
Fremont County, Colorado

Financial Statements

December 31, 2011

Board of County Commissioners

Edward Norden

Michael Stiehl

Debbie Bell

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Fremont County, Colorado Management's Discussion and Analysis

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the County's financial condition and operating results and to disclose to the reader important financial activities and issues related to the County's basic operations. The MD&A should be read in conjunction with the County's basic financial statements.

The County has one financial category - government-type activities. Within the government type activities, the Board of County Commissioners has designated a General Fund and several Special Revenue Funds. The government type activities are funded primarily through the County's ad-valorem property tax, sales and use taxes, specific ownership taxes, grants and contributions, and charges for services.

Financial Highlights

The General Fund Reserve Balance increased to \$ 1,211,750 at the end of 2011, an increase of \$125,771 for the year then ended. Total General Fund Balance is approximately 11.1% of 2011 General Fund spending of \$10.9 million.

Fremont County Issue 1B was passed favorably by voters in November, 2007. The issue "froze" the tax mill levy rate at the level of 12.294 mills, which was the current mill levy for 2007, and also the mill levy rate in 1992 when TABOR was passed by Colorado voters (Taxpayers Bill of Rights; Amendment 1; Article X, Section 20). The approval exempted the property tax revenue increase from the TABOR limitation of growth and inflation as defined in the Amendment. This increase has allowed Fremont County to collect an additional \$ 1,023,000 in property tax revenue for Budget Years 2008 thru 2011. The 1B issue is effective for Budget years 2008 through Budget year 2015 (eight years).

The Sheriffs Fund Balance at December 31, 2011 was \$ 68,281. The Sheriffs Fund did realize sufficient revenues in 2011, avoiding additional General Fund transfers above the base level of \$3,939,852.

The Sheriffs Fund revenues were \$1,078,137 in 2011 compared to \$1,399,386 in 2010. The major decrease was the result of jail housing revenue decreases. It is anticipated that the revenue stream for 2012 will remain constant in comparison to 2011.

Using This Annual Report

This annual report consists of three required parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.

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- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations *in more detail* than the government-wide statements.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information (RSI)* that further explains and supports the information in the financial statements.

Following the *RSI* are additional statements that are required by oversight agencies but are not a required part of the financial statement under generally accepted accounting principles.

Government-wide Statements

The government-wide statements consist of the Statement of Net Assets and the Statement of Activities. These statements report information about the County as a whole and include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's *net assets* and changes in them. The County's net assets – the difference between assets and liabilities – is one way to measure the County's financial health, or *financial position*. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the County's property tax base are needed to assess the overall health of the County.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant funds – not the County as a whole.

Governmental fund – All of the County's activity is reported in governmental funds, which focuses on how money flows into and out of the each of the funds and the balances left at year-end that are available for use in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all of other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

STATEMENTS OF NET ASSETS

The perspective of the statement of net assets is of the County as a whole. Following is a summary of the County's net assets for the last two years:

	Net Assets	
	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 19,013,955	\$ 18,559,343
Capital assets	<u>63,032,752</u>	<u>63,919,804</u>
Total assets	<u>82,046,707</u>	<u>82,479,147</u>
Long-term debt outstanding	23,591,171	24,600,282
Other liabilities	<u>9,807,678</u>	<u>9,559,302</u>
Total liabilities	<u>33,398,849</u>	<u>34,159,584</u>
Net assets:		
Invested in capital assets, net of related debt	39,441,581	39,319,522
Restricted	6,025,817	5,080,290
Unrestricted (deficit)	<u>4,203,494</u>	<u>5,432,367</u>
Total net assets	<u>\$ 49,670,891</u>	<u>\$ 49,832,179</u>

STATEMENTS OF ACTIVITIES

The perspective of the statement of activities is of the County as a whole. The following table reflects the change in net assets for the last two years.

	2011	2010
<u>Revenues:</u>		
Program Revenues:		
Charges for Services	\$ 5,450,651	\$ 5,520,697
Operating grants and contributions	5,343,477	6,219,982
Capital Grants/Contib.	5,748,709	5,462,994
Total Program Revenues	<u>16,542,837</u>	<u>17,203,673</u>
General Revenues:		
Property Taxes	4,903,897	5,138,956
Specific ownership taxes	742,163	720,298
Sales and use taxes	4,589,677	4,623,218
Licenses and permits	429,546	467,375
Interest and investment earnings	155,274	124,979
Other general revenues	863,763	809,919
Gain (Loss) on Asset disposal	(995)	19,753
Total General Revenues	<u>11,683,325</u>	<u>11,904,498</u>
 Total Revenue	 <u>28,226,162</u>	 <u>29,108,171</u>
<u>Program Expenses:</u>		
General Government	6,858,965	6,861,028
Sheriff	5,647,148	5,277,321
District attorney	848,781	855,626
Other public safety	913,574	852,890
Health and welfare	7,078,875	7,463,252
Airport	692,382	847,770
Highways and roads	4,477,534	4,635,839
Culture and recreation	75,883	82,848
Intergovernmental	658,261	924,986
Interest on long-term debt	1,136,046	1,100,031
Total Expenses	<u>28,387,449</u>	<u>28,901,591</u>
 Increase (decrease) in Net Assets	 <u>\$ (161,288)</u>	 <u>\$ 206,580</u>

Certificates of Participation in the amount of \$6,315,000 were issued in 2010.

The 2010 Certificates of Participation issue (C.O.P.) has been used for three different categories beginning in 2010 and ongoing through 2011. They are as follows:

- 1) Escrow of Funds for refinance of \$2,245,000. 2003 C.O.P.'s.
- 2) Major energy saving replacements/improvements to various County building facilities-\$2,380,000.
- 3) Funding of various departments major capital requests-\$1,690,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION – COUNTY WIDE

The following table summarizes the County's capital assets for the last two years.

Description	<i>Balance, Beginning of</i>		<i>Balance, End of Year</i>	
	<i>Year</i>	<i>Additions</i>	<i>Deletions</i>	
Land	\$ 1,095,993	\$ -	\$ -	\$ 1,095,993
Construction in Progress	1,735,864	363,755	208,701	1,890,918
Buildings and Improvements	31,695,558	632,628	-	32,328,186
Equipment and Furniture	8,483,481	9,280	54,840	8,437,921
Infrastructure	81,633,578	753,370	-	82,386,948
Totals - At Cost	124,644,474	1,759,033	263,541	126,139,966
Less Accumulated Depreciation	(60,724,670)	(2,436,389)	(53,845)	(63,107,214)
Net	<u>\$ 63,919,804</u>			<u>\$ 63,032,752</u>

The most significant single capital addition during the year was improvements to the Red Canyon Shelf Road in the amount of \$753,370.

DEBT OUTSTANDING

The County's long-term debt activity during the year was as follows:

Description	Beginning Balance		Additions	Payments	Ending Balance	Amount Due in One Year
Equipment Leases	\$ 200,282	\$ -	\$ 129,111	\$ 71,171	\$ 71,171	
Certificates of Participation Series 2003A	18,305,000	-	625,000	17,680,000	675,000	
Certificates of Participation Series 2010	6,095,000	-	255,000	5,840,000	310,000	
Total	<u>\$ 24,600,282</u>	<u>\$ -</u>	<u>\$ 1,009,111</u>	<u>\$ 23,591,171</u>	<u>\$ 1,056,171</u>	

ECONOMIC AND OTHER FACTORS

Sales and use tax revenues decreased minimal (\$8,583) during the 2011 collection year compared to the same period in 2010. Budget revenue estimates for 2012 have been projected to increase approximately \$40,000, or .9% from 2011 actual collection levels. Seventy-five percent of sales and use tax revenues are designated for deposit into the General Fund. The remaining

twenty-five percent is earmarked for the Sales & Use Tax Capital Improvement Fund. Total sales and use tax collections are estimated to be \$4.519 million in 2012.

The County's CCOERA (Colorado Counties Officials & Employees Retirement Association) Retirement plan was "suspended" for Budget Year 2010, saving approximately \$300,000 in 2010. The Plan became active again in 2011 with employee and employer contributions at 3% each. The Plan remains in effect for 2012.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the County's finances and to reflect the County's accountability for the revenues it receives. If you have any questions regarding this report or need additional financial information, please contact:

Fremont County, Colorado
Finance Director
615 Macon Avenue, Room 101
Cañon City, CO 81212
Tel: (719) 276-7351
Fax: (719) 276-7353

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Independent Auditors' Report

Board of County Commissioners
Fremont County, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fremont County as of and for the year ended December 31, 2011 which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Fremont County, Colorado, as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2012, on our consideration of Fremont County, Colorado's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages M-1 through M-6 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 management's discussion and analysis 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 management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that budgetary comparison information on pages 22 through 27 and 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. The accompanying budgetary comparison information on pages 22 through 27 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures

applied in the examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Fremont County's basic financial statements. The supplemental data for oversight agencies listed in the table of contents (pages 28 – 46) are presented for purposes of additional analysis and are not a required part of the basic financial statements of Fremont County, Colorado. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Holscher, Mayberry + Company, LLC

Englewood, Colorado
July 25, 2012

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Basic Financial Statements

Fremont County, Colorado
Government-Wide Statement of Net Assets
December 31, 2011

Assets	2011	2010
<i>Current Assets</i>		
Cash and cash equivalents	\$ 9,326,515	\$ 8,632,985
Property taxes receivable	5,346,229	5,160,245
Due from other governments	1,033,250	1,481,580
Other receivables	182,160	226,111
Inventory of supplies	164,851	147,044
Other current assets	200,932	200,932
Total Current Assets	16,253,937	15,848,897
<i>Noncurrent Assets</i>		
Restricted cash	2,760,018	2,710,446
Restricted investments	1,023,030	1,512,616
Capital Assets:		
<i>Capital Assets Not Being Depreciated</i>		
Land	1,095,993	1,095,993
Construction in progress	1,890,918	1,735,864
<i>Capital Assets Being Depreciated</i>		
Depreciable Capital Assets at cost	123,153,055	121,812,617
Less accumulated depreciation	(63,107,214)	(60,724,670)
Net Capital Assets	63,032,752	63,919,804
Total Noncurrent Assets	66,815,800	68,142,866
Total Assets	\$ 83,069,737	\$ 83,991,763
Liabilities		
<i>Current Liabilities</i>		
Vouchers and other payables	\$ 654,708	\$ 783,566
Accrued salaries and payroll taxes	423,846	295,696
Accrued interest payable	81,346	83,932
Due to other governments	1,064,015	1,006,164
Deferred revenues	6,680,478	6,508,204
Accrued compensated absences	903,285	881,740
Current portion of long-term debt	1,056,171	1,003,513
Total Current Liabilities	10,863,849	10,562,815
<i>Noncurrent Liabilities</i>		
Noncurrent portion of long-term liabilities	22,535,000	23,596,769
Total Liabilities	\$ 33,398,849	\$ 34,159,584
Net Assets		
Invested in capital assets, net of related debt	39,441,581	39,319,522
Net assets restricted	6,025,817	5,080,290
Net assets unrestricted	4,203,494	5,432,367
Total Net Assets	\$ 49,670,891	\$ 49,832,179

The accompanying notes are an integral part of the financial statements.

Fremont County, Colorado

Statement of Activities

For the Year Ended December 31, 2011

Functions/Programs	Program Revenues				Total Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 6,858,965	\$ 3,454,102	\$ -	\$ 1,803,275	\$ (1,601,589)
Public safety:					
Sheriff	5,647,148	1,089,794	-	8,150	(4,549,204)
District attorney	848,781	-	-	-	(848,781)
Other public safety	913,574	-	41,062	-	(872,512)
Health and welfare	7,078,875	392,456	5,302,415	-	(1,384,004)
Airport	692,382	400,587	-	113,637	(178,158)
Highways and roads	4,477,534	113,712	-	3,035,193	(1,328,629)
Culture and recreation	75,883	-	-	366,773	290,890
Intergovernmental	658,261	-	-	421,681	(236,580)
Interest on long-term debt	1,136,046	-	-	-	(1,136,046)
Total Governmental Activities	28,387,449	5,450,651	5,343,477	5,748,709	(11,844,613)

General Revenues

Taxes	
Property taxes	4,903,897
Specific ownership taxes	742,163
Sales and use taxes	4,589,677
Licenses and permits	429,546
Interest and investment earnings	155,274
Gain (loss) on disposal of assets	(995)
Miscellaneous	863,763
Total General Revenues	11,683,325
Changes in Net Assets	(161,288)
Net Assets - Beginning of the Year	49,832,179
Net Assets - End of the Year	\$ 49,670,891

The accompanying notes are an integral part of the financial statements.

Fremont County, Colorado
Balance Sheet - Governmental Funds
December 31, 2011

Assets	General Fund	Human Services
Cash and cash equivalents	\$ 2,890,835	1,912,342
Restricted cash and equivalents	-	13,085
Restricted Investments	-	
Property taxes receivable	3,647,532	1,192,675
Other receivables	95,094	16,059
Prepaid expenditures	-	
Due from other funds	63,633	8,845
Due from other governments	558,931	199,723
Inventory of supplies	-	-
Total Assets	\$ 7,256,025	\$ 3,342,729
Liabilities and Fund Equity		
Liabilities		
Vouchers and other payables	\$ 413,758	\$ 17,748
Accrued salaries and payroll taxes	328,861	-
Due to other funds	52,365	17,186
Due to other governments	454,945	609,070
Deferred revenue	3,647,532	2,526,924
Accrued compensated absences	424,856	292,670
Total Liabilities	5,322,317	3,463,598
Fund Balances		
Nonspendable - inventory	-	-
Nonspendable - prepaid and other assets	-	-
Restricted for debt service	-	-
Restricted for emergencies	855,100	-
Restricted by statute	-	-
Restricted to capital outlay	-	-
Restricted for other purposes	-	-
Assigned for subsequent year expenditures	792,438	141,180
Assigned - other	-	-
Unassigned	286,170	(262,049)
Total Fund Balances	1,933,708	(120,869)
Total Liabilities and Fund Balances	\$ 7,256,025	\$ 3,342,729

Department of Transportation	Sales and Use Tax	All Other Governmental Funds	Total Governmental Funds
\$ 1,069,302	\$ 709,877	\$ 2,744,159	\$ 9,326,515
-	2,746,933	-	2,760,018
-	1,023,030	-	1,023,030
367,309	-	138,713	5,346,229
19,115	-	51,892	182,160
-	200,932	-	200,932
9,719	10,442	23,217	115,856
126,589	148,007	-	1,033,250
107,351	-	57,500	164,851
<u>\$ 1,699,385</u>	<u>\$ 4,839,221</u>	<u>\$ 3,015,481</u>	<u>\$ 20,152,841</u>
\$ 82,475	\$ 55,628	\$ 85,094	\$ 654,703
68,233	-	26,752	423,846
8,320	22,004	15,980	115,855
-	-	-	1,064,015
367,309	-	138,713	6,680,478
154,801	-	30,958	903,285
<u>681,138</u>	<u>77,632</u>	<u>297,497</u>	<u>9,842,182</u>
107,351	-	57,500	164,851
-	200,932	-	200,932
-	3,769,963	-	3,769,963
-	-	-	855,100
-	-	351,190	351,190
-	790,694	-	790,694
-	-	258,870	258,870
514,279	-	169,472	1,617,369
396,617	-	1,921,810	2,318,427
-	-	(40,858)	(16,737)
<u>1,018,247</u>	<u>4,761,589</u>	<u>2,717,984</u>	<u>10,310,659</u>
<u>\$ 1,699,385</u>	<u>\$ 4,839,221</u>	<u>\$ 3,015,481</u>	<u>\$ 20,152,841</u>

Fremont County, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the Year Ended December 31, 2011

	General Fund	Human Services
Revenues		
Property taxes	\$ 3,525,449	\$ 1,016,051
Specific ownership taxes	550,097	134,668
Sales and use taxes	3,354,226	-
Licenses and permits	429,546	-
Intergovernmental	2,294,501	4,963,838
Charges for services	2,468,612	68,323
Investment income	36,822	-
Miscellaneous	231,162	63,853
Total Revenues	<u>12,890,415</u>	<u>6,246,733</u>
Expenditures		
<i>Current Operating</i>		
General government	4,812,642	-
Public safety	6,590,013	-
Highways and streets		-
Airport		-
Health and welfare	111,404	6,532,255
Culture and recreation		-
Intergovernmental	506,143	-
<i>Debt Service</i>		
Principal	129,111	-
Interest	11,300	-
<i>Capital Outlay</i>		
	346,923	-
Total Expenditures	<u>12,507,536</u>	<u>6,532,255</u>
Excess of Revenues Over (Under) Expenditures	<u>382,879</u>	<u>(285,522)</u>
Other Financing Sources (Uses)		
Transfers in	152,372	-
Transfers out	(443,092)	(17,186)
Other	-	63,948
Total Other Financing Sources (Uses)	<u>(290,720)</u>	<u>46,762</u>
Net Change in Fund Balance	<u>92,159</u>	<u>(238,760)</u>
Fund Balance		
Fund Balances - Beginning of Year	1,841,549	117,891
Fund Balances - End of Year	<u>\$ 1,933,708</u>	<u>\$ (120,869)</u>

Road and Bridge	Sales and Use Tax	All Other Governmental Funds	Total Governmental Funds
\$ 243,690	\$ -	\$ 118,707	\$ 4,903,897
41,532	-	15,866	742,163
-	1,118,523	116,928	4,589,677
-	-	-	429,546
2,635,193	-	1,190,504	11,084,036
113,712	-	2,800,004	5,450,651
-	118,793	(341)	155,274
21,762	211,717	271,321	799,815
<u>3,055,889</u>	<u>1,449,033</u>	<u>4,512,989</u>	<u>28,155,059</u>
-	55,267	1,923,799	6,791,708
-	-	280,073	6,870,086
2,846,950	-	-	2,846,950
-	-	560,868	560,868
-	-	380,504	7,024,163
-	-	62,978	62,978
-	-	152,118	658,261
-	880,000	-	1,009,111
-	1,127,332	-	1,138,632
325,429	440,758	429,072	1,542,182
<u>3,172,379</u>	<u>2,503,357</u>	<u>3,789,412</u>	<u>28,504,939</u>
<u>(116,490)</u>	<u>(1,054,324)</u>	<u>723,576</u>	<u>(349,881)</u>
66,500	265,321	150,769	634,962
(163,167)	-	(11,517)	(634,962)
-	-	-	63,948
<u>(96,667)</u>	<u>265,321</u>	<u>139,252</u>	<u>63,948</u>
<u>(213,157)</u>	<u>(789,003)</u>	<u>862,828</u>	<u>(285,933)</u>
1,231,404	5,550,592	1,855,155	10,596,591
<u>\$ 1,018,247</u>	<u>\$ 4,761,589</u>	<u>\$ 2,717,984</u>	<u>\$ 10,310,659</u>

The accompanying notes are an integral part of the financial statements

Fremont County, Colorado

***Reconciliation of the Governmental Funds Balance Sheet with
the Statement of Net Assets***

December 31, 2011

Total Fund Balance - Governmental Funds \$ 10,310,659

*Amounts reported for governmental activities in the statement of net assets
are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds 63,032,752

Long-term debt is not due and payable in the current period and therefore is not reportable as liabilities in the funds (23,672,517)

Total Net Assets - Governmental Activities \$ 49,670,891

Fremont County, Colorado

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Statement of Activities

For the Year Ended December 31, 2011

Total Change in Fund Balances - Governmental Funds \$ (285,933)

*Amounts reported for governmental activities in the statement of Activities are
different because:*

Add capital outlays for the purchase of fixed assets. Fixed asset purchases are treated as an expenditure in the current period; however, for purposes of the statement of activities these assets are capitalized and depreciated over their estimated useful lives.

Less depreciation expense for the year

Net

1,550,332

(2,436,389)

(886,057)

Change in accrued interest payable is not recorded in the fund financial statements, but is recorded for the statement of activities.

2,586

Repayment of principal on long-term debt is an expenditure in the governmental but the repayment reduces long-term liabilities in the statement on net assets and does not affect the statement of activities.

1,009,111

Gain or (loss) on net fixed assets disposed of during the year is not included in the fund financial statements because it does not require the use of current financial resources.

(995)

Change in Net Assets of Governmental Activities

\$ (161,288)

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Fremont County, Colorado (the County) is presented to assist in the understanding of the County's basic financial statements. The financial statements and notes are representations of the County's management, which is responsible for their integrity and objectivity. These accounting policies conform to the generally accepted accounting principles (GAAP) as applied to government units, and have been consistently applied in preparation of the financial statements. The Government Accounting Standards Board (GASB) is the standard-setting body that establishes governmental accounting and financial reporting principles. The following is a summary of the County's significant policies.

Organization

The County operates under the regulations pursuant to the Colorado Revised Statutes that designates a Board of County Commissioners to act as the governing authority. The County provides the following services: public safety (sheriff), highways and streets, sanitation, health and social services, parks and recreation, public improvements, planning and zoning, and general administrative services.

Principles Determining Scope of Reporting Entity

In defining and determining the County as an appropriate reporting entity, the County has considered manifestations of oversight over, and scope of public service of, various boards, commissions, authorities, and other entities. More specifically, these considerations include, but are not limited to, their scope of public service, the County's ability to select another entity's governing authority or management, to significantly influence operations, to approve budgetary appropriations and revisions, and its responsibilities to fund deficits, operating deficiencies or determine revenue policy. Based on these considerations, the following entities have been included in the County financial statements:

Elected Officials

All financial transactions of the offices of elected officials of Fremont County (Assessor, Clerk and Recorder, Coroner, District Attorney, Sheriff, and Treasurer) are recorded in the General Fund. The Board of County Commissioners has budgetary authority over elected officials and is accountable for all fiscal matters.

Fremont County Public Trustee

Title 38, Article 37 of the 1976 Colorado Revised Statutes (CRS), as amended, governs the Fremont County Public Trustee. Amounts in excess of required reserves are paid to the County. Under Title 29-1, Section 602, Subpart 5 of CRS, effective January 1, 1990, the Office of Public Trustee was deemed a part of the County for financial reporting purposes. The Fremont County Public Trustee is reported as a blended component unit and is recorded as an agency fund in the County's basic financial statements. The Public Trustee issues separate financial statements that may be obtained from the Public Trustee, located at 625 Macon, Cañon City, Colorado 81212.

Fremont County Finance Corporation (FCFC)

The Fremont County Finance Corporation was formed in 1985 as a not-for-profit corporation under Section 501(C)(4) of the Internal Revenue Code, and exists solely to finance the construction of various County facilities including the criminal justice facility and the social services building. FCFC is governed by a three member board appointed by the Board of County Commissioners. FCFC is reported as a blended component unit in the County's general-purpose financial statements. The underlying notes of participation are included in the General Long-term Debt Account Group and payments made on the debt, and investments used to service the debt, are reflected in the County's Sales and Use Tax Capital Improvements Fund. The fixed assets of FCFC are reflected in the County's General Fixed Asset Account Group.

The FCFC utilizes the accrual basis of accounting, which is an acceptable alternative accounting principle to governmental fund types requiring the modified accrual basis of accounting. However, such accounting basis differences are insignificant.

Fremont County, Colorado

Notes To Financial Statements

December 31, 2011

Emergency Telephone Service Authority (ETSA - 911)

ETSA - 911 was established in 1989 to provide and administer emergency telephone service to Cañon City, Florence, and all surrounding communities within the County. The County is financially responsible for certain operating costs incurred by ETSA; however, it does not have an equity interest at this time. ETSA prepared separate financial statements which are available through the County's finance office.

It was determined that the ETSA is a joint venture for the following reasons: (1) It was organized by an intergovernmental agreement between the County, City of Cañon City, and Town of Florence; and, (2) the County retains an ongoing financial interest and financial responsibilities.

Basis of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information of the County as a whole. The reporting information includes all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The fiduciary funds are presented separately.

The County reports the following major governmental funds:

General Fund – This fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. This fund includes the activities of funds that are maintained separately by the County for internal purposes but are combined in these financial statements for reporting purposes because the expenditures and/or revenues for those separate funds are dependent upon or transfers to or from the general fund. These separate funds include the following: sheriff, capital expenditures, payment in lieu of taxes, waste disposal, and public building and maintenance funds.

Human Services – accounts for intergovernmental and grants received for public assistance programs.

Fremont County, Colorado

Notes To Financial Statements

December 31, 2011

Department of Transportation – accounts for the construction and maintenance of the County’s roads and bridges.

Sales and Use Tax – accounts for a portion of revenues from sales and use taxes that are restricted to capital outlay. This fund is also used to account for the activities related to the repayment of the certificates of participation.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. Measurable means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

The County has implemented GASB Statement No. 34 Basis Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, and related standards. These new standards provide for significant changes in terminology and presentation and for the inclusion of Management’s Discussion and Analysis as required supplemental information.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure are reported in the government-wide financial statements. All capital assets are valued at historical cost. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

For buildings and equipment assets capitalized have an original cost of \$5,000 or more and more than a three year of useful life. Infrastructure assets are capitalized if the cost is greater than \$25,000. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 – 50 years
Equipment	3 – 10 years
Infrastructure	7 – 50 years

Inventory

Inventory of the County consists of consumable supplies in the Road and Bridge, Airport and Weed Control funds. Inventory is stated at the lower of cost or fair value using the first-in, first-out method. Inventory purchases are recorded as expenditures at the time the individual inventory items are purchased and adjusted to inventory at year-end based on a physical count. Reported inventories are equally offset by a fund balance reserve that indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

Property Tax Revenue Recognition

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied December 15 and are due and payable in full by April 30 or in two equal installments due February 28 and June 15 of the ensuing year. Since these taxes are not normally available to the County until 2012, a receivable and related deferred revenue is recorded at December 31, 2011.

Budgets and Budgetary Accounting

The budgets of the County have been prepared in conformity with generally accepted accounting principles similar to that basis on which the governmental fund statements have been prepared.

The County adheres to the following procedures in establishing budgeting data reflected in the financial statements:

1. Budgets are required pursuant to Colorado Revised Statutes (CRS) for all funds. During September, the County Budget Officer assembles the prospective budgets for the ensuing year from each elected official and department head.
2. Public hearings are held to obtain taxpayer comment.
3. Prior to December 31, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations for funds. However, the Board of County Commissioners may amend the budget through use of a supplemental appropriation process pursuant to CRS.

Accrued Compensated Absences

Employees may earn up to a maximum of forty-eight days accrued vacation. At termination, employees are paid for any accumulated vacation leave. The total accrued liability for compensated absences for governmental funds has been recorded in the applicable individual funds.

Fund Balances

The County reports the following fund balance classifications:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified Inventories, and Prepaid Items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- *Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners. These amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of County Commissioners or through the Board of County Commissioners delegating this responsibility to another individual through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- *Unassigned* - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

Other restrictions on fund balance that are not separately reported in the fund financial statements are as follows:

Purpose	Amount
E-recording data equipment	\$ 76,761
Clerk labor	41,974
Data equipment for Sheriff's office	16,826
Firewise program	92,726
Heritage Commission	1,626
Tourism	20,540
War Memorial Park Committee	8,417
Total Other Restrictions	\$ 258,870

The County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

2. Cash and Investments

The County's investment policies are governed by state statute. Permissible investments include: direct obligations of the United States Government, obligations issued by any Colorado corporation, agency, or authority created by an act of the United States Congress, certificates of deposit, interest bearing savings accounts, and demand accounts of banks and savings and loan associations. Collateral is required for demand deposits and certificates of deposit at 102% of all amounts not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state of Colorado and its subdivisions. The County's deposits and investments are categorized below to indicate the level of risk assumed by the County at December 31, 2011.

Deposit Categories of Custody Credit Risk

Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with the market value at least equal to the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pool.

Uninsured deposits in financial institutions are placed into three categories depending on the custody credit risk. The categories are as follows:

- a. Uncollateralized
- b. Collateralized with securities held by the pledging financial institution
- c. Collateralized with securities held by the pledging financial institution's trust department, or agent but not in the entity's name.

Pooled Cash and Investments

The County's pooled cash and investments consist of deposits with financial institutions, certificates of deposits, and United States Government and agency securities.

At year-end, the carrying amounts of the County's deposits were as follows:

Fremont County, Colorado
Notes To Financial Statements
December 31, 2011

Description	Rating	Credit Risk Category		Total Bank	Carrying
		Insured	c	Balance	Amount
Sunflower Bank		\$ 250,000	\$ 3,569,374	\$ 3,819,374	\$ 3,752,985
Canon National Bank		250,000	5,061,487	5,311,487	5,259,553
Colotrust Plus+	AAA by S&P	-	125,891	125,891	125,880
US Bank -Investments FCAR Owner Trust	A-1+ by S&P	-	-	2,049,050	2,003,594
UMB Bank - Federated Treasury Obligations	AAA by S&P	-	-	592,337	592,399
US Bank-First American Treasury Obligation	AAA by S&P	-	-	50,127	150,940
Total in financial institutions		<u>\$ 500,000</u>	<u>\$ 8,756,752</u>	<u>\$ 11,948,266</u>	<u>\$ 11,885,351</u>

Reconciliation of the Carrying Amount to the Statement of Net Assets

Cash and equivalents on the Statement of Net Assets	\$ 9,326,515
Restricted cash	2,760,018
Agency Cash	(201,182)
Total Carrying Amount	<u>\$ 11,885,351</u>

Investments consist of State and Local Government Securities (SLGS) which are issued through the Treasury Department, Bureau of the Public Debt. SLGS are not rated. They are direct obligations of the United States.

Investment Interest Rate Risk

The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

1. Direct obligations of the U.S. Government, its agencies, and instrumentalities to which the full faith and credit of the U.S. Government is pledged or obligations to the payment of which the full faith and credit of the State is pledged;
2. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out of state financial institutions;
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations;
4. Town, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money; or bond or revenue anticipation notes of public trusts whose beneficiary is a town, municipality, or school district;
5. Notes or bonds secured by a mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and obligations of the National Mortgage Association; and
6. Money market funds regulated by the Securities and Exchange Commission in which investments consist of the investments in 1, 2, 3, and 4 above.

Concentrations of Investment Credit Risk

The County places no limit on the amount it may investment in any one issuer.

The County invests excess funds under the prudent investor rule. Criteria for selection of investments and their order of priority are: 1) Safety; 2) liquidity; and 3) yield.

Restricted Cash and Investments

Cash and investments have been restricted in the Sales and Use Tax Fund for the repayment of debt. Restricted cash in the Human Services Fund is in an account held in trust for others.

3. Long-term Debt

Changes in Long-term Debt

The following is a summary of changes in general long-term debt for the year ended December 31, 2011:

Description	Beginning Balance	Additions	Payments	Ending Balance	Amount Due in One Year
Equipment Leases	\$ 200,282	\$ -	\$ 129,111	\$ 71,171	\$ 71,171
Certificates of Participation Series 2003A	18,305,000	-	625,000	17,680,000	675,000
Certificates of Participation Series 2010	6,095,000	-	255,000	5,840,000	310,000
Total	\$ 24,600,282	\$ -	\$ 1,009,111	\$ 23,591,171	\$ 1,056,171

Certificates of Participation

Certificates of participation series 2003A dated July 1, 2003. Maturing each December 1 from 2009 through 2026. Interest rates vary from 3.0% to 4.77%. Interest due each June 1 and December 1.

Certificates of participation series 2010 dated April 13, 2010. Maturing each December 15 from 2010 through 2028. Interest rates vary from 2.5% to 4.875%.

Principal and payments to maturity on the certificates of participation are as follows:

Year Ended	Principal	Interest	Total
2012	\$ 985,000	\$ 1,097,806	\$ 2,082,806
2013	1,090,000	1,063,194	2,153,194
2014	1,190,000	1,024,980	2,214,980
2015	1,285,000	983,306	2,268,306
2016	1,385,000	936,206	2,321,206
2017 - 2021	7,620,000	3,705,962	11,325,962
2122 - 2026	9,310,000	1,588,004	10,898,004
2027 - 2031	655,000	47,532	702,532
Total	\$ 23,520,000	\$ 10,446,990	\$ 33,966,990

Capital Leases

The County is obligated under an equipment lease accounted for as a capital lease. The leased assets and related obligations are recorded at the lower of the present value of the minimum lease payments or the fair value of such assets. At December 31, 2011 the cost of the assets under capital leases was \$361,459.

The lease includes a cancellation clause in the event that funding is not available. For reporting purposes, if the County has no plans to exercise such cancellation clause, the lease is considered to be a capital lease.

Fremont County, Colorado
Notes To Financial Statements
December 31, 2011

The following is a schedule, by year, of future minimum lease payments under capital leases together with the present value of minimum lease payments as of December 31, 2011:

Year Ended	Amount
2012	79,304
Total lease payments	79,304
Less amount representing interest	(8,133)
Present value of capitalized leases	\$ 71,171

4. Changes in General Fixed Assets

The following is a summary of changes in general fixed assets:

Description	<i>Balance, Beginning of Year</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance, End of Year</i>
Land	\$ 1,095,993	\$ -	\$ -	\$ 1,095,993
Construction in Progress	1,735,864	363,755	208,701	1,890,918
Buildings and Improvements	31,695,558	632,628	-	32,328,186
Equipment and Furniture	8,483,481	9,280	54,840	8,437,921
Infrastructure	81,633,578	753,370	-	82,386,948
Totals - At Cost	124,644,474	1,759,033	263,541	126,139,966
Less Accumulated Depreciation	(60,724,670)	(2,436,389)	(53,845)	(63,107,214)
Net	<u>\$ 63,919,804</u>			<u>\$ 63,032,752</u>

The following schedule summarizes depreciation expense by function:

Description	Amount
Highways & roads	1,630,584
General Govt	67,257
Airport	131,514
Sheriff	346,955
Other public safety	192,462
Culture & recreation	12,905
Health & Welfare	54,712
Total	<u>2,436,389</u>

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to obtain insurance coverage at a cost which it considered to be economically justifiable, the County became a member of Colorado Counties, Inc. which had previously served as the administrator of the following self-funded public entity insurance pools:

Fremont County, Colorado

Notes To Financial Statements

December 31, 2011

Colorado Counties Casualty and Property Pool (CCCPP)

CCCPP was formed on July 1, 1986 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the pool is to provide a risk management fund for defined property and casualty coverage of the member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

County Workers' Compensation Pool (CWCP)

CWCP was formed on January 1, 1985 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the joint venture is to provide a joint workers' compensation pool for employees of the member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

Health Insurance Fund

All funds that have employees are required to make payments in the County Health Insurance Fund. Under this plan the County self-insures employee health claims up to \$50,000 per participant. The County purchases commercial insurance for claims in excess of \$50,000. Changes in the Fund's claims liability amount for the last 3 years were:

Year	Beginning of Year Liability	Claims	Claims Paid	Balance End of Year
2009	\$ -	\$ 1,696,488	\$ 1,696,488	\$ -
2010	\$ -	\$ 2,058,940	\$ 1,881,485	\$ 177,455
2011	\$ 177,455	\$ 1,720,809	\$ 1,774,516	\$ 123,748

6. Employee Benefits

Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency.

Retirement Plan

County employees are members of the Colorado Counties Officials and Employee Retirement Association (CCOERA). The CCOERA administers a multiple-employer defined contribution plan. The Plan's purpose is to provide benefits to its members and their dependents at retirement. Employees' rights vest in employer contributions and in the earnings, losses, and changes in fair market value of the Plan assets after 5 years of service credit.

In 2011 the County matched 3% of eligible payroll. Employee contributions must match employer contributions and are funded on a current basis. Total payroll for the County was \$10,495,660 of which \$8,769,951 was eligible. Total contributions to the plan by the County in 2011 were \$263,098.

Net earnings or losses are allocated quarterly to the Plan participants. The allocation is based on each participant's balance as of the beginning of that quarter. Participants receiving benefit payments upon retirement or termination, are allocated earnings through the date of the distribution.

As of June 30, 2011, the Plan's assets did not include any Fremont County securities or loans.

Vacation and Sick leave

Employees are paid for unused vacation time accumulated prior to termination, provided that the unused annual leave does not exceed the amount that could be accrued in a 24-month period based on the employees' current accrual rate. The County does not pay for any accumulated sick leave.

Health Insurance

The County provides a group health insurance program consisting of medical coverage for all regular employees. The County contributes 100% of the cost for regular full-time employees. The County has set up a self-insurance plan for the employee's health insurance. The County contracts with Intermountain Benefit Administrators to provide the administration and operation of the plan.

Under the plan the County is self insured for the first \$50,000 in claims per participant per year. For amounts in excess of \$50,000 the County has purchased insurance coverage.

Life Insurance

The County funds the total cost of a life insurance program that insures each regular County employee for \$10,000. The program also provides spousal coverage of \$5,000, and dependent coverage of \$2,000 for dependents between the age of six months and 23 years old.

7. Budget

During the year the County amended the budgets of the various funds as follows:

Fund	Original Budget	Budget Amendment	Amended Budget
General	\$ 10,503,864	\$ 559,325	\$ 11,063,189
Restricted fund	\$ 298,552	\$ 137,158	\$ 435,710
Sheriff	\$ 5,415,173	\$ 18,644	\$ 5,433,817
Road and Bridge	\$ 3,503,372	\$ -	\$ -
Human Services	\$ 9,095,841	\$ -	\$ -
Waste Disposal	\$ 89,366	\$ 10,750	\$ 100,116
Airport	\$ 739,069	\$ -	\$ -
Capital Expenditures	\$ 229,307	\$ 368,781	\$ 598,088
Public Building and Maintenance	\$ 125,000	\$ -	\$ -
Sales & Use Tax	\$ 2,024,538	\$ 1,129,727	\$ 3,154,265
Gaming Impact	\$ 455,990	\$ -	\$ -
Payment in Lieu of Taxes	\$ 1,010,000	\$ -	\$ -
Conservation Trust	\$ 124,450	\$ -	\$ -
Emergency Reserve		\$ -	\$ -
Weed Fund	\$ 208,940	\$ 44,200	\$ 253,140
Construction Fund		\$ -	\$ -
Development Fund		\$ -	\$ -
Lodging Tax Fund	\$ 144,740	\$ 2,250	\$ 146,990
Department of Health Fund	\$ 520,965	\$ -	\$ -
Self-Funded Group Insurance	\$ 2,167,950	\$ -	\$ -

As discussed above, these are the funds that the County budgets. However for financial statement presentation the following funds have been consolidated in the General Fund: Sheriff, Capital Expenditures, Payment in Lieu of Taxes, Waste Disposal, and Public Building and Maintenance Funds.

8. Contingencies

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance.

Legal Matters

In the course of its operations the County becomes party to various legal proceedings. The County does not believe that any of the current legal proceedings, or potential proceedings which the County is aware of, will have a material adverse impact on the County's financial statements.

Required Supplementary Information

Fremont County, Colorado

General Fund Statement of Revenues and Expenditures Budget to Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
<i>Taxes</i>				
Property taxes	3,667,459	3,667,459	3,525,449	(142,010)
Specific ownership taxes	475,188	475,188	550,097	74,909
Sales and use taxes	3,268,686	3,268,686	3,354,226	85,540
Total Taxes	7,411,333	7,411,333	7,429,772	18,439
<i>Licenses and Permits</i>				
Liquor and food licenses	36,463	36,463	39,097	2,634
Building permits	123,160	123,160	196,944	73,784
Septic permits	19,000	19,000	16,920	(2,080)
Motor vehicle permits and titles	160,979	160,979	150,160	(10,819)
Other	9,000	9,000	26,425	17,425
Total Licenses and Permits	348,602	348,602	429,546	80,944
<i>Intergovernmental</i>				
General Government:				
Payment in lieu of taxes	1,050,000	1,050,000	1,213,184	163,184
Cigarette tax	9,400	9,400	9,377	(23)
GOCO	-	-	200,000	200,000
VALE	43,370	43,370	41,062	(2,308)
Sanitarian salary	17,342	17,342	19,945	2,603
Pass through grants	-	-	421,681	421,681
Other intergovernmental revenue	345,053	345,053	389,252	44,199
Total Intergovernmental	1,465,165	1,465,165	2,294,501	829,336
<i>Charges for Services</i>				
General Government:				
Clerk's commissions and fees	541,235	541,235	577,736	36,501
Treasurer's commissions and fees	507,600	507,600	506,984	(616)
Zoning fees	51,606	51,606	25,950	(25,656)
Rental income	49,020	49,020	50,802	1,782
Waste disposal	88,600	88,600	144,173	55,573
Other	11,727	11,727	98,207	86,480
Subtotal - general government charges for services	1,249,788	1,249,788	1,403,852	154,064
Law enforcement	1,271,200	1,271,200	1,064,760	(206,440)
Total Charges for Services	2,520,988	2,520,988	2,468,612	(52,376)
<i>Miscellaneous</i>				
Interest on investments	38,424	38,424	36,822	(1,602)
Other	176,242	176,242	231,162	54,920
Total Miscellaneous	214,666	214,666	267,984	53,318
Total Revenues	11,960,754	11,960,754	12,890,415	929,661

Fremont County, Colorado

General Fund Statement of Revenues and Expenditures Budget to Actual
For the Year Ended December 31, 2011

Revenues	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures				
<i>Current Operating</i>				
General Government:				
Commissioners	331,610	331,980	317,521	14,459
County Attorney	154,765	155,813	157,592	(1,779)
County Surveyor and Engineer	16,907	18,882	10,278	8,604
Planning and Zoning	401,116	382,636	383,787	(1,151)
Building	243,822	248,852	248,947	(95)
County Clerk and Recorder	565,278	565,278	579,625	(14,347)
County Clerk Elections	260,343	260,343	181,054	79,289
Treasurer	257,576	248,979	247,703	1,276
Assessor	618,869	618,869	599,822	19,047
Buildings and Grounds	856,988	923,480	875,811	47,669
Administration - County Manager	88,922	90,202	105,485	(15,283)
Administration - Finance Office	180,483	185,385	190,409	(5,024)
Administration - Human Resources	47,124	47,124	39,690	7,434
Administration - Operations	609,948	609,948	594,241	15,707
Extension Services (C.S.U.)	104,123	106,490	113,146	(6,656)
4-H County Fair	30,000	30,000	30,914	(914)
Veterans' Affairs	18,363	17,313	17,366	(53)
Information Technology	127,446	128,336	116,303	12,033
Other general government	30,000	30,000	2,948	27,052
Total General Government	4,943,683	4,999,910	4,812,642	187,268
Public Safety:				
	<i>Sheriff</i>			
Personnel Services	4,067,993	4,022,861	3,917,500	105,361
Contracted Services	286,876	279,809	248,402	31,407
Program Supplies	34,000	57,000	32,610	24,390
Inmate Expense	801,000	801,000	833,322	(32,322)
Vehicle Expense	65,500	115,500	133,945	(18,445)
Office Expense	36,500	36,500	81,753	(45,253)
Travel	10,000	7,843	8,362	(519)
<i>Subtotal - Sheriff</i>	5,301,869	5,320,513	5,255,894	64,619
	<i>Other Public Safety</i>			
District Attorney	848,781	848,781	848,781	-
Victims' assistance	43,034	43,034	43,105	(71)
Coroner	125,025	126,990	137,834	(10,844)
Emergency management	304,161	228,011	304,399	(76,388)
Total Other Public Safety	1,321,001	1,246,816	1,334,119	(87,303)

Fremont County, Colorado

General Fund Statement of Revenues and Expenditures Budget to Actual

For the Year Ended December 31, 2011

Revenues	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Total Public Safety	6,622,870	6,567,329	6,590,013	(22,684)
<i>Health and Welfare:</i>				
Sanitarian	46,139	45,294	47,094	(1,800)
Environmental protection	53,366	64,116	64,310	(194)
Total Health and Welfare	99,505	109,410	111,404	(1,994)
<i>Intergovernmental:</i>				
Intergovernmental COOP grants	72,119	84,619	84,462	157
Pass through grants	-	500,000	421,681	78,319
Total Intergovernmental	72,119	584,619	506,143	78,476
Capital Outlay	234,431	603,212	346,923	256,289
Debt Service				
Principal retirement	79,304	79,304	129,111	(49,807)
Interest	61,913	61,913	11,300	50,613
Total Debt Service	141,217	141,217	140,411	806
Total Expenditures	12,113,825	13,005,697	12,507,536	498,161
Excess of Revenues Over (Under) Expenditures	(153,071)	(1,044,943)	382,879	431,500
Other Financing Sources (Uses)				
Transfers in	100,000	100,000	152,372	52,372
Transfers out	(273,033)	(338,661)	(443,092)	(104,431)
Total Other Financing Sources (Uses)	(173,033)	(238,661)	(290,720)	(52,059)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(326,104)	(1,283,604)	92,159	379,441
Fund Balance, Beginning of Year			1,841,549	
Fund Balance, End of Year			<u>1,933,708</u>	

Fremont County, Colorado

Road and Bridge Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
<i>Taxes</i>				
Property taxes	\$ 273,584	\$ 273,584	\$ 242,543	\$ (31,041)
Specific ownership taxes	50,000	50,000	41,532	(8,468)
Penalties and interest	-	-	1,147	1,147
Total Taxes	<u>323,584</u>	<u>323,584</u>	<u>285,222</u>	<u>(38,362)</u>
<i>Charges for Services</i>				
Excavation permits	11,000	11,000	7,759	(3,241)
Cable TV agreements	62,500	62,500	83,666	21,166
Other charges for services	-	-	22,287	22,287
Total Charges for services	<u>73,500</u>	<u>73,500</u>	<u>113,712</u>	<u>40,212</u>
<i>Intergovernmental</i>				
Federal Sources:				
Mineral leasing	45,000	45,000	60,593	15,593
State Sources:				
Highway users tax	2,747,507	2,747,507	2,465,907	(281,600)
Motor vehicle registrations	115,000	115,000	108,693	(6,307)
Total intergovernmental	<u>2,907,507</u>	<u>2,907,507</u>	<u>2,635,193</u>	<u>(272,314)</u>
<i>Miscellaneous</i>				
	<u>7,045</u>	<u>7,045</u>	<u>21,762</u>	<u>14,717</u>
Total Revenues	<u>3,311,636</u>	<u>3,311,636</u>	<u>3,055,889</u>	<u>(255,747)</u>
Expenditures				
<i>Current Operating Highways and Streets</i>				
Salaries and wages	1,206,687	1,206,687	1,122,472	84,215
Employee benefits	536,743	536,743	495,424	41,319
Parts and Supplies	970,792	970,792	637,765	333,027
Projects	324,200	324,200	304,888	19,312
Other expenses	333,200	333,200	286,401	46,799
Total highways and streets	<u>3,371,622</u>	<u>3,371,622</u>	<u>2,846,950</u>	<u>524,672</u>
Construction and capital outlay	-	-	325,429	(325,429)
Total Expenditures	<u>3,371,622</u>	<u>3,371,622</u>	<u>3,172,379</u>	<u>199,243</u>
Excess of Revenues Over (Under) Expenditures	(59,986)	(59,986)	(116,490)	(56,504)
Other Financing Sources (Uses)				
Transfers in	66,500	66,500	66,500	-
Transfers out	(131,750)	(131,750)	(163,167)	(31,417)
Total Other Financing Sources (Uses)	<u>(65,250)</u>	<u>(65,250)</u>	<u>(96,667)</u>	<u>(31,417)</u>
Excess of Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (125,236)</u>	<u>\$ (125,236)</u>	<u>(213,157)</u>	<u>\$ (87,921)</u>
Fund Balance, Beginning of Year			<u>1,231,404</u>	
Fund Balance, End of Year			<u>\$ 1,018,247</u>	

Fremont County, Colorado

Human Services Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
<i>County Revenue</i>				
Property taxes	\$ 1,101,394	\$ 1,101,394	\$ 1,016,051	\$ (85,343)
Specific ownership taxes	142,536	142,536	134,668	(7,868)
TANF work participation bonus	68,014	68,014	68,323	309
County wide cost allocation plan	65,714	65,714	63,853	(1,861)
Other county revenue	2,400	2,400	-	(2,400)
Total County Revenue	<u>1,380,058</u>	<u>1,380,058</u>	<u>1,282,895</u>	<u>(97,163)</u>
<i>Intergovernmental Federal and State Grants</i>				
Regular administration	1,083,702	1,083,702	980,862	(102,840)
Program administrations	5,445,649	5,445,649	3,767,566	(1,678,083)
Miscellaneous programs	748,110	748,110	148,108	(600,002)
County tax base relief	72,246	72,246	(38,218)	(110,464)
Other	119,500	119,500	105,520	(13,980)
Total Intergovernmental	<u>7,469,207</u>	<u>7,469,207</u>	<u>4,963,838</u>	<u>(2,505,369)</u>
Total Revenues	<u>8,849,265</u>	<u>8,849,265</u>	<u>6,246,733</u>	<u>(2,602,532)</u>
Expenditures				
<i>Current Operating</i>				
Regular administration	1,291,748	1,291,748	1,267,770	23,978
Program administrations	5,871,301	5,871,301	4,188,654	1,682,647
Miscellaneous programs	733,455	733,455	128,207	605,248
Temporary Assistance to Needy Families (TANF)	361,034	361,034	186,004	175,030
Foster Care	610,791	610,791	558,615	52,176
Core services	-	-	14,655	(14,655)
Employment First	31,200	31,200	35,526	(4,326)
Aid to Needy Disabled	47,000	47,000	34,297	12,703
Child care	53,712	53,712	53,413	299
Medicaid Transportation	61,000	61,000	58,029	2,971
Other	34,600	34,600	7,085	27,515
Total Current Operating	<u>9,095,841</u>	<u>9,095,841</u>	<u>6,532,255</u>	<u>2,563,586</u>
Total Expenditures	<u>9,095,841</u>	<u>9,095,841</u>	<u>6,532,255</u>	<u>2,563,586</u>
Excess of Revenues Over (Under) Expenditures	(246,576)	(246,576)	(285,522)	(5,166,118)
Other Financing Sources (Uses)				
Return of county share	80,000	80,000	63,948	16,052
Transfers out	-	-	(17,186)	17,186
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (166,576)</u>	<u>\$ (166,576)</u>	<u>(238,760)</u>	<u>\$ (5,132,880)</u>
Fund Balance, Beginning of Year			<u>117,891</u>	
Fund Balance, End of Year			<u>\$ (120,869)</u>	

Fremont County, Colorado

Sales and Use Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
<i>Taxes</i>				
Sales tax	\$ 875,000	\$ 875,000	\$ 904,511	\$ 29,511
Auto use tax	166,562	166,562	163,407	(3,155)
Construction use tax	48,000	48,000	50,605	2,605
Total Taxes	1,089,562	1,089,562	1,118,523	28,961
<i>Miscellaneous</i>				
Interest	-	-	118,793	118,793
Energy rebate	-	-	115,717	115,717
172 Justice Center Road	96,000	96,000	96,000	-
Total Revenues	1,185,562	1,185,562	1,449,033	263,471
EXPENDITURES				
<i>Current Operating</i>				
General government	17,206	17,206	55,267	(38,061)
<i>Capital Outlay</i>				
	-	1,129,727	440,758	688,969
<i>Debt Service</i>				
Principal retirement	-	-	880,000	(880,000)
Interest and fee charges	2,007,332	2,007,332	1,127,332	880,000
Total Expenditures	2,024,538	3,154,265	2,503,357	650,908
Excess of Revenues Over (Under) Expenditures	(838,976)	(1,968,703)	(1,054,324)	914,379
Other Financing Sources (Uses)				
Transfers in	265,321	265,321	265,321	-
Total Other Financing Sources and Uses	265,321	265,321	265,321	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (573,655)	\$ (1,703,382)	(789,003)	\$ 914,379
Fund Balance, Beginning of Year			5,550,592	
Fund Balance, End of Year			\$ 4,761,589	

Supplemental Schedules for Oversight Agencies

Fremont County, Colorado

Lodging Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Lodging Tax	\$ 128,250	\$ 128,250	\$ 116,928	\$ (11,322)
Intergovernmental revenue	10,000	10,000	12,500	2,500
Charges for services	5,000	5,000	2,100	(2,900)
Other revenue	-	-	700	700
Total Revenues	143,250	143,250	132,228	(11,022)
Expenditures				
<i>Current Operating</i>				
General government	144,740	146,990	124,495	22,495
Total Expenditures	144,740	146,990	124,495	22,495
Excess of Revenues Over (Under) Expenditures	(1,490)	(3,740)	7,733	11,473
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (1,490)	\$ (3,740)	7,733	\$ 11,473
Fund Balance, Beginning of Year			12,807	
Fund Balance, End of Year			\$ 20,540	

Fremont County, Colorado

Airport Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
<i>Taxes</i>				
Property taxes	\$ 132,884	\$ 132,884	\$ 118,707	\$ (14,177)
Specific ownership taxes	17,000	17,000	15,866	(1,134)
Total Taxes	149,884	149,884	134,573	(15,311)
<i>Charges for services</i>				
Sale of fuel	310,000	310,000	350,964	40,964
Rent	37,600	37,600	47,119	9,519
Other	83,400	83,400	2,504	(80,896)
Total Charges for Services	431,000	431,000	400,587	(30,413)
<i>Intergovernmental</i>				
FAA grant	150,000	150,000	113,637	(36,363)
Colorado Department of Transportation	4,000	4,000	-	(4,000)
Total Intergovernmental	154,000	154,000	113,637	(40,363)
<i>Miscellaneous Revenues</i>				
	7,100	7,100	11,224	4,124
Total Revenues	741,984	741,984	660,021	(81,963)
Expenditures				
<i>Current Operating</i>				
General government	20,835	20,835	20,396	439
Airport Operations	483,234	483,234	560,868	(77,634)
<i>Debt Service</i>				
<i>Capital Outlay</i>	225,000	225,000	-	225,000
Total Expenditures	729,069	729,069	581,264	147,805
Excess of Revenues Over (Under) Expenditures	12,915	12,915	78,757	65,842
Other Financing Sources (Uses)				
Operating transfers out	(10,000)	(10,000)	(11,517)	(1,517)
Total Other Financing Sources and Uses	(10,000)	(10,000)	(11,517)	(1,517)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 2,915	\$ 2,915	67,240	\$ 64,325
Fund Balance, Beginning of Year			110,244	
Fund Balance, End of Year			\$ 177,484	

Fremont County, Colorado

Gaming Impact Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
<i>Intergovernmental</i>				
Gaming Impact Grant	\$ 424,240	\$ 424,240	\$ 400,000	\$ (24,240)
Total Revenues	424,240	424,240	400,000	(24,240)
Expenditures				
<i>Capital Outlay</i>				
Total Expenditures	455,990	455,990	429,072	26,918
Excess of Revenues Over (Under) Expenditures	(31,750)	(31,750)	(29,072)	(51,158)
Other Financing Sources (Uses)				
Operating transfers in	31,750	31,750	29,498	(2,252)
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	31,750	31,750	29,498	(2,252)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	426	<u>\$ (53,410)</u>
Fund Balance, Beginning of Year			<u>1,186</u>	
Fund Balance, End of Year			<u>\$ 1,612</u>	

Fremont County, Colorado

Weed Control Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for services	\$ 186,300	\$ 186,300	\$ 208,596	\$ 22,296
Intergovernmental	25,200	25,200	4,000	(21,200)
Total Revenues	211,500	211,500	212,596	1,096
Expenditures				
<i>Current Operating</i>				
Public Safety	208,940	253,140	235,774	17,366
Total Expenditures	208,940	253,140	235,774	17,366
Excess of Revenues Over (Under) Expenditures	2,560	(41,640)	(23,178)	18,462
Other Financing Sources (Uses)				
Sale of assets	-	-	-	-
Operating transfers in	8,000	8,000	43,000	35,000
Total Other Financing Sources (Uses)	8,000	8,000	43,000	35,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 10,560	\$ (33,640)	19,822	\$ 53,462
Fund Balance, Beginning of Year			(49,547)	
Fund Balance, End of Year			\$ (29,725)	

Fremont County, Colorado

Development Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 15,000	\$ 15,000
Other Financing Sources (Uses)				
Transfers in	-	-	7,132	7,132
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	22,132	<u>\$ 22,132</u>
Fund Balance, Beginning of Year			<u>(22,132)</u>	
Fund Balance, End of Year			<u>\$ -</u>	

Fremont County, Colorado

Conservation Trust Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
<i>Intergovernmental</i>				
State lottery funds	\$ 160,000	\$ 160,000	\$ 166,773	\$ 6,773
Total Intergovernmental	160,000	160,000	166,773	6,773
<i>Other Revenue</i>				
Investment income	2,500	2,500	2,576	76
Total Other Income	2,500	2,500	2,576	76
Total Revenues	162,500	162,500	169,349	6,849
Expenditures				
<i>Current Operating</i>				
Culture and recreation	89,450	89,450	62,978	26,472
Total Expenditures	89,450	89,450	62,978	26,472
Other Financing Sources and Uses				
Operating transfers out	(35,000)	(35,000)	-	35,000
Total Other Financing Sources and Uses	(35,000)	(35,000)	-	35,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 38,050</u>	<u>\$ 38,050</u>	106,371	<u>\$ 15,377</u>
Fund Balance, Beginning of Year			<u>244,819</u>	
Fund Balance, End of Year			<u>\$ 351,190</u>	

Fremont County, Colorado

Health Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
<i>Intergovernmental</i>				
Nurses salary	\$ 88,928	\$ 88,928	\$ 86,755	\$ (2,173)
Home health	154,629	154,629	67,253	(87,376)
Other intergovernmental	186,598	186,598	160,624	(25,974)
Total intergovernmental	430,155	430,155	314,632	(115,523)
<i>Charges for services</i>	46,800	46,800	39,687	(7,113)
Total Revenue	476,955	476,955	354,319	(122,636)
Expenditures				
Salaries, wages and benefits	359,165	359,165	279,847	79,318
Professional services	37,400	37,400	8,139	29,261
Programs	64,000	64,000	64,810	(810)
Supplies and other expenses	60,400	60,400	27,708	32,692
Capital Outlay	-	-	-	-
Total Expenditures	520,965	520,965	380,504	140,461
Excess of Revenues Over (Under) Expenditures	28,528	28,528	(26,185)	(2,173)
Other Financing Sources (Uses)				
Operating transfers in	71,139	71,139	71,139	142,278
Total Other Financing Sources (Uses)	-	-	71,139	142,278
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 28,528	\$ 28,528	44,954	\$ 140,105
Fund Balance, Beginning of Year			\$ 154,204	
Fund Balance, End of Year			\$ 199,158	

Fremont County, Colorado

Self Funded Group Insurance

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Insurance premiums from other funds	\$ 2,179,317	\$ 2,179,317	\$ 2,081,483	\$ (97,834)
Specific excess loss	65,000	65,000	244,397	179,397
Interest income	11,000	11,000	(2,917)	(13,917)
Total Revenue	<u>2,255,317</u>	<u>2,255,317</u>	<u>2,322,963</u>	<u>67,646</u>
Expenditures				
Health insurance claims	<u>2,167,950</u>	<u>2,167,950</u>	<u>1,774,516</u>	<u>393,434</u>
Total Expenditures	<u>2,167,950</u>	<u>2,167,950</u>	<u>1,774,516</u>	<u>393,434</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 87,367</u>	<u>\$ 87,367</u>	548,447	<u>\$ 461,080</u>
Fund Balance, Beginning of Year			<u>1,210,948</u>	
Fund Balance, End of Year			<u>\$ 1,759,395</u>	

Fremont County, Colorado

Restricted Funds

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Secure Rural Schools - Schools	\$ -	\$ -	\$ 152,118	\$ 152,118
Secure Rural Schools Title III (Firewise)	30,882	30,882	26,844	(4,038)
Sheriff booking fees	38,889	38,889	25,034	(13,855)
Other revenues	31,024	31,024	42,517	11,493
Total Revenues	100,795	100,795	246,513	145,718
Expenditures				
Secure Rural Schools - Schools	-	152,118	152,118	0
Secure Rural Schools - Title III (Firewise)	96,764	92,726	-	92,726
Law enforcement	91,744	68,005	44,299	23,706
General government	110,044	122,861	4,392	118,469
Total Expenditures	298,552	435,710	200,809	234,901
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(197,757)</u>	<u>(334,915)</u>	45,703	<u>380,618</u>
Fund Balance, Beginning of Year			<u>192,626</u>	
Fund Balance, End of Year			<u><u>238,330</u></u>	

Fremont County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
CCDF Cluster-Cluster			
Department of Health and Human Services Pass-Through Programs From			
Colorado Department of Human Services-Child Care and Development Block Grant	93.575		64,531
<i>Total Child Care and Development Block Grant</i>			64,531
Colorado Department of Human Services-Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		281,489
<i>Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund</i>			281,489
<i>Total Department of Health and Human Services Pass-Through Programs</i>			346,020
<i>Total Department of Health and Human Services</i>			346,020
Total CCDF Cluster-Cluster			346,020
CDBG - State-Administered CDBG Cluster-Cluster			
Department of Housing and Urban Development Pass-Through Programs From			
State of Colorado-Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		421,681
<i>Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii</i>			421,681
<i>Total Department of Housing and Urban Development Pass-Through Programs</i>			421,681
<i>Total Department of Housing and Urban Development</i>			421,681
Total CDBG - State-Administered CDBG Cluster-Cluster			421,681
Homeland Security Cluster-Cluster			
Department of Homeland Security Pass-Through Programs From			
State of Colorado Office of Emergency Management-Homeland Security Grant Program	97.067		270,945
<i>Total Homeland Security Grant Program</i>			270,945
<i>Total Department of Homeland Security Pass-Through Programs</i>			270,945
<i>Total Department of Homeland Security</i>			270,945
Total Homeland Security Cluster-Cluster			270,945
Immunization Grants-Cluster			
Department of Health and Human Services Pass-Through Programs From			
ARRA-ARRA - Immunization	Id have		3,140
<i>Total ARRA - Immunization</i>			3,140
Colorado Department of Public Health and Environment-Immunization Grants	93.268		19,560
<i>Total Immunization Grants</i>			19,560
<i>Total Department of Health and Human Services</i>			22,700

See Independent Auditors' Report

Fremont County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2011

<i>Pass-Through Programs</i>		
<i>Total Department of Health and Human Services</i>		22,700
Total Immunization Grants-Cluster		
		22,700
Medicaid Cluster-Cluster		
Department of Health and Human Services Pass-Through Programs From		
Colorado Department of Health Care Policy & Financing-Medical Assistance Program	93.778	662,536
Colorado Department of Health Care Policy & Financing-Medical Assistance Program		371,349
Colorado Department of Health Care Policy & Financing-TitleXIXmedicaid		291,187
<i>Total Medical Assistance Program</i>		662,536
<i>Total Department of Health and Human Services Pass-Through Programs</i>		662,536
<i>Total Department of Health and Human Services</i>		662,536
Total Medicaid Cluster-Cluster		
		662,536
SNAP Cluster-Cluster		
United States Department of Agriculture Pass-Through Programs From		
Colorado Department of Human Services-State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	465,371
Colorado Department of Human Services-FoodAssistanceAdministration		450,809
Colorado Department of Human Services-FoodStampsWorkfare		14,562
<i>Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</i>		465,371
<i>Total United States Department of Agriculture Pass-Through Programs</i>		465,371
<i>Total United States Department of Agriculture</i>		465,371
Total SNAP Cluster-Cluster		
		465,371
TANF Cluster-Cluster		
Department of Health and Human Services Pass-Through Programs From		
Colorado Department of Human Services-Temporary Assistance for Needy Families	93.558	2,092,227
<i>Total Temporary Assistance for Needy Families</i>		2,092,227
<i>Total Department of Health and Human Services Pass-Through Programs</i>		2,092,227
<i>Total Department of Health and Human Services</i>		2,092,227
Total TANF Cluster-Cluster		
		2,092,227
Other Programs		
Department of Transportation Direct Programs		
Airport Improvement Program	20.106	113,637
<i>Total Airport Improvement Program</i>		113,637
<i>Total Department of Transportation Direct Programs</i>		113,637
<i>Total Department of Transportation</i>		113,637
Department of Health and Human Services Pass-Through Programs From		

See Independent Auditors' Report

Fremont County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2011

Colorado Department of Human Services-Adoption Assistance	93.659	221,561
<i>Total Adoption Assistance</i>		221,561
Colorado Department of Public Health and Environment-Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	1,578
<i>Total Centers for Disease Control and Prevention_Investigations and Technical Assistance</i>		1,578
Colorado Department of Human Services-Chafee Foster Care Independence Program	93.674	83,630
<i>Total Chafee Foster Care Independence Program</i>		83,630
Colorado Department of Human Services-Child Abuse and Neglect Discretionary Activities	93.670	2,876
<i>Total Child Abuse and Neglect Discretionary Activities</i>		2,876
Colorado Department of Human Services-Child Support Enforcement	93.563	286,617
<i>Total Child Support Enforcement</i>		286,617
Colorado Department of Human Services-Foster Care_Title IV-E	93.658	513,598
<i>Total Foster Care_Title IV-E</i>		513,598
Colorado Department of Human Services-Low-Income Home Energy Assistance	93.568	1,238,819
<i>Total Low-Income Home Energy Assistance</i>		1,238,819
Colorado Department of Public Health and Environment-Maternal and Child Health Services Block Grant to the States	93.994	8,020
<i>Total Maternal and Child Health Services Block Grant to the States</i>		8,020
Colorado Department of Public Health and Environment-National Bioterrorism Hospital Preparedness Program	93.889	5,001
<i>Total National Bioterrorism Hospital Preparedness Program</i>		5,001
Colorado Department of Human Services-Promoting Safe and Stable Families	93.556	39,824
Colorado Department of Human Services-FamilyPreservation&support		39,824
<i>Total Promoting Safe and Stable Families</i>		39,824
Colorado Department of Health and Environment-Public Health Emergency Preparedness	93.069	36,064
<i>Total Public Health Emergency Preparedness</i>		36,064
Colorado Department of Human Services-Social Services Block Grant	93.667	318,414
<i>Total Social Services Block Grant</i>		318,414
Colorado Department of Human Services-Stephanie Tubbs Jones Child Welfare Services Program	93.645	78,959

See Independent Auditors' Report

Fremont County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2011

<i>Total Stephanie Tubbs Jones Child Welfare Services Program</i>	<u>78,959</u>
<i>Total Department of Health and Human Services Pass-Through Programs</i>	<u>2,834,961</u>
<i>Total Department of Health and Human Services</i>	<u>2,834,961</u>
<i>Total Other Programs</i>	<u>2,948,598</u>
<i>Total Expenditures of Federal Awards</i>	<u><u>7,230,078</u></u>

See Independent Auditors' Report

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: FREMONT COUNTY
		YEAR ENDING : DECEMBER 31, 201
This Information From The Records Of (example - City of _ or County of) COUNTY OF FREMONT	Prepared By: Phone:	Dana D. Angel, Finance Director 719.2767351

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	429,072
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,988,808
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. Transfers from All Other Funds	66,500	b. Snow and ice removal	
3. Other local imposts (from page 2)	285,767	c. Other	
4. Miscellaneous local receipts (from page 2)	134,928	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	317,238
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,735,118
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	487,195	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,974,174	2. Notes:	
D. Receipts from Federal Government (from page 2)	60,593	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,521,962	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,735,118

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,231,405	3,521,962	3,735,118	1,018,249	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE:	FREMONT COUNTY
	Colorado	
	YEAR ENDING (mm/yy):	12/31/11

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	243,690	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	42,077	g. Other Misc. Receipts	51,262
6. Total (1. through 5.)	42,077	h. Cablevision Franchise Fees	83,666
c. Total (a. + b.)	285,767	i. Total (a. through h.)	134,928
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,465,907	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	60,593
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	108,693	d. Federal Transit Admin	
d. Gaming Impact Grant Funds	399,574	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	508,267	g. Total (a. through f.)	60,593
4. Total (1. + 2. + 3.f)	2,974,174	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		429,072	429,072
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	429,072	429,072
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	429,072	429,072
			(Carry forward to page 1)

Notes and Comments:

FREMONT COUNTY, COLORADO
 AMENDMENT #1 (TABOR) COMPUTATION
 FOR THE YEAR ENDED DECEMBER 31, 2011

	A	B	C	D	E	F	G	H	I	J	K	L	
	(A-B-C)			(See Schedule)			(E-F-G)			(H-D)	(J/D)	LIMIT	(K x D)
	ACTUAL	TRANSFERS		TABOR	ACTUAL	TRANSFERS		TABOR	(H-D)	(J/D)	LIMIT	(K x D)	
	2010	EXEMPT	IN	2010 BASE	2011	EXEMPT	IN	2011 BASE	\$ INCR	%	%	EXCESS	
	REVENUE			REVENUE	REVENUE			REVENUE	(DECR)	CHG	OVER	(ALLOW)	
1 GENERAL FUND	\$ 11,283,086	\$ 1,672,548	\$ 846,000	\$ 8,764,538	\$ 11,046,346	\$ 1,431,920	\$ 969,496	\$ 8,644,930	\$ (119,608)	-1.36%	-3.75%	\$ (329,080)	
2 SHERIFFS FUND	5,582,882	1,399,385	4,183,497	-	5,017,055	1,077,203	3,939,852	-	-	0.00%	0.00%	-	
3 ROAD & BRIDGE FUND	2,958,826	92,374	56,500	2,809,952	3,122,389	81,676	66,500	2,974,213	164,261	5.85%	3.46%	97,103	
4 HUMAN SERVICES FUND	6,920,053	1,728,352	-	5,191,701	6,310,682	851,984	-	5,458,698	266,997	5.14%	2.75%	142,915	
5 WASTE DISPOSAL FUND	100,030	-	-	100,030	144,173	30,250	-	113,923	13,893	13.89%	11.50%	11,502	
6 AIRPORT FUND	736,242	198,646	-	537,596	660,021	123,149	-	536,872	(724)	-0.13%	-2.52%	(13,573)	
6A DEPT OF HEALTH	663,376	663,376	-	-	425,458	354,319	71,139	-	-	0.00%	0.00%	-	
7 CAP EXP FUND	1,013,472	263,336	700,310	49,826	357,738	252,052	128,876	(23,190)	(73,016)	-146.54%	-148.93%	(74,207)	
8 PILT FUND	807,414	807,414	-	-	1,213,184	1,213,184	-	-	-	0.00%	0.00%	-	
9 PUBLIC BLDG & MAINT FUND	59,000	-	59,000	-	165,846	65,846	100,000	-	-	0.00%	0.00%	-	
10 SALES & USE TAX CAP FUND	8,253,276	6,915,939	216,082	1,121,255	2,153,789	558,268	265,321	1,330,200	208,945	18.63%	16.24%	182,147	
11 CONSERVATION TRUST FUND	169,543	169,543	-	-	169,349	169,349	-	-	-	0.00%	0.00%	-	
12 RESTRICTED FUNDS	297,980	268,290	1,000	28,690	246,513	216,090	-	30,423	1,733	6.04%	3.65%	1,047	
13 WEED FUND	253,446	201,248	8,000	44,198	255,596	181,197	47,000	27,399	(16,799)	-38.01%	-40.40%	(17,855)	
14 GAMING IMPACT FUND	341,140	335,665	5,475	-	429,498	400,000	29,498	-	-	0.00%	0.00%	-	
15 SELF-FUNDED HEALTH INS	2,096,568	-	2,096,568	-	2,322,963	-	2,322,963	-	-	0.00%	0.00%	-	
16 LODGING TAX FUND	138,672	138,672	-	-	132,228	132,228	-	-	-	0.00%	0.00%	-	
17 TOTAL	\$ 41,675,006	\$ 14,854,788	\$ 8,172,432	\$ 18,647,786	\$ 34,172,828	\$ 7,138,715	\$ 7,940,645	\$ 19,093,468	\$ 445,682	2.39%	0.00%	\$ (0)	
18 AMENDMENT #1 BASE (2009)	\$ 18,647,786 (D17) 2010 SPENDING LIMIT												
19 SPENDING A LIMIT	\$ 19,093,468 (H17) 2011 SPENDING LIMIT (2010 + 2.39%)												
20 SPENDING LIMIT-2011	\$ 34,172,828 (H17+F17+G17) 2011 LIMIT INCLUDING EXEMPT & TRANSFERS												
21 REVENUE/SPENDING	\$ 34,172,828 (E17) 2011 SPENDING												
22 EXCESS (ALLOWANCE)	\$ (0) (L17) REVENUE EXCESS (ALLOWANCE)												
23 2011 SPENDING	\$ 19,093,468 (H17) FOR RESERVE COMPUTATION												
24 2011 REQ RESERVE	\$ 572,804 3% of 2011 SPENDING												

2011 BASE INCREASE =
 PRIOR YR CHG: (2010)
 INFLATION (CPI-DEN/BLDR) 1.70%
 GROWTH (ASSR VALUES) 0.69%
 TOTAL 2.39%

Additional Reports Required By the Single Audit Act

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of County Commissioners
Fremont County, Colorado

We have audited the financial statements of governmental activities of Fremont County, Colorado, as of and for the year ended December 31, 2011, which comprise the Fremont County's basic financial statements and have issued our report thereon dated July 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fremont County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fremont County's internal control over financial reporting.

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 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fremont County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Englewood, Colorado

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Independent Auditors' Report on Compliance with Requirements that Could have a Direct and Material Effect on Each major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of County Commissioners
Fremont County, Colorado

Compliance

We have audited Fremont County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Fremont County's major federal programs for the year ended December 31, 2011. Fremont County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Fremont County's management. Our responsibility is to express an opinion on Fremont County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fremont County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Fremont County's compliance with those requirements.

In our opinion, Fremont County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Fremont County, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Fremont County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fremont County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Holscher, Mayberry + Company, LLC

Englewood, Colorado
July 25, 2012

Fremont County, Colorado

Schedule of Findings and Questioned Costs

A. Summary of Auditors' Results

Audit Report of Financial Statements

Fremont County, Colorado received an unqualified opinion on the audit of the financial statements.

Noncompliance in Relation to Financial Statements

No instances of noncompliance that are material to the financial statements of the auditee were identified.

Audit Report on Compliance for Major Programs

Fremont County received an unqualified opinion on compliance for major programs.

Disclosure of Audit Findings

The audit disclosed no audit findings required to be reported under paragraph .510 (a) of OMB Circular A-133.

Major Programs

Fremont County's major programs were as follows:

- 93.667 – Social Services Block Grant
- 93.568 – Low Income Home Energy Assistance
- 93.575, 93.596– Child Care Discretionary Fund (CCDF) Cluster
- 10.561 – State Administrative Matching Grants for the SNAP Program
- 93.658 – Foster Care – Title IV-E
- 93.659 – Adoption Assistance – Title IV-E
- 97.067 – Homeland Security Grant Program
- 93.563 – Child

Dollar Threshold

The \$300,000 threshold was used in determining Type A and B programs.

Low-risk Auditee

The auditee did not qualify as a low-risk auditee under paragraph .530 of OMB Circular A-133

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Program Audit

None

Fremont County, Colorado

Summary Schedule of Prior Audit Findings For the Year Ended December 31, 2011

No matters are reportable.