



August 1, 2025

Board of County Commissioners
Fremont County, Colorado
Canon City, Colorado

We have audited the financial statements of Fremont County, Colorado (the "County") as of and for the year ended December 31, 2023, and have issued our report thereon dated August 1, 2025. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 18, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that a material misstatement or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or regulations that do not have a direct and material effect on the financial statements.

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fremont County, Colorado as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control is for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed on the following page we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements to the financial statements, or noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness.

Financial Reporting

During the performance of our audit procedures, we identified a material misstatement to the County's assets, liabilities, other financing sources and expenditures. We found that a financing lease for purchase of Sheriff vehicles was not reported in the accounting records, which is a result of County finance staff's lack of knowledge in County procedures and governmental accounting standards. We understand that changes are being made to procedures and ongoing training by County finance staff in order to strengthen internal control over financial reporting.

Supplementary Information

Our responsibility for the combining individual fund financial statements and schedules, and local highway finance report accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information and local highway finance report in relation to the financial statements as a whole and to report on whether the supplementary information and local highway finance report is fairly stated, in all material respects, in relation to the financial statements as a whole.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the significant estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements. The County adopted GASB Statement No. 87 *Leases* for the year ended December 31, 2023. Adoption of this statement revised and established new reporting requirements for leases reported in the financial statements. We noted no other transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements for the year ended December 31, 2023.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. We provided management with a schedule of audit adjustments. An audit adjustment may or may not indicate matters that could have a significant effect on the County's financial reporting process. We made adjustments to the County's

accounting records in order to properly state certain assets and liabilities of the County. The nature and amounts of these audit adjustments made to the County's accounting records indicate a deficiency in the County's accounting and financial reporting, as previously stated in this letter. We recommend that the County review its accounting and reporting procedures in order to insure transactions are properly reported in the accounting records.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to the retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

We encountered no difficulties dealing with management during the audit process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Other Information

Each year during our audit process we have our IT consultant review and test certain IT applications and processes of the various County departments. This involves inquiries, physical observations and applications followed by recommendations to us and County management. Following are areas identified by the IT consultant.

County Information Technology

The County's Acceptable Use Policy regarding technology is out of date. However, there is an updated policy that is ready for adoption and incorporation into the County's Personnel Policies. We recommend that the process for adding this update be started immediately.

The County's IT Department has developed several Security Policies to provide the necessary guardrails to protect the County's data assets and systems from misuse and or attack. The policies should be adopted, accepted and become part of the County's policies and operating procedures. Included in the policies must be the IT Department's role in reviewing and monitoring all outside technologies prior to their introduction into the County's technology environment.

We noted the implementation of independent websites into the County's technology environment by County departments which were not reviewed or tested by the County IT department prior to implementation. This could create a high risk for breach or denial of service events to the County's IT environment. We recommend that these websites be tested and assessed by the County IT department or via a third-party audit.

County Sheriff's Office

We noted that the Sheriff's Office fully implemented the Tyler Jail Management System which was integrated with CorrectPay and NCIC. This provided improved processing and reporting of inmate commissary transactions. However, the Sheriff's Office staff continue to rely on the assistance of software vendor to complete the financial functions. As we noted in prior years, the Sheriff's Office would benefit from establishing stronger internal ownership of its applications and their related processes. We understand that the software vendor was to provide training on the system to Sheriff's Office staff during 2025, however this has not happened yet. We recommend that this occur as soon as possible.

The Sheriff's Office implemented a new Records application during the year. A concern with the Records system is that single charges cannot be sealed...only an entire case. Therefore, managing sealed charges is being done manually to the degree that it can be done at all. This is a risk to the County for inadvertent exposure due to the inadequate sealing of an individual charge. We recommend the Sheriff's Office relay the urgency of having the ability to seal individual charges to the software vendor.

Conclusion

We would like to thank Shawn Sutton, Charis Hall and the County staff for their assistance during the audit process.

This report is intended solely for the information and use of the Board of County Commissioners and management of Fremont County, Colorado and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Logan and Associates, LLC". The script is cursive and fluid.

Logan and Associates, LLC