

**TOWN OF FREMONT,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2021**

**TOWN OF FREMONT, NEW HAMPSHIRE**  
**ANNUAL FINANCIAL REPORT**  
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**DECEMBER 31, 2021**

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# PLODZIK & SANDERSON

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## ***INDEPENDENT AUDITOR'S REPORT***

To the Members of the Board of Selectmen  
Town of Fremont  
Fremont, New Hampshire

### **Report on the Financial Statements**

#### ***Adverse and Unmodified Opinions***

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

#### ***Adverse Opinion on Governmental Activities***

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the accompanying financial statements do not present fairly the financial position of the governmental activities of the Town of Fremont, as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinions***

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the major fund and aggregate remaining fund information of the Town of Fremont as of December 31, 2021, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Fremont 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.

#### ***Basis for Adverse Opinion on Governmental Activities***

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

***Town of Fremont  
Independent Auditor's Report***

***Responsibilities of Management for the Financial Statements***

The Town of Fremont's 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, 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 of Fremont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 of Fremont'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 of Fremont's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information** – Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions,
- Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of Town Contributions – Other Postemployment Benefits, and
- Notes to the Required Supplementary Information

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.

***Town of Fremont***  
***Independent Auditor's Report***

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 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. Our opinion on the basic financial statements is not affected by the missing information.

**Supplementary 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.

September 1, 2022

*Plodzik & Sanderson*  
*Professional Association*

## ***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Statement of Net Position**  
**December 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,989,714
Taxes receivables (net)	3,121,941
Account receivables	6,027
Capital assets:	
Land and construction in progress	2,917,715
Other capital assets, net of depreciation	6,017,947
Total assets	<u>16,053,344</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	216,898
Amounts related to other postemployment benefits	6,579
Total deferred outflows of resources	<u>223,477</u>
<b>LIABILITIES</b>	
Accounts payable	51,011
Accrued interest payable	2,691
Intergovernmental payable	5,133,596
Other	88,922
Long-term liabilities:	
Due within one year	41,735
Due in more than one year	1,082,932
Total liabilities	<u>6,400,887</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - Library gifts and grants	2,078
Unavailable revenue - ARPA	165,427
Amounts related to pensions	259,300
Amounts related to other postemployment benefits	1,377
Total deferred inflows of resources	<u>428,182</u>
<b>NET POSITION</b>	
Net investment in capital assets	8,768,722
Restricted	142,941
Unrestricted	536,089
Total net position	<u>\$ 9,447,752</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, 2021**

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change In Net Position
General government	\$ 1,045,609	\$ 17,133	\$ -	\$ -	\$ (1,028,476)
Public safety	1,082,104	113,657	-	-	(968,447)
Highways and streets	683,127	3,180	114,940	81,117	(483,890)
Sanitation	417,121	8,431	-	-	(408,690)
Health	50,975	-	-	-	(50,975)
Welfare	38,703	-	-	-	(38,703)
Culture and recreation	161,550	400	-	-	(161,150)
Conservation	13,772	-	-	-	(13,772)
Interest on long-term debt	4,844	-	-	-	(4,844)
Total governmental activities	<u>\$ 3,497,805</u>	<u>\$ 142,801</u>	<u>\$ 114,940</u>	<u>\$ 81,117</u>	<u>(3,158,947)</u>
General revenues:					
Taxes:					
Property					1,847,531
Other					160,039
Motor vehicle permit fees					1,110,302
Licenses and other fees					75,000
Grants and contributions not restricted to specific programs					350,187
Unrestricted investment earnings					2,854
Miscellaneous					66,624
Total general revenues					<u>3,612,537</u>
Change in net position					453,590
Net position, beginning, as restated (see Note 16)					8,994,162
Net position, ending					<u>\$ 9,447,752</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, 2021**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,531,044	\$ 458,670	\$ 3,989,714
Taxes receivable	3,146,633	-	3,146,633
Accounts receivable	-	6,027	6,027
Total assets	<u>\$ 6,677,677</u>	<u>\$ 464,697</u>	<u>\$ 7,142,374</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 51,011	\$ -	\$ 51,011
Intergovernmental payable	5,133,596	-	5,133,596
Other	88,922	-	88,922
Total liabilities	<u>5,273,529</u>	<u>-</u>	<u>5,273,529</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	33,105	-	33,105
Unavailable revenue - Library gifts and grants	2,078	-	2,078
Unavailable revenue - ARPA	165,427	-	165,427
Total deferred inflows of resources	<u>200,610</u>	<u>-</u>	<u>200,610</u>
<b>FUND BALANCES</b>			
Nonspendable	-	108,664	108,664
Restricted	-	34,277	34,277
Committed	622,284	321,756	944,040
Assigned	219,789	-	219,789
Unassigned	361,465	-	361,465
Total fund balances	<u>1,203,538</u>	<u>464,697</u>	<u>1,668,235</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,677,677</u>	<u>\$ 464,697</u>	<u>\$ 7,142,374</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 - Governmental Funds to the Statement of Net Position**  
**December 31, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds (Exhibit C-1)		\$ 1,668,235
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 18,668,557	
Less accumulated depreciation	<u>(9,732,895)</u>	
		8,935,662
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position		
Deferred outflows of resources related to pensions	\$ 216,898	
Deferred inflows of resources related to pensions	(259,300)	
Deferred outflows of resources related to OPEB	6,579	
Deferred inflows of resources related to OPEB	<u>(1,377)</u>	
		(37,200)
Long-term revenue (taxes) is not available to pay current-period expenditures, and therefore, is deferred in the governmental funds.		33,105
Allowance for uncollectible property taxes that is recognized on a full accrual basis, but not on the modified accrual basis.		(24,692)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(2,691)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 160,000	
Unamortized bond premium	6,940	
Net pension liability	849,319	
Other postemployment benefits	<u>108,408</u>	
		(1,124,667)
Net position of governmental activities (Exhibit A)		<u><u>\$ 9,447,752</u></u>

**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, 2021**

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 1,935,872	\$ 74,000	\$ 2,009,872
Licenses and permits	1,185,302	-	1,185,302
Intergovernmental	546,244	-	546,244
Charges for services	88,937	53,864	142,801
Miscellaneous	28,829	40,649	69,478
Total revenues	3,785,184	168,513	3,953,697
<b>EXPENDITURES</b>			
Current:			
General government	1,004,086	18,826	1,022,912
Public safety	982,687	42,832	1,025,519
Highways and streets	856,752	-	856,752
Sanitation	417,121	-	417,121
Health	50,975	-	50,975
Welfare	38,703	-	38,703
Culture and recreation	179,322	-	179,322
Conservation	3,494	10,278	13,772
Debt service:			
Principal	85,000	-	85,000
Interest	9,270	-	9,270
Capital outlay	106,424	-	106,424
Total expenditures	3,733,834	71,936	3,805,770
Excess of revenues over expenditures	51,350	96,577	147,927
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,000	-	2,000
Transfers out	-	(2,000)	(2,000)
Total other financing sources (uses)	2,000	(2,000)	-
Net change in fund balances	53,350	94,577	147,927
Fund balances, beginning, as restated (see Note 16)	1,150,188	370,120	1,520,308
Fund balances, ending	\$ 1,203,538	\$ 464,697	\$ 1,668,235

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 - Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended December 31, 2021*

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 147,927
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capitalized capital outlay exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$619,129	
Depreciation expense	<u>(396,007)</u>	
		223,122
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (2,000)	
Transfers out	<u>2,000</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(2,302)
Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of bond principal	\$ 85,000	
Amortization of bond premium	1,735	
Repayment of capital lease	<u>21,073</u>	
		107,808
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 governmental funds.		
Decrease in accrued interest expense	\$ 2,691	
Net change in net pension liability, and related deferred outflows of resources and deferred inflows of resources	(34,600)	
Net change in other postemployment benefits liability, and related deferred outflows of resources and deferred inflows of resources	<u>8,944</u>	
		(22,965)
Change in net position of governmental activities (Exhibit B)		<u>\$ 453,590</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, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,967,187	\$ 1,967,187	\$ 1,933,570	\$ (33,617)
Licenses and permits	1,273,000	1,273,000	1,185,302	(87,698)
Intergovernmental	465,156	546,273	546,244	(29)
Charges for services	48,511	48,511	88,937	40,426
Miscellaneous	28,138	28,138	28,169	31
Total revenues	<u>3,781,992</u>	<u>3,863,109</u>	<u>3,782,222</u>	<u>(80,887)</u>
<b>EXPENDITURES</b>				
Current:				
General government	985,281	985,281	997,689	(12,408)
Public safety	1,051,179	1,051,179	991,913	59,266
Highways and streets	875,068	875,068	957,749	(82,681)
Sanitation	443,225	443,225	417,121	26,104
Health	52,355	52,355	50,975	1,380
Welfare	50,822	50,822	38,703	12,119
Culture and recreation	178,297	178,297	154,211	24,086
Conservation	3,494	3,494	3,494	-
Debt service:				
Principal	85,000	85,000	85,000	-
Interest	9,271	9,271	9,270	1
Capital outlay	-	81,117	106,424	(25,307)
Total expenditures	<u>3,733,992</u>	<u>3,815,109</u>	<u>3,812,549</u>	<u>2,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,000</u>	<u>48,000</u>	<u>(30,327)</u>	<u>(78,327)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,000	2,000	2,000	-
Transfers out	(154,000)	(154,000)	(154,000)	-
Total other financing sources (uses)	<u>(152,000)</u>	<u>(152,000)</u>	<u>(152,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (104,000)</u>	<u>\$ (104,000)</u>	<u>(182,327)</u>	<u>\$ (78,327)</u>
Unassigned fund balance, beginning, as restated (see Note 16)			552,205	
Unassigned fund balance, ending			<u>\$ 369,878</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 Fiduciary Net Position**  
**December 31, 2021**

	Private Purpose Trust Funds	Other Custodial Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 59,258	\$ 1,533,498	\$ 1,592,756
Intergovernmental receivable	-	5,133,596	5,133,596
Total assets	59,258	6,667,094	6,726,352
<b>LIABILITIES</b>			
Due to school district	-	5,133,596	5,133,596
<b>NET POSITION</b>			
Restricted	\$ 59,258	\$ 1,533,498	\$ 1,592,756

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 Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2021**

	Private Purpose Trust Funds	Other Custodial Funds	Total
<b>ADDITIONS</b>			
Contributions	\$ -	\$ 443,660	\$ 443,660
Investment earnings	75	1,645	1,720
Tax collections for other governments	-	9,947,575	9,947,575
Collection of motor vehicle fees for State	-	368,603	368,603
Total additions	75	10,761,483	10,761,558
<b>DEDUCTIONS</b>			
Payments of taxes to other governments	-	9,947,575	9,947,575
Payments for escrow purposes	-	99,389	99,389
Payments of motor vehicle fees to State	-	368,603	368,603
Total deductions	-	10,415,567	10,415,567
Net increase in fiduciary net position	75	345,916	345,991
Net position, beginning	59,183	1,187,582	1,246,765
Net position, ending	\$ 59,258	\$ 1,533,498	\$ 1,592,756

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, 2021**

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**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 U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

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 Basis of Accounting and Measurement Focus***

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

***Government-wide Financial Statements*** – The Town's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town accompanied by a total column. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position, with the exception of the long-term costs of retirement healthcare and obligations for other postemployment benefits of the Town's single employer plan have also been omitted because the liability and expense have not been determined. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. As in the Statement of Net Position the Town has not recorded other postemployment benefit expense of the Town's single employer plan in this statement. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

***Governmental Fund Financial Statements*** – Include a balance sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

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, with the exception of reimbursement-based grants, which use a period of one year. 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.

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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 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, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the expendable trust funds are consolidated in the general fund.

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 Funds** – are held in the custody of the Trustees of Trust Funds and are used to account for resources held in trust for use by the Town. These can include legal trusts for which the interest on the corpus provides funds for the Town’s cemetery operations.

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

**Fiduciary Fund Financial Statements** – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town 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.

**Custodial Fund** – are custodial in nature and do not belong to the primary government. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

### ***1-C 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.

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.

### ***1-D 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-E Capital Assets***

Capital assets include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), which are reported in the governmental activities column in the government-wide financial statements. The accounting and reporting treatment applied to capital assets 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 government-wide Statement of Net Position.

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Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

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

***1-F 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” (i.e., the current portion of interfund loans). 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-G Property Taxes***

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 13, 2021 and November 24, 2021, and due on July 6, 2021 and December 30, 2021. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2020 on March 18, 2021.

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, 2021 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 532,378,255
For all other taxes	\$ 541,193,155

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The tax rates and amounts assessed for the year ended December 31, 2021 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$3.91	\$ 2,115,284
School portion:		
State of New Hampshire	\$1.88	1,001,250
Local	\$15.67	8,482,346
County portion	\$0.86	463,979
Total	<u>\$22.32</u>	<u>\$12,062,859</u>

**1-H 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, 2021.

**1-I 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 outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Town after the measurement date but before the end of the Town's reporting period.

*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. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year-end in addition to the American Rescue Plan Act (ARPA) funds received in advance of eligible expenditures.

**1-J 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 Statement of Net Position.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classifications to categorize the financial transactions:

**Direct Placements** – financial transactions for the sale of bonds where the Town engages with a single buyer or limited number of buyers without a public offering.

**1-K 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.

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The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

***1-L Postemployment Benefits Other Than Pensions***

The Town maintains two separate other postemployment benefit plans (OPEB), as follows:

***New Hampshire Retirement System Plan*** – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

***Single Employer Plan*** – The Town maintains a single employer plan but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with Government Accounting Standards Board Statement No. 75.

***1-M Net Position/Fund Balances***

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

**Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of the bond and other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a further project.

**Unrestricted net position** – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

***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 extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable** – 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** – 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** – 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** – 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** – 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:

- 5% to 15% of regular general fund operating revenues
- 8% to 17% of regular general fund operating expenditures.

***1-N 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 receivables, and the useful lives and impairment of capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, 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.

***1-O Material Change in Classification***

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the Conservation Commission fund which accounts for conservation activities did not qualify as a major fund for the current fiscal year. As such it was reclassified to the nonmajor governmental funds.

**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 U.S. generally accepted accounting principles (GAAP).

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 2021, \$75,000 of the beginning general fund unassigned fund balance was applied for this purpose and \$29,000 was voted from unassigned fund balance as a transfer to the expendable trust funds.

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**2-B Budgetary Reconciliation to GAAP Basis**

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the major general fund. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$3,784,222
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	660
Change in deferred tax revenue relating to 60-day revenue recognition	
recognized as revenue on the GAAP basis, but not on the budgetary basis	2,302
Per Exhibit C-3 (GAAP basis)	<u>\$3,787,184</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$3,966,549
Adjustment:	
Basis differences:	
Encumbrances, beginning	76,817
Encumbrances, ending	(219,789)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	64,257
To eliminate transfers between general and blended funds	(154,000)
Per Exhibit C-3 (GAAP basis)	<u>\$3,733,834</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 \$5,582,470 and the bank balances totaled \$5,320,176.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 3,989,714
Cash per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	<u>1,592,756</u>
Total cash and cash equivalents	<u>\$ 5,582,470</u>

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**NOTE 4 – TAXES RECEIVABLE**

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2021. The amount has been reduced by an allowance for an estimated uncollectible amount of \$24,692. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2021	\$3,012,601	\$3,012,601
Unredeemed (under tax lien):		
Levy of 2020	41,667	41,667
Levy of 2019	20,103	20,103
Levies of 2018 and prior	14,983	14,983
Yield	279	279
Land use change	57,000	57,000
Less: allowance for estimated uncollectible taxes	(24,692) *	-
Net taxes receivable	<u>\$3,121,941</u>	<u>\$3,146,633</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-B. However, the allowance is recognized under the accrual basis of accounting (Exhibits A and B).

**NOTE 5 – OTHER RECEIVABLES**

Receivables at December 31, 2021, consisted of accounts (billings for police details and other user charges) and intergovernmental amounts arising from property taxes collected on behalf of the Fremont School District. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of December 31, 2021 for the Town's major fund and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	Governmental Funds	Fiduciary Funds
	Nonmajor	
Receivables:		
Accounts	\$ 6,027	\$ -
Intergovernmental	-	5,133,596 <sup>1</sup>
Net total receivables	<u>\$ 6,027</u>	<u>\$ 5,133,596</u>

1. Fiduciary Funds – Intergovernmental receivables represent property taxes collected on behalf of the Fremont School District. These amounts are collected and are not part of the Town's general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 8.

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	<u>\$ 2,917,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,917,715</u>

(Continued)



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*Capital assets continued:*

	Balance, beginning	Additions	Deletions	Balance, ending
Being depreciated:				
Land improvements	459,956	22,000	-	481,956
Buildings and building improvements	3,711,859	11,849	-	3,723,708
Infrastructure	8,126,775	507,333	-	8,634,108
Machinery, equipment, and vehicles	2,905,123	77,947	(72,000)	2,911,070
Total capital assets being depreciated	15,203,713	619,129	(72,000)	15,750,842
Total all capital assets	18,121,428	619,129	(72,000)	18,668,557
Less accumulated depreciation:				
Land improvements	(432,183)	(10,330)	-	(442,513)
Buildings and building improvements	(1,555,347)	(4,487)	-	(1,559,834)
Infrastructure	(5,452,005)	(272,259)	-	(5,724,264)
Machinery, equipment, and vehicles	(1,969,353)	(108,931)	72,000	(2,006,284)
Total accumulated depreciation	(9,408,888)	(396,007)	72,000	(9,732,895)
Net book value, capital assets being depreciated	5,794,825	223,122	-	6,017,947
Net book value, all capital assets	\$8,712,540	\$ 223,122	\$ -	\$ 8,935,662

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	\$ 22,697
Public safety	85,541
Highways and streets	283,541
Culture and recreation	4,228
Total depreciation expense	<u>\$ 396,007</u>

**NOTE 7 – INTERFUND TRANSFERS**

The composition of interfund transfers for the year ended December 31, 2021 is as follows:

	Transfers In:
	General
	Fund
Transfers out:	
Nonmajor fund	<u>\$ 2,000</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 \$5,133,596 at December 31, 2021 in the governmental funds consist of property taxes due to the custodial funds collected by the Town on behalf of the Fremont School District and are reported as a component of general fund cash at year-end and property taxes receivable. The same amount reported in the fiduciary funds represent these property taxes due to the Fremont School District.

**NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources of at December 31, 2021 consist of amounts related to pensions totaling \$216,898 and amounts related to OPEB totaling \$6,579. For further discussion on these amounts, see Note 11 and 12, respectively.

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Deferred inflows of resources are as follows:

	Exhibit A	Exhibit C-1
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 33,105
American Rescue Plan Act (ARPA) revenue received in advance of eligible expenditures	165,427	165,427
Library gifts and grants	2,078	2,078
Amounts related to pensions (see Note 11)	259,300	-
Amounts related to other postemployment benefits (see Note 12)	1,377	-
Total deferred inflows of resources	<u>\$ 428,182</u>	<u>\$ 200,610</u>

**NOTE 10 – LONG-TERM LIABILITIES**

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year	Due In More Than One Year
Bond payable:						
Direct placement	\$ 245,000	\$ -	\$ (85,000)	\$ 160,000	\$ 40,000	\$ 120,000
Premium	8,675	-	(1,735)	6,940	1,735	5,205
Total bonds payable	253,675	-	(86,735)	166,940	41,735	125,205
Capital leases	21,073	-	(21,073)	-	-	-
Net pension liability	1,217,947	-	(368,628)	849,319	-	849,319
Net other postemployment benefits	117,864	-	(9,456)	108,408	-	108,408
Total long-term liabilities	<u>\$ 1,610,559</u>	<u>\$ -</u>	<u>\$ (485,892)</u>	<u>\$ 1,124,667</u>	<u>\$ 41,735</u>	<u>\$ 1,082,932</u>

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2021	Current Portion
Bond payable:						
Direct placement:						
Glen Oaks Land purchase	\$ 795,300	2005	2025	4.04	\$ 160,000	\$ 40,000
Bond premium					6,940	1,735
Total					<u>\$ 166,940</u>	<u>\$ 41,735</u>

The annual requirements to amortize the general obligation bond outstanding as of December 31, 2021, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bond - Direct Placement		
	Principal	Interest	Total
2022	\$ 40,000	\$ 5,320	\$ 45,320
2023	40,000	3,600	43,600
2024	40,000	2,260	42,260
2025	40,000	1,200	41,200
Totals	<u>\$ 160,000</u>	<u>\$ 12,380</u>	<u>\$ 172,380</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.

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**Bonds Authorized and Unissued** – Bonds and notes authorized and unissued as of December 31, 2021 were as follows:

Per District Meeting Vote of	Purpose	Unissued Amount
March 18, 2006 - Article No.	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 a 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 within 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** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). 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.

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 benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (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 1/1/12 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 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but 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%

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. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80% respectively. For the period of January 1, 2021 to June 30, 2021, the Town contributed 24.77% for police, 26.43%, for fire and 10.88% for other employees. For the period of July 1, 2021 to December 31, 2021 the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2021 was \$88,043, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2021 the Town reported a liability of \$849,319 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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

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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, 2021, the Town's proportion was 0.019% which was the same as its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$254,893. At December 31, 2021 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	\$ 66,603	\$ 12,873
Changes in assumptions	88,707	-
Net difference between projected and actual investment earnings on pension plan investments	-	237,535
Differences between expected and actual experience	23,782	8,892
Contributions subsequent to the measurement date	37,806	-
Total	<u>\$ 216,898</u>	<u>\$ 259,300</u>

The \$37,806 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 December 31, 2022. 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,	
2022	\$ 17,375
2023	1,775
2024	(23,259)
2025	(76,099)
Totals	<u>\$ (80,208)</u>

**Actuarial Assumptions** – The collective total pension liability was based on the following assumptions:

Inflation:	2.0%
Salary increases:	5.6% average, including inflation
Wage inflation:	2.75% (2.25% for Teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

Mortality rates were 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, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

**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.

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

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the collective total pension liability was 6.75%. 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 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:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 1,214,623	\$ 849,319	\$ 554,595

**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 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**12-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system which administers a cost-sharing multiple-employer other postemployment benefit (OPEB) plan. For additional system information, please refer to the 2021 Annual Comprehensive Financial Report, which can be found on the system's website at [www.nhrs.org](http://www.nhrs.org).

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**Benefits Provided** - Benefit amounts and eligibility requirements for the OPEB Plan are set by State law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2021 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

**Contributions** - The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For the period of January 1, 2021 to June 30, 2021, the Town contributed 3.66% for police and fire, and 0.29% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$13,009, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** - At December 31, 2021, the Town reported a liability of \$108,408 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the Town's proportion was 0.027% which was the same as its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$4,053. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 5	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	1,354
Differences between expected and actual experience	-	23
Contributions subsequent to the measurement date	6,574	-
Total	<u>\$ 6,579</u>	<u>\$ 1,377</u>

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The \$6,574 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2022	\$ (327)
2023	(285)
2024	(319)
2025	(441)
Totals	<u>\$ (1,372)</u>

**Actuarial Assumptions** – The collective total OPEB liability was based on the following actuarial assumptions:

Inflation:	2.0%
Salary increases:	5.6 % average, including inflation
Wage inflation:	2.75% (2.25% for Teachers)
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation for determining solvency contributions

Mortality rates were 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, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 - June 30, 2019.

**Long-term Rates of Return** – The long-term expected rate of return on OPEB 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 geometric real rates of return for each asset class:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

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**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and 100-A:53. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Discount Rate** – The following table presents the Town's proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the Town's proportionate share of the OPEB 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:

Actuarial	Current Single		
Valuation	1% Decrease	Rate Assumption	1% Increase
Date	5.75%	6.75%	7.75%
June 30, 2021	\$ 117,848	\$ 108,408	\$ 100,194

**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption** – GASB No.75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

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

**12-B Town of Fremont Retiree Health Benefit Program**

The Town provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the Town's contractual agreements.

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The Town has not fully implemented GASB Statement No. 75 at December 31, 2021 or contracted with an actuarial firm to assist in evaluating the impact of this standard on the Town's single employer plan. The amounts that should be recorded as the net OPEB liability and the OPEB expense for the Town's single employer plan are unknown.

**NOTE 13 – ENCUMBRANCES**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2021 and are as follows:

General fund:	
General government	\$ 16,314
Public safety	31,356
Highways and streets	163,169
Culture and recreation	8,950
Total encumbrances	<u>\$ 219,789</u>



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**NOTE 14 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION**

Net position reported on the governmental activities and fiduciary funds Statements of Net Position at December 31, 2021 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 8,935,662	\$ -
Less:		
General obligation bonds payable	(160,000)	-
Unamortized bond premiums	(6,940)	-
Total net investment in capital assets	<u>8,768,722</u>	<u>-</u>
Restricted net position:		
Perpetual care - nonexpendable	108,664	-
Perpetual care - income balance	34,277	-
Escrow and School purposes	-	1,592,756
Total restricted net position	<u>142,941</u>	<u>1,592,756</u>
Unrestricted	<u>536,089</u>	<u>-</u>
Total net position	<u><u>\$ 9,447,752</u></u>	<u><u>\$ 1,592,756</u></u>

**NOTE 15 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>			
Permanent fund - principal balance	\$ -	\$ 108,664	\$ 108,664
<b>Restricted:</b>			
Permanent - income balance	<u>-</u>	<u>34,277</u>	<u>34,277</u>
<b>Committed:</b>			
Expendable trust	622,284	-	622,284
Conservation commission	-	238,766	238,766
Police OHRV	-	1,994	1,994
Cable Franchise Fee	-	29,984	29,984
Playground	-	3,861	3,861
Police detail	-	43,117	43,117
Recreation revolving	-	4,034	4,034
Total committed fund balance	<u>622,284</u>	<u>321,756</u>	<u>944,040</u>
<b>Assigned:</b>			
Encumbrances	219,789	-	219,789
<b>Unassigned</b>	<u>361,465</u>	<u>-</u>	<u>361,465</u>
Total governmental fund balances	<u><u>\$ 1,203,538</u></u>	<u><u>\$ 464,697</u></u>	<u><u>\$ 1,668,235</u></u>

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**NOTE 16 – PRIOR PERIOD ADJUSTMENT**

Net position/fund balance at January 1, 2021 was restated to give retroactive effect to the following prior period adjustment:

	Government-wide Statements	General Fund	Total Governmental Funds	Budgetary Basis General Fund Unassigned
To restate for cash and escrow liability	\$ (20,141)	\$ (20,141)	\$ (20,141)	\$ (20,141)
Net position/fund balance, as previously reported	9,014,303	1,170,329	1,540,449	572,346
Net position/fund balance, as restated	<u>\$ 8,994,162</u>	<u>\$ 1,150,188</u>	<u>\$ 1,520,308</u>	<u>\$ 552,205</u>

**NOTE 17 – 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 2021, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2021 to December 31, 2021 by Primex<sup>3</sup>, 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 workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2021 the Town paid \$65,591 and \$35,335 respectively, to Primex for property, liability, and worker's compensation. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 18 – 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 road agent owns a company that is contracted with the Town to perform highway and street work. The total invoices paid was \$145,672. It was noted that all 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 subjected to the same authorization process with the Board of Selectmen approving all contracts and subsequent payments to contractors.

**NOTE 19 – COVID-19**

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The Town was allotted a total of \$493,088 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$246,544 or 50% of the funding was received in 2021. The remainder is expected to be received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue and necessary water, sewer, and broadband investment. For the year ended December 31, 2021 the Town spent \$81,117 of the funds received. The remaining funds are included in deferred inflows of resources until eligible expenditures have been made.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

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**NOTE 20 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Town had no such agreements for the year ended December 31, 2021.

**NOTE 21 – 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 September 1, 2022, the date the December 31, 2021 financial statements were available to be issued, and the following occurred that requires recognition or disclosure:

At the March 8, 2022 Annual Town Election, the following articles were approved by the voters of the Town of Fremont:

- **Warrant Article No. 7** – The Town voted to raise and appropriate \$4,000 to be deposited into the Computer Expendable Trust Fund, with the amount to come from December 31, 2021 unassigned fund balance.
- **Warrant Article No. 8** – The Town voted to raise and appropriate \$10,000 to be deposited into the Library Building Expendable Trust Fund, with the amount to come from December 31, 2021 unassigned fund balance.

***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, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's:									
Proportion of the net pension liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%
Proportionate share of the net pension liability	\$ 490,658	\$ 391,977	\$ 440,091	\$ 726,003	\$ 725,758	\$ 808,481	\$ 938,136	\$ 1,217,947	\$ 849,319
Covered payroll	\$ 145,308	\$ 158,682	\$ 174,569	\$ 217,237	\$ 257,542	\$ 291,989	\$ 343,855	\$ 341,510	\$ 355,967
Proportionate share of the net pension liability as a percentage of its covered payroll	337.67%	247.02%	252.10%	334.20%	281.80%	276.89%	272.83%	356.64%	238.59%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

**EXHIBIT G**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Pensions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 28,348	\$ 33,879	\$ 37,270	\$ 48,888	\$ 54,062	\$ 70,965	\$ 84,848	\$ 84,592	\$ 88,043
Contributions in relation to the contractually required contributions	(28,348)	(33,879)	(37,270)	(48,888)	(54,062)	(70,965)	(84,848)	(84,592)	(88,043)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 145,308	\$ 158,682	\$ 174,569	\$ 217,237	\$ 257,542	\$ 291,989	\$ 343,855	\$ 341,510	\$ 380,857
Contributions as a percentage of covered payroll	19.51%	21.35%	21.35%	22.50%	20.99%	24.30%	24.68%	24.77%	23.12%

**TOWN OF FREMONT, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

***Schedule of the Town's Proportionate Share of Net Pension Liability and  
Schedule of Town Contributions - Pensions***

***Changes in Benefit Terms*** - There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates*** – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

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, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**EXHIBIT H**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefit Plan Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net OPEB liability	0.01%	0.02%	0.03%	0.03%	0.03%	0.03%
Town's proportionate share of the net OPEB liability	\$ 69,359	\$ 71,057	\$ 125,845	\$ 131,939	\$ 117,864	\$ 108,408
Town's covered payroll	\$ 217,237	\$ 257,542	\$ 291,989	\$ 343,855	\$ 341,510	\$ 355,967
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	31.93%	27.59%	43.10%	38.37%	34.51%	30.45%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%

The Note to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.



**EXHIBIT I**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Other Postemployment Benefits*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 8,325	\$ 9,211	\$ 12,158	\$ 13,734	\$ 12,499	\$ 13,009
Contributions in relation to the contractually required contribution	(8,325)	(9,211)	(12,158)	(13,734)	(12,499)	(13,009)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 217,237	\$ 257,542	\$ 291,989	\$ 343,855	\$ 341,510	\$ 380,857
Contributions as a percentage of covered payroll	3.83%	3.58%	4.16%	3.99%	3.66%	3.42%

The Note to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

**TOWN OF FREMONT, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFIT LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

***Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability and  
Schedule of Town Contributions – Other Postemployment Benefits***

***Changes in Benefit Terms*** - There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates*** – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***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, 2021**

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 1,873,745	\$ 1,833,037	\$ (40,708)
Land use change	70,000	79,250	9,250
Yield	5,187	5,466	279
Excavation	255	255	-
Interest and penalties on taxes	18,000	15,562	(2,438)
Total from taxes	<u>1,967,187</u>	<u>1,933,570</u>	<u>(33,617)</u>
<b>Licenses, permits, and fees:</b>			
Motor vehicle permit fees	1,200,000	1,110,302	(89,698)
Building permits	60,000	61,448	1,448
Other	13,000	13,552	552
Total from licenses, permits, and fees	<u>1,273,000</u>	<u>1,185,302</u>	<u>(87,698)</u>
<b>Intergovernmental:</b>			
State:			
Meals and rooms distribution	350,187	350,187	-
Highway block grant	114,969	114,940	(29)
Federal:			
ARPA	81,117	81,117	-
Total from intergovernmental	<u>546,273</u>	<u>546,244</u>	<u>(29)</u>
<b>Charges for services:</b>			
Income from departments	<u>48,511</u>	<u>88,937</u>	<u>40,426</u>
<b>Miscellaneous:</b>			
Sale of municipal property	9,352	5,942	(3,410)
Interest on investments	2,500	1,803	(697)
Other	16,286	20,424	4,138
Total from miscellaneous	<u>28,138</u>	<u>28,169</u>	<u>31</u>
<b>Other financing sources:</b>			
Transfers in	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total revenues and other financing sources	<u>3,865,109</u>	<u>\$ 3,784,222</u>	<u>\$ (80,887)</u>
Unassigned fund balance used to reduce tax rate	75,000		
Amounts voted from fund balance	29,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 3,969,109</u>		

See Independent Auditor's Report.

**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, 2021**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 129,410	\$ 120,318	\$ -	\$ 9,092
Election and registration	-	80,365	77,088	2,214	1,063
Financial administration	-	21,400	20,561	-	839
Revaluation of property	-	44,080	53,473	-	(9,393)
Legal	-	35,000	20,907	-	14,093
Personnel administration	-	423,785	405,018	-	18,767
Planning and zoning	-	47,576	41,139	-	6,437
General government buildings	9,761	99,183	156,229	10,800	(58,085)
Cemeteries	4,950	25,475	24,071	3,300	3,054
Insurance, not otherwise allocated	-	67,110	65,591	-	1,519
Advertising and regional associations	-	8,997	8,889	-	108
Other	-	2,900	2,802	-	98
Total general government	14,711	985,281	996,086	16,314	(12,408)
Public safety:					
Police	22,130	686,199	709,503	22,488	(23,662)
Ambulance	-	11,500	11,500	-	-
Fire	-	308,751	213,642	8,868	86,241
Building inspection	-	38,897	42,211	-	(3,314)
Emergency management	-	5,832	5,831	-	1
Total public safety	22,130	1,051,179	982,687	31,356	59,266
Highways and streets:					
Highways and streets	5,915	866,568	794,264	163,169	(84,950)
Bridges	-	1,500	1,500	-	-
Street lighting	-	7,000	4,731	-	2,269
Total highways and streets	5,915	875,068	800,495	163,169	(82,681)
Sanitation:					
Solid waste collection	-	315,510	288,219	-	27,291
Solid waste disposal	-	127,715	128,902	-	(1,187)
Total sanitation	-	443,225	417,121	-	26,104
Health:					
Pest control	-	50,920	49,540	-	1,380
Health agencies	-	1,435	1,435	-	-
Total health	-	52,355	50,975	-	1,380
Welfare:					
Administration and direct assistance	-	20,580	8,491	-	12,089
Vendor payments and other	-	30,242	30,212	-	30
Total welfare	-	50,822	38,703	-	12,119
Culture and recreation:					
Parks and recreation	22,176	29,072	28,847	-	22,401
Library	11,885	146,240	148,637	8,950	538
Patriotic purposes	-	2,985	1,838	-	1,147
Total culture and recreation	34,061	178,297	179,322	8,950	24,086
Conservation	-	3,494	3,494	-	-

(Continued)

See Independent Auditor's Report.

**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, 2021**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal of long-term debt	-	85,000	85,000	-	-
Interest on long-term debt	-	9,270	9,270	-	-
Interest on tax anticipation notes	-	1	-	-	1
Total debt service	-	94,271	94,270	-	1
Capital outlay	-	81,117	106,424	-	(25,307)
Other financing uses:					
Transfers out	-	154,000	154,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 76,817	\$ 3,969,109	\$ 3,823,577	\$ 219,789	\$ 2,560

See Independent Auditor's Report.

**SCHEDULE 3**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Major General Fund**  
**Schedule of Changes in Unassigned Fund Balance**  
**For the Fiscal Year Ended December 31, 2021**

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis), as restated (see Note 16)		\$ 552,205
Changes:		
Unassigned fund balance used to reduce 2021 tax rate		(75,000)
Amounts voted from fund balance		(29,000)
2021 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (80,887)	
Unexpended balance of appropriations (Schedule 2)	<u>2,560</u>	
2021 Budget deficit		<u>(78,327)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		369,878
<b>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</b>		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(33,105)
Elimination of the allowance for uncollectible taxes		<u>24,692</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 361,465</u></u>

**SCHEDULE 4**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
*Nonmajor Governmental Funds*  
**Combining Balance Sheet**  
**December 31, 2021**

	Special Revenue Funds							Total
	Police OHRV	Playground	Recreation Revolving	Cable Franchise Fee	Police Special Details	Conservation Commision	Permanent Fund	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,994	\$ 3,861	\$ 4,034	\$ 29,984	\$ 37,090	\$ 238,766	\$ 142,941	\$ 458,670
Accounts receivable	-	-	-	-	6,027	-	-	6,027
Total assets	<u>\$ 1,994</u>	<u>\$ 3,861</u>	<u>\$ 4,034</u>	<u>\$ 29,984</u>	<u>\$ 43,117</u>	<u>\$ 238,766</u>	<u>\$ 142,941</u>	<u>\$ 464,697</u>
<b>FUND BALANCES</b>								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,664	\$ 108,664
Restricted	-	-	-	-	-	-	34,277	34,277
Committed	1,994	3,861	4,034	29,984	43,117	238,766	-	321,756
Total fund balances	<u>\$ 1,994</u>	<u>\$ 3,861</u>	<u>\$ 4,034</u>	<u>\$ 29,984</u>	<u>\$ 43,117</u>	<u>\$ 238,766</u>	<u>\$ 142,941</u>	<u>\$ 464,697</u>

See Independent Auditor's Report.



**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, 2021**

	Special Revenue Funds							
	Police OHRV	Playground	Recreation Revolving	Cable Fee	Police Special Details	Conservation Commission	Permanent Fund	Total
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,000	\$ -	\$ 74,000
Charges for services	-	-	400	-	53,464	-	-	53,864
Miscellaneous	75	4	3	37,333	-	3,054	180	40,649
Total revenues	75	4	403	37,333	53,464	77,054	180	168,513
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	18,826	-	-	-	18,826
Public safety	1,906	-	-	-	40,926	-	-	42,832
Conservation	-	-	-	-	-	10,278	-	10,278
Total expenditures	1,906	-	-	18,826	40,926	10,278	-	71,936
Excess (deficiency) of revenues over (under) expenditures	(1,831)	4	403	18,507	12,538	66,776	180	96,577
<b>OTHER FINANCING USES</b>								
Transfers out	-	-	-	-	-	-	(2,000)	(2,000)
Net change in fund balances	(1,831)	4	403	18,507	12,538	66,776	(1,820)	94,577
Fund balances, beginning,	3,825	3,857	3,631	11,477	30,579	171,990	144,761	370,120
Fund balances, ending	\$ 1,994	\$ 3,861	\$ 4,034	\$ 29,984	\$ 43,117	\$ 238,766	\$ 142,941	\$ 464,697

See Independent Auditor's Report.

**SCHEDULE 6**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Custodial Funds Fiduciary Net Position**  
**December 31, 2021**

	Custodial Funds			
	Town Clerk Fees -			Total
	Taxes	Trust Funds	State Portion	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$1,533,498	\$ -	\$ 1,533,498
Intergovernmental receivables	5,133,596	-	-	5,133,596
Total assets	5,133,596	1,533,498	-	6,667,094
<b>LIABILITIES</b>				
Due to school district	5,133,596	-	-	5,133,596
<b>NET POSITION</b>				
Restricted	\$ -	\$1,533,498	\$ -	\$ 1,533,498

See Independent Auditor's Report.

**SCHEDULE 7**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Custodial Funds Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2021**

	Custodial Funds			
	Taxes	Trust Funds	Town Clerk Fees - State Portion	Total
<b>Additions:</b>				
Contributions	\$ -	\$ 443,660	\$ -	\$ 443,660
Investment earnings	-	1,645	-	1,645
Tax collections for other governments	9,947,575	-	-	9,947,575
Collection of motor vehicle fees for State	-	-	368,603	368,603
Total additions	9,947,575	445,305	368,603	10,761,483
<b>Deductions:</b>				
Payments of taxes to other governments	9,947,575	-	-	9,947,575
Payments for escrow purposes	-	99,389	-	99,389
Payments of motor vehicle fees to State	-	-	368,603	368,603
Total deductions	9,947,575	99,389	368,603	10,415,567
Change in net position	-	345,916	-	345,916
Net position, beginning	-	1,187,582	-	1,187,582
Net position, ending	\$ -	\$ 1,533,498	\$ -	\$ 1,533,498

See Independent Auditor's Report.