



## **PLODZIK & SANDERSON**

*Professional Association/Accountants & Auditors*

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

To the Members of the School Board  
Fremont School District  
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 Fremont School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District'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 the aggregate remaining fund information of the Fremont School District as of June 30, 2015, and the respective changes in financial position 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-O to the financial statements, in 2015 the School District changed its method of accounting for pension reporting with the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.



***Fremont School District  
Independent Auditor's Report***

***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 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.

**Required Supplementary Information** - Accounting principles generally accepted in the United States of America require that the Schedule of Funding Progress for Other Postemployment Benefit Plan (page 28), the Schedule of the School District's Proportionate Share of Net Pension Liability (page 29), and the Schedule of School District Contributions (page 30) 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 them 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.

**Other Information** - Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fremont School District'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.

May 13, 2016

*Plodzik & Sanderson  
Professional Association*

**SCHEDULE 1**  
**FREMONT SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2015**

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 8,183,763	\$ 8,183,763	\$ -
Other local sources:			
Tuition	15,450	16,220	770
Investment income	120	121	1
Impact fees	60,000	92,843	32,843
Miscellaneous	33,000	83,258	50,258
Total from other local sources	108,570	192,442	83,872
State sources:			
Adequacy aid (grant)	1,712,968	1,712,968	-
Adequacy aid (tax)	841,615	841,615	-
School building aid	77,253	77,253	-
Catastrophic aid	30,096	40,000	9,904
Other state aid	-	7,528	7,528
Total from state sources	2,661,932	2,679,364	17,432
Federal sources:			
Medicaid	55,000	70,126	15,126
Other financing sources:			
Transfers in	20,380	20,380	-
Total revenues and other financing sources	11,029,645	\$ 11,146,075	\$ 116,430
Fund balance used to reduce school district assessment	477,500		
Total revenues, other financing sources, and use of fund balance	\$ 11,507,145		



**SCHEDULE 2**  
**FREMONT SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2015**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 83,325	\$ 6,382,729	\$ 6,114,178	\$ 154,966	\$ 196,910
Special programs	-	1,457,168	1,396,898	9,080	51,190
Other	330	71,742	71,560	-	512
Total instruction	<u>83,655</u>	<u>7,911,639</u>	<u>7,582,636</u>	<u>164,046</u>	<u>248,612</u>
Support services:					
Student	-	656,529	648,571	-	7,958
Instructional staff	6,538	289,129	251,936	31,506	12,225
General administration	-	136,163	122,093	4,045	10,025
Executive administration	-	579,780	574,124	-	5,656
School administration	7,458	432,386	433,362	-	6,482
Operation and maintenance of plant	8,950	608,782	468,721	103,142	45,869
Student transportation	-	632,232	629,560	-	2,672
Total support services	<u>22,946</u>	<u>3,335,001</u>	<u>3,128,367</u>	<u>138,693</u>	<u>90,887</u>
Debt service:					
Principal of long-term debt	-	220,000	220,000	-	-
Interest on long-term debt	-	5,500	5,500	-	-
Total debt service	<u>-</u>	<u>225,500</u>	<u>225,500</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction	<u>-</u>	<u>25,005</u>	<u>-</u>	<u>25,000</u>	<u>5</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 106,601</u>	<u>\$ 11,507,145</u>	<u>\$ 10,946,503</u>	<u>\$ 327,739</u>	<u>\$ 339,504</u>

**SCHEDULE 3**  
**FREMONT SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2015**

Unassigned fund balance, beginning		\$ 495,464
Changes:		
Fund balance used to reduce school district assessment		(477,500)
2014-2015 Budget summary:		
Revenue surplus (Schedule 1)	\$ 116,430	
Unexpended balance of appropriations (Schedule 2)	<u>339,504</u>	
2014-2015 Budget surplus		455,934
Increase in committed fund balance		<u>(100,000)</u>
Unassigned fund balance		<u><u>\$ 373,898</u></u>

**SCHEDULE 4**  
**FREMONT SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	Special Revenue Funds			
	Grants	Food Service	Permanent	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 38,363	\$ -	\$ 38,363
Accounts receivable	-	1,393	-	1,393
Intergovernmental receivable	58,475	7,646	12,401	78,522
Inventory	-	4,377	-	4,377
Total assets	<u>\$ 58,475</u>	<u>\$ 51,779</u>	<u>\$ 12,401</u>	<u>\$ 122,655</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,156	\$ 4,355	\$ -	\$ 7,511
Interfund payable	54,939	46,033	2,000	102,972
Total liabilities	<u>58,095</u>	<u>50,388</u>	<u>2,000</u>	<u>110,483</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - donations	<u>380</u>	<u>-</u>	<u>-</u>	<u>380</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	-	4,377	5,000	9,377
Restricted	-	-	5,401	5,401
Unassigned (deficit)	-	(2,986)	-	(2,986)
Total fund balances	<u>-</u>	<u>1,391</u>	<u>10,401</u>	<u>11,792</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 58,475</u>	<u>\$ 51,779</u>	<u>\$ 12,401</u>	<u>\$ 122,655</u>

**SCHEDULE 5**  
**FREMONT SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances*  
*For the Fiscal Year Ended June 30, 2015*

	Special Revenue Funds			
	Grants	Food Service	Permanent	Total
Revenues:				
Local	\$ -	\$ 92,239	\$ -	\$ 92,239
State	-	2,001	-	2,001
Federal	188,528	49,774	-	238,302
Total revenues	188,528	144,014	-	332,542
Expenditures:				
Current:				
Instruction	108,830	-	-	108,830
Support services:				
Student	26,816	-	-	26,816
Instructional staff	49,558	-	-	49,558
Executive administration	2,602	-	-	2,602
Student transportation	722	-	-	722
Noninstructional services	-	148,518	-	148,518
Total expenditures	188,528	148,518	-	337,046
Deficiency of revenues under expenditures	-	(4,504)	-	(4,504)
Other financing uses:				
Transfers out	-	-	(2,000)	(2,000)
Net change in fund balances	-	(4,504)	(2,000)	(6,504)
Fund balances, beginning	-	5,895	12,401	18,296
Fund balances, ending	\$ -	\$ 1,391	\$ 10,401	\$ 11,792

**SCHEDULE 6**  
**FREMONT SCHOOL DISTRICT**  
**Ellis School Student Activities Fund**  
*Schedule of Changes in Student Activities Fund*  
*For the Fiscal Year Ended June 30, 2015*

Balance, beginning	Additions	Deductions	Balance, ending
\$ 20,176	\$ 104,532	\$ 99,108	\$ 25,600