



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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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

Adverse and Unmodified 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the accompanying financial statements do not present fairly the financial position of the governmental activities of the Town of Fremont, as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the accompanying financial statements 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, 2021, 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 (GAAS). 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.

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 12 to the financial statements, management has not recorded the long-term costs of retirement health care costs and obligations for other postemployment benefits for the single employer plan in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses on the governmental activities is not readily determinable.

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Responsibilities of Management for the Financial Statements

The Town of Fremont's 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, 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 GAAS 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.

In performing an audit in accordance with GAAS, 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.

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, and
- Notes to the Required Supplementary Information

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.

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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 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.

September 1, 2022

Plodzik & Sanderson
Professional Association



14 June 2022

Age Friendly
Community Forum
held at the Fremont
Public Library

Photo courtesy of
Bill Millios

EXHIBIT A
TOWN OF FREMONT, NEW HAMPSHIRE
Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,989,714
Taxes receivables (net)	3,121,941
Account receivables	6,027
Capital assets:	
Land and construction in progress	2,917,715
Other capital assets, net of depreciation	6,017,947
Total assets	<u>16,053,344</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	216,898
Amounts related to other postemployment benefits	6,579
Total deferred outflows of resources	<u>223,477</u>
LIABILITIES	
Accounts payable	51,011
Accrued interest payable	2,691
Intergovernmental payable	5,133,596
Other	88,922
Long-term liabilities:	
Due within one year	41,735
Due in more than one year	1,082,932
Total liabilities	<u>6,400,887</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - Library gifts and grants	2,078
Unavailable revenue - ARPA	165,427
Amounts related to pensions	259,300
Amounts related to other postemployment benefits	1,377
Total deferred inflows of resources	<u>428,182</u>
NET POSITION	
Net investment in capital assets	8,768,722
Restricted	142,941
Unrestricted	536,089
Total net position	<u><u>\$ 9,447,752</u></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, 2021

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change In Net Position
General government	\$ 1,045,609	\$ 17,133	\$ -	\$ -	\$ (1,028,476)
Public safety	1,082,104	113,657	-	-	(968,447)
Highways and streets	683,127	3,180	114,940	81,117	(483,890)
Sanitation	417,121	8,431	-	-	(408,690)
Health	50,975	-	-	-	(50,975)
Welfare	38,703	-	-	-	(38,703)
Culture and recreation	161,550	400	-	-	(161,150)
Conservation	13,772	-	-	-	(13,772)
Interest on long-term debt	4,844	-	-	-	(4,844)
Total governmental activities	<u>\$ 3,497,805</u>	<u>\$ 142,801</u>	<u>\$ 114,940</u>	<u>\$ 81,117</u>	<u>(3,158,947)</u>
General revenues:					
Taxes:					
Property					1,847,531
Other					160,039
Motor vehicle permit fees					1,110,302
Licenses and other fees					75,000
Grants and contributions not restricted to specific programs					350,187
Unrestricted investment earnings					2,854
Miscellaneous					66,624
Total general revenues					<u>3,612,537</u>
Change in net position					453,590
Net position, beginning, as restated (see Note 16)					8,994,162
Net position, ending					<u>\$ 9,447,752</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, 2021

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,531,044	\$ 458,670	\$ 3,989,714
Taxes receivable	3,146,633	-	3,146,633
Accounts receivable	-	6,027	6,027
Total assets	<u>\$ 6,677,677</u>	<u>\$ 464,697</u>	<u>\$ 7,142,374</u>
LIABILITIES			
Accounts payable	\$ 51,011	\$ -	\$ 51,011
Intergovernmental payable	5,133,596	-	5,133,596
Other	88,922	-	88,922
Total liabilities	<u>5,273,529</u>	<u>-</u>	<u>5,273,529</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	33,105	-	33,105
Unavailable revenue - Library gifts and grants	2,078	-	2,078
Unavailable revenue - ARPA	165,427	-	165,427
Total deferred inflows of resources	<u>200,610</u>	<u>-</u>	<u>200,610</u>
FUND BALANCES			
Nonspendable	-	108,664	108,664
Restricted	-	34,277	34,277
Committed	622,284	321,756	944,040
Assigned	219,789	-	219,789
Unassigned	361,465	-	361,465
Total fund balances	<u>1,203,538</u>	<u>464,697</u>	<u>1,668,235</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,677,677</u>	<u>\$ 464,697</u>	<u>\$ 7,142,374</u>

The full text of the Town's Annual Audit reports are available on the Town website at

<https://www.fremont.nh.gov/town-administrator/pages/audit-reports>

Click on the year you want to review.

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