



Comprehensive Annual Financial Report

For the year ended December 31, 2012



El Paso County, Colorado

Prepared by Budget Administration, Finance Division

**Photo of Waldo Canyon Fire
June, 2012**

EL PASO COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2012

Prepared by:
Budget Administration,
Finance Division

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EL PASO COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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I. INTRODUCTORY SECTION

EL PASO COUNTY



COLORADO

COMMISSIONERS
DENNIS HISEY, CHAIR
AMY LATHEN, VICE CHAIR

SALLIE CLARK
DARRYL GLENN
PEGGY LITTLETON

BUDGET ADMINISTRATION
BUDGET, FINANCE, ECONOMIC DEVELOPMENT, AND PUBLIC INFORMATION
NICOLA SAPP, COUNTY BUDGET OFFICER

July 31, 2013

Transmittal Letter

To the Board of County Commissioners and Citizens of El Paso County:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. Publishing of this report is to fulfill that requirement for the fiscal year ended December 31, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Rubin Brown issued an unqualified ("clean") opinion on El Paso County's financial statements for the year ended December 31, 2012. The independent auditors report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

El Paso County, incorporated in 1861 and located in the central part of the state, is one of the top growth areas in both the state and the country. The 2012 population estimates from the Colorado Department of Local Affairs has El Paso County's population estimated at 645,566. El Paso County continues to be ranked as the largest population county in the State. El Paso County occupies 2,158 square miles and is empowered to levy a property tax on both real and personal property located within its boundaries.

El Paso County operates under the County Administrator-County Commissioner form of government. Policy-making and legislative authority are vested in a governing Board of County Commissioners (BoCC) consisting of the Chair, Vice Chair, and three other members. The BoCC appoints the government's manager, who in turn appoints the heads of various departments. BoCC members serve four-year terms. The BoCC consists of five elected members, one from each district within the County.

El Paso County provides a full range of services, including Sheriff Operations; District Attorney Offices; Department of Human Services; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. El Paso County is also accountable for a legally and separate Public Health Department and Housing Authority, both of which are reported separately within El Paso County's financial statements.

The BoCC is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for El Paso County's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff Operations). Department heads may transfer resources



within or between departments as they see fit. Transfers between funds, however, need special approval from the governing commissioners.

Local economy

Major industries located within El Paso County's boundaries, or in close proximity, include several military bases and their related supporting operations, semiconductor companies, automobile dealers, large retailers, as well as several financial institutions, religious organizations, and insurance companies.

Long-term financial planning

The five year budget forecast for El Paso County shows conservative growth in core revenue sources to include sales and use tax, property tax, and fees. This, coupled with conservative spending, has enabled the County to build an operational savings to be used for budget balancing purposes and cash flows in the amount of \$26.7 million. Because of the decreased assessed values of property taxes, it is predicted that this reserve will be sufficient until 2015 at which time the revenues are expected to exceed expenditures on-going. The \$45 million of budget reductions between 2006 and 2009 and being fiscally prudent since 2009 allowed the operational savings to increase and no further budget reductions had to be implemented during 2012. Budget Administration continues to assist the BoCC in addressing the funding needs and decreasing property tax revenues in an effort to fund the County at adequate levels.

Major initiatives

During 2010, El Paso County moved forward with our Strategic Moves Initiative that included the purchase of a large commercial property, repurposed that property and created our new Citizen Services Center. In addition, several other County facilities were repurposed. This purchase and repurposing reduced El Paso County's critical capital needs from \$385 million to just under \$200 million. As of the end of 2012, the multiyear Strategic Moves Initiative was nearly 90% completed. El Paso County anticipates all other project components will be completed by mid-2013.

Another major initiative that was unexpected was the result of the Waldo Canyon Fire that burned 18,247 acres and 346 homes. El Paso County is now anticipating the potential for major flooding due to the burned areas on the hillsides and is developing Flood Mitigation plans and setting aside emergency funds for this potential catastrophe.

On June 11, 2013, an area in northeastern El Paso County known as Black Forest experienced a wildland fire. This fire burned 14,280 acres, 488 homes and claimed two lives. A State Disaster was declared on June 11, 2013, and lasted until June 22, 2013. The County is in the process of compiling costs. Significant County resources were utilized during this incident. The State of Colorado has requested FEMA assistance for this disaster.

Awards and Acknowledgements

El Paso County received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) for the years 1990 through 1999, 2005 through 2008 and 2010 through 2011. In order to be rewarded a Certificate of Achievement; the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of Budget Administration. We wish to express our appreciation to all members of this department who assisted and contributed to the preparation of this report. Credit must be given to the governing Board of County Commissioners for their unwavering support for maintaining the highest standards of professionalism in the management of El Paso County's finances.

Respectfully Submitted,

Nicola J. Sapp
Nicola J. Sapp
Budget Officer

Jeffrey H. Greene
Jeffrey H. Greene
County Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**El Paso County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

**El Paso County Colorado
Elected and Appointed Officials
December 31, 2012**

Commissioners

Chair	Dennis Hisey - District 4
Vice Chair	Amy Lathen - District 2
Commissioner	Sallie Clark - District 3
Commissioner	Darryl Glenn - District 1
Commissioner	Peggy Littleton - District 5

Elected Officials

Assessor	Mark Lowderman
Clerk and Recorder	Wayne Williams
Coroner	Dr. Robert C. Bux
District Attorney	Dan May
Sheriff	Terry Maketa
Surveyor	Christopher Brewer
Treasurer	Robert Balink

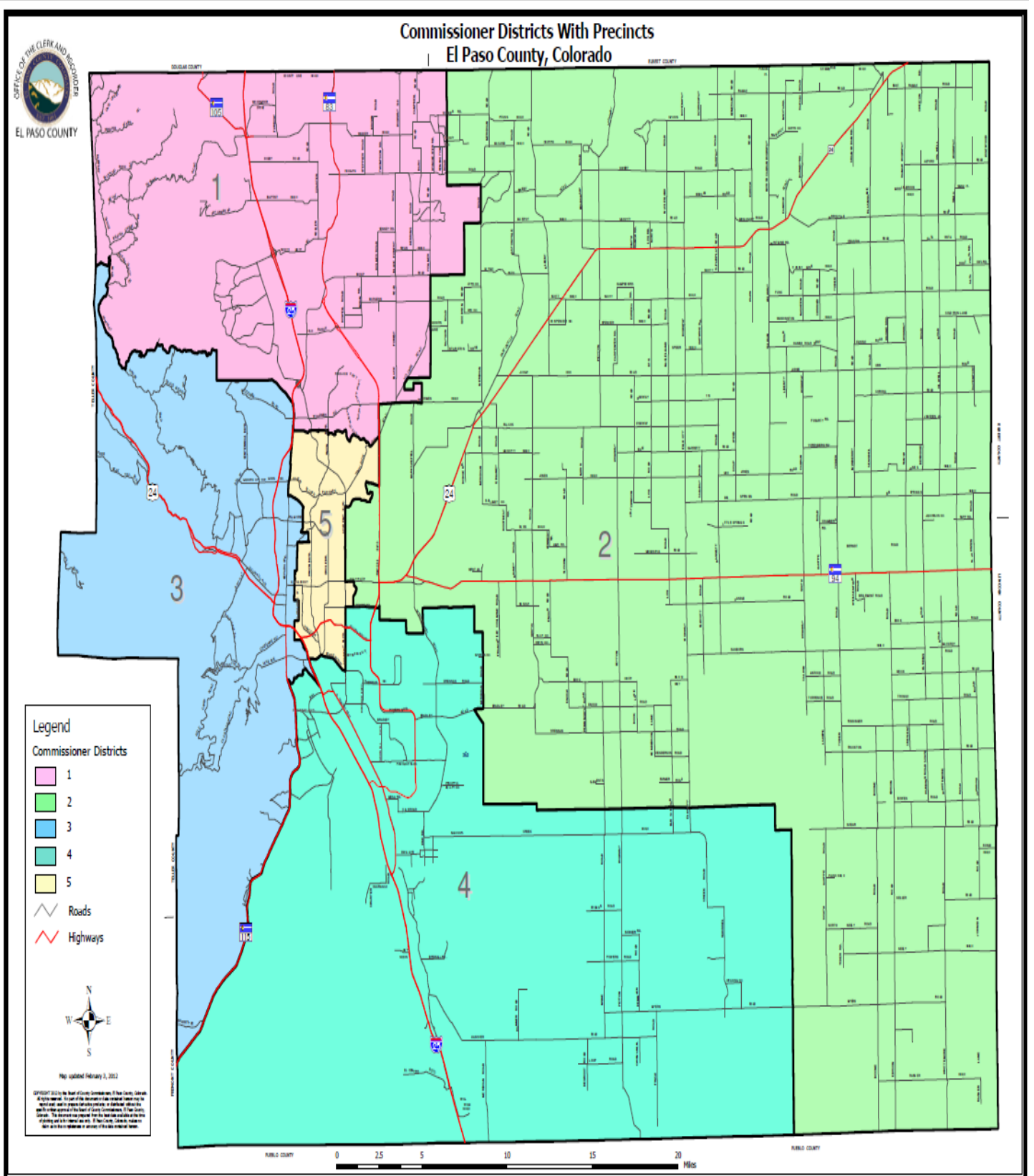
State Appointed Officials

Public Trustee	Thomas S. Mowle
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Board of County Commissioners Appointed Officials

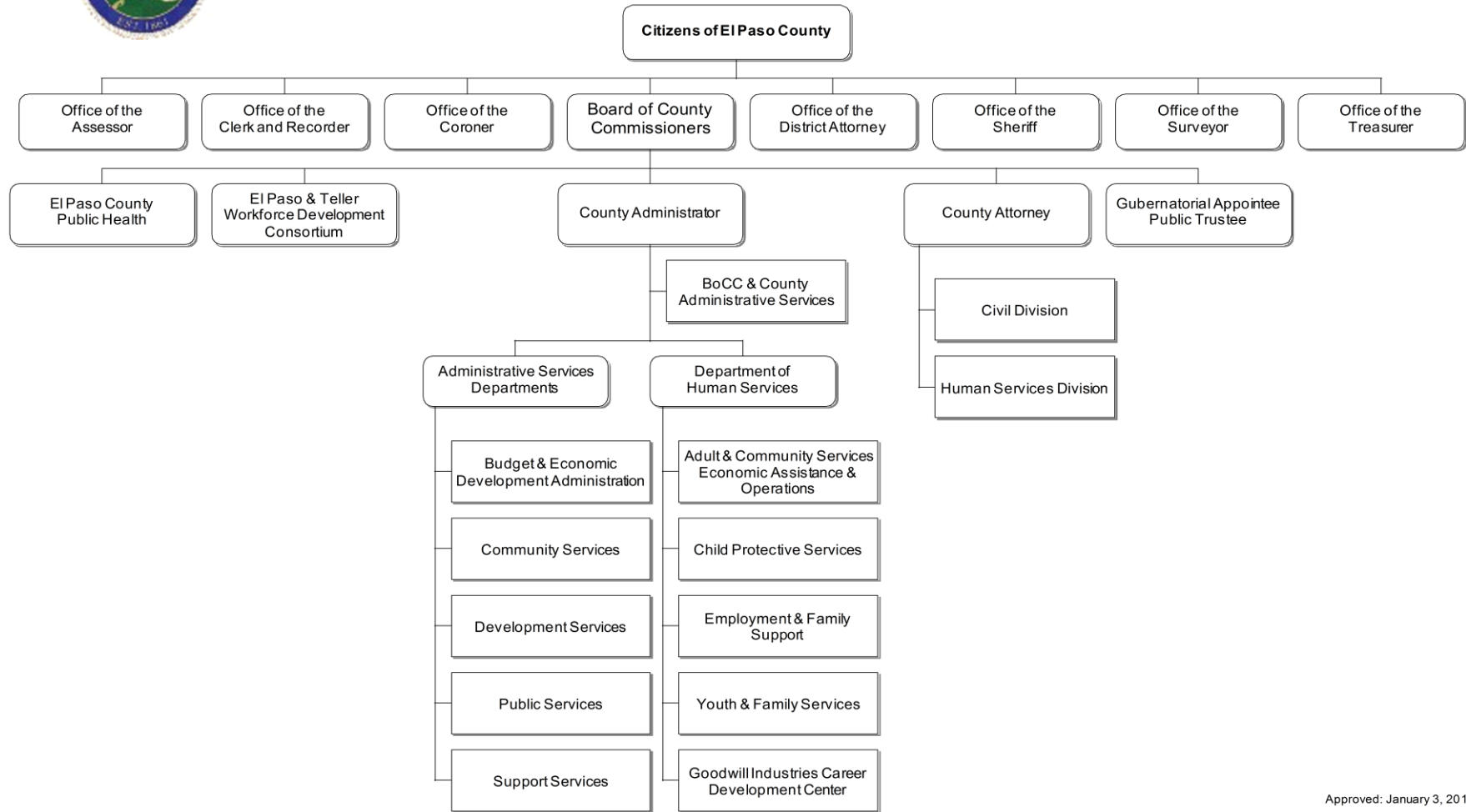
County Administrator	Jeffrey H. Greene
County Attorney	Amy R. Folsom
CEO, Pikes Peak Workforce Center	Charlie Whelan

El Paso County, Colorado District Map December 31, 2012





El Paso County Organizational Chart



Approved: January 3, 2012

II. FINANCIAL SECTION

Independent Auditors' Report

Board of County Commissioners
El Paso County
Colorado Springs, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of El Paso County, Colorado (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the El Paso County Sheriff Special Investigation Fund, which represents 6% of assets, 22% of fund balances and 4% of revenues of the aggregate nonmajor governmental funds; the financial statements of the El Paso County Retirement Plan, which is reported as the pension trust fund; and the financial statements of the El Paso County Housing Authority, which represents 66% of assets, 78% of the net position and 9% of revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the El Paso County Sheriff Special Investigation Fund, the El Paso County Retirement Plan and the El Paso County Housing Authority, is based solely on the reports of the other auditors. 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. The financial statements of the El Paso County Retirement Plan were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of El Paso County, Colorado, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of A Matter

As discussed in Note A.4.H to the financial statements, certain errors in reporting other post-employment benefits activity was discovered during the current year. Accordingly, amounts reported as governmental activities net position and the Self Insurance Internal Service Fund balance as of January 1, 2012 have been restated to correct the error. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and the schedule of funding progress, on pages 17 - 26, 72 - 77, and 78, respectively, 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, which 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statement and schedules; the Local Highway Finance Report; the Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statement and schedules; the Local Highway Finance Report and the Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the reports of other auditors, the combining and individual nonmajor fund financial statement and schedules; the Local Highway Finance Report and the Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RubinBrown LLP

July 31, 2013

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Management's Discussion and Analysis

(Un-audited)

El Paso County's (the "County") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activity, (c) identify changes in the County's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

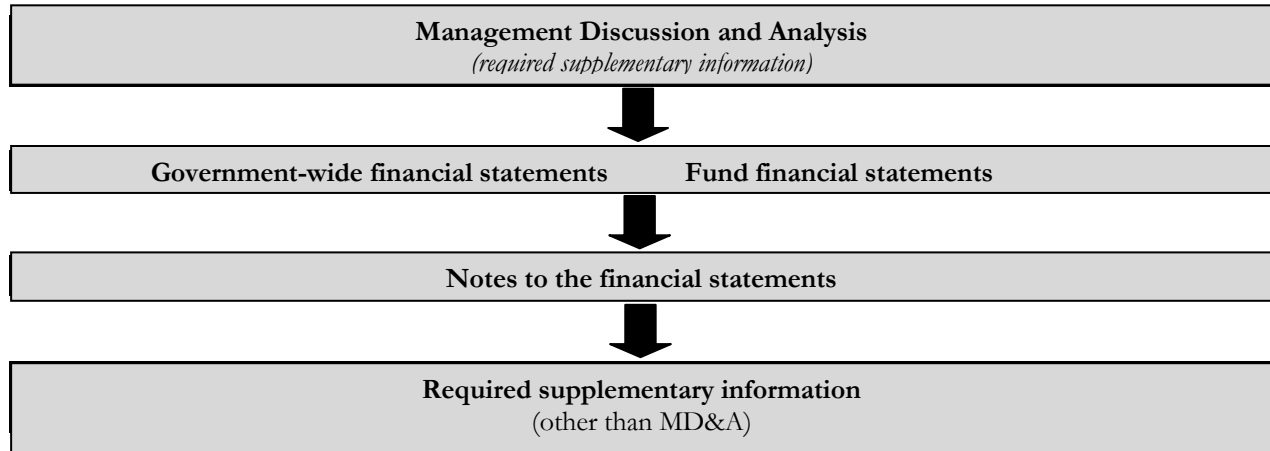
The discussion and analysis of El Paso County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the County's financial statements, which begin on page 30.

Financial Highlights

- The County's total assets decreased \$15 million in comparison to 2011. The major changes to assets during 2012 include a reduction to cash with the decision to spend into fund balance by \$6.3 million, a decrease of intergovernmental by \$1.8 million due to fewer federal funds awarded, an increase to notes receivable for a long-term lease agreement with two other governmental entities of \$7.9 million, a decrease of restricted cash and investments by \$5.7 million because of the issuance of the 2012 Series Refunding and Improvement Certificates of Participation, an increase to Capital Assets Net of Accumulated Depreciation of \$16.1 million and a decrease of Capital Assets not depreciated of \$24.9 million from which \$2.0 million for the sale of the property at 105 N. Spruce and \$21.2 million from construction in progress for road and bridge projects being completed and their reclass to capital assets. Other minor increases and decreases netted to \$0.3 million.
- The County's total liabilities increased \$34.8 million over 2011. The major changes to liabilities during 2012 include an increase of unearned revenue directly related to property taxes of \$0.9 million due to the adjustments in assessed values, a decrease to accrued liabilities in a net amount of \$0.8 million which includes a decrease in the claims liability of \$3.2 million and an increase in accrued wages due to a change in pay cycles of \$2.4 million, a decrease in accounts payable of \$1.6 million due to more timely processing of accounts payable in 2012, and an increase in noncurrent liabilities of \$36.2 million. The majority of the increase is due to the OPEB (other post employee benefits) liability, which had a prior period adjustment of \$12.6 million and current year expense of \$11.8 million.
- In comparing the 2012 Statement of Activities to 2011, governmental revenues increased \$13.1 million. This is a combination of an increase to general governmental charges for services of \$3.0 million; an increase in capital grants and contributions of \$0.5 million; a decrease to public safety operating grants and contributions of \$0.5 million, an increase in public works charges for services of \$0.5 million, capital grants and contributions of \$6.0 million and operating grants and contributions of \$0.6 million; an increase to health and welfare operating grants and contributions of \$2.4 million; an increase to culture and recreation of \$0.6 million; an increase to outside agencies operational grants and contributions of \$0.3 million; and other adjustments netting to a decrease of \$0.3 million.
- Governmental expenditures increased \$46.7 million over 2011. This consists of increased spending in general government of \$12.9 million, public safety of \$13.6 million, public works of \$8.1 million, health and welfare of \$9.6 million, culture and recreation of \$0.9 million and interest on long term debt of \$1.5 million.
- The County's total governmental fund balance decreased \$6.7 million over 2011. This change was a combination of a decrease of restricted cash of \$5.7 million for decreases in debt service, culture and recreation projects, federal funds held for projects to be completed in 2013 and public safety projects. An increase in committed fund balance of \$0.5 million pertains to increases in Clerk's projects. An increase in unassigned of \$0.6 million in general fund for cash flows and a reduction in negative unassigned fund balance for capital projects of \$0.5 million. There was a decrease in inventories in the nonspendable category of \$0.5 million; a decrease of \$2 million in assigned was due to the combination of decrease in reserves for subsequent year's expenditures and amounts held for debt service.

Using this Annual Report

The following graphic is provided to outline the composition of the financial statements.



This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

These two government-wide statements report the County's net position and how it has changed. You can think of the County's net position, the difference between assets and liabilities, as one way to measure the County's financial health, or financial position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, you will need to consider additional non-financial factors, such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into three categories:

- ***Governmental activities*** - Most of the County's basic services are included here, such as sheriff, public works, health and welfare, auxiliary services and general administration. Taxes and intergovernmental revenues finance most of these activities.
- ***Business-type activities*** - The County charges fees to customers to help it cover the costs of certain services it provides. The County's Solid Waste Management is included here.

- **Component units** - The County includes five other entities in its report:
 - The El Paso County Sheriff Special Investigation Fund is a fund governed by the El Paso County Sheriff's department and was established to account for money received from public nuisance seizures. This fund is legally separate from the County.
 - The El Paso County Retirement Plan exists for the purpose of being a cost sharing, multiple-employer benefit plan for all full-time employees.
 - The El Paso County Facilities Corporation exists as a nonprofit corporation under the laws of the State of Colorado which was organized to acquire real estate, property and improvements for lease to the County and, upon the prior approval of a majority of the memberships of the Board of County Commissioners of the County, to borrow money and to become indebted and to execute and deliver bonds, notes, and debentures to evidence such indebtedness, for the purpose of acquiring such real personal property, constructing or installing such improvements, and for such other purposes as may be necessary to accomplish the objectives of the Corporation.
 - El Paso County Public Health is a quasi-municipal organization organized by authority of State Statutes and Resolution of the County Commissioners.
 - The El Paso County Housing Authority was established by the Commissioners and exists in order to help promote availability of decent, safe, and sanitary dwelling accommodations in the County to low-income families.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds-not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of County Commissioners establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has three types of funds:

- **Governmental funds** - Most of the County's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary funds** - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
 - Enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
 - Internal Service funds are used to report activities that provide supplies and services for the County's other programs and activities.

- **Fiduciary funds** - The County is the trustee, or fiduciary for other assets that, because of a trust arrangement, can be used only for the trust's beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Financial Analysis of the County as a Whole

The **General Fund** is the County's primary operating fund, accounting for all financial resources of the general government, except those required to be accounted for in other funds. At the end of the current fiscal year, the unrestricted (committed, assigned and unassigned) fund balance of the General Fund was \$23.2 million. This is \$3.2 million lower than 2011 due to El Paso County's planned spending into fund balance during 2012. The remaining amount of the fund balance is restricted funds unavailable for the Board to appropriate other than their designated purposes.

The **Road and Bridge Fund** accounts for construction and maintenance of County roads and bridges financed by property taxes, highway user fees, and other revenues restricted to use on roads and bridges. At the end of the current fiscal year, the unrestricted (committed, assigned and unassigned) fund balance of the Road and Bridge Fund was \$3.6 million, which is \$0.2 million higher than 2011.

The **Social Services Fund** accounts for the federal and state public welfare programs administered by the County and financed by grants, intergovernmental reimbursements, and sales taxes. While there is only a small fund balance reported at the end of the fiscal year \$0.2 million, the Social Services Fund is currently operating with an advance from the State of Colorado for cash flow purposes in the amount of \$2.3 million.

The **Capital Project Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. \$17.7 million of the fund balance has been committed for payments and construction using Certificates of Participation. \$1.9 million is assigned for future construction projects scheduled to begin in 2013.

Net Assets - The County's combined net position was \$357.1 million in 2012. Looking at the net position and net expenses of governmental and business-type activities separately, however, two very different stories emerge. The following focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental and business-type activities.

Table 1
El Paso County's Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 134.0	\$ 139.9	\$ 0.5	\$ 0.5	\$ 134.5	\$ 140.4
Capital assets	545.7	554.7	1.4	1.4	547.1	556.1
Total assets	<u>679.7</u>	<u>694.6</u>	<u>1.9</u>	<u>1.9</u>	<u>681.6</u>	<u>696.5</u>
Long-term debt outstanding	254.6	221.6	0.0	0.1	254.6	221.7
Other liabilities	69.8	67.9	0.0	0.0	69.9	67.9
Total liabilities	<u>324.4</u>	<u>289.5</u>	<u>-</u>	<u>0.1</u>	<u>324.5</u>	<u>289.6</u>
Net position:						
Net investment in capital assets	386.8	408.3	1.4	1.4	388.2	409.7
Restricted	25.8	31.6	-	-	25.8	31.6
Unrestricted	(57.3)	(34.8)	0.4	0.4	(56.9)	(34.4)
Total net position	<u>\$ 355.3</u>	<u>\$ 405.1</u>	<u>\$ 1.8</u>	<u>\$ 1.8</u>	<u>\$ 357.1</u>	<u>\$ 406.9</u>

For detailed information please see the Statement of Net Position on page 30.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation to the fund financial statements.

Net Results of Activities - which will affect (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the invested in capital assets, net of related debt.

Spending of Non-Borrowed Current Assets on New Capital - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of related debt.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of related debt.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and invested in capital assets, net of related debt.

The net position of the County's governmental activities was \$355.3 million for 2012. The largest portion of the County's net position (\$386.8 million) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Since all of these assets are tied up as capital, they are not available to finance day-to-day operations. Restricted net assets (\$25.8 million) have limited purposes so are also not available to finance day-to-day operations. A portion of restricted net assets is the TABOR requirement to maintain an "emergency reserve" in the amount of 3% of "fiscal year spending less debt service." This reserve can be used to meet any emergency except those caused by economic conditions, revenue shortfalls and salary or fringe benefit increases. Accordingly, the amount of this reserve at December 31, 2012, is \$5.3 million.

The unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position shows a \$57.3 million deficit at the end of the year. The largest portion of this deficit is the Other Post Employment Benefits (OPEB) liability (\$67.7 million) that we are required to show. The County pays its OPEB annually on a "Pay-as-you-go" basis. Removing the OPEB liability from the unrestricted net position results in a \$10.4 million unrestricted balance.

Changes in net position - The County's total governmental revenues were \$249.3 million for 2012. Approximately 13.1% of the County's revenues come from charges for services, 33.1% from operating and capital grants, 17.2% from property taxes, 30.2% from sales taxes; and 6.4% from other taxes and revenues. The total cost of all governmental programs and services was \$287 million. The ending net position decreased from 2011 by \$37.2 million or 9.18%.

Table 2
Changes in El Paso County's Net Position
(In millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
REVENUES						
Program revenues						
Charges for services	\$ 32.6	\$ 29.4	\$ 1.0	\$ 0.9	\$ 33.6	\$ 30.3
Operating grants	69.9	66.7	0.0	-	69.9	66.7
Capital grants	12.7	6.0	-	-	12.7	6.0
General revenues						
Property taxes	42.9	47.3	-	-	42.9	47.3
Sales tax	75.2	58.2	-	-	75.2	58.2
Other taxes	15.8	15.7	-	-	15.8	15.7
Other revenues	0.2	0.6	0.0	0.0	0.2	0.6
Total revenue	<u>249.3</u>	<u>223.9</u>	<u>1.0</u>	<u>0.9</u>	<u>\$ 250.3</u>	<u>224.8</u>
EXPENSES						
General government	59.3	46.4	-	-	59.3	46.4
Public safety	87.6	74.0	-	-	87.6	74.0
Public works	49.4	41.2	-	-	49.4	41.2
Health and welfare	71.9	62.3	-	-	71.9	62.3
Culture and recreation	4.0	3.1	-	-	4.0	3.1
Auxiliary services	0.5	0.4	-	-	0.5	0.4
Outside agencies	5.9	6.0	1.0	1.0	6.9	7.0
Interest on long term debt	7.9	6.4	-	-	7.9	6.4
Total expenses	<u>286.5</u>	<u>239.8</u>	<u>1.0</u>	<u>1.0</u>	<u>287.5</u>	<u>240.8</u>
Increase (decrease) in net position before transfers	(37.2)	(15.9)	0.0	(0.1)	(37.2)	(16.0)
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	(37.2)	(15.9)	0.0	(0.1)	(37.2)	(16.0)
Ending Net Position	<u>\$ 355.3</u>	<u>\$ 405.1</u>	<u>\$ 1.8</u>	<u>\$ 1.8</u>	<u>\$ 357.1</u>	<u>\$ 406.9</u>

Governmental Activities

There are eight basic impacts on revenues and expenses as reflected below.

Revenues:

Economic Condition - which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Board approved fees - the County Commissioners have significant authority to impose and periodically increase/decrease fees.

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) - certain recurring revenues (state revenue sharing, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparison.

Market affects Investment Income - the County's investment portfolio is managed using a variety of maturities and the market condition may cause investment income to fluctuate as a result.

Expenses:

Introduction of New Programs - within the functional expense categories, individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel - changes in services demand may cause the Commissioners to increase/decrease authorized staffing.

Salary increases (cost of living, merit and market place adjustment) - the ability to attract and retain trained and educated resources requires the County to strive to approach a competitive salary range position in the marketplace.

Inflation - while overall inflation appears to be reasonably modest, the County is a major consumer of certain commodities such as chemicals and supplies, fuels, and parts. Some functions may experience unusual commodity specific increases.

Table 3 presents the cost of each of the County's four largest programs-public safety, public works, health and welfare and culture and recreation - as well as each program's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Some of the cost was paid by those who directly benefited from the programs, or other governments and organizations that subsidized certain programs with grants and contributions.

Table 3
Net Cost of El Paso County's Governmental Activities
(In millions)

	Total Cost of Services		Net Cost (Revenue) of Services	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Public safety	\$ 87.6	\$ 74.0	\$ 70.2	\$ 56.0
Public works	49.4	41.2	35.3	34.2
Health and welfare	71.9	62.3	25.4	18.1
Culture and recreation	4.0	3.1	1.5	1.4
Total	<u>\$ 212.9</u>	<u>\$ 180.6</u>	<u>\$ 132.4</u>	<u>\$ 109.7</u>

Financial Analysis of the County's Funds

As the County completed the year, governmental funds reported a fund balance of \$58.6 million. This is a decrease from 2011 of \$6.7 million. Included in this year's total change in fund balance was a \$3.3 million decrease in the Capital Projects fund. This decrease is largely due to spending down restricted fund balance for the Strategic Moves Initiatives. Other changes in fund balance include \$2.9 million decrease of General Fund and \$0.3 million decrease of Road and Bridge with planned spending into fund balances on both.

El Paso County Budgetary Highlights

Over the course of the year, the El Paso County Commissioners revised the County's General Fund Budget with a total of 113 resolutions for a net increase of \$14,639,238. The largest budget resolutions follow and total \$16,107,801. The remaining resolutions combined total a decrease of \$1,468,563.

- Resolution 12-68 was approved in the amount of \$11,380,585 to reappropriate to 2012, projects in process that were not yet completed and for purchases that have been ordered but not yet received. These purchases and projects were scheduled to be completed in 2012.
- Resolution 13-67 was approved for \$1,615,171 for an Intergovernmental Agreement with the United States Department of Homeland Security, Immigration and Customs Enforcement (ICE), to the Sheriff's Office Budget, for the housing of ICE detainees.
- Resolutions 11-352 and 13-68 were approved in the amount of \$820,200 from a Detoxification Services Contract between AspenPointe Health Network and the Sheriff's Office, to provide detoxification services for the El Paso County Sheriff's Office Social Detoxification Program.
- Resolution 12-344 was approved in the amount of \$599,060 from a cooperative agreement with the United States Department of Defense (U.S. Army), to complete the purchases of buffer zone land located in the Rancho Colorado Subdivisions.
- Resolution 12-123 was approved in the amount of \$423,649 from a Detoxification Services Contract with Memorial Health System and the Sheriff's Office, to provide detoxification services for the El Paso County Sheriff's Office Social Detoxification Program.
- Resolution 12-332 was approved in the amount of \$341,101 from the Colorado Department of Labor, Division of Oil and Public Safety (OPS), Colorado Petroleum Storage Tank Fund (CPSTF), to the El Paso County Environmental Services Department, for costs associated with the remediation of petroleum releases at the Westcott Fire Base/Vincent Drive.
- Resolution 12-241 was approved in the amount of \$262,246 from the Colorado Department of Human Services, Division of Behavioral Health, through the Contract for Jail Based Services to the Sheriff's Office Budget. These funds were used for support of the Reintegration and Recovery Program at the Criminal Justice Center
- Resolution 12-280 was approved in the amount of \$200,000 from Great Outdoors Colorado (GOCO) through a grant agreement between El Paso County Parks Department and Miami Yoder School District to develop a multi-use athletic field.
- Resolution 12-124 was approved for \$180,039 from a Contract with Catholic Health Initiatives of Colorado, doing business as Penrose-St. Francis Health Services, to the Sheriff's Office Budget used to help support the El Paso County Sheriff's Office Social Detoxification Program.
- Resolution 13-033 was approved for \$175,000, to the Clerk and Recorder's Office budget, as received from various local jurisdictions to compensate for the increased costs incurred with the 2012 General Election.
- Resolution 12-110 was approved in the amount of \$110,750 to the El Paso County Environmental Services Department from the Colorado Illegal Waste Tire Cleanup Fund. This was used for costs associated with the disposal, recycling, or reuse of waste tires that have been illegally dumped or abandoned.

Capital Assets and Debt Administration

Capital Assets

At the end of 2012, the County had invested \$843.1 million in a broad range of capital assets, including land, buildings, equipment, infrastructure, park facilities, etc. Table 4 presents capital balances related to governmental funds and internal service funds.

Table 4
El Paso County Capital Assets
(in millions)

Governmental Activities		
	<u>2012</u>	<u>2011</u>
Land	\$ 12.5	\$ 14.6
Construction in progress	13.7	36.6
Buildings & improvements	257.5	246.9
Machinery and equipment	71.6	65.3
Infrastructure	487.8	453.7
Total	<u>\$ 843.1</u>	<u>\$ 817.1</u>

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2012, amounts to \$547.3 million (see Note C3). This investment in capital assets includes land, buildings and systems, improvement, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during 2012 included the following:

- Road & Bridge Infrastructure projects of \$921,854 completed, \$21,185,925 from previous years' construction in progress was moved to capital assets as finished projects, and \$1,378,158 of construction in progress.
- The county buildings repurposing projects continued into 2012 with a total of \$4.8 million representing completed assets and \$1.6 million was work in progress at year end.
- Enhancements and development for the JDE Oracle project continued throughout 2012 with \$2.0 million representing completed assets and \$1.2 million was work in progress at year end.

Reconciliation of Capital Asset Schedules

Amount	Explanation
\$ 843,078,083	Total capital including Governmental & Internal Services Funds
26,217,066	Capital not Depreciated - Governmental & Internal Services Funds
519,671,880	Capital net of Depreciation - Governmental & Internal Services Funds
545,888,946	
26,217,066	Capital not Depreciated - Governmental & Internal Services Funds
816,861,017	Total Capital to Depreciate - Governmental & Internal Services Funds
843,078,083	Total before Depreciation
(297,189,137)	Depreciation
545,888,946	Net of Depreciation
842,842,057	Capital Assets Governmental Only
236,026	Internal Services Fund Capital Assets
\$ 843,078,083	

Information on El Paso County's capital assets can be found in the notes to the financial statements of this report in Note C3.

Long-term Debt

During 2012, El Paso County had a reduction in long-term debt accounts of \$32.1 million. Additional information about El Paso County's long-term debt is presented in the notes to the financial statements, particularly Note C.5A.

There have not been any significant changes subsequent to December 31, 2012 to report.

Contacting the County's Financial Management

The purpose of this financial report is to provide the County's citizens, taxpayers, customers, investors, and creditors with a general overview of its finances and to show its accountability for the money it receives. If you have questions about this report or the reports of the component units, or need additional financial information, contact the County Budget Administration's Finance Division, at El Paso County, 200 S. Cascade Ave., Suite 30, Colorado Springs, Colorado 80903.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EL PASO COUNTY, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	El Paso County Public Health	The El Paso County Housing Authority
ASSETS					
Cash and investments	\$ 30,507,000	\$ 327,410	\$ 30,834,410	\$ 2,613,120	\$ 5,102,259
Receivables					
Property taxes	44,032,107	-	44,032,107	-	-
Accounts	3,083,582	229,739	3,313,321	2,021	3,857,779
Intergovernmental	25,774,718	-	25,774,718	1,836,745	-
Accrued interest	2,564	-	2,564	-	15,229
Internal balances	33,191	(33,191)	-	-	-
Inventories	1,902,663	-	1,902,663	-	-
Prepaid expenses	418,675	-	418,675	-	-
Restricted cash and investments	17,736,389	-	17,736,389	-	-
Note Receivable	7,912,034	-	7,912,034	-	-
Unamortized issuance costs	2,388,355	-	2,388,355	-	-
Capital assets, not depreciated	26,217,066	-	26,217,066	-	-
Capital assets, net of accumulated depreciation	519,671,880	1,373,439	521,045,319	191,984	-
TOTAL ASSETS	679,680,224	1,897,397	681,577,621	4,643,870	8,975,267
LIABILITIES					
Accounts payable	8,442,746	33,536	8,476,282	616,218	11,086
Due to other governments	2,282,627	-	2,282,627	-	-
Interest payable	652,545	-	652,545	-	-
Accrued liabilities	2,621,519	5,000	2,626,519	1,339,760	-
Unearned revenue	44,511,502	-	44,511,502	191,377	-
Noncurrent liabilities					
Due within one year	11,246,914	7,006	11,253,920	-	-
Due in more than one year	254,606,330	42,424	254,648,754	-	-
TOTAL LIABILITIES	324,364,183	87,966	324,452,149	2,147,355	11,086
NET POSITION					
Net investment in capital assets	386,839,249	1,373,439	388,212,688	191,984	-
Restricted for:					
Declared emergencies	5,302,805	-	5,302,805	300,311	-
Debt service	17,736,389	-	17,736,389	-	-
Other Purposes	2,714,413	-	2,714,413	-	-
Unrestricted	(57,276,815)	435,992	(56,840,823)	2,004,220	8,964,181
TOTAL NET POSITION	\$ 355,316,041	\$ 1,809,431	\$ 357,125,472	\$ 2,496,515	\$ 8,964,181

The accompanying notes are an integral part of this statement.

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EL PASO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Units	
					Governmental Activities	Business-type Activities	Total	El Paso County Public Health	The El Paso County Housing Authority
Primary government:									
Governmental activities:									
General government	\$ 59,265,849	\$ 25,954,492	\$ 2,146,671	\$ 502,702	\$ (30,661,984)	\$ -	\$ (30,661,984)	\$ -	\$ -
Public safety	87,608,455	5,032,350	12,247,584	79,314	(70,249,207)	-	(70,249,207)	-	-
Public works	49,352,850	711,194	1,391,130	11,979,052	(35,271,474)	-	(35,271,474)	-	-
Health and welfare	71,896,379	152,199	46,280,928	27,229	(25,436,023)	-	(25,436,023)	-	-
Culture and recreation	4,017,556	675,916	1,767,554	65,224	(1,508,862)	-	(1,508,862)	-	-
Auxiliary services	529,369	-	41,200	-	(488,169)	-	(488,169)	-	-
Outside agencies	5,895,486	54,413	6,025,594	-	184,521	-	184,521	-	-
Interest on long-term debt	7,938,172	-	-	-	(7,938,172)	-	(7,938,172)	-	-
Total governmental activities	286,504,116	32,580,564	69,900,661	12,653,521	(171,369,370)	-	(171,369,370)	-	-
Business-type activities:									
Solid waste management	952,362	952,671	8,000	-	-	8,309	8,309	-	-
Total Business-type activities	952,362	952,671	8,000	-	-	8,309	8,309	-	-
Total primary government	287,456,478	33,533,235	69,908,661	12,653,521	(171,369,370)	8,309	(171,361,061)	-	-
Component units:									
Public Health	24,913,815	5,771,840	18,119,214	-	-	-	-	(1,022,761)	-
Housing Authority	136,228	2,213,143	-	-	-	-	-	-	2,076,915
Total component units	\$ 25,050,043	\$ 7,984,983	\$ 18,119,214	\$ -	-	-	-	(1,022,761)	2,076,915
General revenues:									
Taxes:									
Property taxes					42,920,278	-	42,920,278	-	-
Sales taxes					75,207,266	-	75,207,266	-	-
Specific ownership tax					4,562,032	-	4,562,032	-	-
Highway users tax					11,255,095	-	11,255,095	-	-
Investment earnings					201,608	213	201,821	6,007	137,351
Miscellaneous revenue					-	-	-	72,294	-
Gain on sale of capital assets					15,022	-	15,022	-	-
Total general revenues and transfers					134,161,301	213	134,161,514	78,301	137,351
Change in net position					(37,208,069)	8,522	(37,199,547)	(944,460)	2,214,266
Net position - January 1					405,128,152	1,800,909	406,929,061	3,440,975	6,735,246
Prior period adjustment					(12,604,042)	-	(12,604,042)	-	14,669
Net position - December 31					\$ 355,316,041	\$ 1,809,431	\$ 357,125,472	\$ 2,496,515	\$ 8,964,181

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

EL PASO COUNTY, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2012

	General Fund	Road and Bridge	Human Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 14,042,543	\$ 3,701,377	\$ 291,892	\$ 3,066,480	\$ 2,605,700	\$ 23,707,992
Taxes receivable	22,428,000	1,969,569	-	14,340,153	5,294,385	44,032,107
Accounts receivable	1,028,892	23,835	72,608	453,639	1,290,118	2,869,092
Advances to other funds	100,000	-	-	-	-	100,000
Due from other funds	2,474,249	100,372	384	650,000	305,748	3,530,753
Due from other governments	16,590,177	1,442,247	6,150,298	293,439	1,252,736	25,728,897
Inventories	206,155	1,696,508	-	-	-	1,902,663
Prepaid items	256,615	-	-	-	62,060	318,675
Restricted cash and investments	-	-	-	17,736,389	-	17,736,389
Total assets	<u>57,126,631</u>	<u>8,933,908</u>	<u>6,515,182</u>	<u>36,540,100</u>	<u>10,810,747</u>	<u>119,926,568</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	814,594	620,288	1,960,591	2,598,929	1,762,159	7,756,561
Accrued wages	1,926,557	215,919	402,343	-	70,822	2,615,641
Advances from other funds	-	-	100,000	-	-	100,000
Due to other funds	1,601,386	33,321	1,543,550	5,053	898,336	4,081,646
Due to other governments	-	9,278	2,273,349	-	-	2,282,627
Deferred revenue	<u>22,514,397</u>	<u>2,362,565</u>	<u>-</u>	<u>14,340,153</u>	<u>5,294,387</u>	<u>44,511,502</u>
Total liabilities	<u>26,856,934</u>	<u>3,241,371</u>	<u>6,279,833</u>	<u>16,944,135</u>	<u>8,025,704</u>	<u>61,347,977</u>
Fund Balances:						
Nonspendable	462,770	1,696,508	-	-	62,060	2,221,338
Restricted	6,653,514	412,709	235,349	17,736,389	715,646	25,753,607
Committed	1,635,399	287,900	-	-	1,514,489	3,437,788
Assigned	17,370,988	3,295,420	-	1,859,576	554,908	23,080,892
Unassigned	<u>4,147,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,060)</u>	<u>4,084,966</u>
Total fund balances	<u>30,269,697</u>	<u>5,692,537</u>	<u>235,349</u>	<u>19,595,965</u>	<u>2,785,043</u>	<u>58,578,591</u>
Total liabilities and fund balances	<u>\$ 57,126,631</u>	<u>\$ 8,933,908</u>	<u>\$ 6,515,182</u>	<u>\$ 36,540,100</u>	<u>\$ 10,810,747</u>	<u>\$ 119,926,568</u>

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

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

Fund balances - total governmental funds	\$ 58,578,591
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	545,727,028
Internal service funds are used by management to charge the costs of the self insurance program to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(65,429,612)
The portion of interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	2,564
Long-term note receivable from other governments for long-term capital lease.	7,912,034
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are as follows:	
Accrued interest payable	(652,545)
Compensated absences payable	(16,457,419)
Certificates of participation payable	(171,895,000)
Capital leases payable	(2,501,720)
Unamortized premium	(4,809,904)
Unamortized deferred loss	2,241,113
Unamortized debt discount	212,556
Unamortized issuance costs	2,388,355
	<hr/>
Net position - governmental activities	<u>\$ 355,316,041</u>

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Road and Bridge Fund	Human Services Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 17,870,640	\$ 1,936,902	\$ -	\$ 17,375,089	\$ 5,737,647	\$ 42,920,278
Sales taxes	59,209,978	-	15,997,288	-	-	75,207,266
Specific ownership taxes	1,000,000	3,562,032	-	-	-	4,562,032
Highway user taxes	-	11,255,095	-	-	-	11,255,095
Intergovernmental	13,562,199	1,391,131	39,726,076	1,103,981	9,318,588	65,101,975
Fees and fines	519,762	-	-	-	-	519,762
Licenses and permits	666,357	-	-	-	-	666,357
Charges for services	21,875,436	551,582	-	3,100,111	2,216,705	27,743,834
Investment earnings	80,632	691	-	119,834	451	201,608
Contributions	116,898	-	27,229	25,000	5,233,582	5,402,709
Miscellaneous	3,550,001	159,613	402	-	11,041	3,721,057
Total revenues	118,451,903	18,857,046	55,750,995	21,724,015	22,518,014	237,301,973
EXPENDITURES						
Current:						
General government	40,459,508	-	-	284,011	7,741,981	48,485,500
Public safety	72,073,703	-	-	-	829,298	72,903,001
Public works	-	16,402,954	-	-	-	16,402,954
Health and welfare	3,771,065	-	55,900,600	-	6,578,483	66,250,148
Culture and recreation	1,793,058	-	-	-	1,342,314	3,135,372
Outside agencies	-	-	-	-	5,895,486	5,895,486
Auxiliary services	455,906	-	-	-	-	455,906
Debt service:						
Principal	-	-	-	6,769,510	-	6,769,510
Issuance costs	-	-	-	201,246	-	201,246
Interest and other charges	-	-	-	7,858,020	-	7,858,020
Capital outlay	5,099,392	2,763,724	-	12,040,366	109,182	20,012,664
Total expenditures	123,652,632	19,166,678	55,900,600	27,153,153	22,496,744	248,369,807
Excess (deficiency) of revenues over (under) expenditures	(5,200,729)	(309,632)	(149,605)	(5,429,138)	21,270	(11,067,834)
OTHER FINANCING SOURCES (USES)						
Refunding COP's	-	-	-	12,010,000	-	12,010,000
Payment to refunded COP escrow agent	-	-	-	(11,561,686)	-	(11,561,686)
COP issuance premium	-	-	-	1,663,072	-	1,663,072
Sale of capital assets	2,299,141	2,760	-	-	-	2,301,901
Total other financing sources (uses)	2,299,141	2,760	-	2,111,386	-	4,413,287
Net change in fund balances	(2,901,588)	(306,872)	(149,605)	(3,317,752)	21,270	(6,654,547)
Fund balances - January 1	33,171,285	5,999,409	384,954	22,913,717	2,763,773	65,233,138
Fund balances - December 31	\$ 30,269,697	\$ 5,692,537	\$ 235,349	\$ 19,595,965	\$ 2,785,043	\$ 58,578,591

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Net change in fund balances - total governmental funds	\$ (6,654,547)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:	
Capital outlay	20,012,664
Depreciation	(41,521,204)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. The details of this difference are as follows:	
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	11,979,052
In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(2,946,490)
The issuance of long-term debt (e.g., leases, certificates of participation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums and discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:	
Debt issued or incurred:	
Certificates of participation issued	(12,010,000)
Refunding payment to escrow agent	11,561,686
Premiums on issuance of certificates of participation	(1,663,072)
Capital lease activity	(1,934)
Accrued interest payable	17,938
Bond issuance costs	201,246
Principal repayments on certificates of participation	5,535,000
Amortization of debt premium	199,084
Amortization of issuance costs	(130,542)
Amortization of discount	(14,172)
Deferred loss on certificates of participation	(149,409)
Payment of capital leases as a reduction of long term debt	1,234,510
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
The detail of those expenses follow:	
Compensated absences	(1,607,775)
Accrued interest receivable	(1,123)
Internal service funds are used by management to charge the costs of the self insurance program to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(21,248,981)
Change in net position - governmental activities	\$ <u>(37,208,069)</u>

The accompanying notes are integral part of this statement.

EL PASO COUNTY, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2012

	Business-type Activities Non-Major Enterprise Fund Solid Waste Management	Governmental Activities- Self Insurance Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 327,410	\$ 6,799,008
Accounts receivable	229,739	214,490
Intergovernmental receivable	-	45,821
Due from other funds	-	584,127
Prepaid expenses	-	100,000
Total current assets	<u>557,149</u>	<u>7,743,446</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>1,373,439</u>	<u>161,918</u>
Total assets	<u>1,930,588</u>	<u>7,905,364</u>
LIABILITIES		
Current liabilities:		
Accounts payable	33,536	686,185
Accrued Wages	5,000	5,878
Claims payable	-	1,908,644
Due to other funds	33,191	43
Compensated absences	7,006	-
Total current liabilities	<u>78,733</u>	<u>2,600,750</u>
Noncurrent liabilities:		
Claims payable	-	3,049,286
Compensated absences	42,424	-
Other postemployment benefits	-	67,684,940
Total noncurrent liabilities	<u>42,424</u>	<u>70,734,226</u>
Total liabilities	<u>121,157</u>	<u>73,334,976</u>
NET POSITION		
Investment in capital assets	1,373,439	161,918
Unrestricted	435,992	(65,591,530)
Total net position	<u>\$ 1,809,431</u>	<u>\$ (65,429,612)</u>

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities Non-Major Enterprise Funds Solid Waste Management	Governmental Activities- Self Insurance Internal Service Funds
Operating revenues		
Charges for services	\$ 952,671	\$ 14,598,288
Operating expenses		
Insurance premiums	-	1,214,872
Claim settlements	854	29,019,839
Depreciation	44,603	4,811
Administration and operations	906,905	5,607,747
Total operating expenses	952,362	35,847,269
Operating income (loss)	309	(21,248,981)
Non-operating revenues/expenses		
Investment Earnings	213	-
Contributions	8,000	-
Total non-operating revenues / expenses	8,213	-
Change in net position	8,522	(21,248,981)
Net position - January 1	1,800,909	(31,576,589)
Prior period adjustment	-	(12,604,042)
Net position - December 31	\$ 1,809,431	\$ (65,429,612)

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities- Non-Major Solid Waste Mgmt Enterprise Funds	Governmental Activities- Self Insurance Internal Service Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 937,656	\$ 690,941	\$ 1,628,597
Receipts from interfund services provided	-	15,436,997	15,436,997
Payments to suppliers-operating	(323,263)	2,868,328	2,545,065
Payments to employees	(299,068)	(26,869,130)	(27,168,198)
Payments for interfund services used	(256,390)	(10,555)	(266,945)
Net cash provided (used in) by operating activities	58,935	(7,883,419)	(7,824,484)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contributions	8,000	-	8,000
Net cash provided by noncapital financing activities	8,000	-	8,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital expenditures	-	(8,170)	(8,170)
Net cash used in capital and financing activities	-	(8,170)	(8,170)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	213	-	213
Net cash provided by investing activities	213	-	213
Net increase (decrease) in cash and cash equivalents	67,148	(7,891,590)	(7,824,441)
Cash and cash equivalents - January 1	260,262	14,690,597	14,950,859
Cash and cash equivalents - December 31	327,410	6,799,008	7,126,418
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	309	(21,248,981)	(21,248,672)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	44,603	4,811	49,414
(Increase) decrease in assets			
Accounts receivable	(15,016)	482,623	467,607
Intergovernmental receivables	44,801	(8,923)	35,878
Due from other funds	-	838,711	838,711
Increase (decrease) in liabilities			
Accounts payable	(34,472)	(17,233)	(51,705)
Accrued liabilities	-	12,076,129	12,076,129
Due to other funds	17,791	(10,556)	7,235
Compensated absences	919	-	919
Net cash provided by (used in) operating activities	\$ 58,935	\$ (7,883,419)	\$ (7,824,484)

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Private- Purpose Trust Fund	Pension Trust - El Paso County Retirement Plan	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 99,977	\$ 5,036,524	\$ 24,890,401
Investments			
Equities:			
Domestic stocks and equity mutual funds	-	108,759,524	-
International stocks	-	56,091,363	-
Fixed income:			
Fixed income mutual funds	-	35,944,975	-
U.S. government and agency securities	-	5,252,882	-
Corporate fixed income securities	-	16,130,927	-
Fund of hedge funds	-	27,144,734	-
Real estate mutual fund	-	25,089,308	-
Total investments	-	274,413,713	-
Receivables			
Interest and dividends	-	406,261	-
Securities sold	-	140,702	-
Other	-	39,591	5,095
Total receivables	-	586,554	5,095
Capital assets - net	-	504,133	-
Total assets	99,977	280,540,924	24,895,496
LIABILITIES			
Accounts payable and accrued liabilities	-	230,780	-
Due to other governments	-	-	7,753,965
Payable for securities purchased	-	217,573	-
Escrow deposits held by Trustee	-	-	856,257
Funds due to bondholders	-	-	84,970
Other	-	-	16,200,304
Total liabilities	-	448,353	24,895,496
NET POSITION			
Held in trust for pension benefits and other purposes	\$ 99,977	\$ 280,092,571	\$ -

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Private- Purpose Trust Funds	Pension Trust - El Paso County Retirement Plan
ADDITIONS		
Contributions:		
Employers	\$ -	\$ 8,731,658
Employees	-	9,173,314
Total contributions	-	17,904,972
Charges for services	60,269	-
Other income	-	9,847
Investment earnings:		
Net depreciation in fair value of investments	-	26,670,872
Interest and dividend income	-	5,149,619
Total investment earnings	-	31,820,491
Less investment expenses	-	(911,566)
Net investment income	-	30,908,925
Total additions	60,269	48,823,744
DEDUCTIONS		
Outside agencies	102	-
Benefits	-	19,299,332
Refunds	-	1,548,635
Administrative expenses	-	518,086
Total deductions	102	21,366,053
Change in net position	60,167	27,457,691
Net position - January 1	39,810	252,634,880
Net position - December 31	\$ 99,977	\$ 280,092,571

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

1. Reporting entity

El Paso County, Colorado (County) is governed by an elected five-member commission. As required by accounting principles generally accepted in the United States of America (US GAAP), these financial statements present the County and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units is combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a single column in the basic financial statements. Each blended and discretely presented component unit has a December 31 year-end.

El Paso County is not considered a component unit on any other financial reports.

Blended component units

El Paso County Sheriff Special Investigation Fund

This fund was established by the El Paso County Sheriff's Department, the Teller County Sheriff's Department, the Colorado Springs Police Department, and the District Attorney's Office for the Fourth Judicial District of Colorado to account for money received from public nuisance seizures and is legally separate from the County. The funds are used for special investigations of organized crime, white-collar crime, and other illegal activity. The fund is governed by the El Paso County Sheriff's Department, which is governed by the El Paso County Board of County Commissioners.

El Paso County Retirement Plan

This is a cost-sharing, multiple-employer defined benefit plan for all full-time employees of the County. The Commissioners appoint two of the five members of the governing board, two members are employees of participating employers elected by participants, and the fifth member is the County Treasurer. The County and the employees of the County contribute over 90 percent of the funds in the plan.

El Paso County Facilities Corporation

This is a nonprofit corporation under the laws of the State of Colorado that was organized to acquire real estate, property and improvements for lease to the County, and upon the prior approval of a majority of the membership of the Board of County Commissioners, to borrow money and to become indebted and to execute and deliver bonds, notes or debentures to evidence such indebtedness, for the purpose of acquiring such real or personal property, constructing or installing such improvements, and for such other purposes as may be necessary to accomplish the objectives of the Corporation. Members of the Board of County Commissioners are deemed members of the Corporation for the purpose of appointing and removing members of the Corporation's Board of Directors. The Facilities Corporation does not publish separate financial statements.

Discretely presented component units

El Paso County Public Health

This is a quasi-municipal organization organized by authority of State Statutes and Resolution of the County Commissioners. According to State Statutes, the Commissioners appoint the governing board. Additionally, the County appropriates significant funds to the department's operations. The El Paso County Public Health administers public health services for El Paso County residents.

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

El Paso County Housing Authority

The El Paso County Housing Authority was established by the Commissioners in order to help promote availability of decent, safe, and sanitary dwelling accommodations in the County to low-income families. The Commissioners appoint the five-member governing board and can impose its will on the Authority through its ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations of the Authority. The Authority administers El Paso County's low-income housing program.

Financial statements of the County's component units may be obtained from the County's Budget Administration Finance Division.

2. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable. Indirect costs are not allocated in the government-wide statement of activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, with exception of the agency funds whose resources are not available for use by the County. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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 pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, sales taxes, and interest are susceptible to accrual. Accruals are reported net of allowances for non-collectibles. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road and Bridge Fund* is a special revenue fund that accounts for construction and maintenance of County roads and bridges and drainage financed by property taxes, highway users' fees, and other revenues restricted to use on roads and bridges.

The *Human Services Fund* is a special revenue fund that accounts for the federal and state public welfare programs administered by the County and financed by grants, intergovernmental reimbursements, and property taxes.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Additionally, the County reports the following fund types:

Special revenue funds account for the proceeds of specific revenue sources other than for major capital projects that are legally restricted to expenditures for specified purposes. The County's non-major funds are:

The *El Paso County Sheriff Special Investigation Fund* was established to finance special investigations to combat certain types of criminal activity.

The *Retirement Contribution Fund* is used to account for property tax revenues which are expended to provide the County contribution for the employee retirement plan.

The *Conservation Trust Fund* accounts for lottery revenue received from the State of Colorado, which is restricted to use for the development and maintenance of parks, trails, open space, and other recreational purposes. The fund also includes other revenues dedicated to such uses.

The *Economic Development Fund* was established to account for contributions made by local business and individuals to the State Zone fund.

The *Pikes Peak Workforce Center Fund* was established to account for the revenues and expenditures for the One Stop Job Center and Jobs Training Partnership Act programs.

Enterprise funds account for activities for which a fee is charged to external users for goods or services. The County's non-major enterprise fund is:

The *Solid Waste Management Fund* was established by the Board of County Commissioners to collect tipping fees at privately owned landfills within the County. The funds will be appropriated to pay for operational service information and equipment needed for solid waste disposal sites within the County.

Internal service funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Because El Paso County is essentially self-insured, the *Self-Insurance Fund* was established to account for the accumulation and allocation of costs associated with insurance claims and administration costs. This fund also accounts for the Other Post Employment Benefit (OPEB) plan.

EL PASO COUNTY, COLORADO
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Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the El Paso County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The *Pension Trust Fund* is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the El Paso County Retirement Plan.

Private-Purpose Trust Funds are used to account for resources collected from developers of new subdivisions to provide for the purchase and development of additional parks and for distribution to school districts.

The *School's Trust Fund* is used to account for resources from developers of new subdivisions and the distribution of these resources to local school districts.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

Treasurer's Agency Fund accounts for the receipt and disbursement of all revenues received by the Treasurer for the County and all other taxing entities in the County, as well as the receipt, investment, and disbursement of all other revenues received by the County.

Public Trustee Agency Fund was established to account for expenditures for the Public Trustee's Office. The Public Trustee is appointed by the Governor of Colorado for a four-year term. This office administers foreclosures including issuance of Public Trustee deeds, cure of default and lien redemptions.

Rancho Colorado Agency Fund bonds were issued to finance infrastructure improvements such as roads, drainage facilities, and water/sanitation facilities.

Falcon Vista Acquisition Fund was established in 2008 and bonds were issued to finance acquisition, construction and installation of certain public improvements within the Falcon Vista Fund subdivision.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales or services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

4. *Assets, liabilities, and net position or equity*

A. Deposits and investments

Deposits consist of cash equivalent accounts, interest and non-interest bearing bank accounts. The County's investments are authorized by Colorado Statutes that provide for the following:

- A. Bonds and other interest-bearing obligations of the United States government or that are guaranteed by the United States government.
- B. Bonds that are direct obligations of the State of Colorado, or any city, County, or school district therein.
- C. Notes and bonds issued pursuant to the "National Housing Act."
- D. Repurchase agreements.
- E. Local government investment pools.

Additionally, the El Paso County Retirement Plan's (a component unit) investments authorized by Colorado statutes also include the following:

- A. Corporate notes, bonds, and debentures.
- B. Railroad equipment trust certificates.
- C. Real property.
- D. Loans secured by first mortgages or deeds of trust on real property.
- E. Participating agreements with life insurance companies.
- F. Equity securities subject to certain limitations.

The Retirement Plan cash and investments consist of cash and cash equivalent accounts, U.S. government securities, corporate bonds and debentures, common stocks, open-end equity mutual funds, international bonds, and securities lending collateral.

Investments are stated at fair value.

The Retirement Plan includes investments in foreign currencies, which means changes in the exchange rate could adversely affect the fair value of an investment.

For purposes of the statement of cash flows, the County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Original maturity is the original maturity to the County.

Except for nominal petty cash funds, all of the cash and investments for the County funds are in the custody of the County Treasurer. Except when otherwise required by trust agreements, the operating cash of all funds is pooled into various bank accounts. Interest income is allocated to funds on the basis of each fund's participation in the pool. Cash in excess of operating requirements is invested in U.S. government securities, local government investment pools, and interest-bearing bank accounts.

B. Receivables and payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes are levied on November 20 and attach as an enforceable lien on property as of January 1 of the tax year. They are payable in two installments on February 28 and June 15, or in one installment due April 30 in the year following the tax year. The El Paso County Treasurer bills and collects property taxes for itself and the other taxing authorities within the County. Collections for other districts are accounted for in the County's agency funds.

C. Inventories and prepaid items

Inventories are valued at cost using the first-in, first-out method. Inventories of the General Fund consist primarily of supplies held for consumption and are considered expenditures when used. Inventories of the Road and Bridge Fund consist of expendable parts and supplies held for consumption and are considered expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

D. Restricted assets

Certain proceeds from the County's capital expenditures fund certificates of participation, as well as certain resources set aside for their repayment, are restricted because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The construction fund accounts are used to report those proceeds of certificates of participation issuances that are restricted for use in construction. The total of those accounts as of December 31,

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

2012, was \$5,797,747. The certificate fund accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The total of those accounts as of December 31, 2012, was \$11,938,642.

E. Capital assets

Capital assets, which include: property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The standard depreciation method is used for all assets. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects. Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	40
Improvements other than buildings	25
Infrastructure	1-50
Vehicles	4-8
Furniture & fixtures	5
General Equipment	8-15

F. Compensated absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County service. All compensated absences liabilities are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

G. Long-term obligations

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Certificate of participation premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the certificates of participation using the effective interest method. Certificates of participation are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

H. Prior Period Adjustment

The prior period adjustment for the Housing Authority was to correct the note receivable balance.

With the most recent actuarial study, it was determined that during the last five reporting periods (2007-2011), an incorrect assumption was made when calculating the Other Post Employment Benefits. The County was using contributions for both current employees and retirees towards Contributions Made. The actuary performed some research and determined that only the employer contribution to retirees should be considered for Contributions Made. Following is the effect of this Prior Period Adjustment which decreases net position by \$12,604,042.

Note B – Stewardship, Compliance, and Accountability

1. Budgetary Information

Budgets are adopted on a basis consistent with US GAAP for all government funds. Proprietary funds, Falcon Vista and Rancho Colorado, adopt budgets using the modified accrual basis of accounting, which is not US GAAP for those fund types. Annual appropriated budgets are adopted for all governmental funds, proprietary funds, and Falcon Vista and Rancho Colorado. All annual appropriations lapse at fiscal year end.

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse as of the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances. Encumbrances outstanding as of December 31, 2012 do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

The County's managers may make transfers of appropriations within a fund. Transfers of appropriations between funds require the approval of the Board of County Commissioners. The legal level of budgetary control is the fund level.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- G. Budgets are required by state law for all funds except fiduciary fund types and the El Paso County Sheriff Special Investigation Fund, which is a special revenue fund. In September, the Budget Administration Department submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- H. Public hearings are conducted by the County to obtain taxpayer comments.
- I. Prior to December 31, the budget is legally enacted through passage of an appropriation resolution.
- J. Any revisions that alter the total expenditures of any fund must be approved by the County Commissioners by passage of a resolution.
- K. The El Paso County Sheriff Special Investigation Fund does not and is not required by state law to adopt an annual budget.
- L. The Road and Bridge Fund budgets expenditures using the natural classifications. Therefore, a difference arises between the fund financial statements reflecting expenditures under US GAAP, under which salary expenditures may be part of capital outlay expenditures, and the budget to actual schedules reflecting expenditures in their natural classifications.
- M. No fund had excesses of expenditures over appropriations for the year ended December 31, 2012.

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2. *Management use of estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. *Fund Balance*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. As of December 31, 2012, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of County Commissioners. The Board of County Commissioners is the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of County Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but which are intended to be used for specific purposes. Under the Board of County Commissioners' adopted policy, only the Board of County Commissioners or the County Administrator and Budget Officer, are authorized to assign amounts for specific purposes.

Unassigned – other spendable amounts.

The Board of County Commissioners adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 20 – 25 percent of the subsequent year's unrestricted General Fund operating expenditures. The minimum unassigned fund balance required for 2012 is \$20,556,980 which is less than the unassigned fund balance reflected in the Committed, Assigned and Unassigned categories combined.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed unless Board of County Commissioners or the authorized assignor has provided otherwise in its commitment or assignment activities.

Note C – Detailed Notes on All Funds

1. *Deposits and investments*

Cash and Investments	Amount
Cash and investments	\$ 30,834,410
Restricted cash and investments	17,736,389
Fiduciary cash and equivalents	30,026,902
Fiduciary investments	274,413,713
Total cash and investments	<u>\$ 353,011,414</u>

The County's cash and investments consist of the following on December 31, 2012

	Treasurer's Agency Funds	Primary Government Restricted Cash	Sheriff's Special Investigation Fund	Public Trustee	Retirement Plan	Total
Petty cash	\$ 94,375	\$ -	\$ -	\$ 300	\$ -	\$ 94,675
Cash deposits	31,736,256	-	395,630	1,860,570	5,036,524	39,028,980
Local government investment pool	21,649,772	-	87,885	-	-	21,737,657
Investments	<u>-</u>	<u>17,736,389</u>	<u>-</u>	<u>-</u>	<u>274,413,713</u>	<u>292,150,102</u>
	<u>\$ 53,480,403</u>	<u>\$ 17,736,389</u>	<u>\$ 483,515</u>	<u>\$ 1,860,870</u>	<u>\$ 279,450,237</u>	<u>\$ 353,011,414</u>

Investments in the local government investment pool are rated AAAm by Standard & Poor's.

Restricted cash and investments are held by U.S. Bank and pertain to Certificate of Participation reserve funds. The balance of \$17,736,389 includes cash equivalents of \$1,178,355, various Guaranteed Investment Contracts of \$15,893,744 rated A2, A3 and Baa1 by Moody, and \$664,290 other investments that are not rated.

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories which are determined by state regulators. All banks used by the County for depository and investments are on the approved list. Deposit amounts in excess of Federal insurance levels must be collateralized. PDPA allows institutions to create a single collateral pool for all public funds which is maintained by another institution or held in trust for all uninsured public deposits. The market value of the collateral must be at least equal to 102% of uninsured deposits.

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. As part of the Dodd-Frank Wall Street Reform and Customer Protection Act passed by Congress on July 21, 2010, a separate and unlimited deposit insurance coverage is provided for accounts that meet the definition of 'non-interest bearing transaction account' which is separate from the \$250,000 coverage provided for other types of accounts. This additional coverage is effective through December 31, 2012. At December 31, 2012, the El Paso County's cash deposits had a book balance of \$33,992,456 and a corresponding bank balance of \$37,269,689.

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The difference between the book and bank balances is due to outstanding checks and deposits not yet processed by the banks. Of the bank balance, \$3,118,453 was covered by federal depository insurance. The remainder of the bank balance, \$34,151,236 was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

Investments

The County invests its collateral pool with the Colorado Government Liquid Asset Trust (ColoTrust), a local government investment pool established primarily for local government entities pursuant to Part 7 of Article of Title 24 of the Colorado Revised Statutes. Financial statements for ColoTrust may be obtained at www.colotrust.com. The states Securities Commissioner administers and enforces all State statutes governing the trust. The trust operates similarly to a money market fund, and each share is equal in value to \$1. As of December 31, 2012, the County had \$21,737,657 invested in Colorado Trust.

The County's investments are subject to interest rate, credit risk, and concentration of credit risk. Management places all funds in high quality financial institutions to minimize the credit risk. As a means of limiting its exposure, the County's investment policy allows for investments in money market accounts and certificates of deposits issued by banks located in Colorado under applicable Colorado Statutes and those authorized under the provisions of CRS, Section 24-75-601.1(k). State investment pools authorized under CRS, Section 24-75-701, direct obligations of the U.S. Government, Federal Instrumentality Security and prime commercial paper are also authorized. In order to limit its exposure to fair value losses arising from higher interest rates, the County's investment policy limits the investment maturities to five years, unless, specifically approved in advance by the Board of County Commissioners. The County's deposit and investment policy is written in compliance with revised Colorado Statutes.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy restricts holding of securities by counterparties.

Blended Component Unit – Cash and Investments

The Retirement Plan (Plan) has a bank balance of \$839,200 on deposit with a banking institution at December 31, 2012. Of the bank balance, \$250,000 is insured by the Federal Deposit Insurance Corporation at December 31, 2012. In addition, \$4,197,324 was held by various money managers in banking institutions at December 31, 2012. The uninsured balances are collateralized with securities held by the banking institutions but not in the Plan's name.

Investments held by Retirement Plan (Fiduciary Fund):	Fair Value	Credit Rating	Effective Duration
Domestic stocks and equity mutual funds	\$ 108,759,524	*	
International stocks and equity mutual funds	56,091,363	*	
Fixed Income Investments:			
Fixed income funds	35,944,975	AA-AA-	4.9
U.S. Government Agency securities	2,134,137	AA+	2.6
U.S. Treasury securities	3,118,745	AA+	5.4
Mortgage-backed securities	1,191,046	AAA-Unrated	2.6
Corporate securities	14,939,881	AA+ to Unrated	5.3
Real estate funds	25,089,308	*	
Fund of hedge funds	27,144,734	*	
	<u>\$ 274,413,713</u>		

*These investments are not rated.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. Unless expressly permitted by the Board, the effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the broad market benchmark included in the instructions to the portfolio manager.

Blended Component Unit - Mortgage-Backed Securities

The Plan invests in mortgage-backed securities for diversification and to enhance fixed income returns. Mortgage-backed securities are subject to credit risk, the risk that the borrower will meet its obligations. These securities are also subject to prepayment risk, which is the risk that a payment will be made in excess of the regularly scheduled principal payment. Prepayment risk is comprised of two risks: call risk, the risk that prepayment will occur when interest rates have declined, and extension risk, the risk that prepayments will not be made when interest rates have increased.

As of December 31, 2012, the fair value of the Plan's mortgage-backed securities is \$1,191,046.

Blended Component Unit - Retirement Plan Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2012, \$266,899 of the Plan's investments were denominated in currencies other than the United States dollar.

Component Units – El Paso County Public Health and El Paso County Housing Authority

El Paso County Public Health

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2012, the Department had bank deposits of \$562,304 collateralized with securities held by the financial institution's agent by not in the Department's name.

Cash and Investments held by El Paso County Public Health and El Paso County Housing Authority

	El Paso County Public Health	El Paso County Housing Authority	Credit Rating	Maturity Date
Petty Cash	\$ 2,070	\$ -	*	
Cash deposits	682,487	218,817	*	Demand
Local government investment pool	1,928,563	3,742,967	AAAm	Demand
U.S. Treasuries		949,586	*	May-13
Government National Mortgage Association (GNMA)	-	75,751	AAA	2030
Repurchase Agreement		115,138	*	
	<u>\$ 2,613,120</u>	<u>\$ 5,102,259</u>		

*These investments are not rated.

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2. *Property taxes*

The County is permitted to levy taxes on the assessed valuation for general governmental services. The combined tax rate to finance general governmental services for the year ended December 31, 2012, was 7.663 mills. The County's assessed valuation for 2012 was \$6,334,487,370. Therefore, the County could have collected \$48,541,179 for 2012 taxes. Instead, the Board of County Commissioners eliminated the County's entire portion of business personal property tax. The property taxes collectible in 2013 total \$44,032,107.

3. *Capital assets*

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,560,546	\$ -	\$ (2,021,241)	\$ 12,539,305
Construction in progress	36,590,530	8,409,326	(31,322,095)	13,677,761
Total capital assets, not being depreciated	51,151,076	8,409,326	(33,343,336)	26,217,066
Capital assets, being depreciated:				
Buildings	204,239,776	5,704,659	(4,115,499)	205,828,936
Improvements other than buildings	42,681,903	9,533,745	(559,213)	51,656,435
Machinery and equipment	65,305,486	9,237,069	(2,945,789)	71,596,766
Infrastructure	453,692,049	34,086,831		487,778,880
Total capital assets, being depreciated	765,919,214	58,562,304	(7,620,501)	816,861,017
Less accumulated depreciation for:				
Buildings	(52,739,939)	(6,166,127)	3,580,189	(55,325,877)
Improvements other than buildings	(6,685,641)	(1,899,270)	230,508	(8,354,403)
Machinery and equipment	(52,676,727)	(4,445,677)	2,884,557	(54,237,847)
Infrastructure	(150,256,069)	(29,014,941)	-	(179,271,010)
Total accumulated depreciation	(262,358,376)	(41,526,015)	6,695,254	(297,189,137)
Total capital assets, being depreciated, net	503,560,838	17,036,289	(925,247)	519,671,880
Governmental activities capital assets, net	\$ 554,711,914	\$ 25,445,615	\$ (34,268,583)	\$ 545,888,946

\$236,026 of capital assets and \$74,108 of accumulated depreciation for Self-Insurance, an internal service fund, is included in this note.

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Buildings	1,599,936	-	-	1,599,936
Improvements other than buildings	83,365	-	-	83,365
Machinery and equipment	17,426	-	-	17,426
Total capital assets, being depreciated	1,700,727	-	-	1,700,727
Less accumulated depreciation for:				
Buildings	(246,685)	(40,000)	-	(286,685)
Improvements other than buildings	(25,009)	(3,335)	-	(28,344)
Machinery and equipment	(10,991)	(1,268)	-	(12,259)
Total accumulated depreciation	(282,685)	(44,603)	-	(327,288)
Total capital assets, being depreciated, net	1,418,042	(44,603)	-	1,373,439
Business-type activities capital assets, net	\$ 1,418,042	\$ (44,603)	\$ -	\$ 1,373,439

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	Amount
General government	\$ 5,183,104
Public safety	5,107,320
Public works	30,681,528
Health and welfare	235,725
Culture and recreation	313,527
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	4,811
Total depreciation expense - governmental activities:	41,526,015
Business-type activities:	
Waste management	44,603
Total depreciation expense - business-type activities:	\$ 44,603

EL PASO COUNTY, COLORADO
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4. *Inter-fund receivables and payables:*

The composition of inter-fund balances as of December 31, 2012, is as follows:

Due to/from other funds:		
Receivable Funds	Payable Funds	Amount
General	Road and Bridge	\$ 32,937
	Human Services	1,532,438
	Capital Projects	5,053
	Non-major internal service funds	43
	Non-major governmental funds	872,497
	Non-major enterprise funds	31,281
		<u>2,474,249</u>
Road and Bridge	General	96,344
	Human Services	3,368
	Non-major governmental funds	660
		<u>100,372</u>
Human Services	Road and Bridge	384
		<u>384</u>
Capital Projects Fund	General Fund	650,000
		<u>650,000</u>
Non-major governmental funds	General	270,915
	Human Services	7,744
	Non-major governmental funds	25,179
	Non-major enterprise funds	1,910
		<u>305,748</u>
Non-major internal service	General	584,127
		<u>584,127</u>
	Total	<u>\$ 4,114,880</u>

Inter-fund balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Resolution No. 09-243 authorizes the advancement of funds for cash flow purposes from the General Fund to the Department of Human Services up to \$2,500,000. As of December 31, 2012 Human Services had an advance of \$100,000.

5. *Long-term debt*

A. Changes in long-term liabilities

The following is a summary of changes in long-term liabilities of the County for the year ended December 31, 2012.

	Restated Beginning balance 1/1/2012	Additions	Reductions	Ending balance 12/31/2012	Due within one year
Governmental activities:					
Certificates of participation	\$ 165,420,000	\$ 12,010,000	\$ (5,535,000)	\$ 171,895,000	\$ 6,670,000
Deferred loss refunding	(2,390,522)	-	149,409	(2,241,113)	(130,191)
Issuance discount	(226,728)	-	14,172	(212,556)	(14,170)
Plus Issuance premium	3,345,916	1,663,072	(199,084)	4,809,904	348,616
Total certificates of participation	166,148,666	13,673,072	(5,570,503)	174,251,235	6,874,255
Capital leases	3,736,230	-	(1,234,510)	2,501,720	1,245,375
OPEB	55,901,987	13,567,740	(1,784,787)	67,684,940	-
Claims Payable	4,670,630	17,374,248	(17,086,948)	4,957,930	1,908,644
Compensated absences	14,849,644	7,940,642	(6,332,867)	16,457,419	1,218,640
Governmental activities					
Long-term liabilities	<u>246,307,157</u>	<u>52,555,702</u>	<u>(32,009,615)</u>	<u>265,853,244</u>	<u>11,246,914</u>
Business-Type Activities:					
Compensated absences	\$ <u>53,511</u>	\$ <u>13,882</u>	\$ <u>17,964</u>	\$ <u>49,430</u>	\$ <u>7,006</u>

OPEB obligations are liquidated through the Self Insurance fund. Compensated absences are liquidated within the fund the employees reside in. Capital leases and certificates of participation are liquidated by the Capital Projects Fund.

B. Certificates of participation

During 2004, the County, through the El Paso County Facilities Corporation, issued \$6,970,000 in Certificates of Participation, Series 2004, which were dated June 15, 2004. The 2004 certificates carry interest rates ranging from 3.00% to 4.60% and mature December 1, 2004, through December 1, 2018. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2007, the County, through the El Paso County Facilities Corporation, issued \$77,850,000 in Certificates of Participation, Series 2007A, which were dated March 15, 2007. The 2007A certificates carry interest rates ranging from 4.00% to 5.50% and mature December 1, 2007, through December 1, 2029. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2008, the County, through the El Paso County Facilities Corporation, issued \$2,500,000 in Certificates of Participation, Series 2008, which were dated December 15, 2008. The 2008 certificates carry interest rates ranging from 4.00% to 6.50% and mature December 1, 2011 through December 1, 2029. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2010, the County, through the El Paso County Facilities Corporation, issued \$55,925,000 in Certificates of Participation, Series 2010, which were dated September 30, 2010. The 2010A was for \$47,545,000 and the Series 2010B was for \$8,380,000. The 2010A certificates carry interest rates ranging from 3.59% to 5.81% and mature December 1, 2017, through December 1, 2036. The 2010B certificates carry interest rates ranging from 2.25% to 5.00% and mature December 1, 2011 through December 1, 2016. Interest payments are due June 1 and December 1. Principal payments are due December 1.

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During 2011, the County, through the El Paso County Facilities Corporation, issued \$32,820,000 Refunding Certificates of Participation series 2011A, which were dated July 20th, 2011 and refund the Certificates of Participation Series 2002B. The 2011A certificates carry interest rates ranging from 2.75% to 5.25% and mature December 1, 2011 through December 1, 2027. The refunded Certificates Series 2002B will become due and payable, in accordance with their terms, until December 1, 2012 at which time all of the remaining 2002B Certificates shall mature or be redeemed at a redemption price. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2012, the County, through the El Paso County Facilities Corporation, issued \$12,010,000 in Certificates of Participation Series 2012, which were dated December 15, 2012. The Series 2012 Certificates carry interest rates ranging from 3.00% to 5.00% and mature December 21, 2023. Interest payments are due June 1 and December 1 of each year. Principal payments are due December 1.

Capital lease obligations

In 2011, The County entered into a lease agreement as lessee for financing the JDE System with Oracle America Inc. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The assets acquired through capital lease are as follows:

<u>Asset:</u>	Governmental activities
Oracle Project – JDE System	\$ 3,821,928
Less: Accumulated Depreciation	(282,072)
Net	<u>\$ 3,539,856</u>

Amortization charges on the assets are recorded under capital leases and are included with the depreciation expense. In 2012 a payment of \$1,267,424 including interest of \$32,914 was made on the capital lease for the Oracle Software JDE System.

The following schedule reflects debt service requirements for the capital lease as of December 31, 2012:

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Payment Amount</u>
July 2013	\$ 22,048	\$ 1,245,375	\$ 1,267,423
July 2014	11,078	1,256,345	1,267,423
Total	<u>\$ 33,126</u>	<u>\$ 2,501,720</u>	<u>\$ 2,534,846</u>

C. Summary of debt service requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2012:

Governmental Activities		
Certificates of participation		
December 31,	Principal	Interest
2013	\$ 6,670,000	\$ 7,181,757
2014	6,910,000	6,962,763
2015	7,855,000	6,663,477
2016	8,210,000	6,289,912
2017	8,560,000	5,933,455
2018-2022	45,635,000	24,240,968
2023-2027	49,485,000	14,081,018
2028-2032	23,675,000	4,941,209
2033-2037	14,895,000	1,601,332
	<u>\$ 171,895,000</u>	<u>\$ 77,895,891</u>

D. Operating leases

El Paso County has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For the reporting period, rent payments approximated \$3,156,429 for all types of leases. These expenditures were made primarily from the General, Pikes Peak Workforce Center, and Self Insurance Funds and Department of Human Services.

E. Conduit debt obligations

From time to time, the County has issued the following types of conduit debt: mortgage bonds and mortgage revenue refunding bonds to assist low- to middle-income residents in purchasing single family residences; exempt facility bonds for residential rental projects to be occupied by low- to middle-income residents and owned by private-sector entities; industrial revenue bonds to provide financial assistance to private-sector entities to promote industry and develop trade or other economic activity; and qualified 501(c)(3) bonds to provide financial assistance to non-profits for the acquisition and construction of eligible facilities. The various bonds are secured by investments under Indentures of Trust, loans that finance the projects, property, loan guarantees, and/or letters of credit.

The various bonds are payable solely from certain revenues and receipts pledged under the Indentures of Trust, payments received on underlying mortgage loans, and payments received pursuant to loan agreements. These bonds do not constitute the debt or indebtedness of the County, nor is the County obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2012, the bonds had an estimated aggregate principal amount payable of \$174,543,026.

In 2012, the County issued conduit debt as follows:

On April 3, 2012, El Paso County adopted a resolution authorizing the issuance of up to \$45,000,000 of Revenue Bonds (The Colorado College Project) Series 2012 and on May 24, 2012, bonds were issued in the amount of \$33,530,000.

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6. *Fund Balance Designation*

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories and the following table provides detail of each category of fund balance.

	General Fund	Road & Bridge	Human Services	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:						
Inventories	\$ 206,155	\$ 1,696,508	\$ -	\$ -	\$ -	\$ 1,902,663
Prepaid items	256,615	-	-	-	62,060	318,675
	<u>462,770</u>	<u>1,696,508</u>	<u>-</u>	<u>-</u>	<u>62,060</u>	<u>2,221,338</u>
Restricted:						
TABOR	5,302,805	-	-	-	-	5,302,805
Clerk & Recorder Projects	197,497	-	-	-	-	197,497
Public safety grants and other projects	595,992	-	-	-	185,011	781,003
Small Area/Developer funds		412,709	-	-	-	412,709
Culture and Recreation Projects	175,365	-	-	-	530,635	706,000
Social Services	-	-	235,349	-	-	235,349
Debt Service	-	-	-	17,736,389	-	17,736,389
Other Projects	381,855	-	-	-	-	381,855
	<u>6,653,514</u>	<u>412,709</u>	<u>235,349</u>	<u>17,736,389</u>	<u>715,646</u>	<u>25,753,607</u>
Committed:						
Public Safety	238,608	-	-	-	266,505	505,113
Road & Bridge		287,900	-	-	-	287,900
Clerk & Recorder Projects	1,318,803	-	-	-	-	1,318,803
Culture and Recreation Projects	57,350	-	-	-	-	57,350
Retirement Contributions	-	-	-	-	1,247,984	1,247,984
Other	20,638	-	-	-	-	20,638
	<u>1,635,399</u>	<u>287,900</u>	<u>-</u>	<u>-</u>	<u>1,514,489</u>	<u>3,437,788</u>
Assigned:						
Subsequent Year's Expenditures	8,421,345	-	-	1,452,420	-	9,873,765
Public safety	4,068,707	-	-	-	168,216	4,236,923
Capital Projects	-	-	-	407,156	-	407,156
Public Work projects	1,950,000	3,295,420	-	-	-	5,245,420
Debt Service	2,275,980	-	-	-	-	2,275,980
Culture and Recreation Projects	142,179	-	-	-	-	142,179
Economic Development	-	-	-	-	386,692	386,692
Other projects	512,777	-	-	-	-	512,777
	<u>17,370,988</u>	<u>3,295,420</u>	<u>-</u>	<u>1,859,576</u>	<u>554,908</u>	<u>23,080,892</u>
Unassigned:	<u>4,147,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,060)</u>	<u>4,084,966</u>
Total fund balance	<u>\$ 30,269,697</u>	<u>\$ 5,692,537</u>	<u>\$ 235,349</u>	<u>\$ 19,595,965</u>	<u>\$ 2,785,043</u>	<u>\$ 58,578,591</u>

Note D – Other Information

1. *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; health claims of employees; and natural disasters. The County established the Self-Insurance Fund (internal service fund) to account for and finance its uninsured risks of loss. Under this program, the fund provides coverage up to a maximum of \$100,000, \$400,000, \$250,000 and \$225,000 for each property damage claim, each workers' compensation claim, each liability claim, and each health claim, respectively. The limit of coverage on the liability claims is \$3,000,000. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for all various other risks of loss. Settled claims have exceeded this commercial coverage once in the past three fiscal years.

All funds of the County participate in the program and make payments to the funds based on estimates of the amounts needed to pay prior- and current-year claims. Claims liabilities of \$4,957,930 that are reported in the Self-Insurance Fund at December 31, 2012, are based on the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. The present value of the estimated outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 2.0% yield on investments, as provided by the County.

Changes in the claims liability amounts in 2012 and 2011 were:

	Balance January 1, 2012	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2012
Self-Insurance Fund	\$ 4,670,630	\$ 17,374,248	\$ 17,086,948	\$ 4,957,930

	Balance January 1, 2011	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2011
Self-Insurance Fund	\$ 2,946,126	\$ 15,242,538	\$ 13,518,034	\$ 4,670,630

Amounts reflected represent current claims for self-funded medical claims, wellness accounts, flexible spending accounts, Worker's Compensation and other Liability claims totaling \$1,908,644. The long-term portion represents claims pertaining to ongoing Worker's Compensation and Liability claims totaling \$3,049,286.

2. *Deficit fund balance*

Self Insurance fund had an accumulated deficit in net position of \$65,429,612 as of December 31, 2012. This internal service fund deficit pertains to incurred but not reported claims and other post employment benefits.

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

3. *Contingencies*

A Litigation

There is no current pending litigation in which the County is involved that is expected to result in a large judgment against the County. It is the opinion of management that the potential outcome of such matters would not have a significant effect on the financial position of the County if disposed of unfavorably.

B Grants

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the County management believes such disallowances, if any, will be immaterial.

C TABOR

In November 1992, the people of the State of Colorado passed an amendment to the State's Constitution (Article X, Section 20) known as the Taxpayer's Bill of Rights (TABOR), which was effective December 31, 1992. TABOR's intended purpose was to reasonably restrain most of the growth of government by imposing spending and revenue limits on the state and any local government, excluding enterprises. Provisions of TABOR require, among other things, that:

- Each district shall reserve for use in declared emergencies 3% or more of its fiscal year spending (as defined by TABOR) excluding bonded debt service.
- If revenue from sources not excluded from fiscal year spending exceeds the limits prescribed by TABOR in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset.
- Revenue collected, kept, or spent illegally since four full fiscal years before an individual or class action enforcement suit is filed shall be refunded with 10% annual simple interest from the initial conduct.
- With minor exceptions, advance voter approval is required for any new tax, tax rate increase, mill levy above that for the prior year or creation of any multiple fiscal years direct or indirect district debt or other financial obligation without certain cash reserve amounts.

The County believes it complies with the provisions of TABOR. However, many of its provisions will most likely be interpreted by the judicial system and those interpretations could differ from those of the County. Based upon the County's interpretation of TABOR for 2012, the County does not exceed the fiscal year spending limit. Appropriate action will be taken if necessary upon final determination.

4. *El Paso County Retirement Plan*

A. Plan description

All permanent, full-time employees of El Paso County are eligible to participate in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit plan. The Plan has five participating employers. The Plan provides benefits to members at retirement or disability, or to their beneficiaries in the event of death. The El Paso County Board of Retirement is the administrator and has the authority to establish and amend benefit provisions of the Plan. The Plan issues a publicly available financial

report that includes financial statements and required supplementary information, including the required six-year trend information, for the Plan. That report may be obtained by writing to the El Paso County Retirement Plan, 2880 International Circle, Suite N030, Colorado Springs, Colorado 80910, or by calling (719) 520-7490. It can also be found at www.epcretirement.org.

B. Summary of significant accounting policies

Basis of accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which employee services are performed. The employers' contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method used to value investments

Marketable securities are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask price.

C. Funding policy

The County and covered employees are each required by County Resolution to contribute 7.5 percent of the employees' annual salary to the Plan. The contribution requirements of Plan members and the County are established and may be amended by the El Paso County Board of Retirement. The County's contributions to the Plan for the years ended December 31, 2012, 2011, and 2010, were \$7,655,286 (7.5 percent contribution rate), \$7,424,702 (7.0 percent contribution rate), and \$6,720,942 (6.5 percent contribution rate), respectively, equal to the required 7.5 percent match each year.

5. *Other-postemployment benefit (OPEB)*

Plan Description

The County contributes to and administers a single employer defined benefit postemployment health care plan referred to as the Medical Benefits Trust Fund (MBTF) to provide medical benefits to eligible retired County employees and their beneficiaries. Authority was established by approval of a resolution adopted by the Board of County Commissioners (BoCC) to create the MBTF fund on December 15, 2004. The BoCC has the authority to amend the contributions and terms of the MBTF at will. The financial activity is included in the Self Insurance Fund financial statements reflected in these financial statements.

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

The monthly premium rates and County subsidy rates are shown in the table below:

Years of Service	Elected/Appointed Officials	Retired after 2004	Retired prior to 2004
Less than 4 Years	\$ 582.50 to 1,636.50	-	-
4 Years or more			
County Subsidy	291.25 to 582.50	-	-
Less than 8 Years	-	\$ 582.50 to 1,636.50	-
Retire between 2004-2013			
County Subsidy	-	320.38 to 582.50	-
Less than 10 Years	-	-	\$ 582.50 to 1,636.50
Retire prior to 2004			
County Subsidy	-	-	311.64 to 518.43

Funding Policy

The contribution requirements for plan members and their employers are established annually by the Employee Benefits Committee. The required contributions are based on pay-as-you-go financing. Plan member contributions are also determined from monthly premiums.

Annual OPEB cost and net OPEB obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45 implemented proactively. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal annual costs and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, and the amount actually contributed to the plan, and changes in the County's net OPEB obligation to MBTF:

Annual Required Contribution (ARC)	\$ 14,518,818
Interest on Net OPEB Obligation	2,185,768
Adjustment to ARC	(3,136,846)
Annual OPEB Cost	13,567,740
Contributions Made	(1,784,787)
Increase in Net OPEB Obligation	11,782,953
NET OPEB - Beginning of Year	43,297,945
Prior Period Adjustment	12,604,042*
NET OPEB - End of Year	\$ 67,684,940

*See Note A Section 4 Paragraph H

	Net Position as Previously Reported	OPEB PPA	Net Position as Restated
Governmental Activities	\$405,128,152	(\$12,604,042)	\$392,524,110
Proprietary Funds Self Insurance	(\$31,576,589)	(\$12,604,042)	(\$44,180,631)

In calculating the plan liabilities and expenses, two key assumptions are the discount rate and the future medical inflation. A discount rate of 3.91% was assumed based on the average Moody's Aa corporate bond yield for the valuation period, down from 4.91% used in the last valuation. This rate is used to determine today's value of future expected benefit payments or subsidies.

An initial annual medical inflation rate of 8.5% was used in the valuation. The inflation rate was graded down to 5.0% per year over a number of years. This is down from 10% used in the last valuation due to a review of the County's historical trend rates and the implementation of the Reach Your Peak wellness program. These rates reflect that the growth in health care costs is expected to moderate over time.

The mortality table was updated to match the 2010 pension valuation mortality rates.

As the retiree medical plan is not funded, asset growth or asset rate of return is not required. We used the discount rate of 3.91% to determine the present value of future benefits. This rate is based on the Moody's Aa corporate bond yield. Amortization was calculated using a level dollar amount versus a level percent of salary. Hence, an assumption regarding salary increases was not necessary.

The county's subsidy level is based on the plan, the year of retirement and the years of service upon retirement. Both the cost of coverage and the County's subsidy are projected to increase at the health care cost trend rate shown below. No change in benefits and subsidy level was assumed. No changes in assumptions in the determination of County subsidy as a percentage of the total cost other than future trend increases.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the preceding three years were as follows:

Percentage of Annual OPEB				
Fiscal Year End		Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$	13,518,119	92%	\$ 44,738,037
12/31/2011		13,356,743	17%	55,901,987
12/31/2012	\$	13,567,749	14%	\$ 67,684,940

Funded status and funded progress

The funded status of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/2012	\$ -	\$ 137,380,103	\$ 137,380,103	0.0%	N/A	N/A

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Actuarial Assumptions and Methods:

Valuation Date	01/01/2012
Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years – Open

Actuarial Assumptions

Discount Rate	3.91%
Long-term rate of return	4.91%
Health Care Cost Trend Rate:	
2012	8.0%
2013	7.5%
2014	7.0%
2015	6.5%
2016	6.0%
2017	5.5%
2018 and later	5.0%
Annual Medical Inflation Rate	8.5%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective, and, as such, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The schedule of funding progress, presented in the Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

6. Jointly governed organizations

Pikes Peak Regional Building Department (PPRBD) – The County, in conjunction with the City of Colorado Springs, City of Fountain, City of Manitou Springs, Town of Green Mountain Falls, Town of Monument, and Town of Palmer Lake has created the Pikes Peak Regional Building Department. The PPRBD's board is composed of three members, one appointed by the County, one appointed by the City of Colorado Springs, and one appointed by the other cities and towns together.

During 2003, certificates of participation of \$17,245,000 were issued to finance a building project for PPRBD. In 2012, the 2003 Series COP were refinanced by the Refunding and Improvement Certificates of Participation Series 2012. PPRBD continued into the lease agreement with the County to make lease payments that will pay the debt service on the certificates of participation. The County is not obligated for repayment of the certificates of participation beyond the resources provided by the lease agreement with PPRBD.

El Paso County Emergency Services Agency (ESA) - The Board of County Commissioners and the City of Colorado Springs have entered into an Intergovernmental Agreement (IGA) to form a separate legal entity, the El

Paso County Emergency Services Agency (ESA). The ESA is governed by a five-member board appointed by the City and County, provides ambulance service, emergency medical, and rescue management services for their shared boundaries, while sharing in the costs and avoiding duplication of services. The ESA in which the County participates is not considered a component unit and is, therefore, not included in the County's reporting entity. The County does not invest in the ESA and it is intended that the ESA administer its fees in order to fully recover all expenses. The county provides one salaried employee to the ESA for administration.

7. *Pikes Peak Rural Transportation Authority (PPRTA)*

In November 2004, the voters of El Paso County approved a one percent sales tax to address a backlog of road, bridge, and transportation needs within the unincorporated areas of El Paso County and within the city limits of Colorado Springs, Manitou Springs, and the town limits of Green Mountain Falls.

The Pikes Peak Rural Transportation Authority (PPRTA) was formed as a result of the approved one percent sales tax. The PPRTA Board is comprised of three County Commissioners, the Mayor of the City of Colorado Springs, two City Council Members, the Mayor of Manitou Springs, and the Mayor of Green Mountain Falls. Together they ensure the one percent sales tax is being spent in accordance with the approved ballot language specifications.

The one percent sales tax is being allocated as follows:

- 55% Capital road and bridge projects as listed on the ballot
- 35% Maintenance of road and bridges
- 10% Transit services

8. *Construction Commitments*

At year-end, there were projects under construction with commitments of:

	Amount to Complete Project in 2013
<u>December 31, 2012 Projects</u>	<u>2013</u>
2010 Series Certificate of Participation	\$ 2,044,348
2012 Series Certificate of Participation	1,900,000
Coroner's Building Remodel	103,283
County Professional Building Remodel	437,166
R&B Energy Efficiency Improvements	171,619
COB Garage Entry System	5,723
Total Construction Commitments	<u>\$ 4,662,139</u>

9. *Subsequent Event*

On June 11, 2013, an area in northeastern El Paso County known as Black Forest experienced a wildland fire. This fire burned 14,280 acres, 488 homes and claimed two lives. A State Disaster was declared on June 11, 2013, and lasted until June 22, 2013. The County is in the process of compiling costs. Significant County resources were utilized during this incident. The State of Colorado has requested FEMA assistance for this disaster.

**REQUIRED SUPPLEMENTARY
INFORMATION
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

Required Supplementary Information
Schedules of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual

Major Governmental Funds Descriptions

GENERAL FUND

As the County's major operating fund, the general fund accounts for ordinary operating expenditures financed by property taxes, service charges, and other sources. The fund includes all resources and expenditures not legally or properly accounted for in other funds.

ROAD & BRIDGE FUND

Accounts for construction and maintenance of County roads and bridges financed by property taxes, highway user fees, and other revenues restricted to use on roads and bridges.

DEPARTMENT OF HUMAN SERVICES

Accounts for the federal and state public welfare programs administered by the County and financed by grants, intergovernmental reimbursements, and property taxes.

EL PASO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 17,983,406	\$ 17,983,406	\$ 17,870,640	\$ (112,766)
Sales taxes	52,291,789	54,943,103	59,209,978	4,266,875
Specific ownership taxes	-	1,000,000	1,000,000	-
Intergovernmental	10,860,766	17,296,070	16,758,894	(537,176)
Fees and fines	528,500	528,500	519,762	(8,738)
Licenses and permits	417,000	417,000	637,557	220,557
Charges for services	17,339,514	17,842,288	18,652,541	810,253
Investment earnings	43,000	43,000	80,632	37,632
Contributions	-	379,476	171,898	(207,578)
Miscellaneous	1,783,799	3,199,961	3,550,001	350,040
Total revenues	101,247,774	113,632,804	118,451,903	4,819,099
EXPENDITURES				
General government:				
Administration	1,528,924	2,294,391	1,871,995	422,396
Finance	1,888,143	1,399,792	1,011,798	387,994
Security	1,226,321	1,186,319	1,161,325	24,994
Facilities management	8,766,088	7,824,235	7,724,884	99,351
Procurement	361,635	435,521	385,046	50,475
Employee benefits and medical services	765,580	892,433	752,003	140,430
Information technology	8,242,804	8,082,625	6,726,421	1,356,204
Budget administration	3,510,406	3,453,970	3,330,274	123,696
Planning	1,206,417	2,315,210	2,315,209	1
County Attorney	772,063	991,611	955,701	35,910
County Clerk and Recorder	9,557,225	9,737,841	8,525,203	1,212,638
County Treasurer	1,132,273	1,258,924	1,116,611	142,313
County Assessor	3,417,264	3,417,264	3,233,842	183,422
County Surveyor	9,129	9,129	8,376	753
Public Trustee	(25,181)	-	-	-
Total general government	42,359,091	43,299,265	39,118,688	4,180,577
Public safety:				
Community corrections	6,059,200	6,388,721	5,944,178	444,543
District Attorney Office	11,378,438	11,558,249	11,541,543	16,706
Coroner	1,924,612	2,012,124	1,984,556	27,568
County Sheriff	50,220,479	56,966,605	52,603,426	4,363,179
Total public safety	69,582,729	76,925,699	72,073,703	4,851,996
Health and welfare:				
Environmental services	351,663	903,473	485,262	418,211
Health administration	2,803,948	3,285,804	3,285,803	1
Total health and welfare	3,155,611	4,189,277	3,771,065	418,212
Culture and recreation:				
Parks	1,847,783	2,699,351	1,793,058	906,293
Total culture and recreation	1,847,783	2,699,351	1,793,058	906,293
Auxiliary services:				
Veterans services	276,896	312,835	304,857	7,978
CSU extension service	157,688	151,050	151,049	1
Total auxiliary services	\$ 434,584	\$ 463,885	\$ 455,906	\$ 7,979

(continued)

EL PASO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Capital outlay	\$ 1,210,157	\$ 6,673,334	\$ 4,667,350	\$ 2,005,984
Total expenditures	118,589,955	134,250,811	121,879,771	12,371,040
Excess (deficiency) of revenues over (under) expenditures	(17,342,181)	(20,618,007)	(3,427,867)	17,190,141
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	2,275,980	2,299,141	23,161
Transfers in	1,111,330	-	-	-
Transfers out	(1,021,614)	-	-	-
Total other financing sources (uses)	89,716	2,275,980	2,299,141	23,161
Net change in fund balances	<u><u>\$ (17,252,465)</u></u>	<u><u>\$ (18,342,027)</u></u>	<u><u>\$ (1,128,726)</u></u>	<u><u>\$ 17,213,301</u></u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,950,645	\$ 1,950,645	\$ 1,936,902	\$ (13,743)
Sales taxes	550,000	-	-	-
Specific ownership taxes	4,669,800	3,669,800	3,562,032	(107,768)
U.S. Forest Service/Mineral Leasing	2,000	77,900	70,127	(7,773)
Highway user taxes	10,800,000	11,000,000	11,255,095	255,095
Additional motor vehicle registration	600,000	600,000	654,407	54,407
Local revenue	-	95,000	-	(95,000)
Intergovernmental	69,000	998,149	666,586	(331,563)
Sale of materials (BLM)	1,500	1,500	11	(1,489)
Charges for services	231,000	231,000	551,582	320,582
Investment earnings	-	-	691	691
Miscellaneous	-	200,177	159,613	(40,564)
Total revenues	18,873,945	18,824,171	18,857,046	32,875
EXPENDITURES				
Administration	7,215,881	11,294,622	8,511,481	2,783,141
Personal services	11,763,788	10,218,386	9,611,236	607,150
Capital outlay	-	48,048	463,712	(415,664)
Total expenditures	18,979,669	21,561,056	18,586,429	2,974,627
Excess (deficiency) of revenues over (under) expenditures	(105,724)	(2,736,885)	270,617	3,007,502
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	305,000	2,760	(302,240)
Total other financing sources (uses)	-	305,000	2,760	(302,240)
Net change in fund balances	\$ (105,724)	\$ (2,431,885)	\$ 273,377	\$ 2,705,262

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
HUMAN SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Sales taxes	\$ 14,997,101	\$ 15,997,101	\$ 15,997,288	\$ 187
Intergovernmental	41,472,899	43,472,899	39,726,076	(3,746,823)
Contributions	30,000	30,000	27,229	(2,771)
Miscellaneous	-	-	402	402
Total revenues	56,500,000	59,500,000	55,750,995	(3,749,005)
EXPENDITURES				
Child welfare block grant	23,699,502	27,433,509	27,379,775	53,734
Child care block grant	2,047,897	1,911,964	1,910,470	1,494
Child support enforcement	3,268,665	3,859,065	3,856,636	2,429
Miscellaneous state grants	25,257	50	24	26
Miscellaneous federal grants	2,546,547	3,460,935	3,356,575	104,360
Local county funding	193,950	340,714	315,225	25,489
County administration block grant	10,024,617	9,692,672	9,423,979	268,693
Temporary aid to needy families	8,644,628	9,301,091	9,296,007	5,084
Total expenditures	50,451,063	56,000,000	55,538,691	461,309
Excess (deficiency) of revenues over (under) expenditures	6,048,937	3,500,000	212,304	(3,287,696)
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,548,937)	-	-	-
Total other financing sources (uses)	(3,548,937)	-	-	-
Net change in fund balances	\$ 2,500,000	\$ 3,500,000	\$ 212,304	\$ (3,287,696)

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE A - Explanation of Differences Between Budgetary Inflows
and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Road & Bridge</u>	<u>Human Services</u>
Sources/inflows of resources			
Total revenues and other financing sources - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances - budget and actual	\$ 120,751,044	\$ 18,859,806	\$ 55,750,995
Interest earned on investments is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	-	-	-
Certificates of Participation purposes but are non-operating revenues for financial reporting purposes	-	-	-
Revenues are inflows for budgetary purposes but are not reported in an agency fund for financial reporting purposes	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues, non-operating revenues, capital contributions - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	<u>120,751,044</u>	<u>18,859,806</u>	<u>55,750,995</u>
Uses/outflows of resources			
Total expenditures and other financing uses - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances - budget and actual	121,879,771	18,586,429	55,538,691
Capital outlays are outflows of budgetary resources but are not expenses for financial reporting purposes	-	-	-
Depreciation is not an outflow of budgetary resources but is an expense for financial reporting purposes	-	-	-
Accrued wages are not outflows of budgetary resources but are expenditures for financial reporting purposes	1,858,376	78,449	361,909
Other postemployment benefits are not outflows of budgetary resources but are expenses for financial reporting purposes	-	-	-
Inventory adjustments are not outflows of budgetary resources but are expenses for financial reporting purposes	(6,691)	501,800	-
Prepaid expenses are not outflows of budgetary resources but as adjustments to expenses for financial reporting purposes	(78,824)	-	-
Health claims incurred but not reported are not outflows of budgetary resources but are expenses for financial reporting purposes	-	-	-
Expenditures are outflows for budgetary purposes but are not reported in an agency fund for financial reporting purposes	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses - GAAP basis from the combining statement of revenues, expenses and changes in fund net position	<u>\$ 123,652,632</u>	<u>\$ 19,166,678</u>	<u>\$ 55,900,600</u>

<u>Capital Projects</u>	<u>Solid Waste Management</u>	<u>Conservation Trust Fund</u>	<u>Self- Insurance Fund</u>	<u>Pikes Peak Workforce</u>
\$ 21,137,594	\$ 960,884	\$ 1,291,883	\$ 14,815,529	\$ 6,526,688
570,175	-	-	-	51,795
16,246	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>21,724,015</u>	<u>960,884</u>	<u>1,291,883</u>	<u>14,815,529</u>	<u>6,578,483</u>
18,729,532	906,840	1,323,287	23,991,739	6,526,688
8,423,621	-	-	(8,170)	-
-	44,603	-	4,811	-
-	919	19,027	5,878	51,795
-	-	-	11,782,952	-
-	-	-	-	-
-	-	-	-	-
-	-	-	287,300	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 27,153,153</u>	<u>\$ 952,362</u>	<u>\$ 1,342,314</u>	<u>\$ 36,064,510</u>	<u>\$ 6,578,483</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE
EL PASO COUNTY OTHER POSTEMPLOYMENT HEALTHCARE PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actual Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b - a) / c)
01/01/2008	\$ -	\$ 187,957,388	\$ 187,957,388	0.0%	N/A	N/A
01/01/2010		131,154,853	131,154,853	0.0%	N/A	N/A
01/01/2012		137,380,103	137,380,103	0.0%	N/A	N/A

Note: Only three years of actuarial studies are available at this time.

See the accompanying independent auditors' report.

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COMBINING STATEMENTS AND SCHEDULES

Non-Major Governmental Funds

Special Revenue Funds Descriptions

Special revenue accounts for programs and expenditures financed by revenues that are restricted, legally or by Board policy, to designated uses.

EL PASO COUNTY SHERIFF SPECIAL INVESTIGATION FUND

This fund was established to finance special investigations to combat certain types of criminal activity.

RETIREMENT CONTRIBUTION FUND

The Retirement Contribution Fund accounts for property tax revenues that are expended to provide the County contribution for the employee retirement plan.

CONSERVATION TRUST

Accounts for lottery revenue received from the State of Colorado, which is restricted to use for the development and maintenance of parks, trails, open space, and other recreational purposes. The fund also includes other revenues dedicated to such uses.

ECONOMIC DEVELOPMENT

The Economic Development Fund was established to account for contributions made by local business and individuals to the State Zone Fund.

PIKES PEAK WORKFORCE CENTER

The Pikes Peak Workforce Center fund was established to account for the revenues and expenditures for the One Stop Job Center and Jobs Training Partnership Act programs.

EL PASO COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
ASSETS			
Cash and investments	\$ 483,515	\$ 1,161,278	\$ 582,134
Taxes receivable	-	5,294,385	-
Accounts receivable	137,658	-	-
Due from other funds	-	70,729	-
Due from other governments	-	17,241	-
Prepaid items	-	-	-
Total assets	621,173	6,543,633	582,134
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	1,441	-	8,813
Accrued wages	-	-	19,027
Due to other funds	-	1,262	23,659
Deferred revenue	-	5,294,387	-
Total liabilities	1,441	5,295,649	51,499
Fund balances:			
Nonspendable	-	-	-
Restricted	185,011	-	530,635
Committed	266,505	1,247,984	-
Assigned	168,216	-	-
Unassigned	-	-	-
Total fund balances	619,732	1,247,984	530,635
Total liabilities and fund balances	\$ 621,173	\$ 6,543,633	\$ 582,134

Economic Development	Pikes Peak Workforce Center	Total Nonmajor Governmental Funds
\$ 378,773	\$ -	\$ 2,605,700
-	-	5,294,385
1,147,307	5,153	1,290,118
235,000	19	305,748
140,895	1,094,600	1,252,736
-	62,060	62,060
<u>1,901,975</u>	<u>1,161,832</u>	<u>10,810,747</u>
1,493,631	258,274	1,762,159
-	51,795	70,822
21,652	851,763	898,336
-	-	5,294,387
<u>1,515,283</u>	<u>1,161,832</u>	<u>8,025,704</u>
-	62,060	62,060
-	-	715,646
-	-	1,514,489
386,692	-	554,908
-	(62,060)	(62,060)
<u>386,692</u>	<u>-</u>	<u>2,785,043</u>
<u>\$ 1,901,975</u>	<u>\$ 1,161,832</u>	<u>\$ 10,810,747</u>

See the accompanying independent auditor's report.

EL PASO COUNTY, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
REVENUES			
Property taxes	\$ -	\$ 5,737,647	\$ -
Intergovernmental	792,291	-	1,291,506
Charges for services	-	2,028,860	-
Investment earnings	74	-	377
Contributions	-	-	-
Miscellaneous	8,769	-	-
Total revenues	801,134	7,766,507	1,291,883
EXPENDITURES			
General government	-	7,741,981	-
Public safety	829,298	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	1,342,314
Outside agencies	-	-	-
Capital outlay	109,182	-	-
Total expenditures	938,480	7,741,981	1,342,314
Net changes in fund balances	(137,346)	24,526	(50,431)
Fund balances - January 1	757,078	1,223,458	581,066
Fund balances - December 31	<u>\$ 619,732</u>	<u>\$ 1,247,984</u>	<u>\$ 530,635</u>

Economic Development	Pikes Peak Workforce Center	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 5,737,647
658,580	6,576,211	9,318,588
187,845	-	2,216,705
-	-	451
5,233,582	-	5,233,582
-	2,272	11,041
6,080,007	6,578,483	22,518,014
-	-	7,741,981
-	-	829,298
-	6,578,483	6,578,483
-	-	1,342,314
5,895,486	-	5,895,486
-	-	109,182
5,895,486	6,578,483	22,496,744
184,521	-	21,270
202,171	-	2,763,773
\$ 386,692	\$ -	\$ 2,785,043

See the accompanying independent auditor's report.

Special Revenue Funds
Schedules of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual

EL PASO COUNTY, COLORADO
RETIREMENT CONTRIBUTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 5,776,935	\$ 5,776,935	\$ 5,737,647	\$ (39,288)
Intergovernmental	-	2,390,995	2,028,860	(362,135)
Total revenues	5,776,935	8,167,930	7,766,507	(401,423)
EXPENDITURES				
Employer contributions	8,295,084	8,295,084	7,655,491	639,593
Treasurer fees	86,654	86,654	86,490	164
Total expenditures	8,381,738	8,381,738	7,741,981	639,757
Operating income (loss)	(2,604,803)	(213,808)	24,526	238,334
OTHER FINANCING SOURCES (USES)				
Transfers In	2,390,995	-	-	-
Total nonoperating revenues (expenses)	2,390,995	-	-	-
Change in net position	\$ (213,808)	\$ (213,808)	\$ 24,526	\$ 238,334

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN NET POSITION - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,200,000	\$ 1,241,785	\$ 1,291,506	\$ 49,721
Investment earnings	10,000	10,000	377	(9,623)
Total revenues	1,210,000	1,251,785	1,291,883	40,098
EXPENDITURES				
Culture and recreation	1,236,977	1,323,287	1,323,287	-
Total expenditures	1,236,977	1,323,287	1,323,287	-
Operating income (loss)	(26,977)	(71,502)	(31,404)	40,098
OTHER FINANCING SOURCES (USES)				
Transfers out	(44,525)	-	-	-
Total nonoperating revenues (expenses)	(44,525)	-	-	-
Change in net position	\$ (71,502)	\$ (71,502)	\$ (31,404)	\$ 40,098

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 12,500	\$ 883,873	\$ 658,580	\$ (225,293)
Charges for services	175,000	175,000	187,845	12,845
Contributions	4,825,000	5,179,169	5,233,582	54,413
Total revenues	5,012,500	6,238,042	6,080,007	(158,035)
EXPENDITURES				
General government	5,012,500	6,246,792	5,895,486	351,306
Total expenditures	5,012,500	6,246,792	5,895,486	351,306
Change in net position	\$ -	\$ (8,750)	\$ 184,521	\$ 193,271

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
 PIKES PEAK WORKFORCE CENTER FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN NET POSITION - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 7,254,054	\$ 6,526,688	\$ 6,524,416	\$ (2,272)
Miscellaneous	-	-	2,272	2,272
Total revenues	7,254,054	6,526,688	6,526,688	-
EXPENDITURES				
Health and welfare	7,254,054	6,526,688	6,526,688	-
Total expenditures	7,254,054	6,526,688	6,526,688	-
Change in net position	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

Major Funds

Capital Projects Fund Description

CAPITAL PROJECTS FUND

Accounts for the construction, improvement and/or purchase of public facilities, including, land, buildings, and furnishings. Financing is provided by property taxes and capital lease proceeds

EL PASO COUNTY, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 17,478,350	\$ 17,478,350	\$ 17,375,089	\$ (103,261)
Intergovernmental	-	3,006,400	653,640	(2,352,760)
Charges for services	-	-	3,090,785	3,090,785
Contributions	-	25,000	25,000	-
Miscellaneous	1,165,131	1,165,131	-	(1,165,131)
Total revenues	18,643,481	21,674,881	21,144,514	(530,367)
EXPENDITURES				
Purchased Services	3,245,491	5,677,815	284,011	5,393,804
Debt service	13,360,108	14,627,531	14,077,451	550,080
Capital outlay	5,231,334	2,868,597	4,368,070	(1,499,473)
Total expenditures	21,836,933	23,173,943	18,729,532	4,444,411
Excess (deficiency) of revenues over (under) expenditures	(3,193,452)	(1,499,062)	2,414,982	3,914,044
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	236,260	-	(236,260)
Transfers In	2,606,400	-	-	-
Total other financing sources (uses)	2,606,400	236,260	-	(236,260)
Net change in fund balances	\$ (587,052)	\$ (1,262,802)	\$ 2,414,982	\$ 3,677,784

See the accompanying independent auditors' report.

Proprietary Funds

Enterprise Funds Descriptions

These funds account for the programs and expenditures for which a fee is charged to external users for goods and services.

SOLID WASTE MANAGEMENT

The Solid Waste Management Fund has been established by the Board of County Commissioners to collect tipping fees at privately owned landfills within the County. The funds will be appropriated to pay for operational service information and equipment needed for solid waste disposal sites within the County.

Internal Service Funds Descriptions

Internal service funds are usually to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

SELF-INSURANCE FUND

El Paso is essentially self-insured. The Self-Insurance Fund was established to account for the accumulation and allocation of costs associated with insurance claims and administration costs.

EL PASO COUNTY, COLORADO
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 936,392	\$ 936,392	\$ 952,671	\$ 16,279
Total revenues	936,392	936,392	952,671	16,279
OPERATING EXPENSES				
Personal services	282,007	317,245	313,423	3,822
Claim settlements	515	515	855	(340)
Administration and operations	636,722	620,432	592,562	27,870
Total expenditures	919,244	938,192	906,840	31,352
Operating income (loss)	17,148	(1,800)	45,831	47,631
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	1,800	1,800	213	(1,587)
Contributions	-	-	8,000	8,000
Transfers out	(18,948)	-	-	-
Total nonoperating revenues (expenses)	(17,148)	1,800	8,213	6,413
Change in net position	\$ -	\$ -	\$ 54,044	\$ 54,044

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
SELF INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 14,528,724	\$ 14,918,315	\$ 14,598,288	\$ (320,027)
Total revenues	14,528,724	14,918,315	14,598,288	(320,027)
OPERATING EXPENSES				
Insurance premiums	1,322,801	742,931	1,214,872	(471,941)
Claim settlements	23,229,504	20,669,062	20,386,233	282,829
Administration and operations	282,414	2,579,745	2,390,634	189,111
Total expenditures	24,834,719	23,991,738	23,991,739	(1)
Operating income (loss)	(10,305,995)	(9,073,423)	(9,393,451)	(320,028)
NONOPERATING REVENUES (EXPENSES)				
Sales tax	3,101,314	-	-	-
Miscellaneous	-	-	217,241	217,241
Total nonoperating revenues (expenses)	3,101,314	-	217,241	217,241
Change in net position	\$ (7,204,681)	\$ (9,073,423)	\$ (9,176,210)	\$ (102,787)

See the accompanying independent auditors' report.

Fiduciary Funds

Private-Purpose Trust Funds Descriptions

Private Purpose Trust funds are fund types used to report assets held on behalf of a trust arrangement. The County is responsible for ensuring the assets reported in these funds are used for their intended purposes.

Agency Funds Descriptions

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

TREASURER'S AGENCY FUND

This fund accounts for the receipt and disbursement of all revenues received by the Treasurer for the County and all other taxing entities in the County, as well as the receipt, investment, and disbursement of all other revenues received by the County.

PUBLIC TRUSTEE AGENCY FUND

This fund was established to account for expenditures for the Public Trustee's Office. The Public Trustee is appointed by the Governor of Colorado for a four-year term. This office administers foreclosures including issuance of Public Trustee deeds, cure of default and lien redemptions.

RANCHO COLORADO AGENCY FUND

Rancho Colorado bonds were issued to finance infrastructure improvements such as roads, drainage facilities, and water/sanitation facilities.

FALCON VISTA ACQUISITION LID

Falcon Vista Acquisition bonds were issued to finance acquisition, construction and installation of certain public improvements within the Falcon Vista subdivision.

Private-Purpose Trust Funds
Schedules of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual

EL PASO COUNTY, COLORADO
SCHOOLS TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Charges for services	\$ 100,000	\$ 100,000	\$ 60,269	\$ (39,731)
TOTAL ADDITIONS	100,000	100,000	60,269	(39,731)
DEDUCTIONS				
Outside agencies	100,000	100,000	102	99,898
TOTAL DEDUCTIONS	100,000	100,000	102	99,898
Change in net position	\$ -	\$ -	\$ 60,167	\$ 60,167

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
AGENCY FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Treasurer's	Public Trustee	Rancho Colorado	Falcon Vista	Total
ASSETS					
Cash and cash equivalents	\$ 22,944,561	\$ 1,860,870	\$ 6,882	\$ 78,088	\$ 24,890,401
Other assets	-	5,095	-	-	5,095
Total assets	<u>22,944,561</u>	<u>1,865,965</u>	<u>6,882</u>	<u>78,088</u>	<u>24,895,496</u>
LIABILITIES					
Due to other governments	7,753,965	-	-	-	7,753,965
Escrow deposits held by Trustee	-	856,257	-	-	856,257
Funds due to bondholders	-	-	6,882	78,088	84,970
Other	<u>15,190,596</u>	<u>1,009,708</u>	<u>-</u>	<u>-</u>	<u>16,200,304</u>
Total liabilities	<u>\$ 22,944,561</u>	<u>\$ 1,865,965</u>	<u>\$ 6,882</u>	<u>\$ 78,088</u>	<u>24,895,496</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

TREASURER'S AGENCY FUND

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
ASSETS				
Cash and investments	\$ 23,021,381	\$ 848,117,134	\$ 848,193,954	\$ 22,944,561
LIABILITIES				
Due to other governments	7,327,614	649,236,323	648,809,972	7,753,965
Other	15,693,767	198,880,811	199,383,982	15,190,596
Total liabilities	\$ 23,021,381	\$ 848,117,134	\$ 848,193,954	\$ 22,944,561

RANCHO COLORADO AGENCY FUND

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
ASSETS				
Cash and investments	\$ 13,953	\$ 52,988	\$ 60,059	\$ 6,882
LIABILITIES				
Funds due to bondholders	\$ 13,953	\$ 52,988	\$ 60,059	\$ 6,882

PUBLIC TRUSTEE AGENCY FUND

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
ASSETS				
Cash and investments	\$ 2,407,174	\$ 42,852,409	\$ 43,398,713	\$ 1,860,870
Other assets	67,153	-	62,058	5,095
	<u>2,474,327</u>	<u>42,852,409</u>	<u>43,460,771</u>	<u>1,865,965</u>
LIABILITIES				
Escrow deposits held by trustee	1,503,837	41,492,613	42,140,193	856,257
Other	970,490	1,359,796	1,320,578	1,009,708
Total liabilities	\$ 2,474,327	\$ 42,852,409	\$ 43,460,771	\$ 1,865,965

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2012

FALCON VISTA ACQUISITION LID				
	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
ASSETS				
Cash and investments	\$ 83,392	\$ 141,845	\$ 147,149	\$ 78,088
LIABILITIES				
Funds due to bondholders	\$ 83,392	\$ 141,845	\$ 147,149	\$ 78,088

TOTALS - ALL AGENCY FUNDS				
	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
ASSETS				
Cash and investments	\$ 25,525,900	\$ 891,164,376	\$ 891,799,875	\$ 24,890,401
Other assets	67,153	-	62,058	5,095
	<u>25,593,053</u>	<u>891,164,376</u>	<u>891,861,933</u>	<u>24,895,496</u>
LIABILITIES				
Due to other governments	7,327,614	649,236,323	648,809,972	7,753,965
Escrow deposits held by trustee	1,503,837	41,492,613	42,140,193	856,257
Funds due to bondholders	97,345	194,833	207,208	84,970
Other	<u>16,664,257</u>	<u>200,240,607</u>	<u>200,704,560</u>	<u>16,200,304</u>
Total liabilities	\$ <u>25,593,053</u>	\$ <u>891,164,376</u>	\$ <u>891,861,933</u>	\$ <u>24,895,496</u>

See the accompanying independent auditors' report.

Agency Funds
Schedules of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual

EL PASO COUNTY, COLORADO
RANCHO COLORADO FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Special assessments	\$ 60,000	\$ 67,072	\$ 52,956	\$ (14,116)
Interest	-	-	32	32
TOTAL ADDITIONS	<u>60,000</u>	<u>67,072</u>	<u>52,988</u>	<u>(14,084)</u>
DEDUCTIONS				
Debt service	<u>60,000</u>	<u>67,072</u>	<u>60,059</u>	<u>7,013</u>
TOTAL DEDUCTIONS	<u>60,000</u>	<u>67,072</u>	<u>60,059</u>	<u>7,013</u>
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,071)</u>	<u>\$ (7,071)</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
FALCON VISTA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Bond proceeds	\$ 51,500	\$ 147,208	\$ 141,587	\$ (5,621)
Interest	-	-	259	259
TOTAL ADDITIONS	51,500	147,208	141,846	(5,362)
DEDUCTIONS				
Debt service	51,500	147,208	147,148	60
TOTAL DEDUCTIONS	51,500	147,208	147,148	60
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,302)</u>	<u>\$ (5,302)</u>

See the accompanying independent auditors' report.

MISCELLANEOUS

EL PASO COUNTY, COLORADO
HUMAN SERVICES FUND
SCHEDULE OF EBT AUTHORIZATIONS, WARRANT EXPENDITURES, AND TOTAL
EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2012

		A		B		C		D		E
Program		EBT Authorizations		County Share of EBT Auth.		Expenditures by Warrant		EBT plus Warrant Exp		Total County Expenditures
Old Age Pension	\$	5,675,238	\$	12,652	\$	-	\$	5,675,238	\$	12,652
LEAP	\$	4,214,156	\$	-	\$	572,159	\$	4,786,315	\$	572,159
TANF	\$	13,783,193	\$	2,854,728	\$	6,450,247	\$	20,233,440	\$	9,304,975
Administration**	\$	-	\$	2,053,910	\$	7,489,941	\$	9,744,874	\$	9,744,874
Child Welfare	\$	28,459,042	\$	8,119,376	\$	16,854,415	\$	45,313,457	\$	24,973,791
Core Services	\$	4,462,042	\$	667,602	\$	1,417,394	\$	5,879,436	\$	2,084,996
AND	\$	893,250	\$	268,633	\$	579,766	\$	1,473,016	\$	848,399
IV-D Administration**	\$	-	\$	1,143,513	\$	2,713,122	\$	3,856,635	\$	3,856,635
Child Care	\$	8,828,709	\$	1,137,836	\$	763,902	\$	9,592,611	\$	1,901,738
Grants Settled in CFMS**	\$	-	\$	187,049	\$	1,383,728	\$	1,570,778	\$	1,570,778
Grants/Other ***	\$	-	\$	-	\$	768,352	\$	-	\$	768,352
Senior Services***	\$	-	\$	-	\$	261,251	\$	-	\$	261,251
Sub-Total	\$	66,315,630	\$	16,445,299	\$	39,254,277	\$	108,125,800	\$	55,900,600
Food Assistance	\$	111,099,724	\$	-	\$	-	\$	111,099,724	\$	-
Grand Total	\$	177,415,354	\$	16,445,299	\$	39,254,277	\$	219,225,524	\$	55,900,600
								CFMS		JDE
								\$ 219,020,122	\$	55,900,600

A. EBT Authorizations reflect Human Services payments authorized by El Paso County and paid by CDHS.

B. County Share of EBT Transactions are reported as a reduction of State cash advances to the County

C. Expenditures by warrant reflects cash disbursements from the County

D. EBT Authorizations (A) plus Warrants (C) reflects the total State, Federal and County participation in Human Services programs and recorded on a Cash Basis in the State Financial System (CFMS)

E. Total County Expenditures reflects the net disbursements by warrant (C) plus County Share of EBTs (B) and recorded on a Modified Accrual Basis in the County Financial System

** All Administration expenditures are paid by warrant; therefore, Column (D) and Column (E) on this line are equal.

*** Grants/Other and Senior Services reflect expenditures in the County Financial System Only, and may be noted on CFMS as settled outside CFMS

See the accompanying independent auditors' report.

LOCAL HIGHWAY FINANCE REPORT		City or County:
		El Paso County
		YEAR ENDING : December 2012
This Information From The Records Of: County of El Paso, Colorado	Prepared By: Phone:	Sherri Cassidy, Division Manager 719-520-6461

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	6,050,324
4. Miscellaneous local receipts (from page 2)	7,122,864
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	13,173,189
B. Private Contributions	
C. Receipts from State government (from page 2)	11,909,502
D. Receipts from Federal Government (from page 2)	736,724
E. Total receipts (A.7 + B + C + D)	25,819,415

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	2,485,688
2. Maintenance:	7,290,935
3. Road and street services:	
a. Traffic control operations	614,223
b. Snow and ice removal	1,068,752
c. Other	12,752,103
d. Total (a. through c.)	14,435,077
4. General administration & miscellaneous	2,055,461
5. Highway law enforcement and safety	
6. Total (1 through 5)	26,267,161
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
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)	26,267,161

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
	6,605,577	25,819,415	26,267,161	5,551,663	606,168

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2012	
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	1,936,902	a. Interest on investments	691
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	551,390	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	2,760
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,562,032	g. Other Misc. Receipts	1,509,179
6. Total (1. through 5.)	4,113,423	h. Other	5,610,234
c. Total (a. + b.)	6,050,324	i. Total (a. through h.)	7,122,864
	(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	11,255,095	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	34,407
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	654,407	d. Federal Transit Admin	597,586
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	104,731
f. Total (a. through e.)	654,407	g. Total (a. through f.)	736,724
4. Total (1. + 2. + 3.f)	11,909,502	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		19,802	19,802
b. Engineering Costs		660,846	660,846
c. Construction:			
(1). New Facilities		290,098	290,098
(2). Capacity Improvements	598,351		598,351
(3). System Preservation		876,973	876,973
(4). System Enhancement & Operation		39,618	39,618
(5). Total Construction (1) + (2) + (3) + (4)	598,351	1,206,689	1,805,040
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	598,351	1,887,337	2,485,688
			(Carry forward to page 1)
Notes and Comments:			

See accompanying independent auditors' report.

III. STATISTICAL SECTION

El Paso County, Colorado
Statistical Section

This part of the El Paso County comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the County's financial performance and fiscal health have changed over time.

Net Position by Component
Changes in Net Position
Fund Balances, Governmental Funds
Changes in Fund Balances, Governmental Funds

REVENUE CAPACITY

These schedules contain information to help the reader assess the County's most significant sources of revenue.

Assessed Value and Actual Value of Taxable Property
Direct and Overlapping Property Tax Rates
General Fund Property Tax Levies and Collections
Property Taxes by Fund
Principal Sales Tax Payers
Sales and Use Tax Collections by State Category

DEBT CAPACITY

These schedules contain information to help the reader assess the affordability of the County's current level of debt and the County's ability to issue debt in the future.

Ratios of Outstanding Debt by Type

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Demographic and Economic Statistics
Principal Employers

OPERATING INFORMATION

This schedule contains information regarding the number of employees in various job categories and types of assets by function/department.

Full-Time Equivalent County Employees by Function/Program
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

FINANCIAL TRENDS

Schedule 1 - Unaudited
El Paso County
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Net investment in capital assets	\$ 118,535,632	\$ 127,978,967	\$ 135,624,461	\$ 473,797,276
Restricted	8,260,460	7,173,760	5,652,345	5,763,652
Unrestricted	29,940,093	30,101,673	27,478,459	20,658,649
Total governmental activities net position	<u>156,736,185</u>	<u>165,254,400</u>	<u>168,755,265</u>	<u>500,219,577</u>
Business-type activities				
Net investment in capital assets	17,823,736	4,586,665	1,074,434	1,387,518
Unrestricted	3,251,954	2,964,582	4,283,618	3,219,917
Total business-type activities net position	<u>21,075,690</u>	<u>7,551,247</u>	<u>5,358,052</u>	<u>4,607,435</u>
Primary government				
Net investment in capital asset	136,359,368	132,565,632	136,698,895	475,184,794
Restricted	8,260,460	7,173,760	5,652,345	5,763,652
Unrestricted	33,192,047	33,066,255	31,762,077	23,878,566
Total primary government net position	<u>\$ 177,811,875</u>	<u>\$ 172,805,647</u>	<u>\$ 174,113,317</u>	<u>\$ 504,827,012</u>

Data source:
Statement of Net Position, EPC Financial Statements
El Paso County Financial Statements

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 568,270,750	\$ 426,496,580	\$ 432,326,238	\$ 421,605,773	\$ 408,258,511	\$ 386,839,249
11,650,811	15,786,029	12,143,902	18,137,383	31,613,701	25,753,607
(104,993,011)	(27,537,646)	(19,957,838)	(18,810,665)	(34,744,060)	(57,276,815)
<u>474,928,550</u>	<u>414,744,963</u>	<u>424,512,302</u>	<u>420,932,491</u>	<u>405,128,152</u>	<u>355,316,041</u>
1,358,758	886,205	864,976	1,412,817	1,418,042	1,373,439
2,662,302	1,480,954	1,346,726	516,836	382,867	435,992
<u>4,021,060</u>	<u>2,367,159</u>	<u>2,211,702</u>	<u>1,929,653</u>	<u>1,800,909</u>	<u>1,809,431</u>
569,629,508	427,382,785	433,191,214	423,018,590	409,676,553	388,212,688
11,650,811	15,786,029	12,143,902	18,137,383	31,613,701	25,753,607
(102,330,709)	(26,056,692)	(18,611,112)	(18,293,829)	(34,361,193)	(56,840,823)
<u>\$ 478,949,610</u>	<u>\$ 417,112,122</u>	<u>\$ 426,724,004</u>	<u>\$ 422,862,144</u>	<u>\$ 406,929,061</u>	<u>\$ 357,125,472</u>

**Schedule 2 - Unaudited
El Paso County
Changes in Net Position
Last Ten Fiscal Years**

Expenses	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
General government	\$ 47,747,062	\$ 49,900,240	\$ 53,148,164	\$ 49,588,735
Public safety	58,328,018	58,589,412	63,502,622	68,322,881
Public works	15,586,001	13,936,364	17,441,950	15,126,834
Health and welfare	57,633,160	51,108,682	52,030,311	54,071,254
Culture and recreation	3,290,235	2,984,955	3,293,236	3,049,572
Auxiliary services	390,897	348,134	461,330	276,546
Outside agencies	-	-	-	6,636,067
Interest on long-term debt	4,577,409	4,244,308	4,665,637	4,571,516
Total governmental activities expenses	<u>187,552,782</u>	<u>181,112,095</u>	<u>194,543,250</u>	<u>201,643,405</u>
Business-type activities:				
Equestrian center	870,650	821,267	-	-
County fair	397,710	390,042	-	-
Arts facility	1,432,876	13,921,652	-	-
Waste management	617,281	547,995	611,002	657,857
Land development	240,416	829,191	1,293,983	3,458,822
Total business-type activities expenses	<u>3,558,933</u>	<u>16,510,147</u>	<u>1,904,985</u>	<u>4,116,679</u>
Total primary government expenses	<u>191,111,715</u>	<u>197,622,242</u>	<u>196,448,235</u>	<u>205,760,084</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	17,562,445	15,363,829	16,823,845	17,205,184
Public safety	2,070,767	2,354,944	2,961,540	2,743,137
Public works	2,609,072	127,994	99,519	358,491
Health and Welfare	289,178	133,268	392,601	575,555
Culture and recreation	120,708	145,294	419,361	410,763
Outside agencies	-	136,317	3,546	240,988
Operating grants and contributions	51,577,164	48,826,210	52,447,436	58,034,608
Capital grants and contributions	15,923,473	13,263,876	8,670,183	26,960,492
Total governmental activities program revenues	<u>90,152,807</u>	<u>80,351,732</u>	<u>81,818,031</u>	<u>106,529,218</u>
Business-type activities:				
Charges for services:				
Equestrian center	638,155	-	-	-
County fair	207,759	208,660	-	-
Arts facility	929,615	784,586	-	-
Waste management	661,720	708,886	765,166	761,139
Land development	804,197	948,010	2,595,240	2,285,934
Operating grants and contributions	27,000	18,000	-	-
Total business-type activities program revenues	<u>3,268,446</u>	<u>2,668,142</u>	<u>3,360,406</u>	<u>3,047,073</u>
Total primary government program revenues	<u>\$ 93,421,253</u>	<u>\$ 83,019,874</u>	<u>\$ 85,178,437</u>	<u>\$ 109,576,291</u>

(Continued)

	2007	2008	2009	2010	2011	2012
\$	58,370,104	\$ 44,543,821	\$ 40,459,544	\$ 43,100,936	\$ 46,367,966	\$ 59,265,849
	85,943,749	70,429,035	71,629,027	70,323,510	73,974,617	87,608,455
	17,968,376	96,727,905	39,723,895	41,884,076	41,224,357	49,352,850
	59,075,189	53,492,404	65,628,193	59,051,252	62,298,421	71,896,379
	3,774,357	2,942,434	2,911,825	2,854,071	3,108,688	4,017,556
	1,255,626	2,003,860	184,138	81,062	405,317	529,369
	6,132,634	4,613,511	4,046,667	6,207,919	5,986,054	5,895,486
	6,578,057	5,700,186	2,734,663	6,186,058	6,411,700	7,938,172
	<u>239,098,092</u>	<u>280,453,156</u>	<u>227,317,952</u>	<u>229,688,884</u>	<u>239,777,120</u>	<u>286,504,116</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	794,749	874,130	814,250	827,965	913,594	952,362
	3,120,259	2,780,985	-	-	-	-
	3,915,008	3,655,115	814,250	827,965	913,594	952,362
	<u>243,013,100</u>	<u>284,108,271</u>	<u>228,132,202</u>	<u>230,516,849</u>	<u>240,690,714</u>	<u>287,456,478</u>
	15,965,622	15,597,399	16,888,532	19,453,228	22,969,843	25,954,492
	3,266,421	3,842,816	4,695,479	5,273,240	5,138,506	5,032,350
	602,212	1,892,183	1,963,976	652,189	209,252	711,194
	383,931	402,884	165,172	243,041	293,282	152,199
	542,084	4,336,800	618,382	617,047	568,749	675,916
	213,393	221,753	240,898	224,440	225,825	54,413
	57,120,280	55,961,305	73,028,190	74,376,558	66,637,356	69,900,661
	15,370,037	25,615,236	22,988,775	6,118,913	5,987,521	12,653,521
	<u>93,463,980</u>	<u>107,870,376</u>	<u>120,589,404</u>	<u>106,958,656</u>	<u>102,030,334</u>	<u>115,134,746</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	846,968	882,231	730,278	790,000	882,726	952,671
	1,957,808	1,539,145	-	-	-	-
	-	-	-	-	-	-
	2,804,776	2,421,376	730,278	790,000	882,726	952,671
\$	<u>96,268,756</u>	<u>110,291,752</u>	<u>121,319,682</u>	<u>107,748,656</u>	<u>102,913,060</u>	<u>116,087,417</u>

Schedule 2 – Continued
El Paso County
Changes in Net Position
Last Ten Fiscal Years

Net (Expense) Revenue	Fiscal Year			
	2003	2004	2005	2006
Governmental activities	\$ (97,399,975)	\$ (100,760,363)	\$ (112,725,219)	\$ (95,114,187)
Business-type activities	(97,690,462)	(13,269,326)	1,093,430	(1,069,606)
Total primary government net expense	<u>(195,090,437)</u>	<u>(114,029,689)</u>	<u>(111,631,789)</u>	<u>(96,183,793)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	34,134,150	32,452,212	33,625,151	35,549,331
Sales taxes	60,324,356	64,372,866	67,839,928	68,520,201
Other taxes	9,419,579	10,356,101	9,184,444	11,392,744
Investment earnings	1,492,800	1,770,007	4,433,373	3,429,584
Gain/Loss on sale of capital assets	118,175	30,417	1,140,836	(179,211)
Transfers	(413,343)	296,975	(17,648)	(486,487)
Total governmental activities	<u>105,075,717</u>	<u>109,278,578</u>	<u>116,206,084</u>	<u>118,226,162</u>
Business-type activities:				
Investment earnings	30,085	41,858	128,952	179,621
Loss on sale of capital assets	-	-	(3,433,225)	-
Transfers	413,343	(296,975)	17,648	486,487
Total business-type activities	<u>443,428</u>	<u>(255,117)</u>	<u>(3,286,625)</u>	<u>666,108</u>
Total primary government	<u>105,519,145</u>	<u>109,023,461</u>	<u>112,919,459</u>	<u>118,892,270</u>
Change in Net Position				
Governmental activities	7,675,742	8,518,215	3,480,865	23,111,975
Business-type activities	(97,247,034)	(13,524,443)	(2,193,195)	(403,498)
Total primary government	<u>\$ (89,571,292)</u>	<u>\$ (5,006,228)</u>	<u>\$ 1,287,670</u>	<u>\$ 22,708,477</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ (145,634,112)	\$ (172,582,780)	\$ (106,728,548)	\$ (122,730,228)	\$ (137,746,786)	\$ (171,369,370)
(1,110,232)	(1,233,739)	(83,972)	(37,965)	(30,868)	8,309
<u>146,744,344</u>	<u>(173,816,519)</u>	<u>(106,812,520)</u>	<u>(122,768,193)</u>	<u>(137,777,654)</u>	<u>(171,361,061)</u>
36,748,742	43,479,334	44,657,977	46,165,964	47,311,463	42,920,278
69,146,880	50,098,470	58,722,451	56,432,810	58,259,187	75,207,266
9,931,960	9,409,854	15,242,819	15,717,611	15,703,573	15,817,127
4,818,667	2,270,800	355,449	373,076	374,538	201,608
80,732	297,718	82,816	362,773	195,502	15,022
(383,896)	27,510	74,966	98,183	-	-
<u>120,343,085</u>	<u>105,583,686</u>	<u>119,136,478</u>	<u>119,150,417</u>	<u>121,844,263</u>	<u>134,161,301</u>
139,961	46,354	3,481	1,953	308	213
-	-	-	-	-	-
383,896	(27,510)	(74,966)	(98,183)	-	-
<u>523,857</u>	<u>18,844</u>	<u>(71,485)</u>	<u>(96,230)</u>	<u>308</u>	<u>213</u>
<u>120,866,942</u>	<u>105,602,530</u>	<u>119,064,993</u>	<u>119,054,187</u>	<u>121,844,571</u>	<u>134,161,514</u>
(25,291,027)	(66,999,094)	12,407,930	(3,579,811)	(15,902,523)	(37,208,069)
(586,375)	(1,214,895)	(155,457)	(134,195)	(30,560)	8,522
<u>\$ (25,877,402)</u>	<u>\$ (68,213,989)</u>	<u>\$ 12,252,473</u>	<u>\$ (3,714,006)</u>	<u>\$ (15,933,083)</u>	<u>\$ (37,199,547)</u>

Data source:
Statement of Activities
El Paso County Financial Statements

Schedule 3 - Unaudited
El Paso County
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unrestricted	-	-	-	-
Reserved	1,559,837	834,885	1,075,248	7,167,536
Unreserved	15,794,157	17,939,715	18,255,711	14,322,359
Total general fund	<u>17,353,994</u>	<u>18,774,600</u>	<u>19,330,959</u>	<u>21,489,895</u>
All Other Governmental Funds				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unrestricted	-	-	-	-
Reserved	76,377,714	54,429,269	18,295,204	4,346,714
Unreserved, reported in:				
Special revenue funds	12,557,702	12,861,205	11,138,582	13,316,364
Capital projects funds	3,699,095	2,863,497	2,077,759	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>92,634,511</u>	<u>70,153,971</u>	<u>31,511,545</u>	<u>17,663,078</u>
Total governmental funds	<u>\$ 109,988,505</u>	<u>\$ 88,928,571</u>	<u>\$ 50,842,504</u>	<u>\$ 39,152,973</u>

Data Source:
Statement of Activities
El Paso County Financial Statements
* 2011 reflects the implementation of GASB-54

2007	2008	2009	2010	2011	2012
\$ -	\$ -	\$ -	\$ -	\$ 377,254	\$ 462,770
-	-	-	-	6,446,587	6,653,514
-	-	-	-	1,131,782	1,635,399
-	-	-	-	21,716,258	17,370,988
-	-	-	-	3,499,404	4,147,026
5,609,630	5,401,663	6,364,437	7,706,723	-	-
14,729,641	17,222,930	28,545,587	29,885,543	-	-
<u>20,339,271</u>	<u>22,624,593</u>	<u>34,910,024</u>	<u>37,592,266</u>	<u>33,171,285</u>	<u>30,269,697</u>
-	-	-	-	2,198,308	1,758,568
-	-	-	-	25,167,114	19,100,093
-	-	-	-	1,777,863	1,802,389
-	-	-	-	3,436,343	5,709,904
-	-	-	-	(517,775)	(62,060)
36,950,558	22,736,315	14,483,922	45,449,515	-	-
13,282,240	11,498,350	10,779,478	5,232,264	-	-
-	778,640	-	1,402,989	-	-
-	-	-	-	-	-
<u>50,232,798</u>	<u>35,013,305</u>	<u>25,263,400</u>	<u>52,084,768</u>	<u>32,061,853</u>	<u>28,308,894</u>
\$ <u>70,572,069</u>	\$ <u>57,637,898</u>	\$ <u>60,173,424</u>	\$ <u>89,677,034</u>	\$ <u>65,233,138</u>	\$ <u>58,578,591</u>

Schedule 4 - Unaudited
El Paso County
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Property taxes	\$ 34,134,150	\$ 32,452,212	\$ 33,625,151	\$ 35,549,331
Sales taxes	60,324,356	64,372,866	67,839,928	68,520,201
Other taxes	9,419,579	10,356,101	9,184,444	11,392,744
Intergovernmental	57,464,012	51,017,932	52,479,434	55,345,530
Fees and fines	631,149	592,879	842,382	898,042
Licenses and permits	148,948	266,889	320,994	284,181
Charges for services	17,606,093	15,538,738	16,786,843	16,897,769
Investment earnings	1,485,815	1,783,878	4,428,366	3,431,443
Miscellaneous	3,050,488	4,292,448	5,432,838	8,193,869
Total revenues	<u>184,264,590</u>	<u>180,673,943</u>	<u>190,940,380</u>	<u>200,513,110</u>
Expenditures				
Current				
General government	43,835,780	46,075,565	49,601,464	45,367,491
Public safety	53,453,463	54,051,253	60,319,755	64,983,113
Public works	13,731,408	12,858,711	13,105,527	14,112,138
Health and welfare	56,031,953	49,884,332	50,630,532	52,662,497
Culture and recreation	2,819,973	2,456,732	2,928,470	2,726,991
Outside agencies	-	-	-	6,636,067
Auxiliary services	581,881	335,263	345,991	328,360
Debt service:				
Principal	1,743,693	1,225,000	2,555,000	3,490,000
Interest and other charges	4,584,467	4,584,989	4,648,895	4,570,462
Issuance costs	-	183,888	-	-
Capital outlay	<u>27,769,819</u>	<u>36,200,625</u>	<u>46,409,060</u>	<u>16,895,596</u>
Total expenditures	<u>204,552,437</u>	<u>207,856,358</u>	<u>230,544,694</u>	<u>211,772,715</u>
Excess of revenues over (under) expenditures	(20,287,847)	(27,182,415)	(39,604,314)	(11,259,605)
Other financing sources (uses)				
Refund of bond issuance costs/COP's	33,861	(645,716)	-	-
Payment to refunding COP-agent	-	-	-	-
Certificates of participation issued	-	6,970,000	-	-
Premium on certificates of participation	-	46,576	-	-
Discount on bonds	-	-	-	-
Capital lease financing	-	-	-	-
Proceeds from sale of capital assets	119,364	55,115	1,155,648	56,561
Transfers in	11,254,281	12,234,379	13,473,846	18,702,244
Transfers out	<u>(11,376,514)</u>	<u>(12,537,873)</u>	<u>(13,131,247)</u>	<u>(19,188,731)</u>
Total other financing sources (uses)	<u>30,992</u>	<u>6,122,481</u>	<u>1,498,247</u>	<u>(429,926)</u>
Net changes in fund balances	<u>\$ (20,256,855)</u>	<u>\$ (21,059,934)</u>	<u>\$ (38,106,067)</u>	<u>\$ (11,689,531)</u>
Debt service as a percentage of noncapital expenditures	3.58%	3.38%	3.91%	4.14%

Data Source:

El Paso County Financial Statements

The 2002, 2004, 2008 and 2010 Debt service as a percentage of noncapital expenditures have been corrected for the presentation in the 2011 CAFR.

	2007	2008	2009	2010	2011	2012
\$	36,748,742	\$ 43,479,334	\$ 44,657,977	\$ 46,165,964	\$ 47,311,463	\$ 42,920,278
	69,146,880	50,098,470	58,722,451	56,432,810	58,259,187	75,207,266
	9,931,960	9,409,854	15,242,819	15,717,611	15,703,573	15,817,127
	53,512,924	62,439,883	74,619,901	72,949,855	61,886,419	65,101,975
	836,354	988,225	1,154,509	845,649	766,805	519,762
	289,866	329,387	274,330	438,298	593,272	666,357
	15,903,920	15,985,632	18,471,476	17,703,477	22,784,406	27,743,834
	4,785,997	2,270,801	355,449	372,623	371,306	201,608
	7,918,558	11,990,328	7,394,816	8,902,461	10,019,400	9,123,766
	<u>199,075,201</u>	<u>196,991,914</u>	<u>220,893,728</u>	<u>219,528,748</u>	<u>217,695,831</u>	<u>237,301,973</u>
	43,575,692	37,247,537	37,748,026	40,009,509	43,903,734	48,485,500
	66,593,803	65,432,387	66,134,393	66,464,205	71,401,763	72,903,001
	15,876,121	14,138,816	16,772,311	18,603,168	18,466,109	16,402,954
	51,648,706	51,394,991	60,896,990	65,697,695	62,949,418	66,250,148
	2,837,235	2,648,490	2,479,030	2,774,378	2,924,070	3,135,372
	5,473,129	4,401,352	4,150,462	6,316,283	5,986,054	5,895,486
	581,234	412,422	287,069	356,624	415,880	455,906
	3,375,000	2,885,000	2,975,000	4,250,000	6,118,768	6,769,510
	6,588,783	5,559,367	5,581,880	5,945,964	411,600	7,858,020
	-	113,365	-	682,438	6,362,994	201,246
	<u>10,230,546</u>	<u>31,110,585</u>	<u>18,861,177</u>	<u>35,694,283</u>	<u>27,772,512</u>	<u>20,012,664</u>
	<u>206,780,249</u>	<u>215,344,312</u>	<u>215,886,338</u>	<u>246,794,547</u>	<u>246,712,902</u>	<u>248,369,807</u>
	<u>(7,705,048)</u>	<u>(18,352,398)</u>	<u>5,007,390</u>	<u>(27,265,799)</u>	<u>(29,017,071)</u>	<u>(11,067,834)</u>
	-	-	-	-	32,820,000	12,010,000
	-	-	-	-	(35,412,037)	(11,561,686)
	39,429,749	2,500,000	-	55,925,000	-	-
	-	-	-	421,387	2,102,895	1,663,072
	-	-	-	324,839	(232,632)	-
	-	-	-	-	4,999,998	-
	78,291	297,718	93,760	4,532,774	294,951	2,301,901
	16,638,988	7,252,751	6,904,660	(4,434,591)	-	-
	<u>(17,022,884)</u>	<u>(7,225,241)</u>	<u>(6,829,694)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>39,124,144</u>	<u>2,825,228</u>	<u>168,726</u>	<u>56,769,409</u>	<u>4,573,175</u>	<u>4,413,287</u>
\$	<u>31,419,096</u>	<u>(15,527,170)</u>	<u>5,176,116</u>	<u>29,503,610</u>	<u>(24,443,896)</u>	<u>(6,654,547)</u>
	5.07%	4.58%	4.34%	4.83%	5.70%	6.41 %

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REVENUE CAPACITY

Schedule 5
El Paso County
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Assessment Year Ended December 31,	Payable in Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property
2003	2004	\$ 304,921,310	\$ 2,420,184,700	\$ 1,586,881,330	\$ 352,325,230	\$ 12,189,850
2004	2005	281,213,190	2,515,131,740	1,624,789,480	325,357,000	13,713,710
2005	2006	335,975,160	2,892,970,890	1,723,592,810	308,133,320	14,523,730
2006	2007	327,623,600	3,032,146,110	1,775,643,960	302,573,000	14,489,940
2007	2008	411,181,000	3,476,511,140	1,998,462,020	311,518,010	15,032,210
2008	2009	403,977,710	3,553,447,120	2,077,273,830	237,821,480	14,805,920
2009	2010	406,086,530	3,698,915,150	2,189,684,690	229,551,730	14,665,810
2010	2011	376,811,560	3,730,236,120	2,182,991,990	232,133,550	14,431,970
2011	2012	313,948,570	3,478,431,600	2,010,579,100	229,697,330	13,285,400
2012	2013	300,459,180	3,507,471,170	1,746,010,570	126,334,870	13,206,340

Notes:

*Total Taxable Assessed Value is already adjusted for tax exempt property value.

**New Construction value is already adjusted into the appropriate category.

***Abatement values are adjusted in the "payable in" mill levy.

Data Source:

El Paso County Assessor's Office

Abstracts of Assessment

Certification of Assessed Valuation

Natural Resources	Oil and Gas	Public Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	*Tax-Exempt Property	** New Construction	*** Abatement Value
\$ 5,174,850	\$ -	\$ 224,088,900	\$ 4,905,766,170	7.947	\$ 1,177,685,410	\$ 195,908,670	\$ 329,024
7,516,620	-	248,252,200	5,015,973,940	8.012	1,232,798,230	232,281,810	325,535
7,566,860	-	241,063,500	5,523,826,270	7.673	1,264,464,180	208,617,540	283,944
8,026,450	-	248,220,800	5,708,723,860	7.710	1,282,937,580	236,474,950	184,966
7,955,940	-	269,088,800	6,489,749,120	7.514	1,463,061,020	282,083,150	246,116
9,705,240	-	281,115,200	6,578,146,500	7.583	1,512,133,950	239,291,400	451,029
8,325,440	-	278,262,800	6,825,492,150	7.531	1,549,584,850	174,719,260	434,805
6,502,350	-	287,006,000	6,830,113,540	7.537	1,571,803,170	99,557,470	473,833
6,350,220	5,040	269,462,900	6,321,760,160	7.897	1,571,401,630	67,113,150	379,512
5,758,010	-	260,564,000	6,334,487,370	7.663	1,585,165,900	-	-

Schedule 6
El Paso County
Direct and Overlapping Property Tax Rates
Current and Last Ten Fiscal Years

Taxes Payable	2004	2005	2006	2007
Assessment Year	2003	2004	2005	2006
County direct rates				
General	2.923	0.995	2.599	2.179
Abatement	7.000	0.065	0.057	0.037
Road & Bridge	1.582	1.582	1.582	1.568
Social Services	1.454	1.319	1.319	1.290
Capital	0.893	1.023	0.963	1.450
Insurance	0.300	0.300	0.400	0.450
Retirement	0.728	0.728	0.753	0.736
Total County direct rates	7.947	8.012	7.673	7.710
City and town rates				
Calhan	17.563	17.563	17.525	17.563
Colorado Springs	5.032	4.944	4.944	4.944
Fountain	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	14.588	14.588	14.588
Manitou Springs	17.368	17.836	17.284	17.284
Monument	6.454	6.408	5.872	6.458
Palmer Lake	21.536	21.753	19.070	16.544
Ramah	19.827	19.827	19.827	19.827
<i>Levy Ranges for the following districts are:</i>				
Fire Protection Districts	2.139-10.842	0.467-12.813	2.130-12.527	2.322-12.660
Sanitation Districts	0.665-5.254	0.666-3.714	0.650-3.759	0.650-4.134
Water Districts	0.532-15.300	0.532-16.279	0.532-14.437	0.532-14.437
Sanitation & Water Districts	3.429-32.198	3.981-34.044	3.831-26.995	4.142-31.840
Special Improvement Districts	1.009-65.000	1.000-49.500	1.000-45.000	1.000-45.000
Regional Library District	3.434	3.495	3.296	3.515
Metropolitan Districts	2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000
School Districts	21.717-60.216	21.568-60.216	20.096-60.216	19.699-60.216

TABOR requires the vote of the people to increase tax rates.

Note: Mill Rate for Taxes Payable in 2011 with Assessment Year of 2010 has been corrected.

Data Source:
El Paso County Assessor's Office
Abstracts of Assessment

2008	2009	2010	2011	2012	2013
2007	2008	2009	2010	2011	2012
4.182	5.144	5.017	4.612	3.109	3.256
0.037	0.069	0.064	0.070	0.060	0.060
1.280	0.330	0.330	0.330	0.330	0.330
0.000	0.000	0.000	0.000	0.000	0.000
1.320	1.390	1.330	1.655	3.080	1.778
0.000	0.000	0.000	0.000	0.000	0.000
0.695	0.650	0.790	0.870	1.018	0.890
7.514	7.583	7.531	7.537	7.597	6.314
17.563	17.563	17.563	17.563	17.563	17.563
4.944	4.944	4.279	4.279	4.279	4.279
10.239	10.239	10.239	10.239	10.239	10.239
15.558	14.558	13.588	14.588	14.588	17.588
15.951	15.951	15.750	15.750	15.750	12.070
6.289	6.289	6.289	6.289	6.289	6.289
15.340	16.180	15.989	16.459	16.459	16.459
19.827	19.827	19.827	19.827	19.827	19.827
1.635-12.423	1.479-12.423	1.357-12.423	1.31-12.423	1.191-12.423	1.164 - 13.2
0.650-4.500	0.579-4.501	0.621-4.500	0.549-4.654	0.549-5.334	.573 - 5.534
0.534-14.437	0.430-14.437	0.445-14.437	0.454-14.437	0.495-16.803	.478 - 17.709
4.065-31.423	4.001-33.070	6.950-29.055	6.95-30.986	5.500-35.508	5.805 - 37.471
1.000-51.000	1.000-51.000	1.000-51.000	1.000-51.000	1.000-51.000	1.0 - 59.42
3.325	3.540	3.468	3.556	3.999	4.030
2.031-100.000	1.927-100.000	.450-100.000	0.440-100.000	0.440-100.000	0.440 - 83.0
19.715-60.216	24.301-60.216	24.436-60.216	23.538-60.216	24.723-60.216	24.703 - 60.216

Schedule 7
El Paso County
General Fund Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 12,519,209	\$ 12,462,880	99.55%	\$ (1,571)*	\$ 12,461,309	99.54%
2004	12,588,717	12,499,386	99.29%	(13,238)*	12,486,148	99.19%
2005	13,231,072	13,163,179	99.49%	(28,822)*	13,134,357	99.27%
2006	13,038,236	12,812,122	98.27%	4,145	12,816,267	98.30%
2007	11,128,530	11,087,810	99.63%	17,856	11,105,666	99.79%
2008	24,354,955	24,213,913	99.42%	65,891	24,279,804	99.69%
2009	30,839,804	30,648,628	99.38%	63,123	30,711,751	99.58%
2010	31,311,340	31,094,884	99.31%	59,874	31,154,758	99.50%
2011	29,956,511	29,776,229	99.40%	(40,581)*	29,735,648	99.90%
2012	18,010,412	17,870,639	99.22%	78,939	17,949,578	99.66%

The 2008 and 2009 Tax Levies and collections has been corrected for presentation in the 2010 CAFR.

()* A citizen that has paid for property taxes may request an abatement (refund) for the past two years plus the current year. When abatements pertaining to prior years' exceed the prior years' tax collections it will reflect as a negative amount in the "Collections for Subsequent Years" column.

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Schedule 8
El Paso County
Property Taxes by Fund
Last Ten Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Property taxes				
Fund 1 - General Fund	\$ 12,515,989	\$ 12,526,115	\$ 13,174,322	\$ 12,859,410
Fund 2 - Road & Bridge	7,231,635	7,086,151	7,273,309	8,050,759
Fund 4 - Department of Human Services	5,132,108	6,072,818	5,660,950	6,362,084
Fund 6 - Capital Improvement Fund	6,151,597	3,727,187	4,391,718	4,644,995
Fund 16 - Retirement Fund	3,102,821	3,039,941	3,124,852	3,632,083
Fund 12 - Self Insurance Fund*	-	1,256,358	1,290,695	1,929,110
Total Property Tax Revenue	<u>\$ 34,134,150</u>	<u>\$ 33,708,570</u>	<u>\$ 34,915,846</u>	<u>\$ 37,478,441</u>

*The Self Insurance Fund is an Internal Services Fund; therefore, the property taxes credited to that fund do not show in the Government Wide Financial Statement.

Data Source:

El Paso County Financial Statements

	2007		2008		2009		2010		2011		2012
\$	11,123,814	\$	24,254,481	\$	30,678,405	\$	31,122,339	\$	29,776,229	\$	17,870,640
	8,250,816		7,684,574		2,002,020		2,092,121		2,094,348		1,936,902
	6,446,458		(10,012)		-		-		-		-
	7,249,650		7,566,985		8,161,662		8,124,020		10,121,707		17,375,089
	3,678,004		3,983,306		3,815,890		4,827,484		5,319,179		5,737,647
	2,248,249		-		-		-		-		-
\$	<u>38,996,991</u>	\$	<u>43,479,334</u>	\$	<u>44,657,977</u>	\$	<u>46,165,964</u>	\$	<u>47,311,463</u>	\$	<u>42,920,278</u>

Schedule 9
El Paso County
Principal Sales Tax Payers
Current Year and Nine Years Ago

Taxpayer	2012			2004		
	Sales Tax Collected	Rank	% of Total County Sales Tax Collected	Sales Tax Collected	Rank	% of Total County Sales Tax Collected
WalMart Stores, Inc.	\$ 3,761,566	1	5.75%	\$ 3,194,205	1	5.29%
City of Colorado Springs	1,700,730	2	2.60%	1,085,993	4	1.92%
Home Depot USA, Inc.	1,413,625	3	2.16%	1,615,248	2	2.85%
Lowe's HIW, Inc.	1,262,648	4	1.93%	563,089	10	0.99%
Target Corporation	1,095,234	5	1.67%	1,051,705	5	1.86%
Broadmoor Hotel, Inc.	1,082,695	6	1.65%	896,846	6	1.58%
Costco Wholesale Corp	1,011,506	7	1.55%	-	-	-
Verizon Wireless (VAW) LLC	855,642	8	1.31%	-	-	-
Best Buy Stores LP	740,411	9	1.13%	654,644	8	1.16%
CenturyLink	571,783	10	0.87%	-	-	-
Qwest Corporation	-	-	-	1,325,973	3	2.34%
Sam's West, Inc.	-	-	-	715,762	7	1.26%
Phil Long Ford	-	-	-	613,110	9	1.08%
Total	\$ 13,495,840		20.62%	\$ 11,716,575		20.33%

Data Source:
El Paso County Financial Statements
Colorado Department of Revenue

Schedule 10

El Paso County

Sales and Use Tax Collections by State Category

Last Nine Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Retail Trade	\$35,669,879	\$36,650,357	\$36,922,250	\$37,293,082	\$35,524,870	\$33,841,812	\$35,897,986	\$37,406,489	\$40,291,234
Food Services	6,564,026	6,851,848	7,050,884	7,393,208	7,740,190	7,763,114	8,070,771	8,407,642	9,080,980
Information (Magazines, Newspapers, Etc)	3,678,784	4,080,155	4,185,098	4,491,136	4,721,030	4,763,640	4,693,512	4,268,166	4,349,358
Wholesale Trade	2,692,613	3,221,467	3,181,573	3,027,182	3,270,391	2,447,969	2,829,795	2,641,184	2,765,390
Accommodations	2,197,194	2,287,533	2,477,041	2,692,975	2,770,583	2,441,293	2,457,583	2,710,502	2,514,101
Real Estate and Rental & Leasing	1,694,433	1,782,073	2,008,492	2,109,742	2,135,208	1,718,211	1,619,745	1,530,237	1,463,676
Manufacturing	1,813,786	2,398,281	2,239,192	1,963,989	1,752,373	1,584,748	1,541,106	1,989,234	2,524,664
Utilities	1,161,090	1,523,914	1,435,490	1,567,037	1,769,058	1,487,408	1,564,556	1,764,030	1,869,553
Other Services (except Public Admin)	1,315,595	1,365,936	1,426,802	1,539,602	1,494,570	1,438,541	1,490,607	1,526,585	1,638,749
Construction	934,902	1,046,499	1,028,933	979,962	800,667	608,987	699,674	761,574	1,166,426
Professional, Scientific, and Technical Services	900,702	794,971	753,136	528,903	588,207	543,422	809,231	599,824	686,215
Finance and Insurance	528,500	430,998	369,030	382,977	426,649	448,502	430,360	489,974	460,402
Arts, Entertainment, & Recreation	252,763	308,477	322,994	316,552	330,207	312,605	315,104	342,311	365,250
Waste Management & Remediation Services	312,475	320,792	290,814	282,330	244,267	241,640	215,568	241,770	236,490
Mining	178,842	192,150	275,566	222,611	196,320	155,299	154,633	167,484	198,869
Educational Services	118,541	126,118	133,137	137,877	146,871	151,893	160,237	168,587	175,845
Health Care & Social Assistance	95,701	88,774	101,896	103,532	119,758	109,816	124,779	132,906	139,476
Transportation & Warehousing	52,305	76,847	89,976	115,930	124,775	74,855	37,435	40,945	62,666
Agriculture, Forestry, Fishing & Hunting	62,907	65,136	66,006	75,391	58,190	57,695	90,248	103,424	120,376
Public Administration	24,949	31,306	35,979	31,670	37,434	35,804	40,923	42,987	50,136
Category Not Specified	96,806	48,884	43,688	53,588	78,441	45,558	173,857	(1,886)	11,560
Tobacco Tax	125,755	104,647	111,123	106,327	108,153	109,189	114,764	117,810	103,208
Total Sales Tax:	\$60,472,549	\$63,797,163	\$64,549,101	\$65,415,603	\$64,438,211	\$60,382,001	\$63,532,476	\$65,451,779	\$70,171,417
Clerk and Recorder Collections	\$3,318,906	\$3,159,415	\$3,128,503	\$3,077,092	\$2,848,576	\$2,561,135	\$2,633,983	\$2,827,992	\$3,228,003
Building Materials	581,411	883,350	842,597	654,185	622,505	1,694,813	1,124,758	856,458	1,392,448
Total Use Tax:	\$3,900,317	\$4,042,765	\$3,971,100	\$3,731,277	\$3,471,081	\$4,255,948	\$3,758,741	\$3,684,450	\$4,620,451
Total Sales and Use Tax:	\$64,372,866	\$67,839,928	\$68,520,201	\$69,146,880	\$67,909,292	\$64,637,949	\$67,291,217	\$69,136,229	\$74,791,868

Source: Colorado Department of Revenue

Notes:

*Sales and Use Tax Data not available prior to 2003.

**The above totals will not equate to the Sales Tax totals on the Statement of Activities because the Sales Tax allocated to Internal Services Fund (Self Insurance) is eliminated.

DEBT CAPACITY

Schedule 11
El Paso County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	El Paso County Per Capita*
	Certificates of Participation	Capital Leases			
2002	\$ 96,717,413	\$ 612,481	\$ 97,329,894	0.03%	31,018
2003	95,023,116	498,788	95,521,904	0.03%	31,460
2004	99,770,923	378,399	100,149,322	0.03%	32,648
2005	96,816,254	250,907	97,067,161	0.04%	34,269
2006	93,258,727	115,880	93,374,607	0.04%	35,633
2007	122,265,000	1,716,693	123,981,693	0.03%	37,399
2008	126,465,215	1,168,921	127,634,136	0.03%	38,336
2009	120,309,103	597,047	120,906,150	0.03%	37,392
2010	172,198,855	-	172,198,855	0.02%	38,324
2011	165,420,000	3,736,230	169,156,230	N/A	**
2012	\$171,895,000	\$ 2,501,720	\$ 174,396,720	N/A	**

Notes:

The Certificates of Participation amounts include any amounts related such as premiums, discounts and/or losses.

*Data revised in 2011 with most recent information from the Bureau of Economic Analysis

**Data not available

Data sources:

El Paso County Financial Statements

US Department of Commerce

Bureau of Economic Analysis

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DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 12
El Paso County
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population *				Per Capita Personal Income **		
	Colorado	Change from Prior Period	El Paso County	Change from Prior Period	Colorado	El Paso County	El Paso County as a Percentage of Colorado
2003	4,555,084	1.11%	551,668	1.17%	\$ 35,312	\$ 31,460	89.09%
2004	4,608,811	1.17%	558,455	1.22%	36,849	32,648	88.60%
2005	4,662,534	1.15%	569,322	1.91%	38,795	34,269	88.33%
2006	4,745,660	1.75%	582,502	2.26%	41,181	35,633	86.53%
2007	4,821,784	1.58%	588,772	1.06%	42,724	37,399	87.54%
2008	4,901,938	1.64%	599,060	1.72%	44,180	38,336	86.77%
2009	4,976,853	1.51%	608,518	1.55%	41,388	37,392	90.35%
2010	5,050,870	1.47%	627,096	2.96%	42,295	38,324	90.61%
2011	5,119,779	1.35%	634,887	1.23%	44,088	39,000	88.46%
2012	5,187,582	1.31%	644,964	1.56%	47,203	39,994	84.73%

Notes:

* Data revised in 2011 with most recent information from the Colorado Division of Local Government

**Data revised in 2011 with most recent information from the Bureau of Economic Analysis

***Data revised in 2011 with the most recent information from the Colorado Division of Labor and Employment

Data source:

El Paso County Clerk and Recorder

Colorado Department of Education

Colorado Division of Local Government

Colorado Division of Labor and Employment

US Department of Commerce

Bureau of Economic Analysis

El Paso Civilian County Labor Force ***

Employed	Unemployed	Unemployment Rate	Public School Enrollment	Motor Vehicles Registered
263,037	17,611	6.30%	99,165	583,461
269,372	16,545	5.80%	101,065	594,065
276,399	15,689	5.40%	103,069	445,909
285,523	13,805	4.60%	104,608	443,464
286,878	12,916	4.30%	105,157	479,917
284,947	16,952	5.60%	105,845	484,033
275,465	26,473	8.80%	109,246	487,456
272,571	29,462	9.80%	109,962	495,418
272,831	27,722	9.20%	111,318	498,573
301,831	26,259	8.70%	126,274	508,616

Schedule 13
El Paso County
Principal Employers
Current Year and Nine Years Ago

Employer	2012			2003		
	Percentage of Total El Paso County			Percentage of Total El Paso County		
	Employees	Rank	Employment	Employees	Rank	Employment
Fort Carson	29,000	1	10.52%	-		-
Peterson Air Force Base	11,678	2	4.24%	-		-
Schriever Air Force Base	8,124	3	2.95%	-		-
United States Air Force Academy	6,522	4	2.37%	-		-
Memorial Health System	4,700	5	1.71%	3,600	2	1.54%
Colorado Springs School District 11	3,980	6	1.44%	3,800	1	1.62%
Air Academy School District 20	2,750	7	1.00%	2,300	5	.98%
Penrose-St. Francis Health Services	2,627	8	.95%	2,600	4	1.11%
City of Colorado Springs	2,300	9	.83%	3,000	3	1.28%
El Paso County	2,100	10	.76%	2,000	6	.85%
Atmel Corporation	-		-	1,900	7	.81%
Colorado Springs Utilities	-		-	1,900	8	.81%
Broadmoor Hotel	-		-	1,700	9	.73%
Harrison School District 2	-		-	1,600	10	.68%
	<u>73,781</u>		<u>26.77%</u>	<u>24,400</u>		<u>10.41%</u>
El Paso County Total Employment	275,544			234,100		

Data Source:
Colorado Department of Labor and Employment
with various sources including Colorado
Springs Business Journal, journals, annual
reports, company web sites and CDLE Labor
Market Information

OPERATING INFORMATION

Schedule 14

El Paso County

Full-time Equivalent County Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Commissioners	5	5	5	5	5	5	5	5	5	5
Internal Audit	-	-	-	2	-	-	-	-	-	-
County Assessor	66	66	66	66	66	66	52	52	52	52
County Clerk & Recorder -Operations	26	26	26	26	26	26	24	24	24	24
Motor Vehicle	79	79	79	83	83	83	70	70	70	73
Elections	16	17	17	17	17	17	14	14	14	14
Driver's Licenses	2	4	4	5	5	5	3	3	3	3
County Coroner	9	13	13	13	16	18	18	19	20	20
County Sheriff -Operations	230	231	231	239	240	248	238	243	285	238
Detentions	305	333	336	359	362	382	362	362	347	394
County Treasurer	19	19	19	19	19	19	19	19	19	19
Public Trustee	14	14	14	14	14	14	12	12	12	12
County Attorney -General Fund	9	8	8	10	9	9	9	9	9	10
Useful Public Service	-	-	-	2	-	-	-	-	-	-
Dept. of Human Services	26	23	23	17	17	18	18	18	18	19
Employment Services	-	-	-	7	6	-	-	-	-	-
District Attorney - EPC Funded	157	157	157	163	177	186	183	183	183	183
Teller County Funded	1	1	1	1	1	1	1	4	4	1
Grant Funded	10	10	10	13	13	13	13	14	14	14
Human Services -General	361	361	361	360	360	362	362	414	383	390
Senior Services	4	4	4	3	3	2	1	1	1	1
Veterans Services	4	4	4	4	4	4	3	3	3	4
Pikes Peak Workforce Center	100	100	100	100	100	100	65	65	65	62
Administrative Services -Administration	7	5	5	4	5	6	4	4	4	4
County Fair	2	1	-	-	-	-	-	-	-	-
CSU Extension	4	4	4	4	4	-	-	-	-	3
Development Review	14	14	30	36	34	32	21	24	23	23
Land Use Study	5	5	5	5	5	-	-	-	-	-
Budget and Economic Development	4	4	4	-	-	8	8	12	16	16
Employee Benefits/Med Serv	-	8	8	12	16	18	12	13	18	18
Environmental Services	7	9	9	9	10	8	3	4	-	9
Facilities	46	49	51	51	51	52	31	31	31	49
Financial Services	23	24	24	25	25	16	12	15	35	40
Fleet Services	32	32	32	32	33	33	-	-	-	32
Forestry & Noxious Weeds	2	-	-	-	-	-	-	-	-	-
Human Resources	11	5	5	-	-	-	-	-	-	-
Information Services	70	69	69	68	69	69	66	70	70	72
Justice Services	14	14	17	15	15	14	1	1	1	1
Planning	17	16	-	-	-	-	-	-	-	-
Procurements & Contracts	6	7	7	7	7	7	6	6	6	7
Public Communications	-	-	-	4	3	2	2	2	4	4
Risk Management	4	4	4	-	-	-	-	-	-	-
Security	34	35	44	45	45	38	29	30	30	31
Solid Waste	4	4	4	4	4	5	5	5	5	-
800 MHz	1	1	1	1	1	1	-	-	-	-
Parks & Community Resources -Parks	41	40	41	41	41	41	29	29	29	32
Penrose Equestrian Center	10	10	10	-	-	-	-	-	-	-
Pikes Peak Center	10	10	-	-	-	-	-	-	-	-
Transportation -Engineering	30	30	30	24	24	-	-	-	-	-
Road & Bridge and Fleet Fund	158	159	162	166	164	188	175	187	187	169
Health and Environment	208	208	194	194	225	219	160	178	178	148
Retirement	3	3	3	3	3	3	2	3	3	3
Total	2,210	2,245	2,241	2,278	2,327	2,338	2,038	2,148	2,171	2,199

Data Source: El Paso County Final Budget

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Schedule 15
El Paso County
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BoCC Administrative Services										
Board Meetings	125	134	125	130	148	92	103	93	100	88
Board/Committee/Commission Appointments	100	70	122	73	94	116	135	120	104	106
Facilities Management										
Number of buildings maintained	121	121	124	118	120	126	126	128	132	131
Square feet total maintained	2,246,207	2,246,207	2,414,566	2,343,423	2,124,011	2,235,781	2,236,000	2,241,501	2,949,191	3,070,453
Parks										
Acres of Regional Parks, Recreation areas and conservation lands	5,000	5,300	5,500	5,900	6,900	7,100	7,044	7,044	6,585	6,585
Miles of Regional, Park & Nature Trails	85	85	85	87	93	85	92	92	101	101
County Office Sites (landscape maintenance)	17	10	10	11	11	8	21	8	9	8
Procurement and Contracts										
Purchase Orders Issued	900	885	875	1,000	1,000	584	656	751	835	751
Purchase Orders Issued (dollars)	57,154,000	94,063,491	60,000,000	70,000,000	75,000,000	53,922,017	58,760,700	102,556,780	91,458,617	86,926,957
Surplus sales (\$)	350,000	245,753	250,000	275,000	275,000	118,574	99,711	101,256	122,406	72,920
Financial/Budget										
Payroll Serviced	49,893	53,821	54,062	52,673	52,937	56,845	53,960	55,952	55,500	57,939
Journal Entries Processed	2,770	23,819	24,711	26,078	26,860	19,920	21,312	22,173	22,247	31,240
Processed Payment Requests	54,503	57,674	63,376	67,739	71,125	57,716	49,198	57,181	60,750	61,421
Budget Entries Processed	3,373	4,294	4,597	3,687	3,969	3,005	2,857	2,899	2,390	3,468
Public safety										
Claims Submitted	2,468	2,219	2,338	3,185	3,200	3,215	3,228	3,244	3,257	3,291
Personal Contacts (excl DSS)	5,356	7,766	8,640	8,800	9,200	9,494	9,925	10,322	10,714	10,757
Telephone Information	21,298	21,995	23,292	23,500	24,000	24,362	24,880	25,327	25,758	26,196
Medicaid Nursing Home Clients	48	50	50	50	50	50	50	53	-	-
Briefings on VA Benefits	2,166	1,240	1,630	2,450	2,500	2,551	2,603	5,697	6,037	4,629
HS quality assurance inquiries	30	30	130	675	700	726	753	1,527	-	-
Human Services - Senior Services										
Number seniors/participation levels	3,000	3,200	3,500	3,900	4,100	4,310	4,431	4,620	4,781	4,947
CSU Extension										
Printed brochures and SIAs	141,745	142,004	142,555	142,820	142,820	142,820	40,000	117,145	117,145	55,000
Phone, walk-in, individual	69,623	68,950	72,770	73,125	73,125	73,125	25,000	61,095	61,095	12,780
County Attorney - General Fund										
Board of Equalization	730	625	650	640	650	650	650	650	655	650
Contracts/Agreements (drafted or reviewed)	775	400	425	435	440	460	450	455	435	450
Litigation (for and against the county)	720	812	820	820	830	800	760	205	180	123
Liquor License matters	20	20	18	18	20	24	25	20	26	6
Notices of Claims reviewed	80	39	35	36	40	41	40	32	30	47
Ordinances (new)	2	-	1	1	1	1	1	2	-	5
Resolutions (drafted or reviewed)	95	170	180	180	185	190	210	200	240	145
Written legal opinions	75	78	85	95	110	120	150	185	200	215
Meetings/hearings attended	910	900	925	940	930	980	1,030	1,045	1,110	1,210
Safety and Risk Management										
Safety Training Seminars -- Attendance	16	-	-	-	-	-	-	11	4	4
Personal Safety & Awareness consultations	275	300	325	350	350	350	350	350	33	37
Wellness programs	18	15	24	25	25	23	27	63	85	100
Employee orientations	-	170	292	300	300	299	233	26	24	24
Safety training/meetings	16	-	-	-	-	-	13	11	61	70
Safety/wellness publications/website information	16	16	16	16	16	-	7	10	11	36
Risk management & insurance consultations	900	1,100	1,200	1,500	1,500	1,500	1,500	89	15	17
Clerk and Recorder										
Documents recorded	298,968	215,111	203,454	200,000	190,000	138,048	150,587	135,516	131,805	157,392
Documents processed	325,978	255,575	262,312	228,000	216,600	169,223	181,458	168,253	162,674	192,779
Meetings (agendas, minutes, etc.)	2,054	2,098	2,000	2,000	2,000	2,737	2,798	2,055	2,050	2,551
Vehicles Registered	424,226	438,644	451,803	452,598	459,387	484,033	487,456	495,418	498,573	508,616
Drivers Licenses Issued	23,353	43,192	53,499	45,450	39,440	38,306	31,918	51,833	59,722	76,959
Number of precincts	378	378	381	386	396	388	404	405	405	199
Ballot Combinations	25	77	35	35	80	87	26	60	44	44
Registered Voters	321,811	354,059	340,000	343,000	360,000	374,582	335,880	364,831	382,079	426,355
Jurisdictions for which elections are administered	146	162	170	170	180	261	265	268	271	271
Worker's Compensation Fund										
Workers' Compensation claims	334	310	350	378	395	262	204	162	160	163
Claims cost (\$)	945,568	1,166,527	486,593	1,800,000	2,000,000	2,575,271	1,522,550	1,327,492	1,089,136	1,327,492

(Continued)

Schedule 15 - Continued

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Treasurer										
Annual Tax Statements	221,286	226,088	231,896	238,495	245,295	272,965	244,740	243,846	243,389	244,236
Delinquent Tax Statements	10,275	13,508	13,521	13,288	13,600	14,116	16,424	15,103	15,538	14,952
Property Tax Payments Processed	367,689	367,709	376,266	380,000	390,000	405,206	448,415	406,865	407,756	707,559
Tax roll changes (abatements)	1,060	406	1,200	1,000	1,000	1,418	1,097	1,256	1,105	903
Non-property tax revenue transactions	17,373	25,817	26,000	28,500	29,000	25,213	22,807	23,059	19,655	35,442
Tax Liens Sold--manufactured housing	240	201	240	200	200	207	173	93	107	105
Tax Liens Sold--real estate	1,512	1,711	2,000	1,800	2,000	3,282	4,166	2,486	2,719	2,367
Tax Liens redeemed	1,611	2,004	2,100	2,100	2,100	2,145	3,137	4,023	3,102	2,848
Tax Deeds issued	16	14	20	20	20	12	10	20	53	26
Certificates of Taxes Due Reports	76,548	71,170	72,000	50,000	50,000	30,739	37,168	28,711	44,139	33,769
County warrants paid	33,086	33,086	33,500	33,500	33,500	25,083	18,433	17,549	12,750	12,965
County Assessor										
Abstracts provided to all taxing entities	119	119	162	200	227	258	260	265	265	269
Telephone calls handled	67,000	60,000	55,400	47,000	45,000	49,113	32,507	26,962	32,160	34,956
Maps produced for the public	1,500	1,129	900	1,400	2,095	700	300	255	110	274
Appeals heard by the assessor	5,244	1,113	5,151	951	8,000	2,150	9,496	1,892	4,752	887
Residences inventoried and measured	6,259	7,000	6,500	7,156	5,372	4,206	2,233	1,521	1,615	1,407
Property transfers logged	50,800	52,300	50,000	44,000	42,000	29,589	29,243	25,780	29,252	34,606
District Attorney										
Felony cases prosecuted	5,138	5,830	6,120	6,342	6,596	4,793	4,401	4,123	3,920	4,344
Traffic and misdemeanor cases prosecuted	40,953	43,239	47,470	31,040	32,188	32,543	29,596	27,980	25,786	23,575
Juvenile cases prosecuted	2,124	1,887	1,976	1,924	1,989	1,875	1,512	1,494	1,166	1,121
Sheriff's Office Detentions										
Average daily population - Metro & CJC	1,131	1,209	1,425	1,427	1,477	1,538	1,499	1,360	1,377	1,380
Initial inmate classifications	11,692	22,174	24,000	25,008	25,063	19,220	18,902	18,966	16,379	15,066
Total attendance, Inmate programs--CJC	56,724	45,000	50,000	54,000	55,000	43,981	54,273	59,577	60,786	45,298
Total attendance, Inmate programs--Metro	38,851	20,000	closed	closed	closed	closed	closed	closed	closed	closed
Number of commitments	22,495	22,174	24,782	25,008	25,063	23,068	27,280	24,661	21,641	20,658
Number of releases	22,529	12,763	22,482	24,734	24,800	22,982	21,132	24,725	21,814	20,858
Number of prisoner transports	23,352	22,323	22,993	34,872	38,359	23,924	19,620	21,103	31,880	20,361
Transportation/Engineering in later years										
Miles of road graveled	60	65	80	66	50	13	39	21	28	16
Miles of dust control applied	115	118	123	123	123	116	36	35	108	100
Miles of surface treatment applied	8	8	-	-	19	30	32	34	32	54
Drainage crosspans constructed	14	9	26	28	31	35	21	19	20	24
Feet of curb, gutter or sidewalks	2,613	1,566	6,385	28,459	9,500	35,411	16,305	26,553	18,056	27,000
Miles of road paved	18	6	15	19	15	23	39	43	27	21
Paved roads (miles)	894	894	900	930	921	995	1,024	1,038	1,043	1,070
Gravel roads (miles)	1,076	1,075	1,078	1,073	1,077	1,067	1,051	1,051	1,049	1,044
Self Insurance Fund										
Lawsuits/notice of claims	30	29	22	25	25	38	23	9	23	47
Litigations cost (\$)	293,567	441,285	160,100	253,800	200,000	100,000	300,890	38,213	36,607	78,533
Property claims	77	149	78	105	90	41	36	47	53	88
Cost (\$)	356,591	346,773	139,277	250,000	200,000	69,000	170,449	98,860	139,352	272,795
Liability claims	180	172	160	105	125	104	106	68	52	39
Cost (\$)	63,596	441,285	378,988	253,800	250,000	43,813	83,185	96,678	58,109	376,721
Solid Waste Management Fund										
Household chemical waste programs	3	3	-	2	4	1	1	1	1	1
Yard waste collection programs/days	52	52	52	52	52	57	52	52	51	52
Black Forest wildfire mitigation mulch programs	49	49	49	49	49	88	85	85	85	134
Economic Development										
Businesses certified (Enterprise Zone)	354	347	358	318	350	331	348	287	294	415
Contributions to Zone projects	283	451	654	1,061	1,110	1,538	1,548	1,635	2,084	2,192
Enterprise Zone Projects	17	19	25	36	40	52	49	50	52	47
Active affordable housing programs/projects	85	110	113	125	129	137	139	141	144	145
Personal Property Tax Credit Agreements	22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community Development Block Grant projects	N/A	N/A	N/A	N/A	N/A	N/A	17	19	14	17
Human Resources										
Applications processed	12,056	14,488	17,572	14,918	15,500	13,128	15,218	12,061	13,463	17,174
Employee recognition awards	287	330	305	304	338	244	262	260	-	-

Data Source: El Paso County Budget Book and departmental data

Schedule 16
El Paso County
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sheriff										
Patrol units and other vehicles	185	196	214	226	210	215	208	198	200	316
Department of Transportation										
Paved roads (miles)	894	894	900	930	921	995	1,024	1,038	1,043	1,070
Gravel roads (miles)	1,076	1,075	1,078	1,073	1,077	1,067	1,051	1,051	1,049	1,044
Engineering										
Miles of road graveled	60	65	80	66	50	13	39	21	28	16
Drainage crosspans constructed	14	9	26	28	31	35	21	19	20	24
Feet of curb, gutter or sidewalks	2,613	1,566	6,385	28,459	9,500	35,411	16,305	26,553	18,056	27,000
Parks										
Acres of Regional Parks, Recreation and conservation lands	5,000	5,300	5,500	5,900	6,900	7,100	7,044	7,044	6,585	6,585
Acres of Other Parks/Properties										
Miles of Regional, Park & Nature Trails	85	85	85	87	93	85	92	92	101	101
County Office Sites (landscape maintenance)	17	10	10	11	11	8	21	8	9	9
Facilities										
Number of buildings maintained	121	121	124	118	120	126	126	128	132	132
Square feet total maintained	2,246,207	2,246,207	2,414,566	2,343,423	2,124,011	2,235,781	2,236,000	2,241,501	2,949,191	3,164,503
County Fairgrounds										
Buildings	18	18	18	18	18	18	18	18	22	22
Stadium	1	1	1	1	1	1	1	1	1	1
Lighted outdoor dance floor	1	1	1	1	1	1	1	1	1	1
Outdoor arena	1	1	1	1	1	1	1	1	1	1
Indoor arena	1	1	1	1	1	1	1	1	1	1

Data Source:
El Paso County Financial Capital Assets Records
El Paso County Department of Transportation
El Paso County Parks Department
El Paso County Facilities

EL PASO COUNTY, COLORADO

FEDERAL AWARDS REPORTS

IN ACCORDANCE WITH THE

SINGLE AUDIT ACT AND

OMB CIRCULAR A-133

DECEMBER 31, 2012

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**Independent Auditors' 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***

Board of County Commissioners
El Paso County
Colorado Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of El Paso County, Colorado (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 31, 2013. Our report includes a reference to other auditors who audited the financial statements of the El Paso County Sheriff Special Investigation Fund, the El Paso County Retirement Plan and the El Paso County Housing Authority, as described in our report on the County's financial statements. This report does not include the results of the El Paso County Sheriff Special Investigation Fund and the El Paso County Housing Authority auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the El Paso County Retirement Plan were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with it.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2012-01, that we consider to be significant deficiencies.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

County's Response To Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

July 31, 2013



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**Independent Auditors' Report On Compliance
For Each Major Federal Program; Report
On Internal Control Over Compliance
And Report On The Schedule Of Expenditures
Of Federal Awards Required By OMB Circular A-133**

Board of County Commissioners
El Paso County
Colorado Springs, Colorado

Report On Compliance For Each Major Federal Program

We have audited El Paso County's (the County) 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 the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the El Paso County Sheriff Special Investigation Fund, a nonmajor governmental fund, which received \$784,457 in federal awards, and the El Paso County Public Health, a discretely presented component unit, which received \$14,786,470 in federal awards, both of which are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2012. Our audit, as described below, did not include the operations of the El Paso County Sheriff Special Investigation Fund because other auditors were engaged to perform the audit in accordance with OMB Circular A-133. Our audit, as described below, also does not include the El Paso County Public Health operations because we performed the audit in accordance with OMB Circular A-133 and issued a separate report regarding those operations.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion On Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of 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, 2012.

Report On Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 the 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report On Schedule Of Expenditures Of Federal Awards Required By OMB Circular A-133

We have audited the financial statements of the County as of and for the year ended December 31, 2012, and have issued our report thereon dated July 31, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RubinBrown LLP

July 31, 2013

EL PASO COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2012

Page 1 Of 3

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Colorado Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Program		10.561	\$ 2,973,476
State Administrative Matching Grants for the Supplemental Nutrition Program		10.561	461,647
State Administrative Matching Grants for the Supplemental Nutrition Program - Colorado Workfare Program	F05WKFARE	10.561	143,506
Subtotal - SNAP Cluster			3,578,629
Supplemental Nutrition Assistance Program	IAFSPA08CO01	10.580	109,448
Outreach/Participation Program			
Total U.S. Department of Agriculture			3,688,077
U.S. Department of Housing and Urban Development			
CDBG - Grants Entitlement Cluster			
Community Development Block Grant	11UC08005	14.218	330,772
Community Development Block Grant	12UC08005	14.218	449,525
Total U.S. Department of Housing and Urban Development			780,297
U.S. Department of the Interior			
Passed through Colorado Department of Natural Resources			
Sport Fish Restoration Program	FIF-1667-10	15.605	35,700
Passed through Colorado Parks and Wildlife			
Enhanced Hunter Education and Safety Program	13-FSR-49112	15.626	200,000
Total U.S. Department of the Interior			235,700
U.S. Department of Justice			
State Criminal Alien Assistance Program (SCAAP)	FY2012	16.606	110,294
JAG Program Cluster			
Justice Assistance Grant(JAG)2009 ARRA		16.803	145,020
U.S. Dept of Justice, Bureau of Justice Assistance ARRA		16.803	218,759
Passed through the Colorado Springs Police Department			
Justice Assistance Grant(JAG)2012 DIRECT	2012DJBX0215	16.738	28,108
Justice Assistance Grant(JAG) FY 2010 DIRECT	2011DJBX2477	16.738	107,406
Justice Assistance Grant(JAG) FY 2009 DIRECT	2010DJBX0093	16.738	6,212
Subtotal - JAG Program Cluster			505,505
Supervised Visitation, Safe Haven for Children	2009CWAXK009	16.527	87,573
Passed through Colorado Springs Police Department			
Project Safe Neighborhood Cluster			
Project Safe Neighborhood FY 2012	2011GPBX0019	16.609	145
Project Safe Neighborhood FY 2011	29CP0452	16.609	4,224
Subtotal Project Safe Neighborhood Cluster			4,369
Passed through Colorado Division of Public Safety			
Crime Victim Assistance	11VA418	16.575	32,876
Total U.S. Department of Justice			740,617

EL PASO COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2012

Page 2 Of 3

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Labor			
Passed through Colorado Department of Labor and Employment			
Employment Service Cluster			
Wagner-Peyser Employment Services	1030,1118,1139,1174	17.207	\$ 1,868,319
Wagner-Peyser - Summer Job Hunt	1030,11818,1139,1174	17.207	43,000
Disabled Veterans' Outreach Program (DVOP)	1064	17.801	52,500
Local Veterans' Employment Representative Program (LVER)		17.804	18,000
Subtotal Employment Service Cluster			1,981,819
Passed through Colorado Department of Labor and Employment			
WIA Cluster			
Workforce Investment Act Title I Adult Program	870,984,1026,1027,1170,1171	17.258	1,845,747
Workforce Investment Act Title I Youth Activities	872,1026,1028,1170,1172	17.259	1,207,668
Workforce Investment Act - Dislocated Worker Program	800,815,873,911,931	17.278	818,665
Workforce Investment Act Dislocated Worker Program DX		17.278	161,810
NEG		17.278	1,026
Subtotal WIA Cluster			4,034,916
Passed through Colorado Department of Labor and Employment			
Workforce Investment Act Dislocated Worker Program	800,815,873,911,931	17.260	56,048
Workforce Investment Act Dislocated Worker - Aerospace		17.260	60,641
Workforce Investment Act Dislocated Worker - Performance		17.260	44,871
Workforce Investment Act Dislocated Worker - Engaging Youth		17.260	49,451
Workforce Investment Act Dislocated Worker - Hospitality		17.260	9,206
Trade Adjustment Assistance		17.245	31,085
H1B		17.268	22,543
WIA Dislocated Worker Program		17.268	49,195
WIA Dislocated Worker Program		17.268	84,291
Passed through Colorado Department of Labor and Employment			
Veterans' Workforce Employment Program (VWIP)		17.802	18,748
Homeless Veterans' Reintegration Project		17.805	110,250
Total U.S. Department of Labor			6,553,064
U.S. Department of Transportation			
Passed through Colorado Department of Transportation			
Highway Planning and Construction Cluster			
Colorado Avenue Project		20.205	191,390
Oil Well Road Bridge Replacement	BRO C040-030	20.205	117,462
Berridge Road Bridge		20.205	209,932
Falcon Park and Ride		20.205	272
South Academy Bike and Pedestrian Trail	07-092	20.205	17,190
Woodmen Road Qwest	09-004S	20.205	61,340
Total U.S. Department of Transportation			597,586
U.S. Department of Energy			
Energy Efficiency and Conservation Block Grant - ARRA	DE-SC002659	81.128	142,519
U.S. Department of Health and Human Services			
Passed through Colorado Department of Human Services			
TANF Cluster			
Temporary Assistance for Needy Families TANF		93.558	20,213,058
Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) - ARRA		93.714	304,032
Subtotal TANF Cluster			20,517,090

EL PASO COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2012

Page 3 Of 3

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures
U. S. Department of Health and Human Services (Continued)			
Passed through Colorado Department of Human Services			
Community Service Block Grant	L6CSBG16	93.569	\$ 656,718
CCDF Cluster			
Child Care and Development Block Grant		93.575	1,423,081
Child Care Mandatory and Matching Funds of the Child			
Care Development Fund		93.596	5,299,629
Subtotal CCDF Cluster			6,722,710
Adjustment to Federal Assistance		93.xxx	1,014
Promoting Safe & Stable Families	B 0501C000FP	93.556	397,393
Title IV-D Administration		93.563	2,920,795
Low-Income Home Energy Assistance (LEAP)		93.568	4,786,315
Title IV-B		93.645	599,824
Title IV-E		93.658	5,413,998
Title XIX/Medicaid		93.778	1,914,081
Adoption Assistance		93.659	3,134,984
Social Services Block Grant Title XX		93.667	2,771,490
Title IV-E (Independent Living)		93.674	266,101
Social Services Research and Development		93.647	9,556
Voting Access for Individuals with Disabilities EAID		93.617	15,140
Passed through Aspen Pointe			
Block Grant for Prevention and Treatment of Substance Abuse		93.959	442,800
Total U.S. Department of Health and Human Services			50,570,009
White House Office of National Drug Control Policy (ONDCP)			
Rocky Mountain High Intensity Drug Trafficking Area - HIDTA		95.001	529,489
Department of Homeland Security			
Emergency Management Performance Grant		97.042	3,373
Passed through Colorado Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared)	13-D4067-21	97.036	193,329
Pikes Peak Metropolitan Response System		97.067	22,200
Subtotal for Department of Homeland Security			218,902
Total Of Federal Awards			\$ 64,056,260

The following notes are an integral part of this schedule.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of El Paso County, Colorado, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and with the requirements of the State of Colorado Department of Human Services for reporting electronic benefit transactions. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Pass Through

El Paso County passes funds to subrecipients with the following program:
Community Development Block Grant - Pass through amount is \$780,297.

EL PASO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2012

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Type of auditors' report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Identification of major programs:

CFDA No.	Name Of Federal Program Or Cluster
10.561	State Administrative Matching Grants for the Supplemental Nutritional Assistance Program (SNAP)
93.568	Low-Income Home Energy Assistance
93.658	Foster Care - Title IV-E
93.659	Adoption Assistance - Title IV-E
93.778	Medical Assistance Program
93.667	Social Service Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:		\$1,921,688
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

EL PASO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)
For The Year Ended December 31, 2012

Section II - Financial Statement Findings

Finding 2012-01

Finding: There were matters that affected capital asset classification of construction in progress and accuracy of depreciation expense for the year ended December 31, 2012.

Criteria: Construction in progress related to several infrastructure projects was not adjusted to reflect completed projects in previous years, resulting in a significant reclassification to a depreciable capital asset category. Depreciation records are also maintained in Excel spreadsheets, and a calculation error resulted in a misstatement of recorded depreciation expense in 2012.

Condition/Prevalence: A reclassification was made between construction in progress and depreciable capital assets, and an adjustment to annual depreciation expense was made to correct the financial statements.

Cause: Finance staff is not reconciling construction in progress with project completion dates to determine when projects should be closed out of construction in progress and placed in operation. The depreciation spreadsheet was not checked for clerical accuracy prior to recording depreciation expense.

Effect: There was a reclassification correction to capital assets and a significant adjustment to depreciation expense.

Recommendation: We recommend the County implement procedures to monitor and reconcile the progress of construction projects and determine project completion dates to assist in reporting capital assets. We also suggest management review the depreciation schedule for clerical accuracy prior to posting annual expense.

Views Of Responsible Officials And Planned Corrective Action: Management agrees with this finding. "We are continuing to review the Work In Progress category and will ensure reconciliations are done on a regular and timely basis. We are contacting departments semi-annually to get updates on their work in progress and estimated completion dates. The errors on depreciation expense actually pertained to prior years and were caught by us in 2012, so depreciation was brought up to the correct balances. This was discovered as we were moving all balances from our manual spreadsheets into our J.D. Edwards (JDE) capital asset system. Since we will be reporting from totals in JDE and not using our manual spreadsheets, we do not foresee any issues with this in the future."

EL PASO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)
For The Year Ended December 31, 2012

Section III - Federal Award Findings And Questioned Costs

None.

Section IV - Prior-Year Findings

Finding 2011-01 - CFDA 93.778, Medical Assistance Program - Title XIX, U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services

Criteria Or Specific Requirement: The County must redetermine the eligibility of Medicaid recipients at least every 12 months with respect to circumstances that may change. The County must have procedures designed to ensure recipients make timely and accurate reports of any changes in circumstances that may affect their eligibility. The County must promptly redetermine eligibility when it receives information about any changes in a recipient's circumstances that may affect eligibility according to 42 CFR section 435.916.

Condition And Context: An annual redetermination for 3 of 40 case files tested did not meet prescribed timelines.

Questioned Costs: None.

Views Of Responsible Officials And Planned Corrective Action: The Department of Human Services (the Department) instituted process improvements during 2011, which have reduced the backlog of redeterminations in 2012. In addition, the Department reallocated certain Department employees to aid in processing Medicaid redeterminations. Further, 2012 regulations for Medicaid redetermination reduced the volume of cases requiring the Department to reassess case eligibility. Management will continue to monitor timeliness goals and standards through weekly reports and monthly audits completed within the Department. The Department is committed to processing timely applications and redeterminations for the Medicaid program.

Auditor Response: We found no exceptions to timely redetermination processing in the 2012 sample selection of Medicaid applications and consider this finding to be resolved.