



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Town of Fremont
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Other Matters

Management's Discussion and Analysis – Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

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

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

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

July 27, 2017

Plodzik & Sanderson
Professional Association

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

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

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

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

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

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

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

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

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