



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and aggregate remaining fund information of the Town of Fremont as of December 31, 2013, 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.

Other Matters

Management's Discussion and Analysis - Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3 through 9) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

Town of Fremont
Independent Auditor's Report

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The combining and individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

January 28, 2015

Plodzik & Sanderson
Professional Association

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, 2013

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,325,513	\$ 1,375,739	\$ 50,226
Land use change	30,000	29,857	(143)
Yield	3,100	1,166	(1,934)
Excavation	301	301	-
Interest and penalties on taxes	62,000	80,074	18,074
Total from taxes	<u>1,420,914</u>	<u>1,487,137</u>	<u>66,223</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	665,000	702,864	37,864
Building permits	72,000	73,730	1,730
Other	16,900	12,070	(4,830)
Total from licenses, permits, and fees	<u>753,900</u>	<u>788,664</u>	<u>34,764</u>
Intergovernmental:			
State:			
Meals and rooms distribution	194,234	194,234	-
Highway block grant	94,116	94,116	-
Federal:			
FEMA	18,109	18,179	70
Total from intergovernmental	<u>306,459</u>	<u>306,529</u>	<u>70</u>
Charges for services:			
Income from departments	<u>140,300</u>	<u>158,860</u>	<u>18,560</u>
Miscellaneous:			
Sale of municipal property	1,000	-	(1,000)
Interest on investments	700	405	(295)
Rent of property	500	300	(200)
Insurance dividends and reimbursements	-	1,252	1,252
Other	9,000	31,851	22,851
Total from miscellaneous	<u>11,200</u>	<u>33,808</u>	<u>22,608</u>
Other financing sources:			
Transfers in	<u>9,214</u>	<u>7,064</u>	<u>(2,150)</u>
Total revenues and other financing sources	<u>\$ 2,641,987</u>	<u>\$ 2,782,062</u>	<u>\$ 140,075</u>

SCHEDULE 2
TOWN OF FREMONT, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2013

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 106,617	\$ 101,736	\$ 500	\$ 4,381
Election and registration	-	47,992	45,564	-	2,428
Financial administration	-	44,285	41,382	-	2,903
Revaluation of property	-	40,720	33,030	-	7,690
Legal	-	20,000	10,884	-	9,116
Personnel administration	-	226,505	219,724	-	6,781
Planning and zoning	-	38,466	36,224	-	2,242
General government buildings	24,235	75,785	112,268	10,060	(22,308)
Cemeteries	-	9,900	10,238	-	(338)
Insurance, not otherwise allocated	-	35,519	33,276	-	2,243
Advertising and regional associations	-	7,034	7,034	-	-
Other	-	2,400	2,113	-	287
Total general government	24,235	655,223	653,473	10,560	15,425
Public safety:					
Police	-	446,851	438,435	8,768	(352)
Ambulance	-	7,000	7,000	-	-
Fire	-	216,537	208,387	-	8,150
Building inspection	-	30,303	28,261	-	2,042
Emergency management	-	4,130	2,985	-	1,145
Total public safety	-	704,821	685,068	8,768	10,985
Highways and streets:					
Highways and streets	-	410,400	420,102	-	(9,702)
Street lighting	-	4,680	4,939	-	(259)
Total highways and streets	-	415,080	425,041	-	(9,961)
Sanitation:					
Solid waste collection	-	255,180	253,254	-	1,926
Solid waste disposal	-	116,560	102,855	-	13,705
Total sanitation	-	371,740	356,109	-	15,631
Health:					
Administration	-	626	626	-	-
Pest control	-	60,685	58,368	-	2,317
Total health	-	61,311	58,994	-	2,317
Welfare:					
Direct assistance	-	11,000	13,350	-	(2,350)
Vendor payments	-	25,813	25,213	-	600
Total welfare	-	36,813	38,563	-	(1,750)
Culture and recreation:					
Parks and recreation	-	40,386	38,695	-	1,691
Library	795	105,125	101,181	2,750	1,989
Patriotic purposes	-	2,335	2,189	-	146
Other	-	500	500	-	-
Total culture and recreation	795	148,346	142,565	2,750	3,826
Conservation	-	923	368	-	555

(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, 2013

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal of long-term debt	-	172,000	172,000	-	-
Interest on long-term debt	-	55,579	55,175	-	404
Interest on tax anticipation notes	-	3,000	-	-	3,000
Total debt service	-	230,579	227,175	-	3,404
Capital outlay	-	2,150	36,150	-	(34,000)
Other financing uses:					
Transfers out	-	15,001	15,556	-	(555)
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 25,030</u>	<u>\$ 2,641,987</u>	<u>\$ 2,639,062</u>	<u>\$ 22,078</u>	<u>\$ 5,877</u>

SCHEDULE 3
TOWN OF FREMONT, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2013

Unassigned fund balance, beginning, as restated (see Note 15)	\$ 327,202
Changes:	
Unassigned fund balance used to reduce 2013 tax rate	-
2013 Budget summary:	
Revenue surplus (Schedule 1)	\$ 140,075
Unexpended balance of appropriations (Schedule 2)	<u>5,877</u>
2013 Budget surplus	145,952
Increase in nonspendable fund balance	<u>(47,968)</u>
Unassigned fund balance, ending budgetary basis (Exhibit D)	425,186
Reconciliation of Non-GAAP Basis to GAAP Basis	
To comply with generally accepted accounting principles by deferring property taxes not collected within 60 days of December 31, 2013	(480,551)
Eliminated allowance for doubtful property taxes receivable	<u>36,000</u>
Unassigned fund balance, ending GAAP basis (Exhibit C-1)	<u>\$ (19,365)</u>