

**TOWN OF FREMONT,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016**

TOWN OF FREMONT, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Selectboard
Town of Fremont
Fremont, New Hampshire

We have audited the accompanying financial statements of the governmental activities, major fund, and aggregate remaining fund information of the Town of Fremont as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Town of Fremont, as of December 31, 2016, and the respective changes in financial position and, the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1-E to the basic financial statements, effective January 1, 2016 the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement, and Application*. As a result of the implementation of GASB Statement No. 72, the Town disclosed its investments in accordance with the fair value hierarchy. Our opinions are not modified with respect to this matter.

Town of Fremont
Independent Auditor's Report

Other Matters

Management's Discussion and Analysis – Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic financial statements is not affected by the missing information.

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

Other Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fremont's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate 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 combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

July 27, 2017

Plodzik & Sanderson
Professional Association

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF FREMONT, NEW HAMPSHIRE
Statement of Net Position
December 31, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,860,336
Taxes receivable (net)	359,592
Accounts receivable	4,410
Capital assets:	
Land and construction in progress	2,826,861
Other capital assets, net of depreciation	5,614,978
Total assets	<u>16,666,177</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	<u>273,780</u>
LIABILITIES	
Accounts payable	144,381
Accrued interest payable	21,613
Intergovernmental payable	6,452,968
Long-term liabilities:	
Due within one year	136,735
Due in more than one year	1,254,883
Total liabilities	<u>8,010,580</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - Property taxes	35,030
Related to pensions	28,337
Total deferred inflows of resources	<u>63,367</u>
NET POSITION	
Net investment in capital assets	7,776,224
Restricted	147,681
Unrestricted	942,105
Total net position	<u><u>\$ 8,866,010</u></u>

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

EXHIBIT B
TOWN OF FREMONT, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2016

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 727,956	\$ 12,568	\$ -	\$ (715,388)
Public safety	963,479	68,769	171	(894,539)
Highways and streets	443,737	3,520	114,506	(325,711)
Sanitation	309,371	3,439	-	(305,932)
Health	8,879	-	-	(8,879)
Welfare	38,772	-	-	(38,772)
Culture and recreation	203,756	21,702	-	(182,054)
Conservation	5,865	-	-	(5,865)
Interest on long-term debt	40,648	-	-	(40,648)
Total governmental activities	<u>\$ 2,742,463</u>	<u>\$ 109,998</u>	<u>\$ 114,677</u>	<u>(2,517,788)</u>
General revenues:				
Taxes:				
Property				1,413,860
Other				117,085
Motor vehicle permit fees				908,032
Licenses and other fees				75,737
Grants and contributions not restricted to specific programs				237,709
Unrestricted investment earnings				14,262
Miscellaneous				44,160
Total general revenues				<u>2,810,845</u>
Change in net position				293,057
Net position, beginning, as restated (see Note 15)				8,572,953
Net position, ending				<u>\$ 8,866,010</u>

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

EXHIBIT C-1
TOWN OF FREMONT, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2016

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,509,491	\$ 350,845	\$ 7,860,336
Accounts receivable	-	4,410	4,410
Taxes receivable	378,592	-	378,592
Interfund receivable	985	81,068	82,053
Total assets	<u>\$ 7,889,068</u>	<u>\$ 436,323</u>	<u>\$ 8,325,391</u>
LIABILITIES			
Accounts payable	\$ 144,381	\$ -	\$ 144,381
Intergovernmental payable	6,452,968	-	6,452,968
Interfund payable	81,068	985	82,053
Total liabilities	<u>6,678,417</u>	<u>985</u>	<u>6,679,402</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property taxes	<u>72,009</u>	<u>-</u>	<u>72,009</u>
FUND BALANCES			
Nonspendable	-	106,554	106,554
Restricted	-	41,127	41,127
Committed	503,799	287,657	791,456
Assigned	99,255	-	99,255
Unassigned	535,588	-	535,588
Total fund balances	<u>1,138,642</u>	<u>435,338</u>	<u>1,573,980</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,889,068</u>	<u>\$ 436,323</u>	<u>\$ 8,325,391</u>

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

EXHIBIT C-2
TOWN OF FREMONT, NEW HAMPSHIRE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2016

Total fund balances of governmental funds (Exhibit C-1)		\$ 1,573,980
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Certain items are not current financial resources in the governmental funds, but instead are reported in the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 273,780	
Deferred inflows of resources related to pensions	(28,337)	
		245,443
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		
Cost	\$ 15,694,023	
Less accumulated depreciation	(7,252,184)	
		8,441,839
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (82,053)	
Payables	82,053	
		-
Long term revenue (taxes) is not available to pay current-period expenditures and therefore, is deferred in the governmental funds.		36,979
Allowance for uncollectible property taxes that is recognized on a full accrual basis, but not on the modified accrual basis.		(19,000)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(21,613)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Bonds	\$ 650,000	
Unamortized bond premium	15,615	
Net pension liability	726,003	
		(1,391,618)
Net position of governmental activities (Exhibit A)		<u>\$ 8,866,010</u>

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

EXHIBIT C-3
TOWN OF FREMONT, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2016

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 1,468,470	\$ 81,068	\$ 1,549,538
Licenses and permits	983,769	-	983,769
Intergovernmental	352,386	-	352,386
Charges for services	54,317	55,681	109,998
Miscellaneous	24,801	3,621	28,422
Total revenues	<u>2,883,743</u>	<u>140,370</u>	<u>3,024,113</u>
EXPENDITURES			
Current:			
General government	733,858	8,617	742,475
Public safety	759,711	36,491	796,202
Highways and streets	423,808	-	423,808
Sanitation	309,371	-	309,371
Health	8,879	-	8,879
Welfare	38,772	-	38,772
Culture and recreation	151,418	-	151,418
Conservation	1,035	4,830	5,865
Debt service:			
Principal	135,000	-	135,000
Interest	34,976	-	34,976
Capital outlay	170,891	-	170,891
Total expenditures	<u>2,767,719</u>	<u>49,938</u>	<u>2,817,657</u>
Excess of revenues over expenditures	<u>116,024</u>	<u>90,432</u>	<u>206,456</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,000	1,000	3,000
Transfers out	(1,000)	(2,000)	(3,000)
Total other financing sources (uses)	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balances	117,024	89,432	206,456
Fund balances, beginning	1,021,618	345,906	1,367,524
Fund balances, ending	<u>\$ 1,138,642</u>	<u>\$ 435,338</u>	<u>\$ 1,573,980</u>

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

EXHIBIT C-4
TOWN OF FREMONT, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2016

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 206,456
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 390,029	
Depreciation expense	<u>(372,443)</u>	
		17,586
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (3,000)	
Transfers out	<u>3,000</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(18,593)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and when debt is first issued, whichever these amounts are deferred and amortized in the Statement of Activities.		
Repayment of bond principal	\$ 135,000	
Amortization of bond premium	<u>1,735</u>	
		136,735
Some expenses reported in the Statement of Activities do not require the used of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ (7,407)	
Change in GASB Statement No. 68 pension related balances	<u>(41,720)</u>	
		(49,127)
Changes in net position of governmental activities (Exhibit B)		<u>\$ 293,057</u>

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

EXHIBIT D
TOWN OF FREMONT, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes	\$ 1,550,875	\$ 1,550,875	\$ 1,449,877	\$ (100,998)
Licenses and permits	916,000	916,000	983,769	67,769
Intergovernmental	352,215	352,215	352,386	171
Charges for services	47,400	47,400	54,317	6,917
Miscellaneous	21,825	21,825	22,208	383
Total revenues	<u>2,888,315</u>	<u>2,888,315</u>	<u>2,862,557</u>	<u>(25,758)</u>
EXPENDITURES				
Current:				
General government	741,904	741,904	761,228	(19,324)
Public safety	742,471	742,471	709,320	33,151
Highways and streets	407,918	407,918	422,347	(14,429)
Sanitation	321,605	321,605	309,371	12,234
Health	10,546	10,546	8,879	1,667
Welfare	41,004	41,004	38,772	2,232
Culture and recreation	153,758	153,758	144,988	8,770
Conservation	1,088	1,088	1,035	53
Debt service:				
Principal	135,000	135,000	135,000	-
Interest	36,976	36,976	34,976	2,000
Capital outlay	135,045	166,941	170,891	(3,950)
Total expenditures	<u>2,727,315</u>	<u>2,759,211</u>	<u>2,736,807</u>	<u>22,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>161,000</u>	<u>129,104</u>	<u>125,750</u>	<u>(3,354)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	33,896	33,896	-
Transfers out	<u>(164,000)</u>	<u>(164,000)</u>	<u>(164,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(162,000)</u>	<u>(130,104)</u>	<u>(130,104)</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>(4,354)</u>	<u>\$ (3,354)</u>
Decrease in restricted fund balance			75	
Increase in assigned for contingency fund balance			(3,874)	
Unassigned fund balance, beginning			561,720	
Unassigned fund balance, ending			<u>\$ 553,567</u>	

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

EXHIBIT E-1
TOWN OF FREMONT, NEW HAMPSHIRE
Fiduciary Funds
Statement of Net Position
December 31, 2016

	Private Purpose Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 17,004	\$ 917,110
Investments	42,072	-
Total assets	<u>59,076</u>	<u>917,110</u>
LIABILITIES		
Intergovernmental payable	-	303,154
Due to others	-	613,956
Total liabilities	<u>-</u>	<u>917,110</u>
NET POSITION		
Held in trust for specific purposes	<u>\$ 59,076</u>	<u>\$ -</u>

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

EXHIBIT E-2
TOWN OF FREMONT, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended December 31, 2016

	Private Purpose Trust
ADDITIONS	
Interest	\$ 57
Net position, beginning	59,019
Net position, ending	<u>\$ 59,076</u>

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

TOWN OF FREMONT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

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TOWN OF FREMONT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Fremont, New Hampshire (the Town), have been prepared in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

In 2016 the Town implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a government should apply.

The more significant of the Town's accounting policies are described below.

1-A Reporting Entity

The Town of Fremont is a municipal corporation governed by an elected 3-member Board of Selectmen. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Town has no component units to include in its reporting entity.

1-B Government-wide and Fund Financial Statements

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government. Generally, the effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported through taxes and intergovernmental revenues.

The *Statement of Net Position* presents the financial position of the Town at year-end. This statement includes all of the Town's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

Fund Financial Statements - Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

In the governmental fund financial statements, expenditures are reported by character: current, debt service or capital outlay. Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Debt service includes both interest and principal outlays related to bonds. Capital outlay includes expenditures for equipment, real property, or infrastructure.

Other Financing Sources (Uses) – these additions to and reductions from resources in governmental fund financial statements normally result from transfers from/to other funds. Transfers are reported when incurred as “transfers in” by the receiving fund and as “transfers out” by the disbursing fund.

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

Measurement Focus and Basis of Accounting - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF FREMONT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

Governmental fund financial statements are reported using the *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 generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation - A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The Town reports the following major governmental fund:

General Fund – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54 guidance the expendable trust funds are consolidated in the general fund.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

Additionally, the Town reports the following fund types:

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Permanent Fund - is used to record activity of legal trusts for which the interest on the corpus provides funds for the Town.

Fiduciary Funds – The Town also reports the following fiduciary funds:

Private Purpose Trust Fund – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

Agency Fund – are custodial in nature and do not involve the measurement of operating results. An agency fund is used to account for assets held on behalf of outside parties, including other governments.

1-D Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund’s portion of this pool is reflected on the combined financial statements under the caption “cash and cash equivalents.”

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

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1-E Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Investments are reported at fair value. The Town discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy is as follow:

Level 1 – Inputs that reflect quoted prices (unadjusted) in active markets for identical assets and liabilities that the Town has the ability to access at the measurement date. Most of the Town’s directly held marketable equity securities would be examples of Level 1 investments.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2. All of the Town’s holdings in U.S. government obligations and corporate bonds would be examples of Level 2 investments.

Level 3 – Unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative financial instruments.

In determining fair value, the Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

1-F Receivables

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

1-G Capital Assets

Capital assets are defined by the Town as assets with an initial individual cost of \$10,000 or more and an estimated life in excess of one year. Capital assets include property, plant, and equipment, infrastructure assets (e.g. roads, bridges, sidewalks, drainage, and similar items) and are reported in the governmental activities.

The accounting and reporting treatment applied to capital asserts associated with a fund are determined by the fund’s measurement focus. General capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the governmental activities column of the government-wide Statement of Net Position. When cost of general capital assets cannot be determined from available records, estimated historical cost is used.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend lives are not capitalized.

In the government-wide financial statements and in the enterprise fund financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

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Capital assets of the Town are depreciated or amortized using the straight-line method over the following estimated useful lives:

Capital Asset Classes:	<u>Years</u>
Land improvements	15-20
Buildings and building improvements	15-50
Machinery, equipment, and vehicles	6-20
Infrastructure	15-20

1-H Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 19, 2016 and October 20, 2016, and due on July 1, 2016 and December 1, 2016. Interest accrues at a rate of 12% on bills outstanding after the due date and 18% on tax liens outstanding.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Fremont School District, and Rockingham County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2016 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 390,851,633
For all other taxes	\$ 399,735,833

The tax rates and amounts assessed for the year ended December 31, 2016 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$3.89	\$ 1,556,423
School portion:		
State of New Hampshire	\$2.30	898,541
Local	\$22.65	9,054,427
County portion	\$1.04	414,282
Total		<u>\$ 11,923,673</u>

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2016.

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1-K Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1-L Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities.

1-M Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No. 73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules are prepared by New Hampshire Retirement System, and are audited by the plan's independent auditors.

1-N Net Position/Fund Balances

Government-wide Statements – Equity is classified as net position and displayed in three components:

- a) *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b) *Restricted net position* – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extend of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

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Assigned – This classification includes amounts that are constrained by the Town’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

Unassigned – This classification includes the amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When multiple net position/fund balance classifications are available for use, it is the government’s policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

In accordance with the Town’s fund balance policy, the Board will maintain an appropriate level of unassigned fund balance following guidelines established by the New Hampshire Government Finance Officers Association (GFOA), which are as follows:

1. 5% to 15% of regular general fund operating revenue, or
2. 8% to 17% of regular general fund operating expenditures.

1-O Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, and the useful lives of capital assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town’s operations. At its annual meeting, the Town adopts a budget for the current year for the general fund. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2016, \$1,000 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

The Town employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis, presents the actual results to provide a comparison with the budget. The major difference between the budgetary basis and GAAP basis is as follows:

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities, but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and commitments (encumbrances) for goods or services not received at year-end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no liability exists.

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The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 2,896,453
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	2,593
To eliminate transfers between blended funds	(31,896)
Change in deferred tax revenue relating to 60-day revenue recognition	18,593
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,885,743</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 2,900,807
Adjustment:	
Basis differences:	
Encumbrances, beginning	118,899
Encumbrances, ending	(95,381)
GASB Statement No. 54:	
To record expendable trust expenditures during the year	7,394
To eliminate transfers between general and expendable trust funds	(163,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,768,719</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$8,794,450 and the bank balances totaled \$8,943,995.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 7,860,336
Cash per Statement of Net Position-Fiduciary Funds (Exhibit E-1)	934,114
Total cash and cash equivalents	<u>\$ 8,794,450</u>

NOTE 4 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of December 31, 2016:

	Valuation Measurement Method	Less Than 1 Year
Investments type:		
Certificates of deposit	Level 1	<u>\$ 42,072</u>

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Fair Value Measurements of Investments – In accordance with GASB Statement No. 72 *Fair Value Measurement and Application*, except for investments measured using net asset value (NAV) as a practical expedient to estimate fair value, the Town categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 inputs reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date. Most of the Town's directly held marketable equity securities would be examples of Level 1 investments.

Level 2 inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2.

Level 3 inputs are significant unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances, where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified in Level 1. Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices and classified in Level 1.

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

Concentration of Credit Risk – The Town places no limit on the amount it may invest in any one issuer. 100% of the Towns investments are held in Certificates of Deposits at local financial institutions.

Investment reconciliation:

Investments per Statement of Net Position-Fiduciary Funds (Exhibit E-1)	<u><u>\$ 42,072</u></u>
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NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2016. The amount has been reduced by an allowance for an estimated uncollectible amount of \$19,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2016	\$ 266,056	\$ 266,056
Unredeemed (under tax lien):		
Levy of 2015	77,294	77,294
Levy of 2014 and prior	35,242	35,242
Less: allowance for estimated uncollectible taxes	(19,000) *	-
Net taxes receivable	<u><u>\$ 359,592</u></u>	<u><u>\$ 378,592</u></u>

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-C. However, the allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

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NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 is as follows:

	Balance, beginning (as restated)	Additions	Disposals	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 2,807,465	\$ -	\$ -	\$ 2,807,465
Construction in progress	-	19,396	-	19,396
Total capital assets not being depreciated	2,807,465	19,396	-	2,826,861
Being depreciated:				
Land improvements	459,956	-	-	459,956
Buildings and building improvements	3,154,234	24,511	-	3,178,745
Machinery, equipment, and vehicles	2,589,764	264,428	(138,306)	2,715,886
Infrastructure	6,292,575	220,000	-	6,512,575
Total capital assets being depreciated	12,496,529	508,939	(138,306)	12,867,162
Total all capital assets	15,303,994	528,335	(138,306)	15,694,023
Less accumulated depreciation:				
Land improvements	(328,444)	(23,748)	-	(352,192)
Buildings and building improvements	(1,088,302)	(79,572)	-	(1,167,874)
Machinery, equipment, and vehicles	(1,370,136)	(163,158)	131,797	(1,401,497)
Infrastructure	(4,092,859)	(237,762)	-	(4,330,621)
Total accumulated depreciation	(6,879,741)	(504,240)	131,797	(7,252,184)
Net book value, capital assets being depreciated	5,616,788	4,699	(6,509)	5,614,978
Net book value, all capital assets	\$ 8,424,253	\$ 24,095	\$ (6,509)	\$ 8,441,839

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 13,981
Public safety	270,402
Highways and streets	153,009
Culture and recreation	66,848
Total depreciation expense	<u>\$ 504,240</u>

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	\$ 985
Nonmajor	General	81,068
		<u>\$ 82,053</u>

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2016 is as follows:

	Transfers In:		Total
	General Fund	Nonmajor Fund	
Transfers out:			
General fund	\$ -	\$ 1,000	\$ 1,000
Nonmajor fund	2,000	-	2,000
Total	<u>\$ 2,000</u>	<u>\$ 1,000</u>	<u>\$ 3,000</u>

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

NOTE 8 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$6,756,122 at December 31, 2016 consists of the following:

General fund:	
Balance of the FY 2015-16 district assessment due to the Fremont School District	\$ 6,452,968
Agency fund:	
Balance of capital reserve funds due to the Fremont School District	303,154
Total intergovernmental payables due	<u>\$ 6,756,122</u>

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of \$273,780 in the governmental activities at December 31, 2016 consists of amounts related to pensions, see Note 11.

Deferred inflows of resources reported in the governmental funds as unavailable revenue are as follows:

	Governmental Activities	General Fund
Property taxes collected in advance of levy	\$ 35,030	\$ 35,030
Property taxes, not collected within 60 days of fiscal year end	-	36,979
Related to pensions, see Note 11	28,337	-
Total deferred inflows of resources	<u>\$ 63,367</u>	<u>\$ 72,009</u>

NOTE 10 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2016:

	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
General obligation bonds	\$ 785,000	\$ -	\$ (135,000)	\$ 650,000	\$ 135,000
Premium	17,350	-	(1,735)	15,615	1,735
Total bonds payable	802,350	-	(136,735)	665,615	136,735
Net pension liability	440,091	285,912	-	726,003	-
Total long-term liabilities	<u>\$ 1,242,441</u>	<u>\$ 285,912</u>	<u>\$ (136,735)</u>	<u>\$ 1,391,618</u>	<u>\$ 136,735</u>

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Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2016	Current Portion
General obligation bonds payable:						
Public safety building	\$ 940,000	1997	2017	4.70-5.30	\$ 45,000	\$ 45,000
Library building	\$ 995,500	2001	2021	4.13-5.00	245,000	50,000
Glen Oaks land purchase	\$ 795,300	2005	2025	4.04	360,000	40,000
					<u>650,000</u>	<u>135,000</u>
Bond premium					15,615	1,735
Total					<u>\$ 665,615</u>	<u>\$ 136,735</u>

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 2016, including interest payments, are as follows:

Fiscal Year Ending December,	Principal	Interest	Total
2017	\$ 135,000	\$ 28,191	\$ 163,191
2018	90,000	21,740	111,740
2019	90,000	17,600	107,600
2020	90,000	13,450	103,450
2021	85,000	9,270	94,270
2022-2025	160,000	12,380	172,380
Totals	<u>\$ 650,000</u>	<u>\$ 102,631</u>	<u>\$ 752,631</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of December 31, 2016 were as follows:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 18, 2006 - Article No. 5	Purchase conservation land	<u>\$ 935,000</u>

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description: The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing 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 with in the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

Benefits Provided: The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and available to pay retirement benefits to all members.

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Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC) multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Contributions: The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2016, the Town contributed 26.38% for police, 29.16% for fire fighters, and 11.17% for all other employees. The contribution requirements for the fiscal years 2014, 2015, and 2016 were \$43,923, \$49,226, and \$59,532, respectively, which were paid in full in each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2016 the Town reported a liability of \$726,003 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 towns and school districts, actuarially determined. At June 30, 2016, the Town's proportion was .01365285% which was an increase of .00254373% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Town recognized pension expense of \$98,788. At December 31, 2016 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 102.604	\$ 19.169
Changes in assumptions	89.348	-
Net difference between projected and actual investment earnings on pension plan investments	45.423	-
Differences between expected and actual experience	2.018	9,168
Contributions subsequent to the measurement date	34.387	-
Total	<u>\$ 273.780</u>	<u>\$ 28.337</u>

The \$34,387 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

TOWN OF FREMONT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2017	\$ 43,751
2018	43,751
2019	63,031
2020	57,280
2021	3,243
Totals	<u>\$ 211,056</u>

Actuarial Assumptions: The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2015, using the following actuarial assumptions which, accordingly apply to 2016 measurements:

Inflation:	2.5%
Salary increases:	5.6% average, including inflation
Investment rate of return:	7.25% net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on last experience study.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Long-term Rates of Return: The long-term expected rate of return on pension plan investment 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 rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2016:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return <u>2016</u>
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equity	<u>30.00%</u>	
Int'l Equities (unhedged)	13.00%	4.75%
Emerging Int'l Equities	7.00%	6.25%
Total international equity	<u>20.00%</u>	
Core Bonds	5.00%	(0.64%)
Short Duration	2.00%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	(1.71%)
Absolute Return Fixed Income	7.00%	1.08%
Total fixed income	<u>25.00%</u>	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	3.68%
Total alternative investments	<u>15.00%</u>	
Real estate	10.00%	3.25%
Total	<u>100.00%</u>	

TOWN OF FREMONT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

Discount Rate: The discount rate used to measure the collective total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer 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 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 investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25% 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 (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2016	\$ 932,865	\$ 726,003	\$ 554,444

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

NOTE 12 – ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2016 and are as follows:

General fund:	
General government	\$ 90,975
Highways and streets	4,406
Total encumbrances	<u>\$ 95,381</u>

NOTE 13 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2016 include the following:

Net investment in capital assets:	
Net property, buildings, and equipment	\$ 8,441,839
Less:	
General obligation bonds payable	(650,000)
Unamortized bond premiums	(15,615)
Total net investment in capital assets	<u>7,776,224</u>
Restricted net position:	
Perpetual care - expendable	41,127
Perpetual care - nonexpendable	106,554
Total restricted	<u>147,681</u>
Unrestricted	<u>942,105</u>
Total net position	<u>\$ 8,866,010</u>

TOWN OF FREMONT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

NOTE 14 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2016 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Permanent fund - principal balance	\$ -	\$ 106,554	\$ 106,554
Restricted:			
Permanent fund - income balance	-	41,127	41,127
Committed:			
Expendable trust	503,799	-	503,799
Conservation commission	-	210,078	210,078
Police OHRV	-	21,767	21,767
Cable franchise fees	-	15,573	15,573
Playground	-	3,763	3,763
Energy Commission	-	3	3
Police detail	-	33,055	33,055
Recreation revolving	-	3,418	3,418
Total committed fund balance	503,799	287,657	791,456
Assigned:			
Encumbrances	95,381	-	95,381
Contingencies	3,874	-	3,874
Total assigned fund balance	99,255	-	99,255
Unassigned	535,588	-	535,588
Total fund balances	\$ 1,138,642	\$ 435,338	\$ 1,573,980

NOTE 15 – PRIOR PERIOD ADJUSTMENT

Net position/fund balance at January 1, 2016 was restated to give retroactive effect to the following prior period adjustment:

	Government-wide Statements
To record capital assets and related accumulated depreciation, not previously reported	\$ 725,874
Net position, as previously reported	7,847,079
Net position, as restated	<u>\$ 8,572,953</u>

NOTE 16 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2016, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs. This entity is considered a public entity risk pools, currently operating as common risk management and insurance programs for member Towns and cities.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2016 to December 31, 2016 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The estimated net contribution from the Town of Fremont billed and paid for the year ended December 31, 2016 was \$36,365 for workers' compensation and \$36,696 for property/liability.

TOWN OF FREMONT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

NOTE 17 – RELATED PARTY TRANSACTIONS

Financial reporting standards require disclosure of significant related-party transactions, including the nature of the relationship, a description of the transactions, dollar amounts of the transaction, and amounts due to or due from the related party at the financial statement date. The elected road agent, a select board member and a close family member of the select board contract with the town to perform highway and street work. The totals invoiced and paid were \$8,982, \$23,265, and \$13,725 respectively. It is noted that all of the invoices were subject to and complied with the Town's purchasing policies and procedures. Further, it should be noted that any contracts with contractors are subject to the same authorization process with the Board of Selectmen approving all contracts and subsequent payments to contractors.

NOTE 18 – CONTINGENT LIABILITIES

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through July 27, 2017, the date the December 31, 2016 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF FREMONT, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2016

<u>Fiscal Year End</u>	<u>Valuation Date</u>	<u>Town's Proportion of Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Town Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
December 31, 2016	June 30, 2016	0.01365285%	\$ 726,003	\$ 217,237	334.20%	58.30%
December 31, 2015	June 30, 2015	0.01110912%	\$ 440,091	\$ 174,569	252.10%	65.47%
December 31, 2014	June 30, 2014	0.01044273%	\$ 391,977	\$ 158,682	247.02%	66.32%
December 31, 2013	June 30, 2013	0.01140061%	\$ 490,658	\$ 145,308	337.67%	59.81%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT G
TOWN OF FREMONT, NEW HAMPSHIRE
Schedule of Town Contributions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2016

Fiscal Year End	Valuation Date	Contractually Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2016	June 30, 2016	\$ 48,888	\$ 48,888	\$ -	\$ 217,237	22.50%
December 31, 2015	June 30, 2015	\$ 37,270	\$ 37,270	\$ -	\$ 174,569	21.35%
December 31, 2014	June 30, 2014	\$ 33,879	\$ 33,879	\$ -	\$ 158,682	21.35%
December 31, 2013	June 30, 2013	\$ 28,348	\$ 28,348	\$ -	\$ 145,308	19.51%

The note to the required supplementary information is an integral part of this schedule.

TOWN OF FREMONT, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

Schedule of the Town's Proportionate Share of Net Pension Liability & Schedule of Town Contributions

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town's pension plan at December 31, 2016.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2016:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	23 Years beginning July 1, 2016 (30 years beginning July 1, 2009)
Asset Valuation Method	5-Year smooth market for funding purposes
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.85% per year
Investment Rate of Return	7.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

Other Information:

Notes	Contribution rates for Fiscal Year 2014 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.
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COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF FREMONT, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2016

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,439,715	\$ 1,413,860	\$ (25,855)
Land use change	75,000	-	(75,000)
Yield	5,000	624	(4,376)
Excavation	160	200	40
Interest and penalties on taxes	31,000	35,193	4,193
Total from taxes	<u>1,550,875</u>	<u>1,449,877</u>	<u>(100,998)</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	840,000	908,032	68,032
Building permits	65,000	62,994	(2,006)
Other	11,000	12,743	1,743
Total from licenses, permits, and fees	<u>916,000</u>	<u>983,769</u>	<u>67,769</u>
Intergovernmental:			
State:			
Meals and rooms distribution	237,709	237,709	-
Highway block grant	114,506	114,506	-
Federal:			
FEMA	-	171	171
Total from intergovernmental	<u>352,215</u>	<u>352,386</u>	<u>171</u>
Charges for services:			
Income from departments	<u>47,400</u>	<u>54,317</u>	<u>6,917</u>
Miscellaneous:			
Sale of municipal property	1,025	245	(780)
Interest on investments	6,500	8,419	1,919
Rent of property	-	175	175
Insurance dividends and reimbursements	-	(645)	(645)
Other	14,300	14,014	(286)
Total from miscellaneous	<u>21,825</u>	<u>22,208</u>	<u>383</u>
Other financing sources:			
Transfers in	<u>33,896</u>	<u>33,896</u>	<u>-</u>
Total revenues and other financing sources	<u>2,922,211</u>	<u>\$ 2,896,453</u>	<u>\$ (25,758)</u>
Unassigned fund balance used to reduce tax rate	1,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 2,923,211</u>		

SCHEDULE 2
TOWN OF FREMONT, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2016

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 120,333	\$ 98,197	\$ -	\$ 22,136
Election and registration	-	75,184	76,421	-	(1,237)
Financial administration	-	20,410	21,320	-	(910)
Revaluation of property	-	38,526	43,421	-	(4,895)
Legal	-	20,000	9,323	-	10,677
Personnel administration	3,250	283,147	277,743	-	8,654
Planning and zoning	-	37,367	28,507	-	8,860
General government buildings	60,355	81,423	124,336	89,401	(71,959)
Cemeteries	-	14,150	13,927	1,574	(1,351)
Insurance, not otherwise allocated	-	41,519	30,758	-	10,761
Advertising and regional associations	-	7,895	7,967	-	(72)
Other	-	1,950	1,938	-	12
Total general government	63,605	741,904	733,858	90,975	(19,324)
Public safety:					
Police	14,927	515,085	506,782	-	23,230
Ambulance	-	8,000	8,000	-	-
Fire	34,500	181,019	206,004	-	9,515
Building inspection	-	34,367	34,916	-	(549)
Emergency management	-	4,000	3,045	-	955
Total public safety	49,427	742,471	758,747	-	33,151
Highways and streets:					
Highways and streets	5,867	402,662	418,141	4,406	(14,018)
Street lighting	-	5,256	5,667	-	(411)
Total highways and streets	5,867	407,918	423,808	4,406	(14,429)
Sanitation:					
Solid waste collection	-	219,555	219,554	-	1
Solid waste disposal	-	102,050	89,817	-	12,233
Total sanitation	-	321,605	309,371	-	12,234
Health:					
Administration	-	750	417	-	333
Pest control	-	9,796	8,462	-	1,334
Total health	-	10,546	8,879	-	1,667
Welfare:					
Direct assistance	-	14,850	12,618	-	2,232
Vendor payments	-	26,154	26,154	-	-
Total welfare	-	41,004	38,772	-	2,232
Culture and recreation:					
Parks and recreation	-	46,000	37,125	-	8,875
Library	-	105,573	105,824	-	(251)
Patriotic purposes	-	2,185	2,039	-	146
Total culture and recreation	-	153,758	144,988	-	8,770
Conservation	-	1,088	1,035	-	53

(Continued)

SCHEDULE 2 (Continued)
TOWN OF FREMONT, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2016

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal of long-term debt	-	135,000	135,000	-	-
Interest on long-term debt	-	34,976	34,976	-	-
Interest on tax anticipation notes	-	2,000	-	-	2,000
Total debt service	-	171,976	169,976	-	2,000
Capital outlay	-	166,941	170,891	-	(3,950)
Other financing uses:					
Transfers out	-	164,000	164,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 118,899</u>	<u>\$ 2,923,211</u>	<u>\$ 2,924,325</u>	<u>\$ 95,381</u>	<u>\$ 22,404</u>

SCHEDULE 3
TOWN OF FREMONT, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2016

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 561,720
Changes:		
Unassigned fund balance used to reduce 2016 tax rate		(1,000)
2016 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (25,758)	
Unexpended balance of appropriations (Schedule 2)	<u>22,404</u>	
2016 Budget shortfall		(3,354)
Decrease in restricted fund balance		75
Increase in assigned for contingency fund balance		<u>(3,874)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		<u>553,567</u>
<i>Reconciliation of Non-GAAP Basis to GAAP Basis</i>		
To comply with generally accepted accounting principles by deferring property taxes not collected within 60 days of December 31, 2016		(36,979)
Eliminated allowance for doubtful property taxes receivable		<u>19,000</u>
Unassigned fund balance, ending GAAP basis (Exhibit C-1)		<u><u>\$ 535,588</u></u>

SCHEDULE 4
TOWN OF FREMONT, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2016

	Special Revenue Funds								
	Conservation Commission	Police OHRV	Cable Franchise Fee	Playground	Energy Commission	Police Detail	Recreation Revolving	Permanent Fund	Total
ASSETS									
Cash and cash equivalents	\$ 129,010	\$ 21,767	\$ 16,558	\$ 3,763	\$ 3	\$ 28,645	\$ 3,418	\$ 147,681	\$ 350,845
Accounts receivable	-	-	-	-	-	4,410	-	-	4,410
Interfund receivable	81,068	-	-	-	-	-	-	-	81,068
Total assets	\$ 210,078	\$ 21,767	\$ 16,558	\$ 3,763	\$ 3	\$ 33,055	\$ 3,418	\$ 147,681	\$ 436,323
LIABILITIES									
Interfund payable	\$ -	\$ -	\$ 985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 985
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	106,554	106,554
Restricted	-	-	-	-	-	-	-	41,127	41,127
Committed	210,078	21,767	15,573	3,763	3	33,055	3,418	-	287,657
Total fund balances	210,078	21,767	15,573	3,763	3	33,055	3,418	147,681	435,338
Total liabilities and fund balances	\$ 210,078	\$ 21,767	\$ 16,558	\$ 3,763	\$ 3	\$ 33,055	\$ 3,418	\$ 147,681	\$ 436,323

SCHEDULE 5
TOWN OF FREMONT, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2016

	Special Revenue Funds								
	Conservation Commission	Police OHRV	Cable Franchise Fee	Playground	Energy Commission	Police Detail	Recreation Revolving	Permanent Fund	Total
REVENUES									
Taxes	\$ 81,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,068
Charges for services	-	-	-	-	-	53,266	2,415	-	55,681
Miscellaneous	633	418	43	17	-	-	3	2,507	3,621
Total revenues	81,701	418	43	17	-	53,266	2,418	2,507	140,370
EXPENDITURES									
Current:									
General government	-	-	8,617	-	-	-	-	-	8,617
Public safety	-	1,797	-	-	-	34,694	-	-	36,491
Conservation	4,830	-	-	-	-	-	-	-	4,830
Total expenditures	4,830	1,797	8,617	-	-	34,694	-	-	49,938
Excess (deficiency) of revenues over (under) expenditures	76,871	(1,379)	(8,574)	17	-	18,572	2,418	2,507	90,432
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	1,000	-	1,000
Transfers out	-	-	-	-	-	-	-	(2,000)	(2,000)
Total other financing sources (uses)	-	-	-	-	-	-	1,000	(2,000)	(1,000)
Net change in fund balances	76,871	(1,379)	(8,574)	17	-	18,572	3,418	507	89,432
Fund balances, beginning	133,207	23,146	24,147	3,746	3	14,483	-	147,174	345,906
Fund balances, ending	\$ 210,078	\$ 21,767	\$ 15,573	\$ 3,763	\$ 3	\$ 33,055	\$ 3,418	\$ 147,681	\$ 435,338