

**TOWN OF FREMONT,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2022**

**TOWN OF FREMONT, NEW HAMPSHIRE**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2022**

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# **PLODZIK & SANDERSON**

*Professional Association/Certified Public Accountants*

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

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

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

### **Report on the Audit of the Financial Statements**

#### ***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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above 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, 2022, 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. 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.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town 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.

***Change in Accounting Principle***

As discussed in Note 2-C to the financial statements, in fiscal year 2022 the Town adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

**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,
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

Such information is the responsibility of management and, 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.

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

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

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.

November 16, 2023  
Concord, New Hampshire

*Plodzik & Sanderson*  
*Professional Association*

## ***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Statement of Net Position**  
**December 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,347,861
Taxes receivables (net)	293,491
Account receivables	6,394
Capital assets:	
Land and construction in progress	3,005,314
Other capital assets, net of depreciation	6,193,193
Total assets	<u>16,846,253</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	361,866
Amounts related to other postemployment benefits	7,712
Total deferred outflows of resources	<u>369,578</u>
<b>LIABILITIES</b>	
Accounts payable	32,477
Accrued salaries and benefits	34,831
Accrued interest payable	2,032
Intergovernmental payable	5,241,510
Other	61,765
Long-term liabilities:	
Due within one year	41,735
Due in more than one year	1,497,140
Total liabilities	<u>6,911,490</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - ARPA	458,021
Amounts related to pensions	13,389
Amounts related to other postemployment benefits	5,069
Total deferred inflows of resources	<u>476,479</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,073,302
Restricted	140,430
Unrestricted	614,130
Total net position	<u>\$ 9,827,862</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, 2022**

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 1,064,647	\$ 20,061	\$ 13,621	\$ (1,030,965)
Public safety	1,113,101	63,667	-	(1,049,434)
Highways and streets	991,688	7,200	308,437	(676,051)
Sanitation	431,042	6,143	-	(424,899)
Health	44,676	-	-	(44,676)
Welfare	52,914	-	-	(52,914)
Culture and recreation	204,811	560	-	(204,251)
Conservation	14,253	-	-	(14,253)
Interest on long-term debt	2,926	-	-	(2,926)
Total governmental activities	<u>\$ 3,920,058</u>	<u>\$ 97,631</u>	<u>\$ 322,058</u>	<u>(3,500,369)</u>
General revenues:				
Taxes:				
Property				2,102,106
Other				143,701
Motor vehicle permit fees				1,090,107
Licenses and other fees				72,909
Grants and contributions not restricted to specific programs				419,102
Unrestricted investment earnings				10,093
Miscellaneous				52,700
Total general revenues				<u>3,890,718</u>
Change in net position				390,349
Net position, beginning, as restated (see Note 16)				9,437,513
Net position, ending				<u>\$ 9,827,862</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, 2022**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,831,561	\$ 516,300	\$ 7,347,861
Taxes receivable	320,822	-	320,822
Accounts receivable	-	6,394	6,394
Total assets	<u>\$ 7,152,383</u>	<u>\$ 522,694</u>	<u>\$ 7,675,077</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 32,477	\$ -	\$ 32,477
Accrued salaries and benefits	34,831	-	34,831
Intergovernmental payable	5,241,510	-	5,241,510
Other	61,765	-	61,765
Total liabilities	<u>5,370,583</u>	<u>-</u>	<u>5,370,583</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	32,707	-	32,707
Unavailable revenue - ARPA	458,021	-	458,021
Total deferred inflows of resources	<u>490,728</u>	<u>-</u>	<u>490,728</u>
<b>FUND BALANCES</b>			
Nonspendable	-	106,844	106,844
Restricted	191,982	33,586	225,568
Committed	697,921	382,264	1,080,185
Assigned	64,912	-	64,912
Unassigned	336,257	-	336,257
Total fund balances	<u>1,291,072</u>	<u>522,694</u>	<u>1,813,766</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,152,383</u>	<u>\$ 522,694</u>	<u>\$ 7,675,077</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, 2022**

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 1,813,766
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 19,325,920	
Less accumulated depreciation	<u>(10,127,413)</u>	
		9,198,507
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	\$ 361,866	
Deferred inflows of resources related to pensions	(13,389)	
Deferred outflows of resources related to OPEB	7,712	
Deferred inflows of resources related to OPEB	<u>(5,069)</u>	
		351,120
Long-term revenue (taxes) is not available to pay current-period expenditures, and therefore, is deferred in the governmental funds.		32,707
Allowance for uncollectible property taxes that is recognized on a full accrual basis, but not on the modified accrual basis.		(27,331)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(2,032)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 120,000	
Unamortized bond premium	5,205	
Net pension liability	1,277,430	
Other postemployment benefits	<u>136,240</u>	
		<u>(1,538,875)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 9,827,862</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, 2022**

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 2,198,294	\$ 50,550	\$ 2,248,844
Licenses and permits	1,160,925	-	1,160,925
Intergovernmental	754,418	-	754,418
Charges for services	45,875	51,756	97,631
Miscellaneous	8,740	42,886	51,626
Total revenues	<u>4,168,252</u>	<u>145,192</u>	<u>4,313,444</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,019,346	23,979	1,043,325
Public safety	1,066,449	49,048	1,115,497
Highways and streets	1,072,210	-	1,072,210
Sanitation	431,042	-	431,042
Health	44,676	-	44,676
Welfare	52,914	-	52,914
Culture and recreation	198,408	-	198,408
Conservation	3,673	10,580	14,253
Debt service:			
Principal	40,000	-	40,000
Interest	5,320	-	5,320
Capital outlay	150,268	-	150,268
Total expenditures	<u>4,084,306</u>	<u>83,607</u>	<u>4,167,913</u>
Excess of revenues over expenditures	<u>83,946</u>	<u>61,585</u>	<u>145,531</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,588	-	3,588
Transfers out	-	(3,588)	(3,588)
Total other financing sources (uses)	<u>3,588</u>	<u>(3,588)</u>	<u>-</u>
Net change in fund balances	87,534	57,997	145,531
Fund balances, beginning	1,203,538	464,697	1,668,235
Fund balances, ending	<u>\$ 1,291,072</u>	<u>\$ 522,694</u>	<u>\$ 1,813,766</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-4**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
*Reconciliation of the Statement of Revenues, Expenditures, and*  
*Changes in Fund Balances - Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended December 31, 2022*

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 145,531
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	\$ 715,863	
Depreciation expense	<u>(419,393)</u>	
		296,470
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(33,625)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (3,588)	
Transfers out	<u>3,588</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		(3,037)
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	\$ 40,000	
Amortization of bond premium	<u>1,735</u>	
		41,735
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	\$ 659	
Net change in net pension liability, and related deferred outflows of resources and deferred inflows of resources	(37,232)	
Net change in other postemployment benefits liability, and related deferred outflows of resources and deferred inflows of resources	<u>(20,152)</u>	
		(56,725)
Change in net position of governmental activities (Exhibit B)		<u>\$ 390,349</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, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 2,199,472	\$ 2,199,472	\$ 2,195,257	\$ (4,215)
Licenses and permits	1,260,000	1,260,000	1,160,925	(99,075)
Intergovernmental	545,681	549,631	754,418	204,787
Charges for services	63,570	63,570	45,875	(17,695)
Miscellaneous	3,485	3,485	3,238	(247)
Total revenues	<u>4,072,208</u>	<u>4,076,158</u>	<u>4,159,713</u>	<u>83,555</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,135,600	1,135,600	1,013,035	122,565
Public safety	1,067,891	1,071,841	1,057,156	14,685
Highways and streets	875,790	875,790	917,887	(42,097)
Sanitation	450,052	450,052	431,042	19,010
Health	47,850	47,850	44,676	3,174
Welfare	57,897	57,897	52,914	4,983
Culture and recreation	196,081	196,081	208,458	(12,377)
Conservation	3,672	3,672	3,673	(1)
Debt service:				
Principal	40,000	40,000	40,000	-
Interest	5,321	5,321	5,320	1
Capital outlay	32,054	130,919	150,268	(19,349)
Total expenditures	<u>3,912,208</u>	<u>4,015,023</u>	<u>3,924,429</u>	<u>90,594</u>
Excess of revenues over expenditures	<u>160,000</u>	<u>61,135</u>	<u>235,284</u>	<u>174,149</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	98,865	102,453	3,588
Transfers out	(174,000)	(174,000)	(174,000)	-
Total other financing sources (uses)	<u>(174,000)</u>	<u>(75,135)</u>	<u>(71,547)</u>	<u>3,588</u>
Net change in fund balances	<u>\$ (14,000)</u>	<u>\$ (14,000)</u>	<u>163,737</u>	<u>\$ 177,737</u>
Unassigned fund balance, beginning			369,878	
Unassigned fund balance, ending			<u>\$ 341,633</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, 2022**

	Private Purpose Trust Funds	Other Custodial Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 59,708	\$ 1,668,259	\$ 1,727,967
Intergovernmental receivable	-	5,421,346	5,421,346
Total assets	59,708	7,089,605	7,149,313
<b>LIABILITIES</b>			
Due to school district	-	5,421,346	5,421,346
<b>NET POSITION</b>			
Restricted	\$ 59,708	\$ 1,668,259	\$ 1,727,967

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, 2022**

	Private Purpose Trust Funds	Other Custodial Funds	Total
<b>ADDITIONS</b>			
Contributions	\$ -	\$ 483,849	\$ 483,849
Investment earnings	450	10,973	11,423
Tax collections for other governments	-	10,423,047	10,423,047
Collection of motor vehicle fees for State	-	366,351	366,351
Total additions	450	11,284,220	11,284,670
<b>DEDUCTIONS</b>			
Payments of taxes to other governments	-	10,751,229	10,751,229
Payments for escrow purposes	-	31,879	31,879
Payments of motor vehicle fees to State	-	366,351	366,351
Total deductions	-	11,149,459	11,149,459
Net increase in fiduciary net position	450	134,761	135,211
Net position, beginning	59,258	1,533,498	1,592,756
Net position, ending	\$ 59,708	\$ 1,668,259	\$ 1,727,967

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, 2022**

	<b>NOTE</b>
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**TOWN OF FREMONT, NEW HAMPSHIRE**  
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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. 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. The types of transactions reported as program revenues for the Town are reported in two categories: 1) charges for services and 2) operating 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.

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.

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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 fund is 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 Fund** – is used to record activity of 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 (assets equal liabilities) and do not involve measurement of results of operations. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting.

The Town also reports the following fiduciary funds:

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

**Custodial Fund** – are custodial in nature and do not involve the measurement of operating results. 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 fraud 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 estimated useful life in excess of one year. Such assets are carried at the historical cost is used. Donated capital assets received on or prior to June 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 cost 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>	<u><b>Years</b></u>
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). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

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

***1-G Property Taxes***

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 19, 2022 and October 20, 2022, and due on July 1, 2022 and December 1, 2022. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

Property tax receivables are recognized on the levy or lien date, which is the date the tax warrant is issued. Current year property tax receivables represent taxes levied but not remitted to the Town at December 31, 2022 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the Town to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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, 2022 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 542,963,387
For all other taxes	\$ 550,443,587

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The tax rates and amounts assessed for the year ended December 31, 2022 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$4.23	\$ 2,331,940
School portion:		
State of New Hampshire	\$1.31	710,509
Local	\$16.77	9,230,837
County portion	\$0.88	481,701
Total	<u>\$23.19</u>	<u>\$ 12,754,987</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, 2022.

**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. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

*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. The Town has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. In addition, unavailable revenues from grants arises when the related eligible expenditures will not be made until the subsequent period.

**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 Director 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 (OPEB)***

The Town maintains two separate other postemployment benefit plans, 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*** – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Town's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

***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 any bonds, notes, or 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.

**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.

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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/expenditures during the period reported. These estimates include assessing the collectability of receivables, and the useful lives and impairment of tangible and intangible 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.

***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. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2022, none of the beginning general fund unassigned fund balance was applied for this purpose and \$14,000 was voted from unassigned fund balance as a transfer to the expendable trust funds.

***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 major governmental fund which had a budget. There are no differences between the budgetary basis of accounting for the major general fund.

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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)	\$ 4,262,166
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	5,502
To eliminate transfers between blended funds	(98,865)
Change in deferred tax revenue relating to 60-day revenue recognition	
recognized as revenue on the GAAP basis, but not on the budgetary basis	3,037
Per Exhibit C-3 (GAAP basis)	<u>\$ 4,171,840</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 4,098,429
Adjustment:	
Basis differences:	
Encumbrances, beginning	219,789
Encumbrances, ending	(64,912)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	5,000
To eliminate transfers between general and blended funds	(174,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 4,084,306</u>

**2-C Accounting Change**

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented during fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. However, there was no restatement to the beginning net position or fund balance. The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 87 and have determined that none of the agreements have met the requirements of the pronouncement.

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town's deposits are entirely covered by Federal Depository Insurance Corporation (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 \$9,075,828 and the bank balances totaled \$9,265,273.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 7,347,861
Cash per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	1,727,967
Total cash and cash equivalents	<u>\$ 9,075,828</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, 2022. The amount has been reduced by an allowance for an estimated uncollectible amount of 27,331. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2022	\$ 182,191	\$ 182,191
Unredeemed (under tax lien):		
Levy of 2021	56,611	56,611
Levy of 2020	29,497	29,497
Levy of 2019	10,828	10,828
Levies of 2018 and prior	9,695	9,695
Land use change	32,000	32,000
Less: allowance for estimated uncollectible taxes	(27,331) *	-
Net taxes receivable	<u>\$ 293,491</u>	<u>\$ 320,822</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 full accrual basis of accounting (Exhibits A and B).

**NOTE 5 – OTHER RECEIVABLES**

Receivables at December 31, 2022, 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, 2022 for the Town's individual major fund and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	Governmental	Governmental	Fiduciary
	Activities	Funds Nonmajor	Funds
Receivables:			
Accounts	\$ 6,394	\$ 6,394	\$ -
Intergovernmental	-	-	5,421,346 <sup>1</sup>
Net total receivables	<u>\$ 6,394</u>	<u>\$ 6,394</u>	<u>\$ 5,421,346</u>

1. Fiduciary Funds – Intergovernmental receivables represent property taxes collected on behalf of the Fremont School District. These amounts are collected. The general fund reports an offsetting intergovernmental payables for this amount at year-end, see Note 8.

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	<u>\$ 2,917,715</u>	<u>\$ 87,599</u>	<u>\$ -</u>	<u>\$ 3,005,314</u>

(Continued)



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*Capital assets continued:*

	Balance, beginning	Additions	Deletions	Balance, ending
Being depreciated:				
Land improvements	481,956	-	-	481,956
Buildings and building improvements	3,723,708	10,800	-	3,734,508
Infrastructure	8,634,108	449,064	-	9,083,172
Machinery, equipment, and vehicles	2,911,070	168,400	(58,500)	3,020,970
Total capital assets being depreciated	15,750,842	628,264	(58,500)	16,320,606
Total all capital assets	18,668,557	715,863	(58,500)	19,325,920
Less accumulated depreciation:				
Land improvements	(442,513)	(11,155)	-	(453,668)
Buildings and building improvements	(1,559,834)	(4,390)	-	(1,564,224)
Infrastructure	(5,724,264)	(300,245)	-	(6,024,509)
Machinery, equipment, and vehicles	(2,006,284)	(103,603)	24,875	(2,085,012)
Total accumulated depreciation	(9,732,895)	(419,393)	24,875	(10,127,413)
Net book value, capital assets being depreciated	6,017,947	208,871	(33,625)	6,193,193
Net book value, all capital assets	\$ 8,935,662	\$ 296,470	\$ (33,625)	\$ 9,198,507

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	\$ 21,322
Public safety	74,995
Highways and streets	316,673
Culture and recreation	6,403
Total depreciation expense	<u>\$ 419,393</u>

**NOTE 7 – INTERFUND TRANSFERS**

*Interfund Transfers* - The composition of interfund transfers for the year ended December 31, 2022 is as follows:

	Transfers In:
	General
	Fund
Transfers out:	
Nonmajor fund	<u>\$ 3,588</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 \$5,421,510 at December 31, 2022 in the governmental activities and 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. Additionally, this amount includes balances due to other governments. The amount \$5,421,346 reported in the fiduciary funds represent the property taxes due to Fremont School District.

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

Deferred outflows of resources of at December 31, 2022 consist of amounts related to pensions totaling \$361,866 and amounts related to OPEB totaling \$7,712. 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	\$ -	\$ 32,707
American Rescue Plan Act (ARPA) revenue received in advance of eligible expenditures	458,021	458,021
Amounts related to pensions (see Note 11)	13,389	-
Amounts related to other postemployment benefits (see Note 12)	5,069	-
Total deferred inflows of resources	<u>\$ 476,479</u>	<u>\$ 490,728</u>

**NOTE 10 – LONG-TERM LIABILITIES**

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2022:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year	Due In More Than One Year
Bond payable:						
Direct placement	\$ 160,000	\$ -	\$ (40,000)	\$ 120,000	\$ 40,000	\$ 80,000
Premium	6,940	-	(1,735)	5,205	1,735	3,470
Total bonds payable	166,940	-	(41,735)	125,205	41,735	83,470
Net pension liability	849,319	428,111	-	1,277,430	-	1,277,430
Net other postemployment benefits	118,647	17,593	-	136,240	-	136,240
Total long-term liabilities	<u>\$ 1,134,906</u>	<u>\$ 445,704</u>	<u>\$ (41,735)</u>	<u>\$ 1,538,875</u>	<u>\$ 41,735</u>	<u>\$ 1,497,140</u>

Long-term bond are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2022	Current Portion
Bond payable:						
Direct placement:						
Glen Oaks Land purchase	\$ 795,300	2005	2025	4.04	\$ 120,000	\$ 40,000
Bond premium					5,205	1,735
Total					<u>\$ 125,205</u>	<u>\$ 41,735</u>

The annual requirements to amortize all general obligation bond outstanding as of December 31, 2022, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bond - Direct Placement		
	Principal	Interest	Total
2023	\$ 40,000	\$ 3,600	\$ 43,600
2024	40,000	2,260	42,260
2025	40,000	1,200	41,200
Totals	<u>\$ 120,000</u>	<u>\$ 7,060</u>	<u>\$ 127,060</u>

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

**Bonds Authorized and Unissued** – Bonds and notes authorized and unissued as of December 31, 2022 were as follows:

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

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**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers 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 members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For fiscal year 2022, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$103,180, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2022 the Town reported a liability of \$1,277,430 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town's proportion was 0.02% which was the same as its proportion measured as of June 30, 2021.

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For the year ended December 31, 2022, the Town recognized pension expense of \$198,878. At December 31, 2022 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	\$ 151,023	\$ 8,485
Changes in assumptions	67,949	-
Net difference between projected and actual investment earnings on pension plan investments	48,413	-
Differences between expected and actual experience	23,975	4,904
Contributions subsequent to the measurement date	70,506	-
Total	<u>\$ 361,866</u>	<u>\$ 13,389</u>

The \$70,506 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, 2023. 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,	
2023	\$ 99,009
2024	73,233
2025	11,193
2026	94,536
Totals	<u>\$ 277,971</u>

**Actuarial Assumptions** – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions which, accordingly, apply to 2022 measurements:

Inflation:	2.0%
Salary increases:	5.4% 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 Health 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, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – 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 long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	3.60%
Inflation	0.00%	2.25%
Total	100.00%	7.30%

**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, 2022	\$ 1,713,989	\$ 1,277,430	\$ 914,472

**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 (OPEB)**

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

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2022 Comprehensive Annual Financial Report, which can be found on the system's website at [www.nhrs.org](http://www.nhrs.org).

**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,

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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 2022 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 2022, 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 fiscal year 2022, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$15,254, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At December 31, 2022, the Town reported a liability of \$121,993 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. 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, 2022, the Town's proportion was 0.03% which was the same as its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Town recognized OPEB expense of \$4,053. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 333
Contributions subsequent to the measurement date	7,379
Total	<u>\$ 7,712</u>

The \$7,379 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, 2023. 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,	
2023	\$ 55
2024	14
2025	(131)
2026	395
Totals	<u>\$ 333</u>

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**Actuarial Assumptions** – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

Mortality rates were based on the Pub-2010 Health 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, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – 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 long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	
Inflation	0.00%	2.25%
Total	100.00%	7.30%

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. 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 Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$ 132,444	\$ 121,993	\$ 112,891

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**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**

**Plan Description** – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

**Benefits Provided** – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees. The benefits are provided through the Town.

**Employees Covered by Benefit Terms** – At January 1, 2022, six active employees were covered by the benefit terms:

**Total OPEB Liability** – The Town’s total OPEB liability of \$14,247 was measured as of January 1, 2022, and was determined by an actuarial valuation of that date.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability of \$14,247 in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.72%
Healthcare Cost Trend Rates:	
Current Year Trend	7.50%
Second Year Trend	6.90%
Decrement	0.60%
Ultimate Trend	3.90%
Year Ultimate Trend is Reached	2075
Salary Increases:	2.40%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of January 1, 2022.

Mortality rates: Pre-Retirement- Pub-2010 headcount-weighted Employee Safety Morality Tables, projected with fully generational morality improvement using scale MP-2019. Post Retirement: 96% of Pub-2010 headcount-weighted Retiree Safety Morality Tables for males and 99% of Pub-2010 headcount-weighted Retiree Safety Morality Tables for females, projected with fully generational morality improvement using scale MP-2019.

**Changes in the Total OPEB Liability**

	December 31,	
	2021	2022
OPEB liability beginning of year	\$ -	\$ 10,239
Changes for the year:		
Service cost	-	9,294
Interest	-	402
Assumption changes and difference between actual and expected experience	-	(5,652)
Benefit payments	-	(36)
OPEB liability end of year	<u>\$ 10,239</u>	<u>\$ 14,247</u>



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**Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate** – The January 1, 2022 actuarial valuation was prepared using a discount rate of 3.72%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$11,603 or by 19%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$17,443 or by 22%.

	Discount Rate		
	1% Decrease	Baseline 3.72%	1% Increase
Total OPEB Liability	\$ 17,443	\$ 14,247	\$ 11,603

**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The January 1, 2022 actuarial valuation was prepared using an initial trend rate of 7.5%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$19,246 or by 35%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$10,540 or by 26%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.5%	1% Increase
Total OPEB Liability	\$ 10,540	\$ 14,247	\$ 19,246

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended December 31, 2022, the Town recognized OPEB expense of \$9,113. At December 31, 2022, 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 assumptions	\$ 5,652	\$ -
Differences between expected and actual experience	-	583
Total	\$ 5,652	\$ 583

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,	
2023	\$ (583)
2024	(583)
2025	(583)
2026	(583)
2027	(583)
Thereafter	(2,154)
Totals	\$ (5,069)

**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, 2022 are as follows:

General fund:	
General government	\$ 15,003
Public safety	22,063
Highways and streets	8,846
Culture and recreation	19,000
Total encumbrances	\$ 64,912

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

Governmental activities and fiduciary fund net position reported on the Statements of Net Position at December 31, 2022 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 9,198,507	\$ -
Less:		
General obligation bonds payable	(120,000)	-
Unamortized bond premiums	(5,205)	-
Total net investment in capital assets	<u>9,073,302</u>	<u>-</u>
Restricted net position:		
Perpetual care - nonexpendable	106,844	-
Perpetual care - income balance	33,586	-
Escrow and School purposes	-	1,727,967
Total restricted net position	<u>140,430</u>	<u>1,727,967</u>
Unrestricted	<u>614,130</u>	<u>-</u>
Total net position	<u>\$ 9,827,862</u>	<u>\$ 1,727,967</u>

**NOTE 15 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>			
Permanent fund - principal balance	\$ -	\$ 106,844	\$ 106,844
<b>Restricted:</b>			
Highway	191,982	-	191,982
Permanent - income balance	-	33,586	33,586
Total restricted fund balance	<u>191,982</u>	<u>33,586</u>	<u>225,568</u>
<b>Committed:</b>			
Expendable trust	697,921	-	697,921
Conservation commission	-	282,770	282,770
Police OHRV	-	1,995	1,995
Cable Franchise Fee	-	43,746	43,746
Playground	-	3,891	3,891
Police detail	-	45,265	45,265
Recreation revolving	-	4,597	4,597
Total committed fund balance	<u>697,921</u>	<u>382,264</u>	<u>1,080,185</u>
<b>Assigned:</b>			
Encumbrances	64,912	-	64,912
<b>Unassigned</b>	<u>336,257</u>	<u>-</u>	<u>336,257</u>
Total governmental fund balances	<u>\$ 1,291,072</u>	<u>\$ 522,694</u>	<u>\$ 1,813,766</u>

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**NOTE 16 – PRIOR PERIOD ADJUSTMENT**

	Government-wide Statements
To restate for prior year's ending OPEB balance calculated by actuary for Town's single employer plan	\$ (10,239)
Net position/fund balance, as previously reported	9,447,752
Net position/fund balance, as restated	<u>\$ 9,437,513</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 2022, 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, 2022 to December 31, 2022 by Primex<sup>3</sup>, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex<sup>3</sup>. The Board of Selectmen 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 fiscal year 2022 the Town paid \$74,577 and \$32,261 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 \$218,228. It was noted that all invoices were subjected 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 as subsequent payments to contractors.

**NOTE 19 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77 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, 2022.

**NOTE 20 – 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.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency

**TOWN OF FREMONT, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2022**

with respect to COVID-19; were not accounted for in the budget approved for 2022; and were incurred during the period that begins on March 1, 2020 and ends on December 31, 2020. The Town was awarded a portion of this federal funding totaling \$493,088, \$246,544 was received in both 2021 and 2022. Of the \$493,009 of funding the Town spent \$81,117 was spent in 2021 and \$3,950 in 2022. See Note 9 for additional information on amounts recognized as Deferred Inflows of Resources. In addition to funding from the CARES Act, there are several other federal and state grants available.

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

**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 November 16, 2023, the date the December 31, 2022 financial statements were available to be issued, and the following events occurred that requires recognition or disclosure:

At the March, 2023 Annual Town Election, the following articles were approved by the voters of the Town of Fremont:

- **Warrant Article No. 6** - To raise and appropriate \$405,000 to purchase a new fire tanker for fire rescue. \$305,000 to come from the fire truck CRF and \$100,000 from unassigned fund balance at December 31, 2022.
- **Warrant Article No. 10-** To raise and appropriate \$4,000 to be placed in the Fremont Computer CRF, from unassigned fund balance December 31, 2022.
- **Warrant Article No .11-** To raise and appropriate \$10,000 to be placed in the Library Building Maintenance ETF, from unassigned fund balance at December 31, 2022.

***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, 2022*  
**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	December 31, 2022
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	June 30, 2022
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%	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	\$ 1,277,430
Covered payroll	\$ 145,308	\$ 158,682	\$ 174,569	\$ 217,237	\$ 257,542	\$ 291,989	\$ 343,855	\$ 341,510	\$ 355,967	\$ 408,955
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%	312.36%
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%	65.12%

**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, 2022*  
**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	December 31, 2022
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	June 30, 2022
Contractually required contribution	\$ 28,348	\$ 33,879	\$ 37,270	\$ 48,888	\$ 54,062	\$ 70,965	\$ 84,848	\$ 84,592	\$ 88,043	\$ 103,180
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)	(103,180)
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	\$ 429,200
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%	24.04%

**TOWN OF FREMONT, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2022**

***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*** – Salary increases changed to 5.4% from 5.6% in 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, 2022. 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, 2022*  
**Unaudited**

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net OPEB liability	0.01%	0.02%	0.03%	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	\$ 121,993
Town's covered payroll	\$ 217,237	\$ 257,542	\$ 291,989	\$ 343,855	\$ 341,510	\$ 355,967	\$ 408,955
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%	29.83%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

The Notes 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, 2022*  
**Unaudited**

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 8,325	\$ 9,211	\$ 12,158	\$ 13,734	\$ 12,499	\$ 13,009	\$ 15,254
Contributions in relation to the contractually required contribution	(8,325)	(9,211)	(12,158)	(13,734)	(12,499)	(13,009)	(15,254)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 217,237	\$ 257,542	\$ 291,989	\$ 343,855	\$ 341,510	\$ 380,857	\$ 429,200
Contributions as a percentage of covered payroll	3.83%	3.58%	4.16%	3.99%	3.66%	3.42%	3.55%

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

**EXHIBIT J**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
*Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios*  
*Retiree Health Benefit Program*  
*For the Fiscal Year Ended December 31, 2022*

	December 31, 2022
OPEB liability, beginning of year	\$ 10,239
Changes for the year:	
Service cost	9,294
Interest	402
Assumption changes and difference between actual and expected experience	(5,652)
Benefit payments	(36)
OPEB liability, end of year	\$ 14,247
Covered payroll	\$ 383,153
Total OPEB liability as a percentage of covered payroll	3.72%

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

**TOWN OF FREMONT, NEW HAMPSHIRE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFIT LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2022**

***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*** – Salary increases changed to 5.4% from 5.6% in 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, I, and J represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2022. 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.

***Schedule of Changes in Town's Total Other Postemployment Benefits Liability and Related Ratios***

***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.

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2022. The schedule is 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, 2022**

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 2,096,176	\$ 2,094,285	\$ (1,891)
Land use change	90,000	92,550	2,550
Yield	1,000	305	(695)
Excavation	296	296	-
Interest and penalties on taxes	12,000	7,821	(4,179)
Total from taxes	<u>2,199,472</u>	<u>2,195,257</u>	<u>(4,215)</u>
<b>Licenses, permits, and fees:</b>			
Motor vehicle permit fees	1,200,000	1,090,107	(109,893)
Building permits	47,000	55,631	8,631
Other	13,000	15,187	2,187
Total from licenses, permits, and fees	<u>1,260,000</u>	<u>1,160,925</u>	<u>(99,075)</u>
<b>Intergovernmental:</b>			
State:			
Meals and rooms distribution	419,102	419,102	-
Highway block grant	116,908	216,113	99,205
Other	9,671	102,001	92,330
Federal:			
FEMA	-	13,252	13,252
ARPA	3,950	3,950	-
Total from intergovernmental	<u>549,631</u>	<u>754,418</u>	<u>204,787</u>
<b>Charges for services:</b>			
Income from departments	<u>63,570</u>	<u>45,875</u>	<u>(17,695)</u>
<b>Miscellaneous:</b>			
Sale of municipal property	1,335	705	(630)
Interest on investments	1,500	1,694	194
Other	650	839	189
Total from miscellaneous	<u>3,485</u>	<u>3,238</u>	<u>(247)</u>
<b>Other financing sources:</b>			
Transfers in	<u>98,865</u>	<u>102,453</u>	<u>3,588</u>
Total revenues and other financing sources	<u>4,175,023</u>	<u>\$ 4,262,166</u>	<u>\$ 87,143</u>
Amounts voted from fund balance	14,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 4,189,023</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, 2022**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 145,418	\$ 138,816	\$ -	\$ 6,602
Election and registration	2,214	86,212	87,083	-	1,343
Financial administration	-	21,400	20,888	-	512
Revaluation of property	-	49,144	47,620	-	1,524
Legal	-	35,000	19,142	-	15,858
Personnel administration	-	496,197	433,418	-	62,779
Planning and zoning	-	51,218	37,586	-	13,632
General government buildings	10,800	137,694	129,988	7,511	10,995
Cemeteries	3,300	41,860	28,500	7,492	9,168
Insurance, not otherwise allocated	-	59,710	59,708	-	2
Advertising and regional associations	-	8,997	8,930	-	67
Other	-	2,750	2,667	-	83
Total general government	16,314	1,135,600	1,014,346	15,003	122,565
Public safety:					
Police	22,488	709,336	746,907	15,996	(31,079)
Ambulance	-	12,000	12,000	-	-
Fire	8,868	300,921	252,994	6,067	50,728
Building inspection	-	43,152	49,022	-	(5,870)
Emergency management	-	6,432	5,526	-	906
Total public safety	31,356	1,071,841	1,066,449	22,063	14,685
Highways and streets:					
Highways and streets	163,169	868,290	1,066,144	8,846	(43,531)
Bridges	-	1,500	1,500	-	-
Street lighting	-	6,000	4,566	-	1,434
Total highways and streets	163,169	875,790	1,072,210	8,846	(42,097)
Sanitation:					
Solid waste collection	-	313,602	297,049	-	16,553
Solid waste disposal	-	136,450	133,993	-	2,457
Total sanitation	-	450,052	431,042	-	19,010
Health:					
Pest control	-	46,415	43,401	-	3,014
Health agencies	-	1,435	1,275	-	160
Total health	-	47,850	44,676	-	3,174
Welfare:					
Administration and direct assistance	-	20,580	15,597	-	4,983
Vendor payments and other	-	37,317	37,317	-	-
Total welfare	-	57,897	52,914	-	4,983
Culture and recreation:					
Parks and recreation	-	31,684	24,328	-	7,356
Library	8,950	161,247	171,036	19,000	(19,839)
Patriotic purposes	-	3,150	3,044	-	106
Total culture and recreation	8,950	196,081	198,408	19,000	(12,377)

(Continued)

**SCHEDULE 2 (Continued)**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended December 31, 2022**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Conservation	-	3,672	3,673	-	(1)
Debt service:					
Principal of long-term debt	-	40,000	40,000	-	-
Interest on long-term debt	-	5,320	5,320	-	-
Interest on tax anticipation notes	-	1	-	-	1
Total debt service	-	45,321	45,320	-	1
Capital outlay	-	130,919	150,268	-	(19,349)
Other financing uses:					
Transfers out	-	174,000	174,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 219,789	\$ 4,189,023	\$ 4,253,306	\$ 64,912	\$ 90,594

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, 2022**

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 369,878
Changes:		
Amounts voted from fund balance		(14,000)
2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 87,143	
Unexpended balance of appropriations (Schedule 2)	90,594	
2022 Budget surplus		177,737
Increase in restricted fund balance		(191,982)
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		341,633
<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		(32,707)
Elimination of the allowance for uncollectible taxes		27,331
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u>\$ 336,257</u>

**SCHEDULE 4**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2022**

	Special Revenue Funds							
	Police OHRV	Playground	Recreation Revolving	Cable Franchise Fee	Police Special Details	Conservation Commision	Permanent Fund	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,995	\$ 3,891	\$ 4,597	\$ 43,746	\$ 38,871	\$ 282,770	\$ 140,430	\$ 516,300
Accounts receivable	-	-	-	-	6,394	-	-	6,394
Total assets	<u>\$ 1,995</u>	<u>\$ 3,891</u>	<u>\$ 4,597</u>	<u>\$ 43,746</u>	<u>\$ 45,265</u>	<u>\$ 282,770</u>	<u>\$ 140,430</u>	<u>\$ 522,694</u>
<b>FUND BALANCES</b>								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,844	\$ 106,844
Restricted	-	-	-	-	-	-	33,586	33,586
Committed	1,995	3,891	4,597	43,746	45,265	282,770	-	382,264
Total fund balances	<u>\$ 1,995</u>	<u>\$ 3,891</u>	<u>\$ 4,597</u>	<u>\$ 43,746</u>	<u>\$ 45,265</u>	<u>282,770</u>	<u>\$ 140,430</u>	<u>\$ 522,694</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, 2022**

	Special Revenue Funds							
	Police OHRV	Playground	Recreation Revolving	Cable Fee	Police Special Details	Conservation Commission	Permanent Fund	Total
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,550	\$ -	\$ 50,550
Charges for services	-	-	560	-	51,196	-	-	51,756
Miscellaneous	1	30	3	37,741	-	4,034	1,077	42,886
Total revenues	1	30	563	37,741	51,196	54,584	1,077	145,192
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	23,979	-	-	-	23,979
Public safety	-	-	-	-	49,048	-	-	49,048
Conservation	-	-	-	-	-	10,580	-	10,580
Total expenditures	-	-	-	23,979	49,048	10,580	-	83,607
Excess of revenues over expenditures	1	30	563	13,762	2,148	44,004	1,077	61,585
<b>OTHER FINANCING USES</b>								
Transfers out	-	-	-	-	-	-	(3,588)	(3,588)
Net change in fund balances	1	30	563	13,762	2,148	44,004	(2,511)	57,997
Fund balances, beginning,	1,994	3,861	4,034	29,984	43,117	238,766	142,941	464,697
Fund balances, ending	\$ 1,995	\$ 3,891	\$ 4,597	\$ 43,746	\$ 45,265	\$ 282,770	\$ 140,430	\$ 522,694

See Independent Auditor's Report.

**SCHEDULE 6**  
**TOWN OF FREMONT, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Custodial Funds Fiduciary Net Position**  
**December 31, 2022**

	Custodial Funds			Total
	Taxes	Trust Funds	Town Clerk Fees - State Portion	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 1,668,259	\$ -	\$ 1,668,259
Intergovernmental receivables	5,421,346	-	-	5,421,346
Total assets	5,421,346	1,668,259	-	7,089,605
<b>LIABILITIES</b>				
Due to school district	5,421,346	-	-	5,421,346
<b>NET POSITION</b>				
Restricted	\$ -	\$ 1,668,259	\$ -	\$ 1,668,259

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, 2022**

	Custodial Funds			Total
	Taxes	Trust Funds	Town Clerk Fees - State Portion	
<b>Additions:</b>				
Contributions	\$ -	\$ 483,849	\$ -	\$ 483,849
Investment earnings	-	10,973	-	10,973
Tax collections for other governments	10,423,047	-	-	10,423,047
Collection of motor vehicle fees for State	-	-	366,351	366,351
Total additions	10,423,047	494,822	366,351	11,284,220
<b>Deductions:</b>				
Payments of taxes to other governments	10,423,047	328,182	-	10,751,229
Payments for escrow purposes	-	31,879	-	31,879
Payments of motor vehicle fees to State	-	-	366,351	366,351
Total deductions	10,423,047	360,061	366,351	11,149,459
Change in net position	-	134,761	-	134,761
Net position, beginning	-	1,533,498	-	1,533,498
Net position, ending	\$ -	\$ 1,668,259	\$ -	\$ 1,668,259

See Independent Auditor's Report.