

The Mercier Group

a professional corporation

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fremont, New Hampshire as of and for the year ended December 31, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fremont, New Hampshire, as of December 31, 2010, and the respective changes in financial position there of for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis and budgetary comparison information in the section marked *Required Supplementary Information* are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and therefore express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Paul J. Mercier Jr., CPA

The Mercier Group, *a professional corporation*

May 21, 2011

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Exhibit C1
TOWN OF FREMONT, NEW HAMPSHIRE
Budgetary Comparison Schedule
Budget to Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended December 31, 2010

All amounts are expressed in American Dollars

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	1,325,769	1,325,769	1,073,840	(251,929)
Licenses and permits	686,570	686,570	666,085	(20,485)
State support	285,388	303,314	317,248	13,934
Charges for services	125,757	125,757	107,012	(18,745)
Miscellaneous	64,950	64,950	61,926	(3,024)
	2,488,434	2,506,360	2,226,111	(280,249)
EXPENDITURES				
Current:				
General government	730,225	730,225	695,787	34,438
Public safety	652,361	670,287	671,193	(906)
Highways and streets	278,190	278,190	278,787	(597)
Sanitation	334,095	334,095	321,595	12,500
Health	60,014	60,014	57,498	2,516
Welfare	48,924	48,924	43,911	5,013
Culture and recreation	150,115	150,115	144,160	5,955
Debt service:				
Principal	135,000	135,000	135,000	-
Interest	121,726	121,726	78,726	43,000
Capital outlay	84,496	84,496	102,047	(17,551)
	2,595,146	2,613,072	2,528,704	84,368
Excess of revenues over(under) expenditures	(106,712)	(106,712)	(302,593)	(195,881)
OTHER FINANCING SOURCES (USES)				
Transfers in	107,536	107,536	98,435	(9,101)
Transfers out	(63,324)	(63,324)	(63,324)	
	44,212	44,212	35,111	(9,101)
Net change in fund balances	(62,500)	(62,500)	(267,482)	(204,982)
Unreserved Fund balances - beginning	461,114	461,114	461,114	
Unreserved Fund balances – ending	398,614	398,614	193,632	(204,982)

The Town's complete 2010 Financial Audit Report is on the Board of Selectmen page of
the Town website at www.Fremont.nh.gov.