



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Fremont School District
Fremont, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fremont School District as of and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 12 to the financial statements, management has not recorded the long-term costs of retirement health care and obligations for other postemployment benefits in governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the liabilities and expenses of the governmental activities. The amount by which this departure would affect the liabilities, net assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effect of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the Fremont School District as of June 30, 2010, or the changes in financial position thereof for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Fremont School District as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2011 on our consideration of the Fremont School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis budgetary comparison information on pages 3 through 9 and 28 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

**Fremont School District
Independent Auditor's Report**

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fremont School District's basic financial statements as a whole. The combining and individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other 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 financial statements as a whole.

January 27, 2011

Margery A. Colby, CPA

PLODZIK & SANDERSON
Professional Association

EXHIBIT C-1
FREMONT SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2010

	General	Grants	Expendable Trust	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 360,603	\$ -	\$ -	\$ 11,167	\$ 371,770
Investments	37,736	-	-	-	37,736
Receivables:					
Accounts	2,222	-	-	1,587	3,809
Intergovernmental	31,754	58,977	65,794	16,187	172,712
Interfund receivable	57,296	-	-	-	57,296
Prepaid items	344	-	-	-	344
Total assets	\$ 489,955	\$ 58,977	\$ 65,794	\$ 28,941	\$ 643,667
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 20,273	\$ -	\$ -	\$ 5,334	\$ 25,607
Accrued salaries and benefits	26,529	1,891	-	-	28,420
Intergovernmental payable	18,952	-	-	-	18,952
Interfund payable	-	55,693	-	1,603	57,296
Deferred revenue	-	1,393	-	2,020	3,413
Total liabilities	65,754	58,977	-	8,957	133,688
Fund balances:					
Reserved for encumbrances	9,493	-	-	-	9,493
Reserved for special purposes	-	-	-	12,361	12,361
Unreserved, undesignated, reported in:					
General fund	414,708	-	-	-	414,708
Special revenue funds	-	-	65,794	7,623	73,417
Total fund balances	424,201	-	65,794	19,984	509,979
Total liabilities and fund balances	\$ 489,955	\$ 58,977	\$ 65,794	\$ 28,941	\$ 643,667

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