,486

See Independent Auditors' Report.

TOWN OF BEDFORD, NEW HAMPSHIRE
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Year Ended December 31, 2023

	School District Capital <u>Reserve</u>	Taxes and <u>Fees</u>	<u>Total</u>
Additions			
Property taxes collected for Bedford School District	\$ -	\$ 65,069,787	\$ 65,069,787
Property taxes collected for County of Hillsborough	-	5,276,841	5,276,841
Fees collected for State of New Hampshire	-	1,551,964	1,551,964
Investment income	<u>617</u>	<u>-</u>	<u>617</u>
Total Additions	617	71,898,592	71,899,209
Deductions			
Payments of taxes to Bedford School District	-	65,069,787	65,069,787
Payment of taxes to County of Hillsborough	-	5,276,841	5,276,841
Payments of fees to State of New Hampshire	-	1,551,964	1,551,964
Payments to Bedford School District	<u>8,755</u>	<u>-</u>	<u>8,755</u>
Total Deductions	<u>8,755</u>	<u>71,898,592</u>	<u>71,907,347</u>
Change in Net Position	(8,138)	-	(8,138)
Net Position Restricted for Other Governments			
Beginning of year	<u>8,138</u>	<u>-</u>	<u>8,138</u>
End of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See Independent Auditors' Report.

STATISTICAL SECTION

TOWN OF BEDFORD, NEW HAMPSHIRE

STATISTICAL SECTION

The Town of Bedford's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, footnote disclosures, and required supplementary information says about the Town's overall financial health.

FINANCIAL TRENDS

Pages

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

83 - 91

REVENUE CAPACITY

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

92 - 96

DEBT CAPACITY

The schedules contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the government's ability to issue additional debt in the future.

97 - 101

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules contain demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

102 - 103

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

104 - 106

TOWN OF BEDFORD, NEW HAMPSHIRE

Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Governmental Activities</i>										
Net investment in capital assets	\$ 71,570,271	\$ 69,244,455	\$ 70,769,655	\$ 70,756,184	\$ 70,680,226	\$ 69,808,967	\$ 67,030,643	\$ 71,460,687	\$ 73,234,202	\$ 78,052,690
Restricted	781,680	1,021,282	1,223,512	1,068,065	915,532	1,487,439	1,425,639	688,437	2,048,194	2,017,883
Unrestricted	<u>13,613,911</u>	<u>422,338</u>	<u>409,327</u>	<u>452,017</u>	<u>(304,187)</u>	<u>1,044,534</u>	<u>560,918</u>	<u>(2,289,632)</u>	<u>(315,801)</u>	<u>(713,147)</u>
Total Governmental Activities	85,965,862	70,688,075	72,402,494	72,276,266	71,291,571	72,340,940	69,017,200	69,859,492	74,966,595	79,357,426
<i>Business-Type Activities</i>										
Net investment in capital assets	6,038,763	5,943,745	5,661,207	5,372,514	5,438,354	5,105,239	5,201,927	5,310,037	5,035,828	4,716,160
Unrestricted	<u>2,412,401</u>	<u>3,825,910</u>	<u>4,394,788</u>	<u>5,005,835</u>	<u>5,465,041</u>	<u>6,085,290</u>	<u>6,025,704</u>	<u>6,308,745</u>	<u>7,221,884</u>	<u>8,156,935</u>
Total Business-Type Activities	8,451,164	9,769,655	10,055,995	10,378,349	10,903,395	11,190,529	11,227,631	11,618,782	12,257,712	12,873,095
<i>Total Primary Government</i>										
Net investment in capital assets	77,609,034	75,188,200	76,430,862	76,128,698	76,118,580	74,914,206	72,232,570	76,770,724	78,270,030	82,768,850
Restricted	781,680	1,021,282	1,223,512	1,068,065	915,532	1,487,439	1,425,639	688,437	2,048,194	2,017,883
Unrestricted	<u>16,026,312</u>	<u>4,248,248</u>	<u>4,804,115</u>	<u>5,457,852</u>	<u>5,160,854</u>	<u>7,129,824</u>	<u>6,586,622</u>	<u>4,019,113</u>	<u>6,906,083</u>	<u>7,443,788</u>
Total Primary Government, Net Position	\$ <u>94,417,026</u>	\$ <u>80,457,730</u>	\$ <u>82,458,489</u>	\$ <u>82,654,615</u>	\$ <u>82,194,966</u>	\$ <u>83,531,469</u>	\$ <u>80,244,831</u>	\$ <u>81,478,274</u>	\$ <u>87,224,307</u>	\$ <u>92,230,521</u>

Source: Statement of Net Position

TOWN OF BEDFORD, NEW HAMPSHIRE

**Changes in Net Position
Last Ten Years**

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government ⁽¹⁾	\$ 4,812,418	\$ 5,637,342	\$ 6,197,033	\$ 6,652,329	\$ 6,657,042	\$ 6,582,464	\$ 7,323,013	\$ 8,191,405	\$ 6,796,108	\$ 8,097,277
Public Safety	7,849,861	8,978,388	9,446,461	10,043,787	10,387,363	11,202,740	12,310,053	11,397,482	12,004,753	13,079,994
Highways and Streets	8,431,859	7,853,767	7,476,368	7,063,777	7,482,778	8,433,406	10,596,502	6,575,825	7,606,143	8,860,199
Sanitation	897,681	963,537	969,580	855,416	1,005,297	1,009,732	1,140,971	972,637	1,103,738	1,149,730
Culture and Recreation	1,527,281	1,466,208	1,549,716	1,697,775	1,533,065	1,648,409	1,769,657	2,649,823	1,899,637	2,009,430
Interest on Long-Term Debt	<u>326,972</u>	<u>370,295</u>	<u>636,445</u>	<u>810,135</u>	<u>797,918</u>	<u>504,538</u>	<u>870,574</u>	<u>895,931</u>	<u>755,750</u>	<u>622,350</u>
Total Governmental Activities Expenses	23,846,072	25,269,537	26,275,603	27,123,219	27,863,463	29,381,289	34,010,770	30,683,103	30,166,129	33,818,980
Business-Type Activities:										
Sewer Department	967,951	1,131,808	1,094,730	1,408,169	952,117	1,183,146	1,406,699	1,255,993	1,221,293	1,457,450
Bedford Community Television ⁽²⁾	-	-	-	-	-	-	543,284	434,153	317,933	465,413
Other Enterprise ⁽¹⁾	<u>535,729</u>	<u>736,111</u>	<u>546,471</u>	<u>580,859</u>	<u>549,400</u>	<u>444,477</u>	<u>245</u>	<u>24,049</u>	<u>45,011</u>	<u>76,103</u>
Total Business-Type Activities Expenses	<u>1,503,680</u>	<u>1,867,919</u>	<u>1,641,201</u>	<u>1,989,028</u>	<u>1,501,517</u>	<u>1,627,623</u>	<u>1,950,228</u>	<u>1,714,195</u>	<u>1,584,237</u>	<u>1,998,966</u>
Total Primary Government Expenses	\$ <u>25,349,752</u>	\$ <u>27,137,456</u>	\$ <u>27,916,804</u>	\$ <u>29,112,247</u>	\$ <u>29,364,980</u>	\$ <u>31,008,912</u>	\$ <u>35,960,998</u>	\$ <u>32,397,298</u>	\$ <u>31,750,366</u>	\$ <u>35,817,946</u>
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government ⁽¹⁾	\$ 474,203	\$ 549,777	\$ 784,702	\$ 642,473	\$ 642,683	\$ 990,222	\$ 420,146	\$ 399,360	\$ 708,430	\$ 494,506
Public Safety	1,204,707	1,248,553	1,327,511	1,742,988	1,711,243	1,956,780	1,816,501	2,045,677	1,892,908	2,090,971
Highways and Streets	74,183	3,614	40,098	4,591	22,236	32,531	3,969	105,013	5,364	475
Sanitation	108,317	263,170	102,426	116,683	228,207	260,456	248,534	282,121	407,865	337,977
Culture and Recreation	<u>67,675</u>	<u>61,202</u>	<u>171,200</u>	<u>144,460</u>	<u>112,436</u>	<u>220,482</u>	<u>52,695</u>	<u>105,172</u>	<u>212,046</u>	<u>144,423</u>
Total Charges for Services	1,929,085	2,126,316	2,425,937	2,651,195	2,716,805	3,460,471	2,541,845	2,937,343	3,226,613	3,068,352
Operating Grants and Contributions	761,169	988,583	417,412	175,090	290,817	437,010	1,333,115	724,862	1,296,820	2,906,114
Capital Grants and Contributions	<u>68,160</u>	<u>-</u>	<u>1,840,707</u>	<u>1,233,477</u>	<u>980,934</u>	<u>972,592</u>	<u>574,042</u>	<u>563,572</u>	<u>1,464,356</u>	<u>889,209</u>
Total Governmental Activities Program Revenues	2,758,414	3,114,899	4,684,056	4,059,762	3,988,556	4,870,073	4,449,002	4,225,777	5,987,789	6,863,675
Business-Type Activities:										
Charges for Services										
Sewer Department	1,305,876	1,802,059	1,664,453	1,562,799	1,563,098	1,415,835	1,413,721	1,532,688	1,657,999	1,818,670
Bedford Community Television ⁽²⁾	-	-	-	-	-	-	518,422	506,267	517,431	520,455
Other Enterprise ⁽¹⁾	<u>699,898</u>	<u>810,252</u>	<u>523,157</u>	<u>523,884</u>	<u>470,768</u>	<u>566,149</u>	<u>815</u>	<u>78,905</u>	<u>73,780</u>	<u>62,922</u>
Total Charges for Services	2,005,774	2,612,311	2,187,610	2,086,683	2,033,866	1,981,984	1,932,958	2,117,860	2,249,210	2,402,047
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	4,950	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>2,005,774</u>	<u>2,612,311</u>	<u>2,192,560</u>	<u>2,086,683</u>	<u>2,033,866</u>	<u>1,981,984</u>	<u>1,932,958</u>	<u>2,117,860</u>	<u>2,249,210</u>	<u>2,402,047</u>
Total Primary Government Program Revenues	\$ <u>4,764,188</u>	\$ <u>5,727,210</u>	\$ <u>6,876,616</u>	\$ <u>6,146,445</u>	\$ <u>6,022,422</u>	\$ <u>6,852,057</u>	\$ <u>6,381,960</u>	\$ <u>6,343,637</u>	\$ <u>8,236,999</u>	\$ <u>9,265,722</u>
Net (Expenses) Revenues										
Governmental Activities	\$ (21,087,658)	\$ (22,154,638)	\$ (21,591,547)	\$ (23,063,457)	\$ (23,874,907)	\$ (24,511,216)	\$ (29,561,768)	\$ (26,457,326)	\$ (24,178,340)	\$ (26,955,305)
Business-Type Activities	<u>502,094</u>	<u>744,392</u>	<u>551,359</u>	<u>97,655</u>	<u>532,349</u>	<u>354,361</u>	<u>(17,270)</u>	<u>403,665</u>	<u>664,973</u>	<u>403,081</u>
Total Primary Government Net Expense	\$ <u>(20,585,564)</u>	\$ <u>(21,410,246)</u>	\$ <u>(21,040,188)</u>	\$ <u>(22,965,802)</u>	\$ <u>(23,342,558)</u>	\$ <u>(24,156,855)</u>	\$ <u>(29,579,038)</u>	\$ <u>(26,053,661)</u>	\$ <u>(23,513,367)</u>	\$ <u>(26,552,224)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 15,642,577	\$ 16,158,036	\$ 16,310,799	\$ 15,600,751	\$ 17,643,023	\$ 17,123,156	\$ 18,055,610	\$ 18,606,768	\$ 19,826,115	\$ 21,217,168
MV Permits and Fees	4,832,779	5,145,138	5,391,545	5,721,183	5,858,741	6,027,356	6,078,722	6,186,223	6,119,096	6,337,007
Grants/Contributions - unrestricted	1,045,548	1,049,493	1,149,812	1,171,824	1,173,656	1,169,189	1,164,419	1,728,761	2,073,729	2,235,282
Investment Income (loss)	28,651	62,829	124,436	317,454	699,271	940,424	450,019	55,733	(74,191)	1,226,969
Other Revenues	107,670	25,514	56,130	26,517	60,830	93,560	497,358	726,941	1,330,794	322,210
Transfers, net	<u>105,105</u>	<u>74,500</u>	<u>119,500</u>	<u>99,500</u>	<u>(989)</u>	<u>206,900</u>	<u>(8,100)</u>	<u>(4,808)</u>	<u>9,900</u>	<u>7,500</u>
Total Governmental Activities	21,762,330	22,515,510	23,152,222	22,937,229	25,434,532	25,560,585	26,238,028	27,299,618	29,285,443	31,346,136
Business-Type Activities:										
Investment Income	-	1,532	8,225	41,871	109,746	139,673	46,272	(5,614)	(16,143)	219,802
Transfers, net	<u>(105,105)</u>	<u>(74,500)</u>	<u>(119,500)</u>	<u>(99,500)</u>	<u>989</u>	<u>(206,900)</u>	<u>8,100</u>	<u>(6,900)</u>	<u>(9,900)</u>	<u>(7,500)</u>
Total Business-Type Activities	<u>(105,105)</u>	<u>(72,968)</u>	<u>(111,275)</u>	<u>(57,629)</u>	<u>110,735</u>	<u>(67,227)</u>	<u>54,372</u>	<u>(12,514)</u>	<u>(26,043)</u>	<u>212,302</u>
Total Primary Government	\$ <u>21,657,225</u>	\$ <u>22,442,542</u>	\$ <u>23,040,947</u>	\$ <u>22,879,600</u>	\$ <u>25,545,267</u>	\$ <u>25,493,358</u>	\$ <u>26,292,400</u>	\$ <u>27,287,104</u>	\$ <u>29,259,400</u>	\$ <u>31,558,438</u>
Change in Net Position										
Governmental Activities	\$ 674,672	\$ 360,872	\$ 1,560,675	\$ (126,228)	\$ 1,559,625	\$ 1,049,369	\$ (3,323,740)	\$ 842,292	\$ 5,107,103	\$ 4,390,831
Business-Type Activities	<u>396,989</u>	<u>671,424</u>	<u>440,084</u>	<u>40,026</u>	<u>643,084</u>	<u>287,134</u>	<u>37,102</u>	<u>391,151</u>	<u>638,930</u>	<u>615,383</u>
Total Primary Government	\$ <u>1,071,661</u>	\$ <u>1,032,296</u>	\$ <u>2,000,759</u>	\$ <u>(86,202)</u>	\$ <u>2,202,709</u>	\$ <u>1,336,503</u>	\$ <u>(3,286,638)</u>	\$ <u>1,233,443</u>	\$ <u>5,746,033</u>	\$ <u>5,006,214</u>

Source: Statement of Activities

⁽¹⁾ Certain categories have been combined on this schedule for presentation purposes.

⁽²⁾ The Bedford Community TV fund is considered a major fund in years 2020, 2021, and 2022.

TOWN OF BEDFORD, NEW HAMPSHIRE

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

Year	Governmental Activities							Business-Type Activities					
	General Government ⁽¹⁾	Public Safety	Public Works ⁽²⁾	Culture & Recreation	Interest	Subtotal		Sewer	Police Detail ⁽³⁾	Day Camp	Bedford Community Television	Subtotal	Total
2023	\$ 8,097,277	\$ 13,079,994	\$ 10,009,929	\$ 2,009,430	\$ 622,350	\$ 33,818,980	\$	1,457,450	\$ -	\$ 76,103	\$ 465,413	\$ 1,998,966	\$ 35,817,946
2022	6,796,108	12,004,753	8,709,881	1,899,637	755,750	30,166,129		1,221,293	-	45,011	317,933	1,584,237	31,750,366
2021	8,191,405	11,397,482	7,548,462	2,649,823	895,931	30,683,103		1,255,993	-	24,049	434,153	1,714,195	32,397,298
2020	7,323,013	12,310,053	11,737,473	1,769,657	870,574	34,010,770		1,406,699	-	245	543,284	1,950,228	35,960,998
2019	6,582,464	11,202,740	9,443,138	1,648,409	504,538	29,381,289		1,183,146	-	41,306	403,171	1,627,623	31,008,912
2018	6,657,042	10,387,363	8,488,075	1,533,065	797,918	27,863,463		952,117	-	44,238	505,162	1,501,517	29,364,980
2017	6,652,329	10,043,787	7,919,193	1,697,775	810,135	27,123,219		1,408,169	-	50,482	530,377	1,989,028	29,112,247
2016	6,197,033	9,446,461	8,445,948	1,549,716	636,445	26,275,603		1,094,730	-	58,622	487,849	1,641,201	27,916,804
2015	5,637,342	8,978,388	8,817,304	1,466,208	370,295	25,269,537		1,131,808	302,656	44,039	389,416	1,867,919	27,137,456
2014	4,812,418	7,849,861	9,329,540	1,527,281	326,972	23,846,072		967,951	217,148	41,565	277,016	1,503,680	25,349,752

Source: Statement of Activities

⁽¹⁾ Certain categories have been combined on this schedule for presentation purposes.

⁽²⁾ Includes Highway and Streets and Sanitation.

⁽³⁾ Reclassified to Governmental Activities, public safety, in 2016.

TOWN OF BEDFORD, NEW HAMPSHIRE

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

Governmental Activities									Business-Type Activities				Total
Year	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Property Taxes	MV Permits	Investment Income (Loss)	Other Revenues & Transfers	Subtotal	Charges for Services	Grants & Contributions	Other Income /Transfers	Subtotal	
2023	\$ 3,068,352	\$ 2,906,114	\$ 889,209	\$ 21,217,168	\$ 6,337,007	\$ 1,226,969	\$ 2,564,992	\$ 38,209,811	\$ 2,402,047	\$ -	\$ 212,302	\$ 2,614,349	\$ 40,824,160
2022	3,226,613	1,296,820	1,464,356	19,826,115	6,119,096	(74,191)	3,414,423	35,273,232	2,249,210	-	(26,043)	2,223,167	37,496,399
2021	2,937,343	724,862	563,572	18,606,768	6,186,223	55,733	2,450,894	31,525,395	2,117,860	-	(12,514)	2,105,346	33,630,741
2020	2,541,845	1,333,115	574,042	18,055,610	6,078,722	450,019	1,653,677	30,687,030	1,932,958	-	54,372	1,987,330	32,674,360
2019	3,460,471	437,010	972,592	17,123,156	6,027,356	940,424	1,469,649	30,430,658	1,981,984	-	(67,227)	1,914,757	32,345,415
2018	2,716,805	290,817	980,934	17,643,023	5,858,741	699,271	1,233,497	29,423,088	2,033,866	-	110,735	2,144,601	31,567,689
2017	2,651,195	175,090	1,233,477	15,600,751	5,721,183	317,454	1,297,841	26,996,991	2,086,683	-	(57,629)	2,029,054	29,026,045
2016	2,425,937	417,412	1,840,707	16,310,799	5,391,545	124,436	1,325,442	27,836,278	2,187,610	4,950	(111,275)	2,081,285	29,917,563
2015	2,126,316	988,583	-	16,158,036	5,145,138	62,829	1,149,507	25,630,409	2,612,311	-	(72,968)	2,539,343	28,169,752
2014	1,929,085	761,169	68,160	15,642,577	4,832,779	28,651	1,258,323	24,520,744	2,005,774	-	(105,105)	1,900,669	26,421,413

Source: Statement of Activities

TOWN OF BEDFORD, NEW HAMPSHIRE

General Government Expenditures by Function and Transfers Last Ten Years

ALL GOVERNMENTAL FUNDS

Year	General Government ⁽¹⁾	Public Safety	Highways & Streets	Sanitation	Culture & Recreation	Debt Service	Capital Outlay	Transfers Out	Total
2023	\$ 8,089,890	\$ 12,633,344	\$ 5,442,383	\$ 1,650,420	\$ 2,202,443	\$ 4,587,350	\$ 5,883,676	\$ 15,000	\$ 40,504,506
2022	6,951,966	11,680,382	4,615,123	1,121,288	1,767,046	4,680,750	2,317,502	36,700	33,170,757
2021	8,089,514	11,461,995	4,447,827	992,960	2,506,763	5,450,931	4,438,293	187,667	37,575,950
2020	6,806,486	10,862,622	3,986,177	1,123,438	1,478,184	4,535,574	7,290,968	55,700	36,139,149
2019	6,300,254	10,232,278	4,208,398	1,004,205	1,412,698	4,438,394	4,592,290	44,000	32,232,517
2018	6,766,075	9,607,983	3,741,282	1,007,804	1,376,425	4,519,894	2,721,341	158,127	29,898,931
2017	6,295,190	9,528,703	3,575,044	979,861	1,773,479	3,385,808	3,560,259	58,000	29,156,344
2016	5,962,918	8,829,288	4,910,740	966,176	1,380,264	4,504,608	6,410,949	38,000	33,002,943
2015	5,569,401	8,369,766	6,257,696	953,321	1,245,589	3,567,291	4,912,380	63,000	30,938,444
2014	5,365,472	8,382,066	6,334,113	916,220	1,383,973	3,314,679	2,069,726	1,092,235	28,858,484

GENERAL FUND

Year	General Government ⁽¹⁾	Public Safety	Highways & Streets	Sanitation	Culture & Recreation	Debt Service	Capital Outlay	Transfers Out	Total
2023	\$ 7,685,978	\$ 12,628,659	\$ 5,425,676	\$ 1,650,420	\$ 2,046,031	\$ 4,033,450	\$ 2,710,413	\$ 15,000	\$ 36,195,627
2022	6,840,738	11,664,593	4,601,973	1,121,288	1,737,018	4,126,350	1,057,020	36,700	31,185,680
2021	7,684,093	11,409,215	4,076,120	992,960	2,183,164	4,896,231	1,175,168	24,308	32,441,259
2020	6,607,673	10,827,668	3,936,624	1,123,438	1,456,441	3,980,774	-	12,600	27,945,218
2019	6,176,347	10,186,657	4,208,398	1,004,205	1,376,021	3,883,581	-	12,600	26,847,809
2018	6,520,075	9,582,976	3,739,257	1,007,804	1,333,058	3,965,150	-	120,489	26,268,809
2017	6,103,190	9,524,103	3,568,327	979,861	1,420,536	2,830,308	-	20,000	24,446,325
2016	5,606,918	8,821,135	3,874,892	966,176	1,360,640	3,951,408	-	-	24,581,169
2015	5,469,401	8,304,311	3,599,816	953,321	1,223,654	3,016,813	-	25,000	22,592,316
2014	5,065,162	8,333,499	5,006,153	916,220	1,361,109	3,206,679	-	144,235	24,033,057

OTHER GOVERNMENTAL FUNDS

Year	General Government ⁽¹⁾	Public Safety	Highways & Streets	Sanitation	Culture & Recreation	Debt Service	Capital Outlay	Transfers Out	Total
2023	\$ 403,912	\$ 4,685	\$ 16,707	\$ -	\$ 156,412	\$ 553,900	\$ 3,173,263	\$ -	\$ 4,308,879
2022	111,228	15,789	13,150	-	30,028	554,400	1,260,482	-	1,985,077
2021	405,421	52,780	371,707	-	323,599	554,700	3,263,125	163,359	5,134,691
2020	198,813	34,954	49,553	-	21,743	554,800	7,290,968	43,100	8,193,931
2019	123,907	45,621	-	-	36,677	554,813	4,592,290	31,400	5,384,708
2018	246,000	25,007	2,025	-	43,367	554,744	2,721,341	37,638	3,630,122
2017	192,000	4,600	6,717	-	352,943	555,500	3,560,259	38,000	4,710,019
2016	356,000	8,153	1,035,848	-	19,624	553,200	6,410,949	38,000	8,421,774
2015	100,000	65,455	2,657,880	-	21,935	550,478	4,912,380	38,000	8,346,128
2014	300,310	48,567	1,327,960	-	22,864	108,000	2,069,726	948,000	4,825,427

Source: Audited financial statements (years 2014 - 2023) Statement of Revenues, Expenditures and Changes in Fund Balances

⁽¹⁾ General Governmental expenditures include welfare and conservation for presentation purposes.

TOWN OF BEDFORD, NEW HAMPSHIRE

General Government Revenues by Source and Transfers Last Ten Years

ALL GOVERNMENTAL FUNDS

Year	Taxes	Licenses & Permits	Intergovern- mental	Charges for Services	Contributions	Other Misc.	Issuance of Debt	Transfers In	Other Financing Sources	Total
2023	\$ 21,233,171	\$ 6,676,032	\$ 6,030,604	\$ 2,759,806	\$ -	\$ 1,256,563	\$ -	\$ 22,500	\$ -	\$ 37,978,676
2022	19,479,213	6,486,294	4,834,808	2,767,603	-	(7,317)	-	46,600	-	33,607,201
2021	18,971,013	6,477,956	3,015,330	2,658,186	-	537,119	-	182,859	-	31,842,463
2020	18,028,190	6,397,896	3,070,676	2,710,508	-	684,370	8,470,000	47,600	1,807,652	41,216,892
2019	17,260,823	6,418,511	2,578,792	2,391,859	-	1,177,330	-	250,900	282,635	30,360,850
2018	17,656,140	6,167,669	2,427,749	2,172,712	17,659	882,451	-	157,138	51,000	29,532,518
2017	15,963,744	6,028,743	2,466,087	2,264,531	171,839	449,739	-	157,500	72,027	27,574,210
2016	16,282,835	5,728,554	2,747,599	1,796,447	660,326	288,861	-	157,500	49,673	27,711,795
2015	16,239,732	5,575,100	2,038,076	1,667,151	-	51,036	9,000,000	137,500	346,911	35,055,506
2014	15,784,645	5,185,638	1,806,717	1,576,226	-	204,482	4,100,000	1,197,340	-	29,855,048

GENERAL FUND

Year	Taxes	Licenses & Permits	Intergovern- mental	Charges for Services	Contributions	Other Misc.	Issuance of Debt	Transfers In	Other Financing Sources	Total
2023	\$ 20,140,990	\$ 6,676,032	\$ 4,517,904	\$ 2,512,488	\$ -	\$ 1,181,197	\$ -	\$ 22,500	\$ -	\$ 35,051,111
2022	18,458,813	6,486,294	3,435,576	2,260,051	-	(21,619)	-	22,500	-	30,641,615
2021	17,980,587	6,477,956	3,009,806	2,450,619	-	508,530	-	182,859	-	30,610,357
2020	17,259,260	6,397,896	3,041,185	1,988,805	-	640,232	-	47,600	263,137	29,638,115
2019	16,670,434	6,418,511	2,196,706	2,203,635	-	1,015,561	-	250,900	282,635	29,038,382
2018	17,105,481	6,167,669	2,053,279	1,969,273	-	757,885	-	157,138	51,000	28,261,725
2017	15,466,698	6,028,743	1,918,012	1,907,206	-	386,905	-	157,500	72,027	25,937,091
2016	15,969,626	5,728,554	2,302,019	1,555,128	-	232,101	-	157,500	49,673	25,994,601
2015	15,957,112	5,575,100	2,023,670	916,807	-	82,606	-	137,500	303,497	24,996,292
2014	15,535,256	5,185,638	1,760,357	1,437,661	-	104,188	-	172,500	-	24,195,600

OTHER GOVERNMENTAL FUNDS

Year	Taxes	Licenses & Permits	Intergovern- mental	Charges for Services	Contributions	Other Misc.	Issuance of Debt	Transfers In	Other Financing Sources	Total
2023	\$ 1,092,181	\$ -	\$ 1,512,700	\$ 247,318	\$ -	\$ 75,366	\$ -	\$ -	\$ -	\$ 2,927,565
2022	1,020,400	-	1,399,232	507,552	-	14,302	-	24,100	-	2,965,586
2021	990,426	-	5,524	207,567	-	28,589	-	-	-	1,232,106
2020	768,930	-	29,491	721,703	-	44,138	8,470,000	-	1,544,515	11,578,777
2019	590,389	-	382,086	188,224	-	161,769	-	-	-	1,322,468
2018	550,659	-	374,470	203,439	17,659	124,566	-	-	-	1,270,793
2017	497,046	-	548,075	357,325	171,839	62,834	-	-	-	1,637,119
2016	313,209	-	445,580	241,319	660,326	56,760	-	-	-	1,717,194
2015	282,620	-	14,406	750,344	-	(31,570)	9,000,000	-	43,414	10,059,214
2014	249,389	-	46,360	138,565	-	100,294	4,100,000	1,024,840	-	5,659,448

Source: Audited financial statements (years 2014 - 2023) Statement of Revenues, Expenditures and Changes in Fund Balance.

TOWN OF BEDFORD, NEW HAMPSHIRE

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
All Governmental Funds										
Nonspendable	\$ 76,021	\$ 1,096,114	\$ 966,121	\$ 947,134	\$ 993,898	\$ 919,580	\$ 986,866	\$ 893,184	\$ 1,013,636	\$ 302,498
Restricted	8,476,603	8,792,850	3,521,770	11,263,907	8,804,905	4,737,896	8,602,283	4,697,386	5,675,426	4,760,657
Committed	3,749,289	5,007,276	3,433,784	4,290,825	4,532,628	4,752,583	6,757,099	6,638,943	7,138,205	7,498,432
Assigned	1,962,914	1,703,056	2,389,461	1,842,843	1,644,324	2,437,196	2,365,834	2,327,202	3,354,529	2,053,194
Unassigned	<u>11,073,773</u>	<u>12,029,978</u>	<u>13,180,734</u>	<u>14,805,990</u>	<u>16,808,531</u>	<u>18,065,364</u>	<u>17,278,280</u>	<u>15,700,160</u>	<u>15,266,981</u>	<u>15,387,454</u>
Total All Governmental Funds	\$ <u>25,338,600</u>	\$ <u>28,629,274</u>	\$ <u>23,491,870</u>	\$ <u>33,150,699</u>	\$ <u>32,784,286</u>	\$ <u>30,912,619</u>	\$ <u>35,990,362</u>	\$ <u>30,256,875</u>	\$ <u>32,448,777</u>	\$ <u>30,002,235</u>
General Fund										
Nonspendable	\$ 50,766	\$ 1,070,840	\$ 940,968	\$ 825,649	\$ 873,061	\$ 799,232	\$ 867,130	\$ 771,977	\$ 892,524	\$ 272,079
Restricted	-	-	-	-	-	-	-	-	-	394,141
Committed	3,749,289	3,573,897	3,433,784	4,259,728	4,401,210	4,615,907	6,619,050	6,500,053	6,996,751	7,338,689
Assigned	1,962,914	1,703,056	2,389,461	1,842,843	1,644,324	2,437,196	2,365,834	2,327,202	3,354,529	2,053,194
Unassigned	<u>11,073,773</u>	<u>12,029,978</u>	<u>13,180,734</u>	<u>14,805,990</u>	<u>16,808,531</u>	<u>18,065,364</u>	<u>17,278,280</u>	<u>15,700,160</u>	<u>15,266,981</u>	<u>15,387,454</u>
Total General Fund	\$ <u>16,836,742</u>	\$ <u>18,377,771</u>	\$ <u>19,944,947</u>	\$ <u>21,734,210</u>	\$ <u>23,727,126</u>	\$ <u>25,917,699</u>	\$ <u>27,130,294</u>	\$ <u>25,299,392</u>	\$ <u>26,510,785</u>	\$ <u>25,445,557</u>
Special Revenue and Perm Funds										
Nonspendable	\$ 25,255	\$ 25,274	\$ 25,153	\$ 25,851	\$ 26,237	\$ 26,748	\$ 27,036	\$ 29,407	\$ 30,212	\$ 30,419
Restricted	756,425	1,128,939	1,067,958	880,866	767,332	849,322	1,290,561	578,738	1,856,169	1,878,180
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Revenue and Perm	\$ <u>781,680</u>	\$ <u>1,154,213</u>	\$ <u>1,093,111</u>	\$ <u>906,717</u>	\$ <u>793,569</u>	\$ <u>876,070</u>	\$ <u>1,317,597</u>	\$ <u>608,145</u>	\$ <u>1,886,381</u>	\$ <u>1,908,599</u>
Capital Projects and Debt Service Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 95,634	\$ 94,600	\$ 93,600	\$ 92,700	\$ 91,800	\$ 90,900	\$ -
Restricted	7,720,178	7,663,911	2,453,812	10,383,041	8,037,573	3,888,574	7,311,722	4,118,648	3,819,257	2,488,336
Committed	-	1,433,379	-	31,097	131,418	136,676	138,049	138,890	141,454	159,743
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Projects Fund	\$ <u>7,720,178</u>	\$ <u>9,097,290</u>	\$ <u>2,453,812</u>	\$ <u>10,509,772</u>	\$ <u>8,263,591</u>	\$ <u>4,118,850</u>	\$ <u>7,542,471</u>	\$ <u>4,349,338</u>	\$ <u>4,051,611</u>	\$ <u>2,648,079</u>

Source: Audited Financial Statements (Balance Sheet)

TOWN OF BEDFORD, NEW HAMPSHIRE

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

(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 15,784,645	\$ 16,239,732	\$ 16,282,835	\$ 15,963,744	\$ 17,656,140	\$ 17,260,823	\$ 18,028,190	\$ 18,971,013	\$ 19,479,213	\$ 21,233,171
Licenses and Permits	5,185,638	5,575,100	5,728,554	6,028,743	6,167,669	6,418,511	6,397,896	6,477,956	6,486,294	6,676,032
Intergovernmental	1,806,717	2,038,076	2,747,599	2,466,087	2,427,749	2,578,792	3,070,676	3,015,330	4,834,808	6,030,604
Charges for Services	1,576,226	1,667,151	1,796,447	2,264,531	2,172,712	2,391,859	2,710,508	2,658,186	2,767,603	2,759,806
Contributions	-	-	660,326	114,305	17,659	-	-	-	-	-
Miscellaneous ⁽¹⁾	<u>204,482</u>	<u>87,595</u>	<u>288,861</u>	<u>449,739</u>	<u>882,451</u>	<u>1,177,330</u>	<u>684,370</u>	<u>537,119</u>	<u>(7,317)</u>	<u>1,256,563</u>
Total Revenues	24,557,708	25,607,654	27,504,622	27,287,149	29,324,380	29,827,315	30,891,640	31,659,604	33,560,601	37,956,176
Expenditures										
General Government	5,357,599	5,563,722	5,871,877	6,280,970	6,763,872	6,297,899	6,806,486	8,088,264	6,949,528	8,081,219
Public Safety	8,382,066	8,369,766	8,829,288	9,528,703	9,607,983	10,232,278	10,862,622	11,461,995	11,680,382	12,633,344
Highways and Streets	6,334,113	6,257,696	4,910,740	3,575,044	3,741,282	4,208,398	3,986,177	4,447,827	4,615,123	5,442,383
Sanitation	916,220	953,321	966,176	979,861	1,007,804	1,004,205	1,123,438	992,960	1,121,288	1,650,420
Welfare	1,084	2,263	2,044	6,689	2,203	2,355	-	1,250	2,438	8,671
Culture and Recreation	1,383,973	1,245,589	1,380,264	1,773,479	1,376,425	1,412,698	1,478,184	2,506,763	1,767,049	2,202,443
Conservation	6,789	3,416	88,997	7,531	-	-	-	-	-	-
Capital Outlay ⁽²⁾	2,069,726	4,912,380	6,410,949	3,560,259	2,721,341	4,592,290	7,290,968	4,438,293	2,317,502	5,883,676
Debt Service										
Principal	2,900,000	3,165,001	3,930,000	2,675,000	3,690,000	3,720,000	3,665,000	4,555,000	3,925,000	3,965,000
Interest	<u>414,679</u>	<u>402,290</u>	<u>574,608</u>	<u>710,808</u>	<u>829,894</u>	<u>718,394</u>	<u>870,574</u>	<u>895,931</u>	<u>755,750</u>	<u>622,350</u>
Total Expenditures	<u>27,766,249</u>	<u>30,875,444</u>	<u>32,964,943</u>	<u>29,098,344</u>	<u>29,740,804</u>	<u>32,188,517</u>	<u>36,083,449</u>	<u>37,388,283</u>	<u>33,134,060</u>	<u>40,489,506</u>
Excess of Revenues Over (Under) Expenditures	(3,208,541)	(5,267,790)	(5,460,321)	(1,811,195)	(416,424)	(2,361,202)	(5,191,809)	(5,728,679)	426,541	(2,533,330)
Other Financing Sources (Uses)										
Issuance of Debt	4,100,000	9,000,000	-	9,790,000	-	-	8,470,000	-	-	-
Premium on bond	-	299,528	-	1,508,497	-	-	1,807,652	-	-	-
Issuance of Capital Leases	-	47,383	49,673	72,027	51,000	282,635	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	1,755,458	79,288
Transfers In	1,197,340	137,500	157,500	157,500	157,138	250,900	47,600	182,859	46,600	22,500
Transfers Out	<u>(1,092,235)</u>	<u>(63,000)</u>	<u>(38,000)</u>	<u>(58,000)</u>	<u>(158,127)</u>	<u>(44,000)</u>	<u>(55,700)</u>	<u>(187,667)</u>	<u>(36,700)</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	<u>4,205,105</u>	<u>9,421,411</u>	<u>169,173</u>	<u>11,470,024</u>	<u>50,011</u>	<u>489,535</u>	<u>10,269,552</u>	<u>(4,808)</u>	<u>1,765,358</u>	<u>86,788</u>
Net Change in Fund Balances	\$ <u>996,564</u>	\$ <u>4,153,621</u>	\$ <u>(5,291,148)</u>	\$ <u>9,658,829</u>	\$ <u>(366,413)</u>	\$ <u>(1,871,667)</u>	\$ <u>5,077,743</u>	\$ <u>(5,733,487)</u>	\$ <u>2,191,899</u>	\$ <u>(2,446,542)</u>
Ratio of Total Debt Service Expenditures to Non-Capital Expenditures ⁽³⁾	12.9%	15.2%	17.4%	13.7%	16.7%	15.6%	14.5%	17.3%	15.4%	13.6%

Source: Statement of Revenues, Expenditures and Changes in Fund Balances

⁽¹⁾ Contains Investment Income (Loss).

⁽²⁾ Certain Capital expenditures from various functions have been capitalized on the Statement of Net Position.

⁽³⁾ Capital Outlay Purchases from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities are used to calculate this ratio.

TOWN OF BEDFORD, NEW HAMPSHIRE

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

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 15,535,256	\$ 15,957,112	\$ 15,969,626	\$ 15,466,698	\$ 17,105,481	\$ 16,670,434	\$ 17,259,260	\$ 17,980,587	\$ 18,458,813	\$ 20,140,990
Licenses and Permits	5,185,638	5,575,100	5,728,554	6,028,743	6,167,669	6,418,511	6,397,896	6,477,956	6,486,294	6,676,032
Intergovernmental	1,760,357	2,023,670	2,302,019	1,918,012	2,053,279	2,196,706	3,041,185	3,009,806	3,435,576	4,517,904
Charges for Services	1,437,661	916,807	1,555,128	1,907,206	1,969,273	2,203,635	1,988,805	2,450,619	2,260,051	2,512,488
Miscellaneous ⁽¹⁾	<u>104,188</u>	<u>82,606</u>	<u>232,101</u>	<u>386,905</u>	<u>757,885</u>	<u>1,015,561</u>	<u>640,232</u>	<u>508,530</u>	<u>(21,619)</u>	<u>1,181,197</u>
Total Revenues	24,023,100	24,555,295	25,787,428	25,707,564	28,053,587	28,504,847	29,327,378	30,427,498	30,619,115	35,028,611
Expenditures										
General Government	5,057,289	5,463,722	5,515,877	6,088,970	6,517,872	6,173,992	6,607,673	7,682,843	6,838,300	7,677,307
Public Safety	8,333,499	8,304,311	8,821,135	9,524,103	9,582,976	10,186,657	10,827,668	11,409,215	11,664,593	12,628,659
Highways and Streets	5,006,153	3,599,816	3,874,892	3,568,327	3,739,257	4,208,398	3,936,624	4,076,120	4,601,973	5,425,676
Sanitation	916,220	953,321	966,176	979,861	1,007,804	1,004,205	1,123,438	992,960	1,121,288	1,650,420
Welfare	1,084	2,263	2,044	6,689	2,203	2,355	-	1,250	2,438	8,671
Culture and Recreation	1,361,109	1,223,654	1,360,640	1,420,536	1,333,058	1,376,021	1,456,441	2,183,164	1,737,018	2,046,031
Conservation	6,789	3,416	88,997	7,531	-	-	-	-	-	-
Debt Service										
Principal	2,900,000	2,710,000	3,465,000	2,200,000	3,205,000	3,225,000	3,160,000	4,040,000	3,400,000	3,430,000
Interest	306,679	306,813	486,408	630,308	760,150	658,581	820,774	856,231	726,350	603,450
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,302</u>	<u>1,175,168</u>	<u>1,057,020</u>	<u>2,710,413</u>
Total Expenditures	23,888,822	22,567,316	24,581,169	24,426,325	26,148,320	26,835,209	28,412,920	32,416,951	31,148,980	36,180,627
Excess of Revenues Over (Under) Expenditures	134,278	1,987,979	1,206,259	1,281,239	1,905,267	1,669,638	914,458	(1,989,453)	(529,865)	(1,152,016)
Other Financing Sources (Uses)										
Premium on bond	-	256,114	-	298,497	-	-	263,137	-	-	-
Issuance of Capital Leases	-	47,383	49,673	72,027	51,000	282,635	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	1,755,458	79,288
Transfers In	172,500	137,500	157,500	157,500	157,138	250,900	47,600	182,859	22,500	22,500
Transfers Out	<u>(144,235)</u>	<u>(25,000)</u>	<u>-</u>	<u>(20,000)</u>	<u>(120,489)</u>	<u>(12,600)</u>	<u>(12,600)</u>	<u>(24,308)</u>	<u>(36,700)</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	28,265	415,997	207,173	508,024	87,649	520,935	298,137	158,551	1,741,258	86,788
Net Change in Fund Balances	\$ <u>162,543</u>	\$ <u>2,403,976</u>	\$ <u>1,413,432</u>	\$ <u>1,789,263</u>	\$ <u>1,992,916</u>	\$ <u>2,190,573</u>	\$ <u>1,212,595</u>	\$ <u>(1,830,902)</u>	\$ <u>1,211,393</u>	\$ <u>(1,065,228)</u>

Source: Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances

⁽¹⁾ Contains Investment Income (Loss).

TOWN OF BEDFORD, NEW HAMPSHIRE

Property Tax Levies and Collections Last Ten Years

Levy Year	Total Property Tax Levy	Collected within Fiscal Year of Levy	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
2023	\$ 91,069,340	\$ 88,904,794	97.62%	\$ -	\$ 88,904,794	97.62%	\$ 2,164,546	2.38%
2022	85,156,902	83,313,153	97.83%	1,664,348	84,977,501	99.79%	179,401	0.21%
2021	82,052,235	80,839,340	98.52%	1,183,200	82,022,540	99.96%	29,695	0.04%
2020	82,061,469	80,427,298	98.01%	1,629,531	82,056,829	99.99%	4,640	0.01%
2019	76,700,841	75,085,692	97.89%	1,607,781	76,693,473	99.99%	7,368	0.01%
2018	76,959,141	75,062,104	97.54%	1,892,228	76,954,332	99.99%	4,809	0.01%
2017	70,718,113	69,359,040	98.08%	1,354,684	70,713,724	99.99%	4,389	0.01%
2016	72,806,409	71,234,772	97.84%	1,567,486	72,802,258	99.99%	4,151	0.01%
2015	73,169,762	71,395,756	97.58%	1,769,769	73,165,525	99.99%	4,237	0.01%
2014	71,568,430	69,714,492	97.41%	1,850,138	71,564,630	99.99%	3,800	0.01%

Source: Audited Financial Statements

TOWN OF BEDFORD, NEW HAMPSHIRE

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

Year	Local Assessed Value ⁽¹⁾				Less: Exemptions to Assessed Value ⁽¹⁾	Net Assessed Value ⁽¹⁾	Total Tax Rate per \$1,000 of Assessed Valuation		Estimated Full Value ⁽²⁾	Ratio of Total Assessed Value to
	Residential	Commercial/ Industrial	Utilities	Total Assessed Value			Assessed	Estimated		Total Estimated
										Full Value
2023	\$ 5,134,104,859	\$ 973,153,143	\$ 97,861,700	\$ 6,205,119,702	\$ 10,165,270	\$ 6,194,954,432	\$ 13.94	\$ 6,456,928,118	96.10%	
2022	3,922,518,325	878,243,589	80,566,011	4,881,327,925	10,623,770	4,870,704,155	16.63	6,163,246,336	79.20%	
2021	3,894,356,376	865,866,000	77,497,300	4,837,719,676	14,975,270	4,822,744,406	16.21	5,368,698,166	90.11%	
2020	3,266,177,227	812,390,600	65,993,000	4,144,560,827	14,043,570	4,130,517,257	18.95	4,574,225,175	90.61%	
2019	3,248,173,038	794,529,852	53,929,750	4,096,632,640	14,707,170	4,081,925,470	17.83	4,325,031,946	94.72%	
2018	3,007,671,640	759,375,050	50,911,361	3,817,958,051	14,682,070	3,803,275,981	19.18	4,233,634,121	90.18%	
2017	2,988,331,940	720,297,125	51,351,649	3,759,980,714	13,154,170	3,746,826,544	17.64	4,007,723,408	93.82%	
2016	2,553,192,661	690,078,300	41,715,800	3,284,986,761	14,681,419	3,270,305,342	20.90	3,844,675,776	85.44%	
2015	2,551,284,583	650,783,900	41,544,500	3,243,612,983	13,597,369	3,230,015,614	21.36	3,830,817,068	84.67%	
2014	2,534,115,603	641,190,000	43,315,900	3,218,621,503	12,632,063	3,205,989,440	21.19	3,573,301,193	90.07%	

Sources:

⁽¹⁾ State MS-1 Report of Assessed Values

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

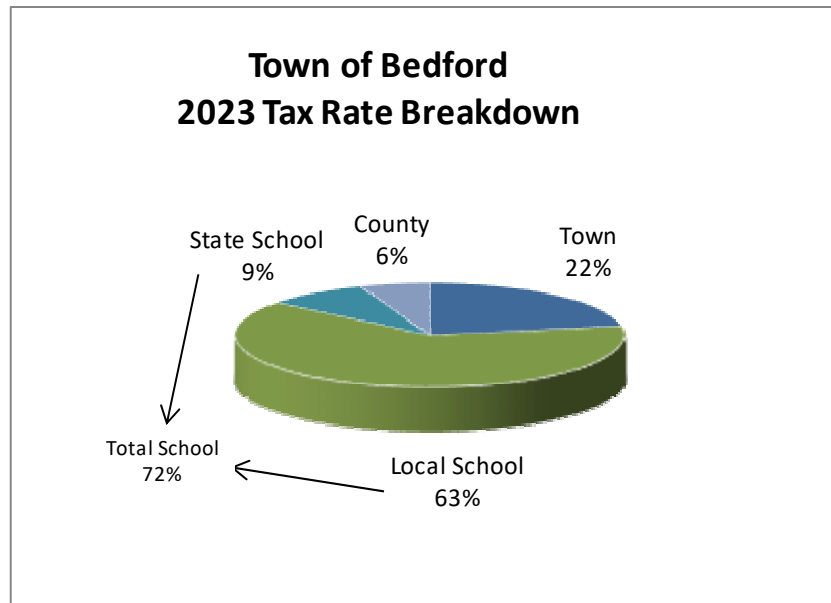
TOWN OF BEDFORD, NEW HAMPSHIRE

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

Town Direct Rate										Overlapping Rate				Estimated			
												% Incr/Decr	Full Value				
Year	Town	School	School	School	Direct Rate	County	Total	Tax Rate	Rate								
2023	S	3.29	S	9.39	S	1.26	S	10.65	S	13.94	S	0.86	S	14.80	-15.9%	S	14.00
2022		3.80		11.66		1.17		12.83		16.63		0.97		17.60	2.7%		13.71
2021		3.76		10.79		1.66		12.45		16.21		0.93		17.14	-14.4%		15.17
2020		4.24		12.71		2.00		14.71		18.95		1.07		20.02	5.6%		17.88
2019		4.14		11.65		2.04		13.69		17.83		1.12		18.95	-7.1%		17.72
2018		4.54		12.40		2.24		14.64		19.18		1.22		20.40	7.9%		18.17
2017		4.13		11.19		2.32		13.51		17.64		1.27		18.91	-15.5%		17.65
2016		4.97		13.36		2.57		15.93		20.90		1.47		22.37	-1.7%		18.77
2015		5.02		13.99		2.35		16.34		21.36		1.40		22.76	1.2%		19.16
2014		4.91		13.79		2.49		16.28		21.19		1.31		22.50	1.5%		20.16

Source:

NH Department of Revenue Administration



TOWN OF BEDFORD, NEW HAMPSHIRE

Property Values and Construction Last Ten Years

Year	Local Assessed Value ⁽¹⁾					% Change	Building Permits ⁽²⁾	
	Residential	Commercial/ Industrial	Utilities	Total Assessed Value			Number of Permits	Construction Value
2023	\$ 5,134,104,859	\$ 973,153,143	\$ 97,861,700	\$ 6,205,119,702	27.12%		832	\$ 71,770,710
2022	3,922,518,325	878,243,589	80,566,011	4,881,327,925	0.90%		814	67,860,685
2021	3,894,356,376	865,866,000	77,497,300	4,837,719,676	16.72%		692	59,537,078
2020	3,266,177,227	812,390,600	65,993,000	4,144,560,827	1.17%		359	43,494,216
2019	3,248,173,038	794,529,852	53,929,750	4,096,632,640	7.30%		464	81,559,760
2018	3,007,671,640	759,375,050	50,911,361	3,817,958,051	1.54%		402	50,331,519
2017	2,988,331,940	720,297,125	51,351,649	3,759,980,714	14.46%		445	47,173,186
2016	2,553,192,661	690,078,300	41,715,800	3,284,986,761	1.28%		499	54,234,948
2015	2,551,284,583	650,783,900	41,544,500	3,243,612,983	0.78%		498	66,657,490
2014	2,534,115,603	641,190,000	43,315,900	3,218,621,503	0.56%		400	46,560,710

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.

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 including Utilities and Railroad				Apportionment of County Tax Levy					
Tax Year	Bedford	Hillsborough County ⁽¹⁾	Bedford's % ⁽¹⁾	Fiscal Year	County Tax Levy	Bedford's Share %	Bedford's Share \$	Share \$ Change	Share % Change
2023	\$ 6,456,928,118	<i>not available</i>		2023	\$ 65,186,546	8.095%	\$ 5,276,841	\$ 615,673	13.21%
2022	6,163,246,336	76,210,614,829	8.087%	2022	57,930,719	8.046%	4,661,168	219,583	4.94%
2021	5,368,698,166	66,791,437,185	8.038%	2021	56,131,753	7.913%	4,441,585	75,508	1.73%
2020	4,574,225,175	57,808,291,206	7.913%	2020	53,921,321	8.097%	4,366,077	(186,657)	-4.10%
2019	4,325,031,946	53,414,410,320	8.097%	2019	53,921,321	8.443%	4,552,734	(47,797)	-1.04%
2018	4,233,634,121	50,142,003,784	8.443%	2018	53,921,321	8.532%	4,600,531	(175,034)	-3.67%
2017	4,007,723,408	46,973,213,021	8.532%	2017	54,113,661	8.825%	4,775,565	(23,158)	-0.48%
2016	3,844,675,776	44,051,733,277	8.728%	2016	53,086,874	9.039%	4,798,723	264,587	5.84%
2015	3,830,817,068	42,379,187,890	9.039%	2015	51,063,836	8.879%	4,534,136	322,362	7.65%
2014	3,573,301,193	38,949,772,004	9.174%	2014	48,074,150	8.761%	4,211,774	270,517	6.86%

Data Sources:

NH Department of Revenue Equalization Surveys

Adopted Hillsborough County Budgets (MS-42)

⁽¹⁾ 2023 information was unavailable at the time of printing.

TOWN OF BEDFORD, NEW HAMPSHIRE

Ratio of Total Outstanding Debt and Net Bonded Debt per Capita Last Ten Years

Year	Bedford Population ⁽¹⁾	Estimated Full Value ⁽²⁾	Gross Long- Term Debt ⁽³⁾	Debt Payable from Sewer Fund ⁽³⁾	Equipment Notes Payable ⁽³⁾	Net Long-Term Debt	Ratio of Net LT Debt to Estimated Full Assessed Value	Ratio of Net LT Debt to Total Personal Income	Net LT Debt Per Capita
2023	23,764	\$ 6,456,928,118	\$ 13,877,094	\$ -	\$ -	\$ 13,877,094	0.21%	0.89%	\$ 584
2022	23,704	6,163,246,336	18,203,662	-	60,175	18,263,837	0.30%	1.23%	770
2021	23,322	5,368,698,166	22,490,229	-	117,731	22,607,960	0.42%	1.67%	969
2020	22,628	4,574,225,175	27,406,796	-	172,782	27,579,578	0.60%	2.08%	1,219
2019	22,390	4,325,031,946	21,155,712	-	242,427	21,398,139	0.49%	1.69%	956
2018	22,458	4,233,634,121	25,056,514	-	56,412	25,112,926	0.59%	2.07%	1,118
2017	22,733	4,007,723,408	28,927,317	-	61,976	28,989,293	0.72%	2.35%	1,275
2016	22,236	3,844,675,776	20,484,622	-	48,236	20,532,858	0.53%	1.62%	923
2015	22,668	3,830,817,068	24,444,575	-	54,599	24,499,174	0.64%	2.10%	1,081
2014	22,375	3,573,301,193	18,340,000	-	70,590	18,410,590	0.52%	1.61%	823

Sources:

⁽¹⁾ NH Department of Employment Security and Southern NH Planning regional statistics

⁽¹⁾ NH Department of Revenue Administration's Annual Equalization Survey

⁽³⁾ Audited Financial Statements - includes unamortized bond premiums

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**

Year	Principal	Interest	Total Debt Service	General Governmental Expenditures ⁽¹⁾	Ratio of Debt Service to General Govt Expenditures
2023	\$ 3,965,000	\$ 622,350	\$ 4,587,350	\$ 36,195,627	12.67%
2022	3,925,000	755,750	4,680,750	31,185,680	15.01%
2021	4,555,000	895,931	5,450,931	32,441,259	16.80%
2020	3,665,000	812,346	4,477,346	28,425,520	15.75%
2019	3,720,000	718,394	4,438,394	26,847,809	16.53%
2018	3,690,000	829,894	4,519,894	26,268,809	17.21%
2017	2,675,000	710,808	3,385,808	24,446,325	13.85%
2016	3,930,000	574,608	4,504,608	24,446,325	18.43%
2015	3,165,001	402,290	3,567,291	24,581,169	14.51%
2014	2,900,000	414,679	3,314,679	22,592,316	14.67%

Source:

Audited Financial Statements for 2014 - 2023

(Statement of Revenues, Expenditures and Changes in Fund Balances)

⁽¹⁾ Includes only General Fund expenditures and transfers out.

TOWN OF BEDFORD, NEW HAMPSHIRE

**Computation of Legal Debt Margin
December 31, 2023**

	Town	School	Sewer	Total in Limits	Sewer Exempt from Limits	Total Debt
Bonded Debt	\$ 12,310,000	\$ 20,145,471	\$ -	\$ 32,455,471	\$ -	\$ 32,455,471
Total Debt Outstanding	12,310,000	20,145,471	-	32,455,471	-	32,455,471
Debt Authorized - Unissued	4,391,373	-	-	4,391,373	-	4,391,373
Total Issued Debt & Authorized	\$ <u>16,701,373</u>	\$ <u>20,145,471</u>	\$ <u>-</u>	\$ <u>36,846,844</u>	\$ <u>-</u>	\$ <u>36,846,844</u>
Legal debt % Rates of Base Value for Debt Service ⁽¹⁾	3.00%	7.00%	exempt			
Base Value for Debt Limits ⁽²⁾	\$ 6,456,928,118	\$ 6,456,928,118	\$ -			
Debt Limits	<u>193,707,844</u>	<u>451,984,968</u>	<u>-</u>			
Unused Capacity	\$ <u>177,006,471</u>	\$ <u>431,839,497</u>	\$ <u>-</u>			
Percentage Used	8.62%	4.46%				

Source:

⁽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

**Direct and Overlapping Governmental Activities Debt
December 31, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Direct & Overlapping Debt</u>
Direct:			
Town - Bonds	\$ 12,310,000	100%	\$ 12,310,000
Town - Unamortized premium	1,567,094	100%	<u>1,567,094</u>
Subtotal - Direct Debt			13,877,094
Overlapping:			
Hillsborough County	\$ -	Not applicable	-
Bedford School District	20,145,471	100%	<u>20,145,471</u>
Subtotal - Overlapping Debt			<u>20,145,471</u>
Total Direct and Overlapping Debt			<u><u>\$ 34,022,565</u></u>

Notes:

Overlapping governments are those that coincide, at least in part with the geographic boundaries of a municipality. This schedule sets forth the Town's share of those overlapping governments that are born by its taxpayers through a portion of the approved tax rate. Since the Bedford School District is strictly confined to the Town, 100% of its outstanding debt is overlapping and applicable to the Town. Based on Hillsborough County's most recent financial statements, there is no debt, therefore no overlapping debt is applicable to the Town.

TOWN OF BEDFORD, NEW HAMPSHIRE

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt at December 31 ⁽¹⁾										
Town	\$ 18,340,000	\$ 24,175,000	\$ 20,245,000	\$ 27,360,000	\$ 23,670,000	\$ 19,950,000	\$ 24,755,000	\$ 20,200,000	\$ 16,275,000	\$ 12,310,000
School	34,980,000	32,215,000	29,550,000	26,980,000	24,765,000	23,015,000	21,170,000	19,240,000	23,769,300	20,145,471
Sewer	-	-	-	-	-	-	-	-	-	-
Town - Authorized & Unissued	30,000,000	21,000,000	21,000,000	10,000,000	10,000,000	10,000,000	-	-	-	4,391,373
School - Authorized & Unissued	-	-	-	-	-	-	-	-	-	-
Total Debt at December 31	<u>\$ 83,320,000</u>	<u>\$ 77,390,000</u>	<u>\$ 70,795,000</u>	<u>\$ 64,340,000</u>	<u>\$ 58,435,000</u>	<u>\$ 52,965,000</u>	<u>\$ 45,925,000</u>	<u>\$ 39,440,000</u>	<u>\$ 40,044,300</u>	<u>\$ 36,846,844</u>
Base Value for Debt Limits ⁽²⁾	\$ 3,573,298,297	\$ 3,830,817,068	\$ 3,844,675,776	\$ 4,007,723,408	\$ 4,233,618,075	\$ 4,325,031,946	\$ 4,574,245,728	\$ 5,368,698,166	\$ 6,163,246,336	\$ 6,456,928,118
Legal Debt Limits (% of Base Value) ⁽³⁾										
Town, 3%	\$ 107,198,949	\$ 114,924,512	\$ 115,340,273	\$ 120,231,702	\$ 127,008,542	\$ 129,750,958	\$ 137,227,372	\$ 161,060,945	\$ 184,897,390	\$ 193,707,844
School, 7%	\$ 250,130,881	\$ 268,157,195	\$ 269,127,304	\$ 280,540,639	\$ 296,353,265	\$ 302,752,236	\$ 320,197,201	\$ 375,808,872	\$ 431,427,244	\$ 451,984,968
Debt Against Legal Debt Limits										
Town	\$ 48,340,000	\$ 45,175,000	\$ 41,245,000	\$ 37,360,000	\$ 33,670,000	\$ 29,950,000	\$ 24,755,000	\$ 20,200,000	\$ 16,275,000	\$ 16,701,373
School	34,980,000	32,215,000	29,550,000	26,980,000	24,765,000	23,015,000	21,170,000	19,240,000	23,769,300	20,145,471
Sewer - exempt from debt limits	-	-	-	-	-	-	-	-	-	-
Total Bonded Debt at December 31	<u>\$ 83,320,000</u>	<u>\$ 77,390,000</u>	<u>\$ 70,795,000</u>	<u>\$ 64,340,000</u>	<u>\$ 58,435,000</u>	<u>\$ 52,965,000</u>	<u>\$ 45,925,000</u>	<u>\$ 39,440,000</u>	<u>\$ 40,044,300</u>	<u>\$ 36,846,844</u>
Unused Capacity of Legal Debt										
Town	\$ 58,858,949	\$ 69,749,512	\$ 74,095,273	\$ 82,871,702	\$ 93,338,542	\$ 99,800,958	\$ 112,472,372	\$ 140,860,945	\$ 168,622,390	\$ 177,006,471
School	\$ 215,150,881	\$ 235,942,195	\$ 239,577,304	\$ 253,560,639	\$ 271,588,265	\$ 279,737,236	\$ 299,027,201	\$ 356,568,872	\$ 407,657,944	\$ 431,839,497
% of Legal Debt Limits Used										
Town	45.09%	39.31%	35.76%	31.07%	26.51%	23.08%	18.04%	12.54%	8.80%	8.62%
School	13.98%	12.01%	10.98%	9.62%	8.36%	7.60%	6.61%	5.12%	5.51%	4.46%

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.

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

TOWN OF BEDFORD, NEW HAMPSHIRE

Principal Taxpayers
Current Year and Nine Years Ago

			Tax Year		Percent of		Tax Year		Percent of	
2023			2023				2014			
Rank	Taxpayer	Type of Business	Assessed Value		Total Assessed Value		Rank	Assessed Value		Total Assessed Value
1	Public Service of NH	Utility	\$ 51,138,800		0.83%		1	\$ 30,171,800		0.94%
2	Griffin Capital Heritage-Bedford DST	Apartments	40,290,500		0.65%			-		0.00%
3	Hampshire Green Apartments	Apartments	33,645,700		0.54%		3	22,776,900		0.71%
4	Cooper Lane Apartments	Apartments	27,032,700		0.44%			-		0.00%
5	GFI-JHM Bedford Owner LLC	Apartments	26,845,400		0.43%			-		0.00%
6	RM23A Holdings, LLC	Senior Living Community	24,726,400		0.40%			-		0.00%
7	Shoppes at Bedford	Retail/Shopping Center	24,622,000		0.40%		4	19,893,300		0.62%
8	Kensington Close	Apartments	20,732,400		0.33%		7	13,067,500		0.41%
9	HPIII Manchester LLC	Office Building	16,772,700		0.27%			-		0.00%
10	7 Technology LLC	Office Park	16,530,700		0.27%			-		0.00%
	Heritage Merrimack Associates	Apartments	-		0.00%		2	29,200,000		0.91%
	ASC Realty	Office Building	-		0.00%		5	15,157,200		0.47%
	PDNED Bedford LLC	Retail/Shopping Center	-		0.00%		6	13,530,600		0.42%
	Target Corporation	Retail/Shopping Center	-		0.00%		8	12,794,400		0.40%
	Demoulas Market Basket	Supermarket	-		0.00%		9	11,360,600		0.35%
	Macy's	Retail/Shopping Center	-		0.00%		10	11,242,200		0.35%
	Total Principal Taxpayers		\$ 282,337,300		4.56%			\$ 179,194,500		5.59%
	Net Assessed Valuation		\$ 6,194,954,432					\$ 3,205,989,440		

Source:

Town of Bedford Tax Warrant and Assessing Records

Principal Employers
Current Year and Nine Years Ago

			2023		2014	
			Percent of		Percent of	
Name	Type of Business		Approximate # of Employees	Total Town Employment	Rank	Approximate # of Employees
1	Bedford School District	Public School System	732	6.12%	1	780
2	Market Basket	Retail Grocery Store	462	3.86%	2	350
3	Hannaford	Retail Grocery Store	400	3.34%		
4	Whole Foods	Retail Grocery Store	325	2.72%		
5	LSNE	Medical	275	2.30%		
6	Lowe's	Home Improvement Center	215	1.80%	7	180
7	Town of Bedford	Municipal Services	205	1.71%		
8	Kelly Services	Temporary Employment Agency	200	1.67%	3	200
9	Target	Department Store	175	1.46%	6	179
	Macy's	Department Store	-	0.00%	4	125
	Wal-Mart	Retail/Shopping Center	-	0.00%	5	137
	Fresh Market	Retail Grocery Store	-	0.00%	8	75
	Harvey Construction	Construction	-	0.00%	9	55
	Kohl's	Retail Store	-	0.00%	10	75
	Total Employed by Principal Employers		2,989	24.99%		2,156
	Total Town Civilian Labor Force		11,961			11,470

Source:

Employment and Labor Market Information Bureau - New Hampshire Employment Security (Community Profiles)

TOWN OF BEDFORD, NEW HAMPSHIRE

Demographic Statistics Last Ten Years

Fiscal Year	Bedford Population ⁽¹⁾	Bedford Median Household Income ⁽²⁾	Total Personal Income ^{(5) (6)}	Bedford Per Capita Income ⁽²⁾	Bedford Unemployment Rate ⁽²⁾	Bedford School Enrollment ⁽³⁾
2023	23,764	\$ 151,850	\$ 1,564	\$ 65,822	2.00%	4,065
2022	23,704	143,119	1,482	62,501	2.20%	4,159
2021	23,322	135,374	1,352	57,961	2.50%	4,195
2020	22,628	135,021	1,326	58,602	5.00%	4,259
2019	22,390	127,945	1,265	56,516	2.20%	4,414
2018	22,458	126,030	1,216	54,166	2.20%	4,525
2017	22,733	123,030	1,234	54,275	2.40%	4,452
2016	22,236	131,490	1,268	57,043	2.40%	4,503
2015	21,449	123,426	1,164	54,275	2.80%	4,490
2014	21,339	122,517	1,147	53,755	3.70%	4,456

State of New Hampshire Demographic Statistics Last Ten Years

Fiscal Year	NH Population ⁽¹⁾	NH Median Family Income ⁽⁴⁾	NH Total Personal Income ^{(5) (6)}	NH Per Capita Income ⁽⁵⁾	NH Unemployment Rate ⁽²⁾	NH Public School Enrollment ⁽³⁾
2023	1,402,054	\$ 121,400	\$ 108,323	\$ 76,260	2.20%	165,082
2022	1,395,231	108,000	104,173	74,663	2.50%	167,357
2021	1,388,932	97,001	100,012	72,003	3.50%	168,620
2020	1,368,179	96,700	90,117	66,418	6.70%	184,204
2019	1,360,783	87,464	86,345	63,452	2.50%	174,365
2018	1,355,064	90,500	83,199	61,399	2.40%	193,519
2017	1,350,395	86,696	79,253	58,689	2.70%	194,670
2016	1,343,694	85,727	75,858	56,455	2.80%	196,586
2015	1,337,480	85,401	72,875	54,487	3.40%	201,122
2014	1,334,257	79,700	70,225	52,632	4.30%	201,122

Sources:

⁽¹⁾ US Census Bureau

⁽²⁾ NH Department of Employment Security and Southern NH Planning regional statistics

⁽³⁾ NH Department of Education (<http://www.education.nh.gov>)

⁽⁴⁾ New Hampshire Housing Finance Authority

⁽⁵⁾ U.S. Bureau of Economic Analysis

⁽⁶⁾ Expressed in millions of dollars

TOWN OF BEDFORD, NEW HAMPSHIRE

Operating Indicators by Function Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessing										
Residential Taxable Parcels Assessed	7,413	7,417	7,422	7,420	7,421	7,432	7,450	7,450	7,739	7,481
Commercial/Industrial Taxable parcels Assessed	589	623	627	599	601	603	600	600	600	600
Total Parcels (assessed and exempt)	8,269	8,305	8,311	8,313	8,316	8,323	8,339	8,340	8,339	8,346
Finance										
Motor Vehicles Registered	24,746	25,446	25,397	25,619	25,740	25,278	25,658	25,531	27,085	27,283
Planning										
Subdivision Plans Approved	14	6	5	4	6	8	6	6	5	1
Lot Line Adjustment Plans Approved	3	6	8	10	4	1	1	2	4	2
Site Plans Approved	28	30	12	8	8	15	17	9	14	7
ZBA Requests Approved	30	39	5	7	5	16	17	21	29	23
Police										
Physical Arrests	575	698	673	678	727	766	660	682	619	464
MV Summons	1,446	123	1,805	2,850	2,915	3,290	3,601	3,057	2,889	1,863
MV Warnings	4,572	4,718	5,577	5,717	4,831	6,733	5,625	6,265	6,617	4,367
Parking Tickets	45	31	32	53	24	45	20	26	81	91
Fire and Rescue ⁽¹⁾										
Fire Calls	656	685	661	631	696	402	526	873	704	755
Ambulance Calls	1,818	1,789	2,034	2,096	2,094	2,427	2,325	2,672	3,138	2,990
Miscellaneous Calls	1,426	1,770	1,692	1,630	1,376	247	125	n/a	n/a	n/a
Building										
Building Permits New Dwelling (single family)	23	27	20	27	14	20	11	14	26	22
Building Permits New Dwelling (duplex, condo, apt)	144	182	41	-	-	238	93	-	4	5
Certificates of Occupancy (single family)	24	22	18	27	19	15	7	17	12	21
Certificates of Occupancy (duplex, condo, apt)	-	108	36	157	-	4	-	-	60	5
Community services -public works										
Number of Crews Dispatched for Snow Storms	25	26	22	23	31	29	18	20	21	17
Miles of Road Improved	9	9	14	10	7	11	19	15	3	3
Public Library										
Total Library Holdings	83,179	94,698	85,207	85,323	79,806	79,543	81,035	81,377	82,831	82,831
Circulated Items	699,975	545,738	583,214	589,647	592,468	635,569	638,744	589,835	558,284	599,715

⁽¹⁾ In 2021, the Fire Department stopped tracking miscellaneous calls.

Source: Annual Town Reports and Department Records

TOWN OF BEDFORD, NEW HAMPSHIRE

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	17	17	17	17	17	18	18	19	18	20
Fire and Rescue										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of tanker trucks	1	1	1	1	1	1	1	2	2	2
Number of pumpers	5	5	5	5	5	5	5	4	5	5
Number of support vehicles	7	7	7	6	6	8	8	7	7	8
Number of ambulances	2	3	2	2	2	3	4	3	3	3
Community Services - Public Works										
Miles of streets	174	174	174	174	174	189	190	190	191	191
Number of bridges	12	12	12	12	12	13	13	13	13	13
Number of 6 wheel dump trucks w/plow & sander	15	15	15	15	17	17	17	18	17	18
Community Services - Culture and Recreation										
Playgrounds	1	1	1	1	1	1	1	1	1	1
Multipurpose sports fields	15	15	15	15	17	15	15	15	15	15
Swimming pools	2	2	2	2	2	2	2	2	2	2
Water slide	1	1	1	1	1	1	1	1	1	1
Skateboard park	1	1	1	1	1	1	1	1	1	1
Outdoor performance stage	2	2	2	2	2	2	2	2	2	2
Indoor stage	1	1	1	1	1	1	1	1	1	1
Tennis courts	7	7	7	7	9	9	9	9	9	9
Basketball courts	3	3	3	3	1	1	1	1	1	1
Sledding hills	2	2	2	2	2	2	2	2	2	2
Walking trail mileage	13.75	13.75	13.75	13.75	13.75	13.75	13.75	13.75	15.87	20.00
Miles of cross country ski trails	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Mountain bike trail mileage	4	4	4	4	4	4	4	4	7	7
Sewage System										
Footage of sewer pipeline	91,624.50	91,624.50	91,624.50	91,624.50	92,284.50	93,009.50	94,509.50	96,009.50	96,009.50	96,009.50
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of pump stations	3	3	3	3	3	3	3	3	3	3
Maximum daily capacity of treatment (millions of gallons)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Source: Various Departments & Capitalized Asset Schedules

TOWN OF BEDFORD, NEW HAMPSHIRE

**Full Time Personnel Statistics by Function
Last Ten Fiscal Years**

FUNCTION	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL GOVERNMENT										
Executive	3	2	2	2	2	2	2	2	2	3
Finance/HR/Tax Office/Town Clerk	6	6	7	8	8	10	10	10	10	10
Planning/Assessing/IS	6	6	7	7	7	7	8	9	9	9
Total General Government	15	14	16	17	17	19	20	21	21	22
PUBLIC SAFETY										
Police - Sworn Officers	37	37	38	39	37	36	40	40	40	41
Police - Non-Sworn Personnel	13	13	13	13	11	14	14	14	14	15
Total Police Department	50	50	51	52	48	50	54	54	54	56
Fire and Rescue	31	31	34	35	36	36	40	41	41	43
Total Public Safety	81	81	85	87	84	86	94	95	95	99
PUBLIC WORKS										
Administration and Highway	27	27	28	28	29	29	33	30	30	29
Sewer	1	1	1	1	1	1	2	2	2	2
Fleet Maintenance	1	1	1	1	1	1	1	2	2	2
Total Public Works	29	29	30	30	31	31	36	34	34	33
CULTURE & RECREATION										
Public Television	1	1	1	2	2	2	2	2	2	2
Recreation	1	1	1	1	1	1	1	1	1	1
Public Library	6	6	6	6	8	9	9	9	9	9
Total Culture & Recreation	8	8	8	9	11	12	12	12	12	12
TOTAL ALL FUNCTIONS	133	132	139	143	143	148	162	162	162	166
PERCENT OF TOTAL										
General Government	11.28%	10.61%	11.51%	11.89%	11.89%	12.84%	12.35%	12.96%	12.96%	13.25%
Public Safety	60.90%	61.36%	61.15%	60.84%	58.74%	58.11%	58.02%	58.64%	58.64%	59.64%
Public Works	21.80%	21.97%	21.58%	20.98%	21.68%	20.95%	22.22%	20.99%	20.99%	19.88%
Culture & Recreation	6.02%	6.06%	5.76%	6.29%	7.69%	8.11%	7.41%	7.41%	7.41%	7.23%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Personnel Records

REPORTING

REQUIRED BY

GOVERNMENT AUDITING STANDARDS

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

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Bedford, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bedford, New Hampshire (the Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However,

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Marcum LLP". The script is cursive and fluid, with the letters "M", "a", "r", "c", "u", "m" being more prominent and connected, followed by "LLP" in a slightly more upright but still cursive style.

Merrimack, New Hampshire
June 18, 2024

APPENDIX C
PROPOSED FORM OF LEGAL OPINION FOR BONDS

APPENDIX C

PROPOSED FORM OF LEGAL OPINION

July 23, 2025

Town of Bedford
24 North Amherst Road
Bedford, New Hampshire 03110

**Re: Town of Bedford, New Hampshire (the "Issuer")
\$2,890,000 General Obligation Bonds, 2025 Issue
Dated July 23, 2025**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the Bonds by the Issuer. In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the Issuer.
2. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds.
3. (a) The interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a

specific preference item for purposes of the federal individual alternative minimum tax. However, interest on the Bonds will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended (the “Code”). The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure by the Issuer to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. (b) The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80 percent of that portion of such financial institution's interest expense allocable to interest on the Bonds. (c) We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. Interest on the Bonds is exempt from the New Hampshire personal income tax on interest and dividends. We express no opinion regarding any other New Hampshire tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than New Hampshire.

It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and to equitable principles, whether considered at law or in equity.

In accordance with the usual practice of bond counsel, we have not conducted any independent investigation with respect to the financial condition of the Issuer. Accordingly, we express no opinion regarding the economic ability of the Issuer to raise by taxation or from other sources sufficient funds to make payments of principal and interest on the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

July 23, 2025

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This opinion is given as of the date hereof and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances that may hereafter come to our attention or any changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

DEVINE, MILLIMET & BRANCH
PROFESSIONAL ASSOCIATION

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX D

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Town of Bedford, New Hampshire (the "Issuer") in connection with the issuance of its \$2,890,000 General Obligation Bonds, 2025 Series A issue dated July 23, 2025 (the "Bonds"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB for use in the collection and dissemination of information, which system the Securities and Exchange Commission has stated to be consistent with its Rule 15c2-12. Currently, the following is the website address for EMMA: <http://emma.msrb.org>.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing information for the MSRB is set forth in Exhibit A attached hereto.

"Obligated Person" shall mean the Issuer or any person committed by contract or other arrangement to support payment of all, or part, of the obligations on municipal securities. This definition does not include providers of municipal bond insurance, letters of credit or other liquidity facilities.

"Owners of the Bonds" shall mean the registered owners, including beneficial owners, of the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, not later than nine (9) months after the end of each fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted when available separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit B.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) quantitative information for the preceding fiscal year of the type presented in the Issuer's Official Statement dated July 9, 2025 relating to the Bonds regarding (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension obligations of the Issuer, and (vii) other post-employment benefits liability of the Issuer; and

(b) the most recently available audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles (except for the omission, if any, of a statement of fixed assets). If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year and audited financial statements for such fiscal year shall be submitted when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which (i) are available to the public on the MSRB internet website or (ii) have been filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give notice, in accordance with the provisions of this Section 5, of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of the Owners of the Bonds, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.

11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person.*
13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material**; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties**.

* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

** For purposes of event numbers 15 and 16 in Section 5(a) of this Disclosure Certificate, “financial obligation” shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b); provided, however, that a “financial obligation” shall not include any municipal security for which a final official statement has been provided to the MSRB consistent with the Rule.

(b) Upon the occurrence of a Listed Event, the Issuer shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance in accordance with the terms of the Bonds, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the Issuer), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information (using the means of dissemination set forth in this Disclosure Certificate or any other means of communication) or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in an Annual Report or provide notice of occurrence of events which are not Listed Events in addition to that which is specifically required by this Disclosure

Certificate, the Issuer shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owner of the Bonds may seek a court order for specific performance by the Issuer of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Bonds from time to time and shall create no rights in any other person or entity.

[SIGNATURE PAGE FOLLOWS]

Date: July 23, 2025

TOWN OF BEDFORD, NEW HAMPSHIRE

By: _____
Treasurer

EXHIBIT A

Filing information related to the Municipal Securities Rulemaking Board is as follows:

Municipal Securities Rulemaking Board

<http://emma.msrb.org>

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Town of Bedford, New Hampshire

Name of Issue: \$2,890,000 General Obligation Bonds, 2025 Series A

Date of Issuance: July 23, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Issuer dated July 23, 2025. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

TOWN OF BEDFORD, NEW HAMPSHIRE

By: _____