

Financial statements and report of independent certified public accountants

El Paso County, Colorado

December 31, 2003

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Report of Independent Certified Public Accountants

Board of County Commissioners
El Paso County, Colorado

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, as of and for the year ended December 31, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 represent 3 percent and 5 percent, respectively, of the assets and 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 discretely presented component units, the El Paso County Department of Health and Environment and the El Paso County Housing Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the El Paso County Sheriff Special Investigation Fund, the El Paso County Retirement Plan, the El Paso County Department of Health and Environment, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of 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, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 8 through 16 and budgetary comparison information on pages 60 through 63 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise El Paso County, Colorado's basic financial statements. The combining statements and schedules, schedules of revenues, expenditures, and changes in fund balances – budget and actual, and miscellaneous information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Colorado Springs, Colorado
April 1, 2004 (except for note D.8., as to
which the date is June 16, 2004)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

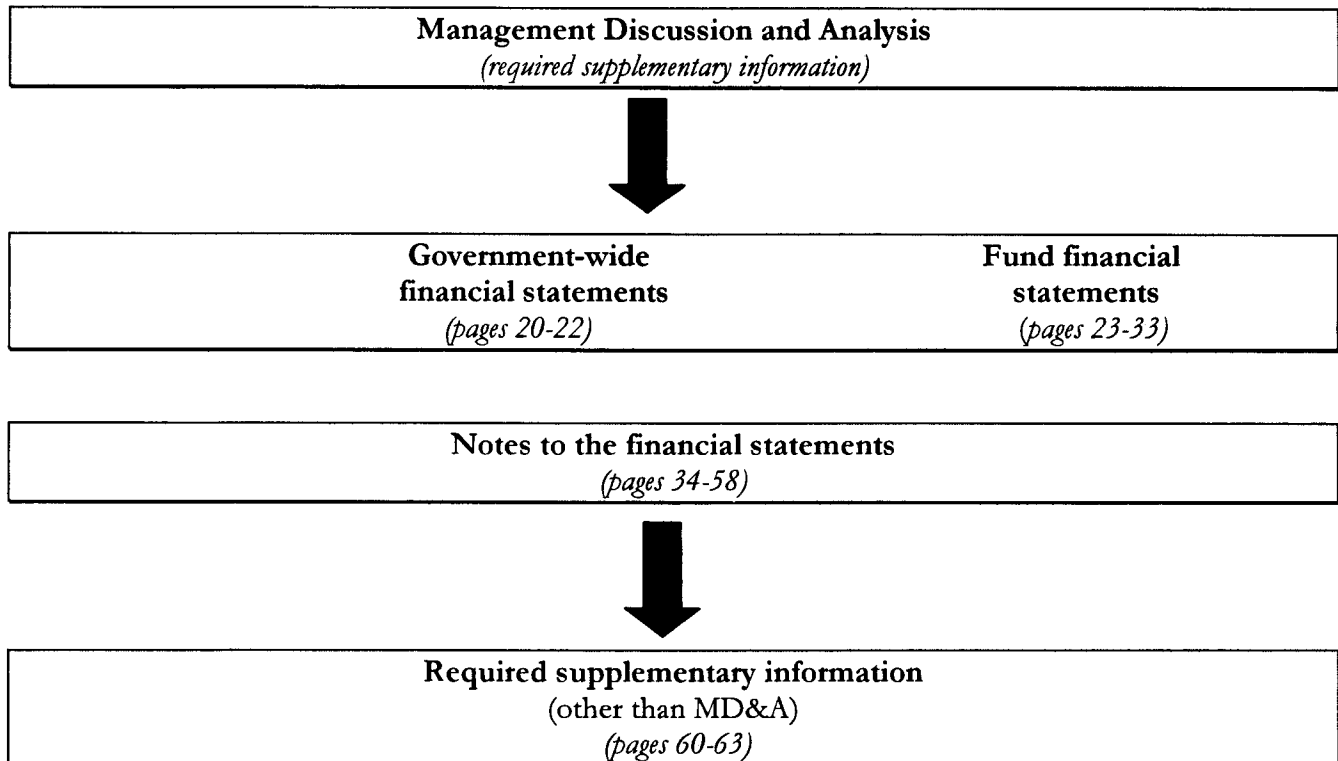
Our discussion and analysis of El Paso County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2003. Please read it in conjunction with the County's financial statements, which begin on page 18.

FINANCIAL HIGHLIGHTS

- The County's assets increased \$12.0 million to \$312.4 million as of December 31, 2003. The increase was due to a combination of items. The first variance was an increase of \$31.1 million of capital assets of which \$11.2 million was donated infrastructure in the form of subdivisions and right of ways and of which \$13.5 million was construction in progress for the Detention Facility and the Judicial Building. The second variance was a decrease in cash of \$21.9 million of which \$12.3 million was due to the purchase of construction in progress for the Detention Facility and the Judicial Building and of which approximately \$9.6 million was due to an approved spending down of fund balance.
- The County's liabilities increased \$4.4 million to \$155.8 million as of December 31, 2003. The increase is due to a \$2.3 million advance from the State of Colorado against future expenses for the Department of Human Services. The remaining \$2.1 million is due to an increase in accounts payable during 2003, of which \$1.2 million was due to the payable to the contractors for the Detention Facility and the Judicial Building.
- The County's governmental activities' net assets increased \$7.6 million to \$156.7 million as of December 31, 2003. The increase is due to a combination of the changes in assets and liabilities which is an increase in capital assets, a decrease in available cash, and an increase in intergovernmental payables and accounts payable.
- During the year, the County had governmental activities' expenses that were \$11.4 million more than the \$176.1 million expenses in 2002. This increase is due to a \$3.7 million increase in interest on long term debt that was due to the first year of interest payments due on the Series 2002A and Series 2002B certificates of participation. In addition, the general government expenses show a reduction of \$8.4 million which is due to the reclassification of the District Attorney's office from a general government program to a Public Safety program. Thus, \$8.4 million of the \$12.9 million increase in expenses of the Public Safety program is due to this reclassification. The remaining \$4.5 million increase in expenditures in the Public Safety program is due to an increase of \$1.3 million of depreciation, \$1.5 million increase in operations and a \$2.0 million increase in allocation of internal service fund expenses.
- During the year, the County had primary government general revenues that were \$9.6 million more than the \$95.8 million in 2002. The change in general revenues is due to the fact that in 2002, the County had to issue a TABOR refund of \$8.8 million, which it did not have to do in 2003.

USING THIS ANNUAL REPORT

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



This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 20 through 22) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 23. 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 Assets 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 assets and how they have changed. You can think of the County's net assets, 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 assets 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 nonfinancial 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 Pikes Peak Center, County Fair, Penrose Equestrian Center, Solid Waste Management, and Land Development Review are included here.
- **Component units** - The County includes six 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 District Attorney Offices of the Fourth Judicial District is a legally separate entity.
 - 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.
 - The El Paso County Department of Health and Environment 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's 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 assets and a statement of changes in fiduciary net assets. 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

Net assets. The County's combined net assets were \$178 million in 2003. Looking at the net assets and net expenses of governmental and business-type activities separately, however, two very different stories emerge. The following focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 143.2	\$ 188.6	\$ 17.8	\$ 2.8	\$ 161.0	\$ 191.4
Capital assets	<u>169.3</u>	<u>111.9</u>	<u>3.6</u>	<u>18.3</u>	<u>172.9</u>	<u>130.2</u>
Total assets	312.5	300.5	21.4	21.1	333.9	321.6
Long-term debt outstanding	107.1	107.3	.2	.2	107.3	107.5
Other liabilities	<u>48.7</u>	<u>44.1</u>	<u>.1</u>	<u>-</u>	<u>48.8</u>	<u>44.1</u>
Total liabilities	155.8	151.4	.3	.2	156.1	151.6
Net assets:						
Invested in capital assets, net of related debt	118.5	92.8	17.8	18.3	136.3	111.1
Restricted	8.3	12.2	-	-	8.3	12.2
Unrestricted	<u>29.9</u>	<u>44.1</u>	<u>3.3</u>	<u>2.6</u>	<u>33.2</u>	<u>46.7</u>
Total net assets	<u>\$ 156.7</u>	<u>\$ 149.1</u>	<u>\$ 21.1</u>	<u>\$ 20.9</u>	<u>\$ 177.8</u>	<u>\$ 170.0</u>

For more detailed information see page 20 for the Statement of Net Assets.

Normal Impacts

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

Net Results of Activities - which will impact (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.

Net assets of the County's governmental activities were \$156.7 million. However, most of those net assets either are restricted as to the purposes they can be used for or are in capital assets (buildings, roads, bridges, and so on). Unrestricted net assets is the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net assets showed a \$29.9 million surplus at the end of this year. However, the unrestricted funds are designated for specific purposes within the County's funds. The designations are disclosed in the fund financial statements. This surplus is the result of having current available resources greater than the long-term commitments. The County is required 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 benefits increases. Accordingly, the amount of this emergency reserve" at December 31, 2003 is \$3.9 million.

Changes in net assets. The County's total revenues were \$198.8 million for 2003. Approximately 13% of the County's revenues come from charges for services. The total cost of all programs and services was \$191.0 million.

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues						
Program revenues						
Charges for services	\$ 22.7	\$ 19.2	\$ 3.2	\$ 3.0	\$ 25.9	\$ 22.2
Operating grants	51.6	52.3	-	-	51.6	52.3
Capital grants	15.9	14.5	-	-	15.9	14.5
General revenues						
Property taxes	34.1	24.8	-	-	34.1	24.8
Sales tax	60.3	60.2	-	-	60.3	60.2
Other taxes	9.4	10.4	-	-	9.4	10.4
Other revenues	<u>1.6</u>	<u>.4</u>	<u>-</u>	<u>-</u>	<u>1.6</u>	<u>.4</u>
Total revenue	195.6	181.8	3.2	3.0	198.8	184.8
Expenses						
General government	47.7	56.1	-	-	47.7	56.1
Public safety	58.3	45.4	-	-	58.3	45.4
Public works	15.6	16.1	-	-	15.6	16.1
Health and welfare	57.6	54.2	.6	.6	58.2	54.8
Culture and recreation	3.3	2.9	2.7	2.6	6.0	5.5
Auxiliary services	.4	.5	.2	.1	.6	.6
Interest on long term debt	<u>4.6</u>	<u>.9</u>	<u>-</u>	<u>-</u>	<u>4.6</u>	<u>.9</u>
Total expenses	187.5	176.1	3.5	3.3	191.0	179.4
Increase (decrease) in net assets before transfers	8.1	5.7	(.3)	(.3)	7.8	5.4
Transfers	<u>(.4)</u>	<u>(21.2)</u>	<u>.4</u>	<u>21.2</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ 7.7</u>	<u>\$ (15.5)</u>	<u>\$.1</u>	<u>\$ 20.9</u>	<u>\$ 7.8</u>	<u>\$ 5.4</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 Impacts on 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)

	<u>Total Cost</u> <u>of Services</u>		<u>Net Cost (Revenue)</u> <u>of Services</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Public safety	\$ 58.3	\$ 45.4	\$ 48.7	\$ 36.2
Public works	15.6	16.1	(2.1)	.1
Health and welfare	57.6	54.2	15.9	12.7
Culture and recreation	<u>3.3</u>	<u>2.9</u>	<u>2.1</u>	<u>1.6</u>
Total	<u>\$ 134.8</u>	<u>\$ 118.6</u>	<u>\$ 64.6</u>	<u>\$ 50.6</u>

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

As the County completed the year, the governmental funds reported a combined fund balance of \$110.0 million. However, included in this year’s total change in fund balance was a \$2.9 million decrease in the Social Services fund and a \$.3 million decrease in other special revenue funds.

General Fund Budgetary Highlights

Over the course of the year, the County Commissioners revised the County's budget with a total of 60 resolutions for a net increase of \$8,849,160. The three largest budget amendments are as follows and total \$7,941,963. The remaining \$907,197 of resolutions were all under \$84,000 each. The three largest budget amendments are as follows:

- Resolution 03-042 was approved by the County Commissioners to reappropriate \$4,590,944 of 2002 projects in process but not yet completed and for items ordered but not yet received. These purchases and projects were scheduled to be completed during 2003.
- Resolution 03-011 was approved by the County Commissioners to reappropriate \$3,126,019 for Additional Funding Requests. Also approved were 14 new General Fund positions.
- Resolution 02-462 was approved by the County Commissioners to appropriate \$255,000. This was for Right-Of-Ways for the Milam Road Extension and Shoup Road Realignment Project.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the County had invested \$197.7 million in a broad range of capital assets, including land, buildings, equipment, infrastructure, park facilities, etc. (See Table 4.)

Table 4
El Paso County Capital Assets
(in millions)

	<u>Governmental</u> <u>Activities</u>	
	<u>2003</u>	<u>2002</u>
Land	\$ 13.8	\$ 13.4
Construction in progress	13.6	0.1
Buildings & improvements	86.7	84.9
Machinery and equipment	47.5	43.2
Infrastructure	<u>36.1</u>	<u>17.1</u>
Total	<u>\$ 197.7</u>	<u>\$ 158.7</u>

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2003 amounts to \$161.0 million (net of accumulated depreciation). 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 the current fiscal year included the following:

- During 2003, there was \$12,907,461 of construction in progress purchased for the construction of the Detention Facility Expansion.

- During 2003, there was \$513,218 of construction in progress purchased for architect and engineering services for the Judicial Building.
- During 2003, there was \$19,072,928 of infrastructure added to the County of which \$11,176,570 was donated subdivisions and of which the remaining \$7,896,358 was purchased by the Road and Bridge Fund.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, traffic signals, underground pipes [unless associated with a utility], etc.) have not been reported nor depreciated in governmental financial statements. GASB 34 requires that these assets be valued and reported within the governmental activities section of the government-wide financial statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The information about the condition and maintenance of the condition of the government infrastructure assets should assist financial statement users in evaluating a local government and its performance over time. El Paso County has elected to depreciate these assets over their estimated useful lives. In 2002 and 2003 respectively, the County has added \$17.1 million and \$19.1 million of infrastructure of which \$12.4 million and \$11.1 million was donated rights-of-way and subdivisions.

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

Long-term Debt

During 2003, El Paso County did not have a material change in the long-term debt accounts due to the fact that the Series 2002A and Series 2002B certificates of participation, which comprised the majority of those balances, do not have their principal payments due until 2004.

Additional information about El Paso County's long-term debt is presented in the notes to the financial statements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Financial Services Office, at El Paso County, 27 E. Vermijo, Fifth Floor, Colorado Springs, Colorado 80903.

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BASIC FINANCIAL STATEMENTS

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El Paso County, Colorado
STATEMENT OF NET ASSETS
December 31, 2003

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	El Paso County Department of Health and Environment	The El Paso County Housing Authority
ASSETS					
Cash and investments	\$ 110,643,197	\$ 3,486,892	\$ 114,130,089	\$ 900	\$ 3,179,565
Receivables					
Property taxes	33,922,989	-	33,922,989	-	-
Accounts	281,682	215,548	497,230	45,397	45,730
Intergovernmental	20,581,248	17,603	20,598,851	6,809,916	-
Interest	40,726	-	40,726	-	5,968
Notes	-	-	-	-	1,691,166
Internal balances	149,237	(149,237)	-	-	-
Inventories	2,007,207	-	2,007,207	-	-
Prepaid items	129,497	-	129,497	74,183	-
Unamortized issuance costs	1,554,302	-	1,554,302	-	-
Capital assets, net of accumulated depreciation	143,167,861	17,823,736	160,991,597	681,629	-
Total assets	<u>\$ 312,477,946</u>	<u>\$ 21,394,542</u>	<u>\$ 333,872,488</u>	<u>\$ 7,612,025</u>	<u>\$ 4,922,429</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	\$ 8,707,260	\$ 109,618	\$ 8,816,878	\$ 210,262	\$ 37,306
Due to other governments	2,305,408	-	2,305,408	-	-
Interest payable	376,728	-	376,728	-	-
Accrued liabilities	3,286,765	-	3,286,765	1,367,542	2,322
Deferred revenue	34,020,945	3,623	34,024,568	102,198	1,691,167
Noncurrent liabilities					
Due within one year	2,494,956	5,059	2,500,015	-	-
Due in more than one year	104,549,699	200,552	104,750,251	-	-
Total liabilities	155,741,761	318,852	156,060,613	1,680,002	1,730,795
NET ASSETS					
Invested in capital assets, net of related debt	118,535,632	17,823,736	136,359,368	681,629	-
Restricted					
Declared emergencies	3,887,842	-	3,887,842	505,496	-
Debt service	4,372,618	-	4,372,618	-	-
Unrestricted	29,940,093	3,251,954	33,192,047	4,744,898	3,191,634
Total net assets	156,736,185	21,075,690	177,811,875	5,932,023	3,191,634
Total liabilities and net assets	<u>\$ 312,477,946</u>	<u>\$ 21,394,542</u>	<u>\$ 333,872,488</u>	<u>\$ 7,612,025</u>	<u>\$ 4,922,429</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado
STATEMENT OF ACTIVITIES
For the year ended December 31, 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 47,747,062	\$17,562,445	\$ 2,332,294	\$ -
Public safety	58,328,018	2,070,767	7,567,790	-
Public works	15,586,001	2,609,072	274,259	14,770,775
Health and welfare	57,633,160	289,178	41,324,535	75,546
Culture and recreation	3,290,235	120,708	42,161	1,077,152
Auxiliary services	390,897	-	36,125	-
Outside agencies	-	-	-	-
Interest on long-term debt	4,577,409	-	-	-
Total governmental activities	<u>187,552,782</u>	<u>22,652,170</u>	<u>51,577,164</u>	<u>15,923,473</u>
Business-type activities				
Equestrian center	870,650	638,155	-	-
County fair	397,710	207,759	-	-
Arts facility	1,432,876	929,615	-	-
Waste management	617,281	661,720	27,000	-
Land development	240,416	804,197	-	-
Total business-type activities	<u>3,558,933</u>	<u>3,241,446</u>	<u>27,000</u>	<u>-</u>
Total primary government	<u>\$191,111,715</u>	<u>\$25,893,616</u>	<u>\$ 51,604,164</u>	<u>\$ 15,923,473</u>
Component units				
Health department	\$ 21,091,193	\$ 2,208,276	\$ 19,292,231	\$ -
Housing authority	1,100,106	448,928	640,522	-
Total component units	<u>\$ 22,191,299</u>	<u>\$ 2,657,204</u>	<u>\$ 19,932,753</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Sales taxes
 Other taxes
 Investment earnings
 Gain on sale of capital assets
Transfers
 Total general revenues and transfers
Change in net assets
Net assets - January 1
Net assets - December 31

The accompanying notes are an integral part of this statement.

Net (expense) revenue and changes in net assets

Primary government			El Paso County Department of Health and Environment	The El Paso County Housing Authority
Governmental Activities	Business-type Activities	Total		
\$ (27,852,323)	\$ -	\$ (27,852,323)	\$ -	\$ -
(48,689,461)	-	(48,689,461)	-	-
2,068,105	-	2,068,105	-	-
(15,943,901)	-	(15,943,901)	-	-
(2,050,214)	-	(2,050,214)	-	-
(354,772)	-	(354,772)	-	-
-	-	-	-	-
<u>(4,577,409)</u>	-	<u>(4,577,409)</u>	-	-
<u>(97,399,975)</u>	-	<u>(97,399,975)</u>	-	-
-	232,495	232,495	-	-
-	189,951	189,951	-	-
-	503,261	503,261	-	-
-	(71,439)	(71,439)	-	-
-	<u>(563,781)</u>	<u>(563,781)</u>	-	-
-	290,487	290,487	-	-
<u>(97,399,975)</u>	<u>(290,487)</u>	<u>(97,690,462)</u>	-	-
-	-	-	409,314	-
-	-	-	-	<u>(10,656)</u>
-	-	-	<u>409,314</u>	<u>(10,656)</u>
34,134,150	-	34,134,150	-	-
60,324,356	-	60,324,356	-	-
9,419,579	-	9,419,579	-	-
1,492,800	30,085	1,522,885	52,977	78,235
118,175	-	118,175	-	-
<u>(413,343)</u>	413,343	-	-	-
<u>105,075,717</u>	<u>443,428</u>	<u>105,519,145</u>	<u>52,977</u>	<u>78,235</u>
7,675,742	152,941	7,828,683	462,291	67,579
149,060,443	20,922,749	169,983,192	5,469,732	3,124,055
<u>\$ 156,736,185</u>	<u>\$ 21,075,690</u>	<u>\$ 177,811,875</u>	<u>\$ 5,932,023</u>	<u>\$ 3,191,634</u>

El Paso County
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2003

	General	Capital Projects	Road and Bridge
ASSETS			
Cash and investments	\$ 7,504,673	\$74,484,475	\$ 4,968,652
Taxes receivable	12,588,717	3,759,774	7,124,600
Accounts receivable	78,510	17	1,656
Due from other funds	1,099,509	20,020	681
Due from other governments	11,797,595	-	3,785,819
Inventories	393,861	-	974,213
Prepaid items	110,497	-	-
Total assets	<u>\$33,573,362</u>	<u>\$78,264,286</u>	<u>\$16,855,621</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,405,943	\$ 1,428,237	\$ 1,080,400
Due to other funds	126,752	-	133,662
Due to other governments	-	-	32,059
Deferred revenue	12,686,673	3,759,774	7,124,600
Total liabilities	<u>16,219,368</u>	<u>5,188,011</u>	<u>8,370,721</u>
FUND BALANCES			
Reserved			
Declared emergencies	-	-	-
Encumbrances	1,055,479	60,805	1,667,355
Inventories	393,861	-	974,213
Prepaid items	110,497	-	-
Debt service	-	4,372,618	-
Construction	-	64,943,757	-
Unreserved			
General fund			
Designated for board projects	3,600,000	-	-
Designated for subsequent year's expenditures/cash flows	12,194,157	-	-
Capital projects fund			
Designated for subsequent year's expenditures	-	1,056,932	-
Undesignated	-	2,642,163	-
Special revenue funds			
Designated for board projects	-	-	-
Designated for subsequent year's expenditures/cash flows	-	-	5,843,332
Undesignated	-	-	-
Total fund balances	<u>17,353,994</u>	<u>73,076,275</u>	<u>8,484,900</u>
Total liabilities and fund balances	<u>\$33,573,362</u>	<u>\$78,264,286</u>	<u>\$16,855,621</u>

The accompanying notes are an integral part of this statement.

Social Services	Other Governmental Funds	Total Governmental Funds
\$ 3,219,883	\$ 8,229,572	\$ 98,407,255
6,121,737	3,065,079	32,659,907
4,456	185,828	270,467
918	40,036	1,161,164
3,721,301	1,276,363	20,581,078
-	-	1,368,074
-	-	110,497
<u>\$ 13,068,295</u>	<u>\$ 12,796,878</u>	<u>\$ 154,558,442</u>

\$ 1,408,758	\$ 808,369	\$ 8,131,707
490,847	623,698	1,374,959
2,273,349	-	2,305,408
<u>6,121,737</u>	<u>3,065,079</u>	<u>32,757,863</u>
<u>10,294,691</u>	<u>4,497,146</u>	<u>44,569,937</u>

-	3,887,842	3,887,842
-	471,124	3,254,763
-	-	1,368,074
-	-	110,497
-	-	4,372,618
-	-	64,943,757
-	-	-
-	-	3,600,000
-	-	12,194,157
-	-	1,056,932
-	-	2,642,163
-	-	-
-	406,394	6,249,726
<u>2,773,604</u>	<u>3,534,372</u>	<u>6,307,976</u>
<u>2,773,604</u>	<u>8,299,732</u>	<u>109,988,505</u>
<u>\$ 13,068,295</u>	<u>\$ 12,796,878</u>	<u>\$ 154,558,442</u>

El Paso County, Colorado
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
December 31, 2003

Amounts reported for governmental activities in the statement of net assets (page 20)
are different because:

Fund balances - total governmental funds (page 23)	\$ 109,988,505
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	135,111,366
Internal service funds are used by management to charge the costs of fleet management and insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	17,251,631
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	40,726
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	(376,728)
Capital leases payable	(498,788)
Compensated absences payable	(11,311,713)
Certificates of participation payable	(93,480,000)
Unamortized premium (to be amortized as interest expense)	(1,543,116)
Unamortized issuance costs (to be amortized over life of debt)	1,554,302
Net assets - governmental activities (page 20)	\$ 156,736,185

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, 2003

	General	Capital Projects	Road and Bridge	Social Services	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$12,515,989	\$ 6,151,597	\$7,231,635	\$ 5,132,108	\$ 3,102,821	\$ 34,134,150
Sales taxes	60,324,356	-	-	-	-	60,324,356
Other taxes	212,457	-	9,006,548	126,009	74,565	9,419,579
Intergovernmental	7,776,477	-	6,314,782	35,787,591	7,585,162	57,464,012
Fees and fines	527,757	-	-	-	103,392	631,149
Licenses and permits	148,948	-	-	-	-	148,948
Charges for services	17,412,541	-	31,583	83,660	78,309	17,606,093
Investment earnings	743,783	661,478	77,961	-	2,593	1,485,815
Miscellaneous	1,550,577	-	94,170	25,358	1,380,383	3,050,488
Total revenues	<u>101,212,885</u>	<u>6,813,075</u>	<u>22,756,679</u>	<u>41,154,726</u>	<u>12,327,225</u>	<u>184,264,590</u>
Expenditures						
Current						
General government	37,517,738	92,406	-	-	6,225,636	43,835,780
Public safety	43,984,516	-	-	-	9,468,947	53,453,463
Public works	-	-	13,731,408	-	-	13,731,408
Health and welfare	7,498,371	-	-	43,064,579	5,469,003	56,031,953
Culture and recreation	2,672,453	-	-	-	147,520	2,819,973
Auxiliary services	581,881	-	-	-	-	581,881
Debt service						
Principal	-	1,702,046	-	41,647	-	1,743,693
Interest and other charges	-	4,569,276	-	15,191	-	4,584,467
Capital outlay	3,352,643	14,426,933	9,810,987	-	179,256	27,769,819
Total expenditures	<u>95,607,602</u>	<u>20,790,661</u>	<u>23,542,395</u>	<u>43,121,417</u>	<u>21,490,362</u>	<u>204,552,437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,605,283</u>	<u>(13,977,586)</u>	<u>(785,716)</u>	<u>(1,966,691)</u>	<u>(9,163,137)</u>	<u>(20,287,847)</u>
Other financing sources (uses)						
Refund of bond issuance costs	-	33,861	-	-	-	33,861
Proceeds from sale of fixed assets	119,364	-	-	-	-	119,364
Transfers in	1,011,008	6,606	-	-	10,236,667	11,254,281
Transfers out	(9,894,465)	-	(565,015)	(901,068)	(15,966)	(11,376,514)
Total other financing sources (uses)	<u>(8,764,093)</u>	<u>40,467</u>	<u>(565,015)</u>	<u>(901,068)</u>	<u>10,220,701</u>	<u>30,992</u>
NET CHANGE IN FUND BALANCES	<u>(3,158,810)</u>	<u>(13,937,119)</u>	<u>(1,350,731)</u>	<u>(2,867,759)</u>	<u>1,057,564</u>	<u>(20,256,855)</u>
Fund balances - January 1	<u>20,512,804</u>	<u>87,013,394</u>	<u>9,835,631</u>	<u>5,641,363</u>	<u>7,242,168</u>	<u>130,245,360</u>
Fund balances - December 31	<u>\$17,353,994</u>	<u>\$73,076,275</u>	<u>\$8,484,900</u>	<u>\$ 2,773,604</u>	<u>\$ 8,299,732</u>	<u>\$109,988,505</u>

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, 2003

Amounts reported for governmental activities in the statement of activities (page 21)
are different because:

Net change in fund balances - total governmental funds (page 26)	\$ (20,256,855)
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	27,769,819
Depreciation	(7,898,593)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. The details of this difference are as follows:	
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	11,252,117
In the statement of activities, only the gain 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 assets differs from the change in fund balance by the cost of the capital assets sold.	(47,632)
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, however, has any effect on net assets. 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:	
Refunds of issuance costs	(33,861)
Principal repayments	1,743,693
Amortization of debt premium	64,297
Amortization of issuance costs	(64,762)
Some 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	(1,526,729)
Accrued interest	7,523
Internal service funds are used by management to charge the costs of fleet management and insurance programs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	
	(3,340,260)
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	
	6,985
Change in net assets - governmental activities (page 21)	\$ 7,675,742

The accompanying notes are an integral part of this statement.

El Paso County, Colorado
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 December 31, 2003

ASSETS	Business-type Activities			Governmental
	Pikes Peak Center	Other Enterprise Funds	Totals	Activities- Internal Service Funds
Current assets				
Cash and investments	\$ 563,662	\$ 2,923,230	\$ 3,486,892	\$12,235,942
Accounts receivable	6,580	208,968	215,548	11,215
Taxes receivable	-	-	-	1,263,082
Intergovernmental receivable	-	17,603	17,603	170
Due from other funds	-	-	-	391,433
Prepaid expenses	-	-	-	19,000
Inventories	-	-	-	639,133
Total current assets	570,242	3,149,801	3,720,043	14,559,975
Noncurrent assets				
Capital assets, net of accumulated depreciation	12,622,154	5,201,582	17,823,736	8,056,495
Total assets	\$13,192,396	\$ 8,351,383	\$21,543,779	\$22,616,470
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 29,944	\$ 79,674	\$ 109,618	\$ 575,553
Accrued liabilities	-	-	-	3,286,765
Compensated absences	-	5,059	5,059	208
Deferred revenue	-	3,623	3,623	1,263,082
Due to other funds	30,459	106,449	136,908	40,730
Total current liabilities	60,403	194,805	255,208	5,166,338
Noncurrent liabilities				
Compensated absences	113,879	86,673	200,552	210,830
Total liabilities	174,282	281,478	455,760	5,377,168
NET ASSETS				
Invested in capital assets, net of related debt	12,622,154	5,201,582	17,823,736	8,056,495
Unrestricted	395,960	2,868,323	3,264,283	9,182,807
Total net assets	13,018,114	8,069,905	21,088,019	17,239,302
Total liabilities and net assets	\$13,192,396	\$ 8,351,383	\$21,543,779	\$22,616,470
Total net assets			\$21,088,019	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(12,329)	
Net assets of business-type activities			\$21,075,690	

The accompanying notes are an integral part of this statement.

El Paso County, Colorado
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 For the year ended December 31, 2003

	Business-type Activities			Governmental
	Pikes Peak Center	Other Enterprise Funds	Totals	Activities- Internal Service Funds
Operating revenues				
Charges for services	\$ 929,615	\$ 2,294,147	\$ 3,223,762	\$13,091,586
Operating expenses				
Insurance premiums	-	-	-	892,526
Claim settlements	-	-	-	14,162,717
Depreciation	348,283	197,769	546,052	1,349,971
Administration and operations	1,072,367	1,911,140	2,983,507	4,657,766
Total operating expenses	1,420,650	2,108,909	3,529,559	21,062,980
Operating income (loss)	(491,035)	185,238	(305,797)	(7,971,394)
Nonoperating revenues				
Taxes	-	-	-	4,774,545
Investment earnings	4,914	25,171	30,085	-
Operating grant	-	27,000	27,000	-
Gain on sale of fixed assets	-	-	-	46,443
Miscellaneous	-	17,684	17,684	71,882
Total nonoperating revenues	4,914	69,855	74,769	4,892,870
Income (loss) before transfers	(486,121)	255,093	(231,028)	(3,078,524)
Transfers in	135,496	301,905	437,401	-
Transfers out	(5,168)	(18,890)	(24,058)	(291,110)
Change in net assets	(355,793)	538,108	182,315	(3,369,634)
Net assets - January 1	13,373,907	7,531,797	20,905,704	20,608,936
Net assets - December 31	\$13,018,114	\$ 8,069,905	\$21,088,019	\$17,239,302
Change in net assets			\$ 182,315	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(29,374)	
Change in net assets of business-type activities			\$ 152,941	

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, 2003

	Business-type Activities			Governmental
	Pikes	Other	Totals	Activities-
	Peak Center	Enterprise Funds		Internal Service Funds
Cash flows from operating activities				
Receipts from customers	\$ 923,197	\$2,373,743	\$ 3,296,940	\$ 292,040
Receipts from interfund services provided	-	-	-	12,937,069
Payments to suppliers	(27,998)	(778,873)	(806,871)	(17,070,533)
Payments to employees	(846,785)	(772,337)	(1,619,122)	(1,591,581)
Payments for interfund services used	(146,135)	(334,867)	(481,002)	(536,845)
Net cash provided by (used in) operating activities	<u>(97,721)</u>	<u>487,666</u>	<u>389,945</u>	<u>(5,969,850)</u>
Cash flows from noncapital financing activities				
Taxes received	-	-	-	4,774,545
Operating grants	-	27,000	27,000	-
Transfers in	135,496	295,476	430,972	-
Transfers out	(5,168)	(18,890)	(24,058)	(291,110)
Net cash provided by noncapital financing activities	<u>130,328</u>	<u>303,586</u>	<u>433,914</u>	<u>4,483,435</u>
Cash flows from capital and related financing activities				
Proceeds from sales of fixed assets	-	-	-	133,659
Capital expenditures	-	-	-	(1,600,634)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,466,975)</u>
Cash flows from investing activities				
Interest received	<u>4,914</u>	<u>25,171</u>	<u>30,085</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	37,521	816,423	853,944	(2,953,390)
Cash and cash equivalents - January 1	<u>526,141</u>	<u>2,106,807</u>	<u>2,632,948</u>	<u>15,189,332</u>
Cash and cash equivalents - December 31	<u>\$ 563,662</u>	<u>\$2,923,230</u>	<u>\$ 3,486,892</u>	<u>\$12,235,942</u>

(Continued)

El Paso County, Colorado
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS - CONTINUED
 For the year ended December 31, 2003

	Business-type Activities			Governmental Activities- Internal Service Fund
	Pikes Peak Center	Other Enterprise Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$(491,035)	\$ 185,238	\$ (305,797)	\$(7,971,394)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Miscellaneous revenue	-	17,684	17,684	71,882
Depreciation expense	348,283	197,769	546,052	1,349,971
(Increase) decrease in assets				
Accounts receivable	(6,418)	58,594	52,176	219,889
Intergovernmental receivables	-	(305)	(305)	269
Due from other funds	-	-	-	(154,517)
Prepaid expenses	-	-	-	(19,000)
Inventories	-	-	-	45,644
Increase (decrease) in liabilities				
Accounts payable	29,251	(5,445)	23,806	(312,217)
Accrued liabilities	-	-	-	834,673
Compensated absences	13,496	16,859	30,355	18,359
Due to other funds	8,702	13,649	22,351	(53,409)
Deferred revenue	-	3,623	3,623	-
Net cash provided by (used in) operating activities	<u>\$ (97,721)</u>	<u>\$ 487,666</u>	<u>\$ 389,945</u>	<u>\$ (5,969,850)</u>
Noncash investing, capital and financing activities:				
Purchase of capital assets through incurrence of accounts payable	-	47,403	47,403	-
Transfer in of capital assets	-	6,429	6,429	-

The accompanying notes are an integral part of this statement.

El Paso County, Colorado
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 December 31, 2003

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$219,906,005	\$2,559,173	\$31,804,893
Receivables			
Accounts	9,717,529	-	-
Interest	513,273	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>230,136,807</u>	<u>2,559,173</u>	<u>31,804,893</u>
LIABILITIES			
Accounts payable	1,747,450	5,865	16,823
Due to other governments	-	-	28,494,408
Escrow deposits held by trustee	-	-	423,196
Funds due to bondholders	-	-	163,609
Other	23,631,628	-	2,706,857
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>25,379,078</u>	<u>5,865</u>	<u>31,804,893</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$204,757,729</u>	<u>\$2,553,308</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 For the year ended December 31, 2003

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds
Additions		
Contributions		
Employers	\$ 5,525,400	\$ -
Employees	5,847,864	-
Total contributions	11,373,264	-
Charges for services	-	544,639
Other income	47,222	-
Net investment income		
Net appreciation in fair value of investments	40,581,828	-
Interest and dividend income	3,153,011	22,653
	43,734,839	22,653
Less investment expenses	(1,316,743)	-
Net investment income	42,418,096	22,653
Total additions	53,838,582	567,292
Deductions		
Outside agencies	-	428,992
Benefits	7,684,864	-
Refunds	1,414,807	-
Administrative expenses	347,520	-
Total deductions	9,447,191	428,992
Change in net assets	44,391,391	138,300
Net assets - January 1	160,366,338	2,415,008
Net assets - December 31	\$ 204,757,729	\$ 2,553,308

The accompanying notes are an integral part of this statement.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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 to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in the aggregate in the combined financial statements with combining statements included in the basic financial statements. Each blended and discretely presented component unit has a December 31 year end.

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.

District Attorney Offices of the Fourth Judicial District

The District Attorney is the prosecutor for the 4th Judicial District of Colorado and is legally separate from the County. This district is made up of and governed by two counties, El Paso and Teller. El Paso is the larger of the two counties and its Board of County Commissioners appropriates approximately 90 percent of the funding for this department's expenditures.

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% of the funds in the plan.

El Paso County Facilities Corporation

This is 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 membership of the Board of County Commissioners of the County, to borrow money and to become indebted and to execute

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

1. *Reporting entity - continued*

Blended component units - continued

El Paso County Facilities Corporation - continued

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 of the County are deemed members of the Corporation for the purpose of appointing and removing members of the Corporation's Board of Directors.

Discretely presented component units

El Paso County Department of Health and Environment

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 Department of Health and Environment administers public health services for El Paso County residents.

The 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 Finance Department.

2. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund 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.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Government-wide and fund financial statements - continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 and major individual enterprise 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. 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 uncollectibles. 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.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

The *road and bridge fund* accounts for construction and maintenance of County roads and bridges financed by property taxes, highway users fees, and other revenues restricted to use on roads and bridges.

The *social services fund* accounts for the federal and state public welfare programs administered by the County and financed by grants, intergovernmental reimbursements, and property taxes.

The County reports the following major proprietary fund:

The *Pikes Peak Center fund* accounts for the operations of a 2,000 seat auditorium. The auditorium was established as a result of a partnership between a citizens group and El Paso County in 1982.

Additionally, the County reports the following fund types:

Enterprise funds account for activities for which a fee is charged to external users for goods or services.

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.

The *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 *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.

The *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 that the County holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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

A. Deposits and investments

Deposits consist of cash equivalent accounts and interest-bearing bank accounts.

The County's investments are authorized by Colorado Statutes which provide for the following:

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

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

- Corporate notes, bonds, and debentures.
- Railroad equipment trust certificates.
- Real property.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. *Assets, liabilities and net assets or equity - continued*

A. Deposits and investments - continued

- Loans secured by first mortgages or deeds of trust on real property.
- Participating agreements with life insurance companies.
- Equity securities subject to certain limitations.

The pension trust 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.

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.

El Paso County, Colorado
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. *Assets, liabilities and net assets or equity - continued*

C. Inventories and prepaid items - continued

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, 2003 was \$64,943,757. 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, 2003 was \$4,372,618.

E. Capital assets

Capital assets, which include property, plant, and 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. Donated fixed 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 are constructed.

The County meets the requirements of Phase I implementation of GASB Statement No. 34. For the period beginning after June 15, 2005, GASB 34 requires infrastructure to be capitalized retroactively to 1980. As of December 31, 2003, the County has not retroactively capitalized its infrastructure.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

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

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. *Assets, liabilities and net assets or equity- continued*

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 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 assets. 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.

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.

H. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not appropriable or are legally segregated for specific purposes. Designations of fund balance represent tentative management plans that are subject to change.

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 and the Struther's Road Agency Fund 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 the Struther's Road Agency Fund. All annual appropriations lapse at fiscal year end.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

1. *Budgetary information - continued*

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 reappropriation of year-end encumbrances. Encumbrances outstanding as of December 31, 2003, are reported as reservations of fund balances and 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:

- A. 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 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.
- B. Public hearings are conducted by the County to obtain taxpayer comments.
- C. Prior to December 31, the budget is legally enacted through passage of an appropriation resolution.
- D. Any revisions that alter the total expenditures of any fund must be approved by the County Commissioners by passage of a resolution.
- E. The El Paso County Sheriff Special Investigation Fund does not and is not required by state law to adopt an annual budget.
- F. The Road and Bridge Fund budgets expenditures using the natural classifications (i.e., salary expenditures of the expenditures. 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.

2. *Excess of expenditures over appropriations*

The self-insurance internal service fund had excesses of expenditures over appropriations for the year ended December 31, 2003 in the amount of \$500,215.

El Paso County, Colorado
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS

1. *Deposits and investments*

Deposits

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 determined 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 be at least equal to 102% of the uninsured deposits.

Deposits are categorized to give an indication of risk assumed by the government at the end of the year. Category 1 includes deposits that are insured or collateralized with securities held by the County or by its agent in the County's name, Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, including deposits required to be collateralized in single institution pool(s), and Category 3 includes uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the County's name. As of December 31, 2003, the County's deposits are categorized as follows:

	<u>Bank balance</u>	<u>Carrying balance</u>
Cash on hand	\$ -	\$ 43,996
Categorized deposits		
Deposits covered by Federal insurance - Category 1	790,466	690,466
Deposits required to be collateralized in single institution pool(s) - Category 2	<u>29,722,639</u>	<u>23,672,395</u>
	<u>\$ 30,513,105</u>	<u>\$ 24,406,857</u>

Investments - Unrestricted

Investments and deposits are summarized below. Investments that are represented by specific identifiable investment securities are classified by the three categories described below:

- Category 1 - Insured or registered, or securities held by the County or its agent in the County's name.

- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

1. *Deposits and investments - continued*

Investments – Unrestricted - continued

Category 3 - Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name.

The following table includes deposits for disclosure of the amounts recorded in the basic financial statement for cash and investments and for equity in pooled cash and investments. The categories for deposits are disclosed above in the Deposits section of note C1.

	December 31, 2003				
	Category			Carrying balance	Bank balance
	1	2	3		
Cash and investments					
<u>Investments:</u>					
Repurchase agreements	\$ -	\$ -	\$ 2,008,049	\$ 2,008,049	\$ -
U.S. Government					
Securities	15,941,104	-	-	15,941,104	-
Corporate bonds					
and debentures	13,758,068	-	-	13,758,068	-
Common stock	54,639,093	-	-	54,639,093	-
Money market mutual funds	69,316,375	-	-	69,316,375	-
Not subject to categorization					
Colorado Government					
Liquid Asset Trust (COLOTRUST)	-	-	-	57,397,081	-
Open-ended domestic equity mutual funds	-	-	-	36,444,860	-
Open-ended foreign equity mutual funds	-	-	-	30,934,654	-
Securities lending short-term collateral investment pool	-	-	-	23,631,628	-
Investments held by broker-dealers under securities loans with cash collateral					
Common stocks	-	-	-	14,054,384	-
Corporate bonds and debentures	-	-	-	4,430,847	-
U.S. Government					
Securities	-	-	-	4,476,311	-
Fixed income mutual funds	-	-	-	20,141,314	-

El Paso County, Colorado
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

1. *Deposits and investments - continued*

Investments – Unrestricted – continued

	December 31, 2003			Carrying balance	Bank balance
	Category				
	1	2	3		
<u>Deposits and cash on hand:</u>					
Cash on hand	-	-	-	43,996	-
Deposits insured by federal deposit insurance	-	-	-	690,466	790,466
Deposits required to be collateralized in single institution pools	-	-	-	23,672,395	29,722,639
 Total cash and investments	<u>\$153,654,640</u>	<u>\$ -</u>	<u>\$ 2,008,049</u>	<u>\$371,580,625</u>	<u>\$ 30,513,105</u>

Repurchase agreements of \$2,008,049 included in Category 3 above are backed by U.S. Treasury Bills.

The County invests in the Colorado Government Liquid Asset Trust (COLOTRUST) local government investment pool which is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes to pool surplus funds for investment purposes. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes.

A total of \$250,000 is maintained as a compensating balance in a bank account as of December 31, 2003.

During the year ended December 31, 2003, the El Paso County Retirement Plan's (Plan) investments (including investments bought, sold and held during the year) appreciated in value by \$40,581,828. The Plan's investments at market value as of December 31, 2003, are as follows:

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

1. *Deposits and investments - continued*

Investments - Unrestricted - continued

U.S. Government securities	\$ 8,359,846
Corporate bonds and debentures	18,188,915
Common stocks	68,693,477
Open-ended domestic equity mutual funds	36,444,860
Open-ended foreign equity mutual funds	30,934,654
Securities lending short term collateral investment pool	23,631,628
Open-ended fixed income mutual fund	<u>20,141,314</u>
	<u>\$206,394,694</u>
 Total Plan investments	 \$206,394,694
Plan cash and cash equivalents	<u>13,511,311</u>
 Total Plan cash and investments	 <u>\$219,906,005</u>

Securities Lending

The Plan's Board policies permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Plan's custodian, Wells Fargo Bank (the Bank), lends securities for collateral in the form of cash, U.S. Government Securities, or letters of credit issued by a bank with a Thompson Bank Watch rating of "B" or higher. Securities lent at year-end for cash collateral are presented as investments not subject to categorization in the schedule of credit risk above. The Plan does not have the ability to pledge or sell collateral securities, however, there are no securities lent for securities collateral as of December 31, 2003.

Cash received from all loans is commingled for investment purposes. Such cash is invested in repurchase agreements, master notes, U.S. treasuries or agencies, U.S. or Euro dollar certificates of deposit and time deposits, bankers acceptances, commercial paper and other short-term money market instruments, and mutual funds holding any of the previously mentioned securities and subject to policy and standard guidelines established from time to time by the Bank. The prime considerations for the investment portfolio shall be safety of principal and liquidity requirements. The weighted average maturities of these funds as of December 31, 2003, is 15 days.

The Bank may negotiate loans directly or through a finder for a minimum of one day but with no fixed maximum term, retaining the power to terminate the loan at any time unless otherwise agreed to by the Plan. The Plan reserves the right to pre-approve new borrowers. There are no restrictions on the amount of securities that may be lent at one time.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

1. *Deposits and investments - continued*

Securities Lending - continued

Each loan is required to be collateralized in the amount of 102% of the market value of the loaned security and accrued interest. Collateral is marked to market daily. If the market value of the given collateral falls to 100% or less of the loaned security market value, the Bank immediately procures additional collateral to bring the collateralization back to 102%. Collateral in excess of 102% is returned to the Borrower if requested.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and the Bank has failed to live up to its contractual responsibilities relating to the lending of those securities. The Bank's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. The Bank indemnifies the Plan if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay income distributions on them. As of December 31, 2003, the Plan had no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. The Plan had no losses on securities lending transactions resulting from the default of a borrower or the lending agent for the year ended December 31, 2003.

All securities loans can be terminated on demand by either the Plan or the borrower. The Plan is entitled to all cash dividends, stock dividends, stock splits, rights of distribution, conversion privileges, tender and exchange offers, and similar corporate actions with respect to any loaned securities as if the securities had not been loaned. However, during any period when securities are loaned, the Plan waives its right to vote such securities.

As of December 31, 2003, the fair value of lent securities was \$22,961,542. The fair value of associated cash collateral was \$23,631,628. The Plan's income, net of expenses from securities lending, was \$32,650 for the year ended December 31, 2003.

2. *Property taxes*

The County is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended December 31, 2003, was 7.947 mills. The County's assessed valuation for 2003 was \$4,905,766,170. Therefore, the County could have collected \$38,986,124 for 2003 taxes. Instead, the Board of County Commissioners eliminated all of the County's portion of business personal property tax. The property taxes collectible in 2004 total \$33,922,989, net of tax credits and refunds.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

3. *Capital assets*

Capital asset activity for the year ended December 31, 2003 was as follows:

	Balance January 1, 2003	Increases	Decreases	Balance December 31, 2003
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,363,883	\$ 431,293	\$ -	\$ 13,795,176
Construction in progress	<u>82,025</u>	<u>13,588,812</u>	<u>(82,025)</u>	<u>13,588,812</u>
Total capital assets, not being depreciated	<u>13,445,908</u>	<u>14,020,105</u>	<u>(82,025)</u>	<u>27,383,988</u>
Capital assets, being depreciated:				
Buildings	78,922,645	82,025	-	79,004,670
Improvements other than buildings	5,969,845	1,722,025	(7,950)	7,683,920
Machinery and equipment	43,224,082	5,807,512	(1,555,456)	47,476,138
Infrastructure	<u>17,096,267</u>	<u>19,072,928</u>	<u>-</u>	<u>36,169,195</u>
Total capital assets, being depreciated	<u>145,212,839</u>	<u>26,684,490</u>	<u>(1,563,406)</u>	<u>170,333,923</u>
Less accumulated depreciation for:				
Buildings	(25,042,237)	(1,875,342)	-	(26,917,579)
Improvements other than buildings	(294,969)	(272,492)	793	(566,668)
Machinery and equipment	(20,425,731)	(4,886,503)	1,427,765	(23,884,469)
Infrastructure	<u>(967,107)</u>	<u>(2,214,227)</u>	<u>-</u>	<u>(3,181,334)</u>
Total accumulated depreciation	<u>(46,730,044)</u>	<u>(9,248,564)</u>	<u>1,428,558</u>	<u>(54,550,050)</u>
Total capital assets, being depreciated, net	<u>98,482,795</u>	<u>17,435,926</u>	<u>(134,848)</u>	<u>115,783,873</u>
Governmental activities capital assets, net	<u>\$ 111,928,703</u>	<u>\$ 31,456,031</u>	<u>\$ (216,873)</u>	<u>\$ 143,167,861</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 734,430	\$ -	\$ -	\$ 734,430
Capital assets, being depreciated:				
Buildings	20,422,608	-	-	20,422,608
Improvements other than buildings	698,599	53,832	-	752,431
Machinery and equipment	<u>347,356</u>	<u>-</u>	<u>-</u>	<u>347,356</u>
Total capital assets, being depreciated	<u>21,468,563</u>	<u>53,832</u>	<u>-</u>	<u>21,522,395</u>
Less accumulated depreciation for:				
Buildings	(3,543,854)	(510,565)	-	(4,054,419)
Improvements other than buildings	(52,994)	(29,287)	-	(82,281)
Machinery and equipment	<u>(290,189)</u>	<u>(6,200)</u>	<u>-</u>	<u>(296,389)</u>
Total capital assets, being depreciated	<u>(3,887,037)</u>	<u>(546,052)</u>	<u>-</u>	<u>(4,433,089)</u>
Total capital assets, being depreciated, net	<u>17,581,526</u>	<u>(492,220)</u>	<u>-</u>	<u>17,089,306</u>
Business-type activities capital assets, net	<u>\$ 18,315,956</u>	<u>\$ (492,220)</u>	<u>\$ -</u>	<u>\$ 17,823,736</u>

El Paso County, Colorado
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

3. *Capital assets-continued*

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

Governmental activities:	
General government	\$ 2,885,872
Public safety	2,813,586
Public works	1,610,932
Health and welfare	416,972
Culture and recreation	171,231
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,349,971</u>
Total depreciation expense - governmental activities:	<u>\$ 9,248,564</u>

Business-type activities:	
Arts facility	\$ 348,283
County fair	20,659
Equestrian center	151,664
Waste management	<u>25,446</u>
Total depreciation expense - business-type activities:	<u>\$ 546,052</u>

4. *Interfund receivables, payables and transfers*

The composition of interfund balances as of December 31, 2003, is as follows:

Due to/from other funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Road and bridge	\$ 100,003
	Social services	276,046
	Nonmajor governmental funds	556,019
	Pikes Peak Center	29,477
	Nonmajor enterprise funds	105,337
	Nonmajor internal service funds	32,627
Capital projects	Road and bridge	20,020
Road and bridge	General	681
Social services	General	918

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

4. *Interfund receivables, payables and transfers - continued*

Nonmajor governmental	General	6,072
	Social services	23,480
	Nonmajor governmental funds	10,484
Nonmajor internal service	General	119,081
	Road and bridge	13,639
	Social services	191,321
	Nonmajor governmental funds	57,195
	Pikes Peak Center	982
	Nonmajor enterprise funds	1,112
	Nonmajor internal service funds	<u>8,103</u>
Total		<u>\$ 1,552,597</u>

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

Interfund transfers:

	Transfers in					Total
	General fund	Capital projects fund	Nonmajor governmental funds	Pikes Peak Center	Nonmajor enterprise funds	
Transfers out:						
General fund	\$ -	\$ -	\$ 9,463,492	\$ 135,496	\$ 295,477	\$ 9,894,465
Road and bridge fund	534,920	6,606	23,489	-	-	565,015
Social services fund	171,962	-	729,106	-	-	901,068
Nonmajor governmental funds	-	-	9,538	-	-	9,538
Pikes Peak Center	3,768	-	1,400	-	-	5,168
Nonmajor enterprise funds	9,248	-	9,642	-	-	18,890
Nonmajor internal service funds	<u>291,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,110</u>
Total transfers in	<u>\$1,011,008</u>	<u>\$ 6,606</u>	<u>\$ 10,236,667</u>	<u>\$ 135,496</u>	<u>\$ 295,477</u>	<u>\$ 11,685,254</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

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, 2003.

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
Certificates of participation	\$95,110,000	\$ -	\$ (1,630,000)	\$ 93,480,000	\$ 1,705,000
Plus issuance premium	<u>1,607,413</u>	<u>-</u>	<u>(64,297)</u>	<u>1,543,116</u>	<u>-</u>
Total certificates of participation	96,717,413	-	(1,694,297)	95,023,116	1,705,000
Capital leases	612,481	-	(113,693)	498,788	120,389
Compensated absences	<u>9,977,663</u>	<u>1,545,088</u>	<u>-</u>	<u>11,522,751</u>	<u>669,567</u>
Governmental activities long-term liabilities	<u>\$107,307,557</u>	<u>\$ 1,545,088</u>	<u>\$ (1,807,990)</u>	<u>\$107,044,655</u>	<u>\$ 2,494,956</u>
Business-type activities:					
Compensated absences	<u>\$ 175,256</u>	<u>\$ 30,355</u>	<u>\$ -</u>	<u>\$ 205,611</u>	<u>\$ 5,059</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$211,038 of internal service funds compensated absences are included in the above amounts. Also, for governmental activities, compensated absences are generally liquidated by the general fund.

B. Certificates of participation

During 1995 the County, through the El Paso County Facilities Corporation, issued \$4,655,000 Certificates of Participation, Series 1995A which were dated November 1, 1995. The 1995A certificates carry interest rates ranging from 4.20% to 5.00% and mature December 1, 1997 through December 1, 2005.

During 1999 the County, through the El Paso County Facilities Corporation, issued \$10,460,000 Certificates of Participation, Series 1999 which were dated October 15, 1999. The 1999 certificates carry interest rates ranging from 3.90% to 5.10% and mature December 1, 2000 through December 1, 2009.

During 2002 the County, through the El Paso County Facilities Corporation, issued \$44,865,000 Certificates of Participation, Series 2002A which were dated December 1, 2002. The 2002A certificates carry interest rates ranging from 3.00% to 5.50% and mature December 1, 2006 through December 1, 2020.

El Paso County, Colorado
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

5. *Long-term debt - continued*

B. Certificates of participation - continued

During 2002 the County, through the El Paso County Facilities Corporation, issued \$40,110,000 Certificates of Participation, Series 2002B which were dated December 1, 2002. The 2002B certificates carry interest rates ranging from 2.20% to 5.375% and mature December 1, 2005 through December 1, 2020.

C. Capital lease obligations

The County entered into lease agreements as lessee for financing high speed copiers. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

Asset:	<u>Governmental activities</u>
Machinery and equipment	\$ 675,156
Less: Accumulated depreciation	<u>(199,077)</u>
Total	<u>\$ 476,079</u>

Amortization charges on the assets recorded under capital leases are included with depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003 are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2004	\$ 146,079
2005	146,078
2006	146,078
2007	<u>119,032</u>
Total minimum lease payments	557,267
Less: Amount representing interest	<u>58,479</u>
Present value of minimum lease payments	<u>\$ 498,788</u>

El Paso County, Colorado
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2003

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

5. *Long-term debt – continued*

D. Summary of Debt Service Requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2003:

<u>Year ending December 31,</u>	<u>Governmental activities</u>	
	<u>Certificates</u>	
	<u>of participation</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,705,000	\$ 4,488,149
2005	2,850,000	4,406,946
2006	3,090,000	4,297,181
2007	3,175,000	4,189,212
2008	3,290,000	4,073,656
2009-2013	14,990,000	18,468,559
2014-2018	17,970,000	14,743,456
2019-2023	23,240,000	9,451,725
2024-2027	<u>23,170,000</u>	<u>2,966,750</u>
	<u>\$ 93,480,000</u>	<u>\$ 67,085,634</u>

E. Legal debt margin

The County's general obligation bonded debt is limited by law to one and one-half percent of its assessed valuation. As of December 31, 2003, the limit was \$73,586,493, providing a debt margin of \$73,586,493.

F. Conduit debt obligations

From time to time, the County has issued special assessment bonds for; 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 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, 2003, the bonds outstanding had an aggregate principal amount payable of \$151.2 million.

El Paso County, Colorado
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2003

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 for up to a maximum of \$300,000, \$250,000, and \$175,000 for each worker's compensation claim, for each general liability claim, and for each health claim, respectively. The limit of coverage on the general liability claims is \$3,000,000. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of 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 \$2,452,092 that are reported in the Self-Insurance Fund at December 31, 2002, 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 that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities are actuarially determined and are carried at the present value of the unpaid claims using a discount rate of 3.5 percent.

Changes in the claims liability amounts in 2003 and 2002 were:

	Balance January 1, <u>2003</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance December 31, <u>2003</u>
Self-Insurance Fund	\$ 2,452,092	\$14,997,390	\$14,162,717	\$ 3,286,765
	Balance January 1, <u>2002</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance December 31, <u>2002</u>
Self-Insurance Fund	\$2,200,268	\$1,599,298	\$1,347,474	\$ 2,452,092

2. *Contingencies*

A. Litigation

There are several lawsuits pending in which the County is involved. 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.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE D - OTHER INFORMATION - Continued

2. *Contingencies - continued*

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 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 year direct or indirect district debt or other financial obligation without certain cash reserve amounts.

The County believes it is in compliance 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 2003 the County's TABOR calculations indicate it did not exceed the fiscal year spending limit. Accordingly, no refund or other similar measures are required.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE D - OTHER INFORMATION - Continued

3. *Commitments*

Through a December 15, 1991, amendment to existing inter-governmental agreements by and between METEX Metropolitan District (METEX), the Board of County Commissioners of El Paso County, Colorado (County) and the City of Colorado Springs, Colorado (City), the County and City agreed to assist METEX financially as follows:

- County agreed to increase, by up to .5 mill, the El Paso County Road and Bridge Mill Levy effective with the property taxes to be received in 1992.
- Subject to annual appropriations and budgets, and subject to a similar appropriation by the City, the County may appropriate its share of revenue discussed above for use by METEX in making semi-annual payments to bondholders.
- The additional County Road and Bridge Mill Levy may continue subject to annual fvappropriation and budgeting until either the METEX bonds are retired or until the METEX assessed valuation has grown to a level at which the METEX tax levy is sufficient to meet its annual debt service and operating expenses, whichever occurs first.

The amount of financial assistance provided for in this agreement is subject to annual appropriation and budgets of both the County and the City and is subject to future growth levels of METEX, the County and the City. Accordingly the extent of future financial assistance cannot be reasonably predicted. During 2003, the County did not pay any amount to METEX under this agreement.

The County has commitments for construction on the Judicial Building and the Detention Facility as of December 31, 2003 of approximately \$25 million.

4. *Deferred compensation plans*

The Internal Revenue Code prior to August 20, 1996, required that all amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights be (until paid or made available for the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Plan assets and income held by the plan on or after August 20, 1996 must be held in trust for the exclusive benefit of participants and their beneficiaries, thereby, removing the assets and income from being considered property of the County subject to the claims of the County's general creditors. As of December 31, 2003, the funds held for employees were approximately \$19 million.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE D - OTHER INFORMATION - Continued

5. *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, 411 South Tejon, Colorado Springs, Colorado 80903, or by calling (719) 471-2395.

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 6 percent of the employees' salary to the Plan. The current County contribution rate is 6 percent of annual covered payroll. 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, 2003, 2002, and 2001, were \$5,185,712, \$4,485,706 and \$4,581,896, respectively, equal to the required contributions each year.

El Paso County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE D - OTHER INFORMATION - Continued

6. Postretirement benefits

The County provides postretirement health care benefits, in accordance with Board of County Commissioners policy, to all full-time employees that are eligible for retirement, either by early retirement, Rule of 75 (a combination of years of service and age), or who have reached the retirement age of 62. Of those eligible, 96 retirees currently receive postretirement health care benefits. The County's contributions are financed on a pay-as-you-go basis and both the County and retirees contribute 6% of the retirees' retirement benefits for health care benefit premiums. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the County. During the year ended December 31, 2003, expenditures of \$99,286 were recognized for postretirement health care premiums.

7. Jointly governed organization

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 (PPRBD). 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 through the County of \$17,245,000 were issued to finance a building project for PPRBD. PPRBD has entered into a 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.

8. Subsequent event

The County issued Series 2004 Certificates of Participation in the amount of \$6,970,000 to refund the remaining outstanding Series 1995A Certificates of Participation and to finance the acquisition, construction and equipping of a Central Utilities Plant for use by the County.

REQUIRED SUPPLEMENTARY INFORMATION

El Paso County, Colorado
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Property taxes	\$ 12,525,209	\$ 12,525,209	\$ 12,515,989	\$ (9,220)
Sales taxes	63,758,788	63,758,788	60,324,356	(3,434,432)
Other taxes	214,820	214,820	212,457	(2,363)
Intergovernmental	7,502,449	7,714,108	7,776,477	62,369
Fees and fines	399,500	399,500	527,757	128,257
Licenses and permits	138,600	138,600	148,948	10,348
Charges for services	13,421,065	13,530,457	17,412,541	3,882,084
Investment earnings	3,035,000	3,035,000	743,783	(2,291,217)
Miscellaneous	1,400,960	1,898,958	1,550,577	(348,381)
	<u>102,396,391</u>	<u>103,215,440</u>	<u>101,212,885</u>	<u>(2,002,555)</u>
Total revenues				
Expenditures				
General government				
Administration	1,692,081	2,559,158	1,681,258	877,900
Finance	3,188,186	5,833,534	4,577,841	1,255,693
Security	1,245,988	1,386,748	1,295,565	91,183
Facilities management	7,113,115	7,728,352	7,269,500	458,852
Procurement	348,247	351,203	320,576	30,627
Human resources	631,369	711,018	621,008	90,010
Economic development	415,501	456,655	412,103	44,552
Planning	1,126,239	1,118,992	1,060,993	57,999
Information technology	6,888,271	7,862,957	6,750,186	1,112,771
County attorney	745,635	1,014,985	771,721	243,264
Risk management	288,398	289,812	280,875	8,937
County Clerk and Recorder	6,270,217	6,411,215	6,097,289	313,926
County Treasurer	992,387	1,043,191	1,018,013	25,178
County Assessor	3,304,713	3,304,713	3,074,890	229,823
County Surveyor	7,500	7,500	2,400	5,100
Public Trustee	585,642	674,859	672,211	2,648
Engineering	1,558,203	1,763,923	1,611,309	152,614
	<u>36,401,692</u>	<u>42,518,815</u>	<u>37,517,738</u>	<u>5,001,077</u>
Total general government				
Public safety				
Community Corrections	5,595,319	5,673,093	5,494,116	178,977
County Sheriff	38,361,586	39,540,758	38,490,400	1,050,358
	<u>43,956,905</u>	<u>45,213,851</u>	<u>43,984,516</u>	<u>1,229,335</u>
Total public safety				

(Continued)

El Paso County, Colorado
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Health and welfare				
Environmental Services	1,142,429	1,311,850	1,116,971	194,879
Forestry and noxious weeds	150,759	141,498	127,136	14,362
Senior services	258,092	259,357	257,590	1,767
Coroner	955,663	960,717	960,526	191
Health administration	5,075,102	5,036,148	5,036,148	-
Total health and welfare	<u>7,582,045</u>	<u>7,709,570</u>	<u>7,498,371</u>	<u>211,199</u>
Culture and recreation				
Parks	2,591,046	2,683,740	2,672,453	11,287
Auxiliary services				
Veterans services	240,734	241,914	235,864	6,050
CSU Extension Service	319,134	355,765	346,017	9,748
Total auxiliary services	<u>559,868</u>	<u>597,679</u>	<u>581,881</u>	<u>15,798</u>
Capital outlay	<u>835,080</u>	<u>4,006,026</u>	<u>3,352,643</u>	<u>653,383</u>
Total expenditures	<u>91,926,636</u>	<u>102,729,681</u>	<u>95,607,602</u>	<u>7,122,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,469,755</u>	<u>485,759</u>	<u>5,605,283</u>	<u>5,119,524</u>
Other financing sources (uses)				
Proceeds from sale of fixed assets	100,000	100,000	119,364	19,364
Transfers in	586,855	786,855	1,011,008	224,153
Transfers out	(11,848,350)	(9,894,465)	(9,894,465)	-
Total other financing sources (uses)	<u>(11,161,495)</u>	<u>(9,007,610)</u>	<u>(8,764,093)</u>	<u>243,517</u>
NET CHANGE IN FUND BALANCES	<u>\$ (691,740)</u>	<u>\$ (8,521,851)</u>	<u>\$ (3,158,810)</u>	<u>\$ 5,363,041</u>

El Paso County, Colorado
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 7,898,216	\$ 7,898,216	\$ 7,823,915	\$ (74,301)
Intergovernmental				
Payment in lieu of taxes	115,000	115,000	135,329	20,329
U.S. Forest Service/Mineral Leasing	12,000	12,000	17,295	5,295
Highway users tax	8,800,000	8,800,000	8,414,268	(385,732)
Additional motor vehicle registration	500,000	500,000	529,859	29,859
Federal reimbursements	1,867,951	3,651,596	3,667,674	16,078
Local revenue	768,000	1,268,000	1,964,563	696,563
Taylor Grazing Act	-	-	62	62
Total intergovernmental	<u>12,062,951</u>	<u>14,346,596</u>	<u>14,729,050</u>	<u>382,454</u>
Charges for services	-	31,584	31,583	(1)
Interest	200,000	200,000	77,961	(122,039)
Miscellaneous	2,500	49,842	94,170	44,328
Total revenues	<u>20,163,667</u>	<u>22,526,238</u>	<u>22,756,679</u>	<u>230,441</u>
Expenditures				
Public works				
Salaries and benefits	7,432,642	7,382,033	6,892,099	489,934
Operations and contracts	6,341,644	8,564,980	7,133,478	1,431,502
Administration	718,950	775,623	760,420	15,203
Capital outlay	2,384,053	6,572,710	5,558,551	1,014,159
Payments to other governments	3,198,278	3,831,778	3,165,707	666,071
Treasurer's fees	48,705	48,705	32,140	16,565
Total expenditures	<u>20,124,272</u>	<u>27,175,829</u>	<u>23,542,395</u>	<u>3,633,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,395</u>	<u>(4,649,591)</u>	<u>(785,716)</u>	<u>3,863,875</u>
Other financing sources (uses)				
Proceeds from sale of fixed assets	10,000	10,000	-	(10,000)
Transfers out	(376,217)	(565,015)	(565,015)	-
Total other financing sources (uses)	<u>(366,217)</u>	<u>(555,015)</u>	<u>(565,015)</u>	<u>(10,000)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (326,822)</u>	<u>\$ (5,204,606)</u>	<u>\$ (1,350,731)</u>	<u>\$ 3,853,875</u>

El Paso County, Colorado
 SOCIAL SERVICES FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Taxes	\$ 5,284,107	\$ 5,284,107	\$ 5,258,117	\$ (25,990)
Intergovernmental - Welfare	40,030,700	40,030,700	35,787,591	(4,243,109)
Charges for services	90,900	90,900	83,660	(7,240)
Miscellaneous	45,000	45,000	25,358	(19,642)
Total revenues	<u>45,450,707</u>	<u>45,450,707</u>	<u>41,154,726</u>	<u>(4,295,981)</u>
Expenditures				
Health and welfare				
County administration block grant	14,481,595	15,824,229	15,170,337	653,892
Temporary aid to needy families	8,960,985	9,217,637	9,029,060	188,577
Child welfare block grant	19,042,433	18,485,992	17,770,969	715,023
Child care block grant	1,798,707	1,124,997	1,094,213	30,784
Total health and welfare expenditures	<u>44,283,720</u>	<u>44,652,855</u>	<u>43,064,579</u>	<u>1,588,276</u>
Debt service	<u>-</u>	<u>-</u>	56,838	(56,838)
Capital outlay	<u>134,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>44,417,920</u>	<u>44,652,855</u>	<u>43,121,417</u>	<u>1,531,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,032,787</u>	<u>797,852</u>	<u>(1,966,691)</u>	<u>(2,764,543)</u>
Other financing sources (uses)				
Transfers out	<u>(1,349,017)</u>	<u>(1,114,082)</u>	<u>(901,068)</u>	<u>213,014</u>
NET CHANGE IN FUND BALANCES	<u>\$ (316,230)</u>	<u>\$ (316,230)</u>	<u>\$ (2,867,759)</u>	<u>\$ (2,551,529)</u>

COMBINING STATEMENTS AND SCHEDULES

El Paso County, Colorado
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2003

	Special Revenue				
	Contingency	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conserv- ation Trust	Economic Development
ASSETS					
Cash and investments	\$ 3,887,842	\$ 327,342	\$ 637,072	\$1,894,052	\$ 1,436,913
Taxes receivable	-	-	3,065,079	-	-
Accounts receivable	-	10,000	-	-	173,045
Due from other funds	-	-	16,556	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 3,887,842	\$ 337,342	\$ 3,718,707	\$1,894,052	\$ 1,609,958
LIABILITIES					
Accounts payable	\$ -	\$ 19,989	\$ -	\$ 11,881	\$ 489,475
Due to other funds	-	-	-	2,796	-
Deferred revenue	-	-	3,065,079	-	-
Total liabilities	-	19,989	3,065,079	14,677	489,475
FUND BALANCES					
Reserved					
Declared emergencies	3,887,842	-	-	-	-
Encumbrances	-	117,182	-	353,942	-
Unreserved					
Designated for subsequent year's expenditures	-	17,534	388,860	-	-
Undesignated	-	182,637	264,768	1,525,433	1,120,483
Total fund balances	3,887,842	317,353	653,628	1,879,375	1,120,483
Total liabilities and fund balances	\$ 3,887,842	\$ 337,342	\$ 3,718,707	\$1,894,052	\$ 1,609,958

<u>One Stop Job Center</u>	<u>District Attorney Offices of the Fourth Judicial District</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 46,351	\$ 8,229,572
-	-	3,065,079
2,783	-	185,828
23,480	-	40,036
<u>861,299</u>	<u>415,064</u>	<u>1,276,363</u>
<u>\$ 887,562</u>	<u>\$ 461,415</u>	<u>\$ 12,796,878</u>
\$ 283,725	\$ 3,299	\$ 808,369
603,837	17,065	623,698
-	-	<u>3,065,079</u>
<u>887,562</u>	<u>20,364</u>	<u>4,497,146</u>
-	-	3,887,842
-	-	471,124
-	-	406,394
-	441,051	<u>3,534,372</u>
-	441,051	<u>8,299,732</u>
<u>\$ 887,562</u>	<u>\$ 461,415</u>	<u>\$ 12,796,878</u>

El Paso County, Colorado
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the year ended December 31, 2003

	Special Revenue			
	Contingency	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
Revenues				
Property taxes	\$ -	\$ -	\$3,102,821	\$ -
Other taxes	-	-	74,565	-
Intergovernmental	-	464,753	181,137	1,077,152
Fees and fines	-	103,392	-	-
Charges for services	-	-	-	-
Investment earnings	-	2,593	-	-
Miscellaneous	-	5,748	-	-
Total revenues	<u>-</u>	<u>576,486</u>	<u>3,358,523</u>	<u>1,077,152</u>
Expenditures				
Current				
General government	-	-	4,789,690	-
Public safety	-	569,350	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	147,520
Capital outlay	-	73,460	-	62,749
Total expenditures	<u>-</u>	<u>642,810</u>	<u>4,789,690</u>	<u>210,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(66,324)</u>	<u>(1,431,167)</u>	<u>866,883</u>
Other financing sources (uses)				
Transfers in	-	-	1,243,811	-
Transfers out	-	-	-	(6,428)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,243,811</u>	<u>(6,428)</u>
NET CHANGE IN FUND BALANCES	-	(66,324)	(187,356)	860,455
Fund balances - January 1	<u>3,887,842</u>	<u>383,677</u>	<u>840,984</u>	<u>1,018,920</u>
Fund balances - December 31	<u>\$3,887,842</u>	<u>\$ 317,353</u>	<u>\$ 653,628</u>	<u>\$1,879,375</u>

<u>Economic Development</u>	<u>One Stop Job Center</u>	<u>District Attorney Offices of the Fourth Judicial District</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 3,102,821
-	-	-	74,565
-	5,504,790	357,330	7,585,162
-	-	-	103,392
78,309	-	-	78,309
-	-	-	2,593
<u>1,367,375</u>	<u>7,260</u>	<u>-</u>	<u>1,380,383</u>
<u>1,445,684</u>	<u>5,512,050</u>	<u>357,330</u>	<u>12,327,225</u>
1,435,946	-	-	6,225,636
-	-	8,899,597	9,468,947
-	5,469,003	-	5,469,003
-	-	-	147,520
<u>-</u>	<u>43,047</u>	<u>-</u>	<u>179,256</u>
<u>1,435,946</u>	<u>5,512,050</u>	<u>8,899,597</u>	<u>21,490,362</u>
<u>9,738</u>	<u>-</u>	<u>(8,542,267)</u>	<u>(9,163,137)</u>
-	-	8,992,856	10,236,667
<u>-</u>	<u>-</u>	<u>(9,538)</u>	<u>(15,966)</u>
<u>-</u>	<u>-</u>	<u>8,983,318</u>	<u>10,220,701</u>
9,738	-	441,051	1,057,564
<u>1,110,745</u>	<u>-</u>	<u>-</u>	<u>7,242,168</u>
<u>\$1,120,483</u>	<u>\$ -</u>	<u>\$ 441,051</u>	<u>\$ 8,299,732</u>

El Paso County, Colorado
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2003

	<u>County Fair</u>	<u>Penrose Equestrian Center</u>	<u>Solid Waste Management</u>	<u>Land Development Review</u>	<u>Totals</u>
ASSETS					
Current assets					
Cash and investments	\$138,054	\$ 723,615	\$ 712,158	\$1,349,403	\$2,923,230
Receivables					
Accounts	-	9,260	160,863	38,845	208,968
Intergovernmental	-	-	10,554	7,049	17,603
Total current assets	<u>138,054</u>	<u>732,875</u>	<u>883,575</u>	<u>1,395,297</u>	<u>3,149,801</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation	<u>672,003</u>	<u>3,584,499</u>	<u>945,080</u>	<u>-</u>	<u>5,201,582</u>
Total assets	<u><u>\$810,057</u></u>	<u><u>\$4,317,374</u></u>	<u><u>\$1,828,655</u></u>	<u><u>\$1,395,297</u></u>	<u><u>\$8,351,383</u></u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Current liabilities					
Accounts payable	\$ 1,473	\$ 56,681	\$ 21,079	\$ 441	\$ 79,674
Compensated absences	317	4,031	711	-	5,059
Deferred revenue	1,005	2,618	-	-	3,623
Due to other funds	<u>6,053</u>	<u>21,289</u>	<u>1,412</u>	<u>77,695</u>	<u>106,449</u>
Total current liabilities	8,848	84,619	23,202	78,136	194,805
Noncurrent liabilities					
Compensated absences	<u>9,219</u>	<u>29,705</u>	<u>47,749</u>	<u>-</u>	<u>86,673</u>
Total liabilities	<u>18,067</u>	<u>114,324</u>	<u>70,951</u>	<u>78,136</u>	<u>281,478</u>
NET ASSETS					
Invested in capital assets, net of related debt	672,003	3,584,499	945,080	-	5,201,582
Unrestricted	<u>119,987</u>	<u>618,551</u>	<u>812,624</u>	<u>1,317,161</u>	<u>2,868,323</u>
Total net assets	<u>791,990</u>	<u>4,203,050</u>	<u>1,757,704</u>	<u>1,317,161</u>	<u>8,069,905</u>
Total liabilities and net assets	<u><u>\$810,057</u></u>	<u><u>\$4,317,374</u></u>	<u><u>\$1,828,655</u></u>	<u><u>\$1,395,297</u></u>	<u><u>\$8,351,383</u></u>

El Paso County, Colorado
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
For the year ended December 31, 2003

	County Fair	Penrose Equestrian Center	Solid Waste Management	Land Development Review	Totals
Operating revenues					
Charges for services	\$ 204,759	\$ 624,369	\$ 660,822	\$ 804,197	\$ 2,294,147
Operating expenses					
Personal services	148,890	449,832	190,474	-	789,196
Operating expenses	218,413	132,900	367,615	240,416	959,344
Depreciation	20,659	151,664	25,446	-	197,769
Administration	7,260	125,931	29,409	-	162,600
Total operating expenses	395,222	860,327	612,944	240,416	2,108,909
Operating income (loss)	(190,463)	(235,958)	47,878	563,781	185,238
Nonoperating revenues					
Investment earnings	1,748	6,500	6,963	9,960	25,171
Operating grant	-	-	27,000	-	27,000
Miscellaneous	3,000	13,786	898	-	17,684
Total nonoperating revenues	4,748	20,286	34,861	9,960	69,855
Income (loss) before transfers	(185,715)	(215,672)	82,739	573,741	255,093
Transfers in	136,962	164,943	-	-	301,905
Transfers out	(1,611)	(12,212)	(5,067)	-	(18,890)
Change in net assets	(50,364)	(62,941)	77,672	573,741	538,108
Net assets - January 1	842,354	4,265,991	1,680,032	743,420	7,531,797
Net assets - December 31	\$ 791,990	\$ 4,203,050	\$ 1,757,704	\$ 1,317,161	\$ 8,069,905

El Paso County, Colorado
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2003

	County Fair	Penrose Equestrian Center	Solid Waste Management	Land Development Review	Totals
Cash flows from operating activities					
Receipts from customers	\$ 210,448	\$ 643,292	\$ 656,213	\$ 863,790	\$2,373,743
Payments to suppliers	(196,754)	(195,116)	(383,337)	(3,666)	(778,873)
Payments to employees	(147,298)	(439,839)	(185,200)	-	(772,337)
Payments for interfund services used	(24,675)	(56,362)	(12,615)	(241,215)	(334,867)
Net cash provided by (used in) operating activities	<u>(158,279)</u>	<u>(48,025)</u>	<u>75,061</u>	<u>618,909</u>	<u>487,666</u>
Cash flows from noncapital financing activities					
Operating grants	-	-	27,000	-	27,000
Transfers in	136,962	158,514	-	-	295,476
Transfers out	(1,611)	(12,212)	(5,067)	-	(18,890)
Net cash provided by noncapital financing activities	<u>135,351</u>	<u>146,302</u>	<u>21,933</u>	<u>-</u>	<u>303,586</u>
Cash flows from investing activities					
Interest received	1,748	6,500	6,963	9,960	25,171
Net increase (decrease) in cash and cash equivalents	(21,180)	104,777	103,957	628,869	816,423
Cash and cash equivalents - January 1	<u>159,234</u>	<u>618,838</u>	<u>608,201</u>	<u>720,534</u>	<u>2,106,807</u>
Cash and cash equivalents - December 31	<u><u>\$ 138,054</u></u>	<u><u>\$ 723,615</u></u>	<u><u>\$ 712,158</u></u>	<u><u>\$ 1,349,403</u></u>	<u><u>\$ 2,923,230</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$(190,463)	\$(235,958)	\$ 47,878	\$ 563,781	\$ 185,238
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Miscellaneous revenue	3,000	13,786	898	-	17,684
Depreciation expense	20,659	151,664	25,446	-	197,769
(Increase) decrease in assets					
Accounts receivable	1,684	2,519	5,047	49,344	58,594
Intergovernmental receivables	-	-	(10,554)	10,249	(305)
Increase (decrease) in liabilities					
Accounts payable	450	(4,597)	172	(1,470)	(5,445)
Compensated absences	1,592	9,993	5,274	-	16,859
Deferred revenue	1,005	2,618	-	-	3,623
Due to other funds	3,794	11,950	900	(2,995)	13,649
Net cash provided by (used in) operating activities:	<u><u>\$(158,279)</u></u>	<u><u>\$(48,025)</u></u>	<u><u>\$ 75,061</u></u>	<u><u>\$ 618,909</u></u>	<u><u>\$ 487,666</u></u>

(Continued)

El Paso County, Colorado
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS - CONTINUED
 For the year ended December 31, 2003

	<u>County Fair</u>	<u>Penrose Equestrian Center</u>	<u>Solid Waste Management</u>	<u>Land Development Review</u>	<u>Totals</u>
Noncash investing, capital and financing activities:					
Purchase of capital assets through incurrence of accounts payable	-	47,403	-	-	47,403
Transfer in of capital assets	-	6,429	-	-	6,429

El Paso County, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2003

	Self- Insurance Fund	Fleet Services Fund	Totals
ASSETS			
Current assets			
Cash and investments	\$10,562,829	\$ 1,673,113	\$12,235,942
Receivables			
Accounts receivable	425	10,790	11,215
Taxes	1,263,082	-	1,263,082
Intergovernmental receivable	-	170	170
Due from other funds	381,992	9,441	391,433
Prepaid expenses	19,000	-	19,000
Inventories	-	639,133	639,133
	12,227,328	2,332,647	14,559,975
Total current assets			
Noncurrent assets			
Capital assets, net of accumulated depreciation	45,000	8,011,495	8,056,495
	\$12,272,328	\$10,344,142	\$22,616,470
Total assets			
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 448,884	\$ 126,669	\$ 575,553
Accrued liabilities	3,286,765	-	3,286,765
Compensated absences	-	208	208
Deferred revenue	1,263,082	-	1,263,082
Due to other funds	5,878	34,852	40,730
	5,004,609	161,729	5,166,338
Total current liabilities			
Noncurrent liabilities			
Compensated absences	-	210,830	210,830
	5,004,609	372,559	5,377,168
Total liabilities			
NET ASSETS			
Invested in capital assets, net of related debt	45,000	8,011,495	8,056,495
Unrestricted	7,222,719	1,960,088	9,182,807
	7,267,719	9,971,583	17,239,302
Total net assets			
Total liabilities and net assets	\$12,272,328	\$10,344,142	\$22,616,470

El Paso County, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
For the year ended December 31, 2003

	<u>Self- Insurance Fund</u>	<u>Fleet Services Fund</u>	<u>Totals</u>
Operating revenues			
Charges for services	<u>\$12,053,425</u>	<u>\$1,038,161</u>	<u>\$13,091,586</u>
Operating expenses			
Insurance premiums	892,526	-	892,526
Claim settlements	14,162,717	-	14,162,717
Depreciation	-	1,349,971	1,349,971
Administration and operations	<u>631,772</u>	<u>4,025,994</u>	<u>4,657,766</u>
Total operating expenses	<u>15,687,015</u>	<u>5,375,965</u>	<u>21,062,980</u>
Operating loss	<u>(3,633,590)</u>	<u>(4,337,804)</u>	<u>(7,971,394)</u>
Nonoperating revenues			
Taxes	-	4,774,545	4,774,545
Gain on sale of fixed assets	-	46,443	46,443
Miscellaneous	<u>27,082</u>	<u>44,800</u>	<u>71,882</u>
Total nonoperating revenues	<u>27,082</u>	<u>4,865,788</u>	<u>4,892,870</u>
Income (loss) before transfers	<u>(3,606,508)</u>	527,984	<u>(3,078,524)</u>
Transfers out	<u>-</u>	<u>(291,110)</u>	<u>(291,110)</u>
Change in net assets	<u>(3,606,508)</u>	236,874	<u>(3,369,634)</u>
Net assets - January 1	<u>10,874,227</u>	<u>9,734,709</u>	<u>20,608,936</u>
Net assets - December 31	<u>\$ 7,267,719</u>	<u>\$9,971,583</u>	<u>\$17,239,302</u>

El Paso County, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2003

	Self- Insurance Fund	Fleet Services Fund	Totals
Cash flows from operating activities			
Receipts from customers	\$ 257,704	\$ 34,336	\$ 292,040
Receipts from interfund services provided	11,871,657	1,065,412	12,937,069
Payments to suppliers	(14,639,393)	(2,431,140)	(17,070,533)
Payments to employees	-	(1,591,581)	(1,591,581)
Payments for interfund services used	(350,287)	(186,558)	(536,845)
Net cash used in operating activities	<u>(2,860,319)</u>	<u>(3,109,531)</u>	<u>(5,969,850)</u>
Cash flows from noncapital financing activities			
Taxes received	-	4,774,545	4,774,545
Transfers out	-	(291,110)	(291,110)
Net cash provided by noncapital financing activities	<u>-</u>	<u>4,483,435</u>	<u>4,483,435</u>
Cash flows from capital and related financing activities			
Proceeds from sales of fixed assets	-	133,659	133,659
Capital expenditures	(45,000)	(1,555,634)	(1,600,634)
Net cash used in capital and related financing activities	<u>(45,000)</u>	<u>(1,421,975)</u>	<u>(1,466,975)</u>
Net decrease in cash and cash equivalents	(2,905,319)	(48,071)	(2,953,390)
Cash and cash equivalents - January 1	<u>13,468,148</u>	<u>1,721,184</u>	<u>15,189,332</u>
Cash and cash equivalents - December 31	<u>\$ 10,562,829</u>	<u>\$ 1,673,113</u>	<u>\$ 12,235,942</u>

(Continued)

El Paso County, Colorado
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS - CONTINUED
For the year ended December 31, 2003

	Self- Insurance Fund	Fleet Services Fund	Totals
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (3,633,590)	\$ (4,337,804)	\$ (7,971,394)
Adjustments to reconcile operating loss to net cash used in operating activities			
Miscellaneous revenue	27,082	44,800	71,882
Depreciation expense	-	1,349,971	1,349,971
(Increase) decrease in assets			
Accounts receivable	230,622	(10,733)	219,889
Intergovernmental receivables	-	269	269
Due from other funds	(181,768)	27,251	(154,517)
Prepaid expenses	(19,000)	-	(19,000)
Inventories	-	45,644	45,644
Increase (decrease) in liabilities			
Accounts payable	(57,352)	(254,865)	(312,217)
Accrued liabilities	834,673	-	834,673
Compensated absences	-	18,359	18,359
Due to other funds	(60,986)	7,577	(53,409)
Net cash used in operating activities	\$ (2,860,319)	\$ (3,109,531)	\$ (5,969,850)

El Paso County, Colorado
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2003

	Park Fees	School's Trust	Urban Park	Totals
ASSETS				
Cash and investments	\$2,007,591	\$191,816	\$359,766	\$2,559,173
LIABILITIES				
Accounts payable	5,865	-	-	5,865
NET ASSETS				
Held in trust	\$2,001,726	\$191,816	\$359,766	\$2,553,308

El Paso County, Colorado
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the year ended December 31, 2003

	<u>Park Fees</u>	<u>School's Trust</u>	<u>Urban Park</u>	<u>Totals</u>
Additions				
Charges for services				
Park fees	\$ 254,465	\$ -	\$ 89,241	\$ 343,706
School fees	-	200,933	-	200,933
Total charges for services	254,465	200,933	89,241	544,639
Investment earnings	19,653	-	3,000	22,653
Total additions	274,118	200,933	92,241	567,292
Deductions				
Outside agencies	200,963	228,029	-	428,992
Change in net assets	73,155	(27,096)	92,241	138,300
Net assets - January 1	1,928,571	218,912	267,525	2,415,008
Net assets - December 31	<u>\$2,001,726</u>	<u>\$ 191,816</u>	<u>\$ 359,766</u>	<u>\$ 2,553,308</u>

El Paso County, Colorado
 AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 December 31, 2003

	<u>Treasurer's</u>	<u>Public Trustee</u>	<u>Bradley Road 1986-1</u>	<u>Struther's Road</u>	<u>Total</u>
ASSETS					
Cash and investments	<u>\$30,457,373</u>	<u>\$1,167,088</u>	<u>\$ 5,082</u>	<u>\$175,350</u>	<u>\$31,804,893</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 16,823	\$ 16,823
Due to other governments	28,494,408	-	-	-	28,494,408
Escrow deposits held by trustee	-	423,196	-	-	423,196
Funds due to bondholders	-	-	5,082	158,527	163,609
Other	<u>1,962,965</u>	<u>743,892</u>	<u>-</u>	<u>-</u>	<u>2,706,857</u>
Total liabilities	<u>\$30,457,373</u>	<u>\$1,167,088</u>	<u>\$ 5,082</u>	<u>\$175,350</u>	<u>\$31,804,893</u>

El Paso County, Colorado
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the year ended December 31, 2003

TREASURER'S AGENCY FUND				
	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
ASSETS				
Cash and investments	<u>\$ 33,402,176</u>	<u>\$ 943,950,421</u>	<u>\$ 946,895,224</u>	<u>\$ 30,457,373</u>
LIABILITIES				
Due to other governments	\$ 23,920,223	\$ 943,850,421	\$ 939,276,236	\$ 28,494,408
Other	<u>9,481,953</u>	<u>-</u>	<u>7,518,988</u>	<u>1,962,965</u>
Total liabilities	<u>\$ 33,402,176</u>	<u>\$ 943,850,421</u>	<u>\$ 946,795,224</u>	<u>\$ 30,457,373</u>

PUBLIC TRUSTEE AGENCY FUND				
	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
ASSETS				
Cash and investments	<u>\$ 1,395,522</u>	<u>\$ 42,785,076</u>	<u>\$ 43,013,510</u>	<u>\$ 1,167,088</u>
LIABILITIES				
Escrow deposits held by trustee	\$ 702,550	40,907,929	41,187,283	\$ 423,196
Other	<u>692,972</u>	<u>1,877,147</u>	<u>1,826,227</u>	<u>743,892</u>
Total liabilities	<u>\$ 1,395,522</u>	<u>\$ 42,785,076</u>	<u>\$ 43,013,510</u>	<u>\$ 1,167,088</u>

BRADLEY ROAD 1986-1 AGENCY FUND				
	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
ASSETS				
Cash and investments	<u>\$ 5,030</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 5,082</u>
LIABILITIES				
Funds due to bondholders	<u>\$ 5,030</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 5,082</u>

(Continued)

El Paso County, Colorado
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED
 For the year ended December 31, 2003

STRUTHER'S ROAD AGENCY FUND

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
ASSETS				
Cash and investments	\$ 225,551	\$ 291,145	\$ 341,346	\$ 175,350
LIABILITIES				
Accounts payable	\$ -	\$ 16,823	\$ -	\$ 16,823
Funds due to bondholders	225,551	291,145	358,169	158,527
Total liabilities	\$ 225,551	\$ 307,968	\$ 358,169	\$ 175,350

TOTALS - ALL AGENCY FUNDS

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
ASSETS				
Cash and investments	\$ 35,028,279	\$ 987,026,694	\$ 990,250,080	\$ 31,804,893
LIABILITIES				
Accounts payable	\$ -	\$ 16,823	\$ -	\$ 16,823
Due to other governments	23,920,223	943,850,421	939,276,236	28,494,408
Escrow deposits held by trustee	702,550	40,907,929	41,187,283	423,196
Funds due to bondholders	230,581	291,197	358,169	163,609
Other	10,174,925	1,877,147	9,345,215	2,706,857
Total liabilities	\$ 35,028,279	\$ 986,943,517	\$ 990,166,903	\$ 31,804,893

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 FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$3,193,354	\$3,193,354	\$3,177,386	\$ (15,968)
Intergovernmental	178,575	181,577	181,137	(440)
Total revenues	<u>3,371,929</u>	<u>3,374,931</u>	<u>3,358,523</u>	<u>(16,408)</u>
Expenditures				
General government				
Employer contributions	4,730,092	4,780,888	4,743,046	37,842
Treasurer fees	46,770	46,770	46,644	126
Total expenditures	<u>4,776,862</u>	<u>4,827,658</u>	<u>4,789,690</u>	<u>37,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,404,933)</u>	<u>(1,452,727)</u>	<u>(1,431,167)</u>	<u>21,560</u>
Other financing sources (uses)				
Transfers in	<u>1,404,933</u>	<u>1,452,727</u>	<u>1,243,811</u>	<u>(208,916)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (187,356)</u>	<u>\$ (187,356)</u>

El Paso County, Colorado
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$750,000	\$ 750,000	\$1,077,152	\$ 327,152
Expenditures				
Culture and recreation	50,000	196,573	147,520	49,053
Capital outlay	700,000	810,808	62,749	748,059
Total expenditures	<u>750,000</u>	<u>1,007,381</u>	<u>210,269</u>	<u>797,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(257,381)</u>	<u>866,883</u>	<u>1,124,264</u>
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(6,428)</u>	<u>(6,428)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$(257,381)</u>	<u>\$ 860,455</u>	<u>\$1,117,836</u>

El Paso County, Colorado
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 9,500	\$ 9,500	\$ -	\$ (9,500)
Charges for services	55,000	78,309	78,309	-
Miscellaneous	<u>1,100,000</u>	<u>1,357,875</u>	<u>1,367,375</u>	<u>9,500</u>
Total revenues	<u>1,164,500</u>	<u>1,445,684</u>	<u>1,445,684</u>	<u>-</u>
Expenditures				
General government	<u>1,006,000</u>	<u>1,435,946</u>	<u>1,435,946</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	158,500	9,738	9,738	-
Other financing sources (uses)				
Transfers out	<u>(66,957)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 91,543</u>	<u>\$ 9,738</u>	<u>\$ 9,738</u>	<u>\$ -</u>

El Paso County, Colorado
ONE STOP JOB CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,715,172	\$6,425,172	\$5,504,790	\$(920,382)
Miscellaneous	<u>10,000</u>	<u>50,000</u>	<u>7,260</u>	<u>(42,740)</u>
Total revenues	<u>5,725,172</u>	<u>6,475,172</u>	<u>5,512,050</u>	<u>(963,122)</u>
Expenditures				
Health and welfare	5,725,172	6,420,172	5,469,003	951,169
Capital outlay	<u>-</u>	<u>55,000</u>	<u>43,047</u>	<u>11,953</u>
Total expenditures	<u>5,725,172</u>	<u>6,475,172</u>	<u>5,512,050</u>	<u>963,122</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

El Paso County, Colorado
DISTRICT ATTORNEY OFFICES OF THE FOURTH JUDICIAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	\$ 379,756	\$ 390,922	\$ 357,330	\$ (33,592)
Expenditures - General government	<u>9,129,615</u>	<u>9,396,383</u>	<u>8,899,597</u>	<u>496,786</u>
Excess (deficiency) of revenues over (under) expenditures	(8,749,859)	(9,005,461)	(8,542,267)	463,194
Other financing sources (uses)				
Transfers in	8,759,397	8,992,856	8,992,856	-
Transfers out	<u>(9,538)</u>	<u>(9,538)</u>	<u>(9,538)</u>	-
Total other financing sources (uses)	<u>8,749,859</u>	<u>8,983,318</u>	<u>8,983,318</u>	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (22,143)</u>	<u>\$ 441,051</u>	<u>\$463,194</u>

El Paso County, Colorado
 CAPITAL EXPENDITURES FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$6,180,369	\$6,180,369	\$6,151,597	\$ (28,772)
Interest	31,288	31,288	8,484	(22,804)
Miscellaneous	854,774	854,774	-	(854,774)
	<u>7,066,431</u>	<u>7,066,431</u>	<u>6,160,081</u>	<u>(906,350)</u>
Total revenues				
Expenditures				
General government	44,000	92,000	92,406	(406)
Debt service	4,403,257	4,355,257	4,420,628	(65,371)
Capital outlay	696,464	1,904,225	1,693,477	210,748
	<u>5,143,721</u>	<u>6,351,482</u>	<u>6,206,511</u>	<u>144,971</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>1,922,710</u>	<u>714,949</u>	<u>(46,430)</u>	<u>(761,379)</u>
Other financing sources (uses)				
Transfers in	<u>6,606</u>	<u>6,606</u>	<u>6,606</u>	<u>-</u>
Total other financing sources (uses)	<u>6,606</u>	<u>6,606</u>	<u>6,606</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$1,929,316</u>	<u>\$ 721,555</u>	<u>\$ (39,824)</u>	<u>\$ (761,379)</u>

El Paso County, Colorado
 PIKES PEAK CENTER FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Charges for services	\$ 958,375	\$ 958,375	\$ 929,615	\$ (28,760)
Interest	<u>16,000</u>	<u>16,000</u>	<u>4,914</u>	<u>(11,086)</u>
Total revenues	<u>974,375</u>	<u>974,375</u>	<u>934,529</u>	<u>(39,846)</u>
Expenditures				
Salaries and benefits	890,715	891,528	860,281	31,247
Operations and contracts	210,965	258,965	205,194	53,771
Administration	<u>116,800</u>	<u>74,800</u>	<u>6,892</u>	<u>67,908</u>
Total expenditures	<u>1,218,480</u>	<u>1,225,293</u>	<u>1,072,367</u>	<u>152,926</u>
Excess (deficiency) of revenues over (under) expenditures	(244,105)	(250,918)	(137,838)	113,080
Other financing sources (uses)				
Transfers in	135,496	135,496	135,496	-
Transfers out	<u>(5,981)</u>	<u>(5,168)</u>	<u>(5,168)</u>	<u>-</u>
Total other financing sources (uses)	<u>129,515</u>	<u>130,328</u>	<u>130,328</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$(114,590)</u></u>	<u><u>\$(120,590)</u></u>	<u><u>\$ (7,510)</u></u>	<u><u>\$113,080</u></u>

El Paso County, Colorado
COUNTY FAIR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Charges for services	\$245,090	\$245,090	\$ 204,759	\$(40,331)
Interest	-	-	1,748	1,748
Miscellaneous	-	-	3,000	3,000
Total revenues	<u>245,090</u>	<u>245,090</u>	<u>209,507</u>	<u>(35,583)</u>
Expenditures				
Salaries and benefits	149,843	150,006	148,890	1,116
Operations and contracts	226,460	224,860	218,413	6,447
Administration	6,205	9,688	7,260	2,428
Total expenditures	<u>382,508</u>	<u>384,554</u>	<u>374,563</u>	<u>9,991</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(137,418)</u>	<u>(139,464)</u>	<u>(165,056)</u>	<u>(25,592)</u>
Other financing sources (uses)				
Transfers in	136,962	136,962	136,962	-
Transfers out	<u>(1,774)</u>	<u>(1,611)</u>	<u>(1,611)</u>	-
Total other financing sources (uses)	<u>135,188</u>	<u>135,351</u>	<u>135,351</u>	-
NET CHANGE IN FUND BALANCES	<u>\$ (2,230)</u>	<u>\$ (4,113)</u>	<u>\$ (29,705)</u>	<u>\$(25,592)</u>

El Paso County, Colorado
PENROSE EQUESTRIAN CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Charges for services	\$ 624,000	\$ 624,000	\$ 624,369	\$ 369
Interest	20,000	20,000	6,500	(13,500)
Miscellaneous	11,200	11,200	13,786	2,586
Total revenues	<u>655,200</u>	<u>655,200</u>	<u>644,655</u>	<u>(10,545)</u>
Expenditures				
Salaries and benefits	522,353	523,166	449,832	73,334
Operations and contracts	170,055	170,055	132,900	37,155
Administration	119,637	131,402	125,931	5,471
Capital outlay	62,195	115,430	47,403	68,027
Total expenditures	<u>874,240</u>	<u>940,053</u>	<u>756,066</u>	<u>183,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(219,040)</u>	<u>(284,853)</u>	<u>(111,411)</u>	<u>173,442</u>
Other financing sources (uses)				
Transfers in	158,515	158,515	164,943	6,428
Transfers out	(13,025)	(12,212)	(12,212)	-
Total other financing sources (uses)	<u>145,490</u>	<u>146,303</u>	<u>152,731</u>	<u>6,428</u>
NET CHANGE IN FUND BALANCES	<u>\$ (73,550)</u>	<u>\$ (138,550)</u>	<u>\$ 41,320</u>	<u>\$ 179,870</u>

El Paso County, Colorado
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 27,000	\$ 27,000	\$ -
Charges for services	630,000	630,000	660,822	30,822
Interest	15,000	15,000	6,963	(8,037)
Miscellaneous	5,000	5,000	898	(4,102)
	<u>650,000</u>	<u>677,000</u>	<u>695,683</u>	<u>18,683</u>
Expenditures				
Personal services	219,365	219,690	190,474	29,216
Operating expenses	389,240	439,240	367,615	71,625
Administration	30,800	35,969	29,409	6,560
Capital outlay	2,000	2,000	-	2,000
	<u>641,405</u>	<u>696,899</u>	<u>587,498</u>	<u>109,401</u>
Excess (deficiency) of revenues over (under) expenditures	8,595	(19,899)	108,185	128,084
Other financing sources (uses)				
Transfers out	(5,392)	(5,067)	(5,067)	-
	<u>(5,392)</u>	<u>(5,067)</u>	<u>(5,067)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 3,203</u>	<u>\$(24,966)</u>	<u>\$103,118</u>	<u>\$128,084</u>

El Paso County, Colorado
 LAND DEVELOPMENT REVIEW FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$842,439	\$842,439	\$ 804,197	\$(38,242)
Interest	-	-	9,960	9,960
Total revenues	842,439	842,439	814,157	(28,282)
Expenditures				
Operating expenses	220,283	261,273	240,416	20,857
NET CHANGE IN FUND BALANCES	<u>\$622,156</u>	<u>\$581,166</u>	<u>\$ 573,741</u>	<u>\$ (7,425)</u>

El Paso County, Colorado
 SELF-INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 7,761,262	\$11,489,126	\$12,053,425	\$ 564,299
Miscellaneous	-	-	27,082	27,082
Total revenues	<u>7,761,262</u>	<u>11,489,126</u>	<u>12,080,507</u>	<u>591,381</u>
Expenditures				
Insurance premiums	918,109	873,109	892,526	(19,417)
Claim settlements	10,442,580	13,559,540	14,162,717	(603,177)
Administration and operations	951,042	754,151	631,772	122,379
Capital outlay	-	45,000	45,000	-
Total expenditures	<u>12,311,731</u>	<u>15,231,800</u>	<u>15,732,015</u>	<u>(500,215)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,550,469)	(3,742,674)	(3,651,508)	91,166
Other financing sources (uses)				
Transfers in	<u>2,005,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,005,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (2,544,674)</u></u>	<u><u>\$ (3,742,674)</u></u>	<u><u>\$ (3,651,508)</u></u>	<u><u>\$ 91,166</u></u>

El Paso County, Colorado
FLEET SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Taxes	\$4,832,752	\$4,832,752	\$4,774,545	\$ (58,207)
Charges for services	139,892	1,026,592	1,038,161	11,569
Miscellaneous	75,000	75,000	44,800	(30,200)
Total revenues	<u>5,047,644</u>	<u>5,934,344</u>	<u>5,857,506</u>	<u>(76,838)</u>
Expenditures				
Administration and operations	3,724,988	4,019,571	4,025,994	(6,423)
Capital outlay	1,951,000	2,798,923	1,555,634	1,243,289
Total expenditures	<u>5,675,988</u>	<u>6,818,494</u>	<u>5,581,628</u>	<u>1,236,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(628,344)</u>	<u>(884,150)</u>	<u>275,878</u>	<u>1,160,028</u>
Other financing sources (uses)				
Proceeds from sales of assets	146,652	146,652	133,659	(12,993)
Transfers in	486,700	-	-	-
Transfers out	(5,008)	-	(291,110)	(291,110)
Total other financing sources (uses)	<u>628,344</u>	<u>146,652</u>	<u>(157,451)</u>	<u>(304,103)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (737,498)</u>	<u>\$ 118,427</u>	<u>\$ 855,925</u>

El Paso County, Colorado
PARK FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ -	\$ -	\$ 254,465	\$254,465
Interest	<u>55,000</u>	<u>55,000</u>	<u>19,653</u>	<u>(35,347)</u>
Total revenues	55,000	55,000	274,118	219,118
Expenditures				
Outside agencies	<u>55,000</u>	<u>698,771</u>	<u>200,963</u>	<u>497,808</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (643,771)</u>	<u>\$ 73,155</u>	<u>\$716,926</u>

El Paso County, Colorado
 SCHOOL'S TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ -	\$ 36,264	\$200,933	\$164,669
Expenditures				
Outside agencies	-	228,029	228,029	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$(191,765)</u>	<u>\$(27,096)</u>	<u>\$164,669</u>

El Paso County, Colorado
 STRUTHER'S ROAD AGENCY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ -	\$ 258,972	\$288,731	\$ 29,759
Interest	-	1,121	2,414	1,293
Total revenues	-	260,093	291,145	31,052
Expenditures				
Debt service	-	341,347	341,346	1
Capital	-	32,375	16,823	15,552
Total expenditures	-	373,722	358,169	15,553
 NET CHANGE IN FUND BALANCES	 <u>\$ -</u>	 <u>\$(113,629)</u>	 <u>\$(67,024)</u>	 <u>\$ 46,605</u>

El Paso County, Colorado
 BUDGETARY COMPARISON SCHEDULE
 BUDGET-TO-GAAP RECONCILIATION
 For the year ended December 31, 2003

Note A - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>Capital Projects</u>	<u>Pikes Peak Center</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	\$ 6,166,687	\$1,070,025
Refunds of issuance costs are not inflows of budgetary resources but are other financing sources for financial reporting purposes	33,861	-
Interest earned on investments held for construction is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	652,994	-
Proceeds from sales of fixed assets are inflows for budgetary purposes but not for financial reporting purposes	-	-
Gains on sales of fixed assets are not inflows for budgetary purposes but are nonoperating revenues for financial reporting purposes	-	-
Revenues are inflows for budgetary purposes but are not reported an agency fund for financial reporting purposes	-	-
	<hr/>	<hr/>
Total operating revenues, nonoperating revenues, capital contributions - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	<u>\$ 6,853,542</u>	<u>\$1,070,025</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	\$ 6,206,511	\$1,077,535
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	-	348,283
Payment of interest from debt proceeds is not an outflow for budgetary purposes but is included as an expense for financial reporting purposes	1,850,694	-
Capital outlays from debt proceeds are not outflows of budgetary resources but are expenditures for financial reporting purposes	12,733,456	-
Expenditures are outflows for budgetary purposes but are not reported in an agency fund for financial reporting purposes	-	-
	<hr/>	<hr/>
Total operating expenses - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	<u>\$20,790,661</u>	<u>\$1,425,818</u>

<u>County Fair</u>	<u>Penrose Equestrian Center</u>	<u>Solid Waste Management</u>	<u>Self-Insurance Fund</u>	<u>Fleet Services Fund</u>	<u>Struther's Road</u>
\$ 346,469	\$ 809,598	\$ 695,683	\$12,080,507	\$5,991,165	\$291,145
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(133,659)	-
-	-	-	-	46,443	-
-	-	-	-	-	(291,145)
<u>\$ 346,469</u>	<u>\$ 809,598</u>	<u>\$ 695,683</u>	<u>\$12,080,507</u>	<u>\$5,903,949</u>	<u>\$ -</u>
\$ 376,174	\$ 768,278	\$ 592,565	\$15,732,015	\$5,872,738	\$358,169
-	(47,403)	-	(45,000)	(1,555,634)	-
20,659	151,664	25,446	-	1,349,971	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(358,169)
<u>\$ 396,833</u>	<u>\$ 872,539</u>	<u>\$ 618,011</u>	<u>\$15,687,015</u>	<u>\$5,667,075</u>	<u>\$ -</u>

CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

El Paso County, Colorado
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE*
 December 31, 2003

Governmental funds capital assets:

Land	\$ 13,795,176
Buildings	79,004,670
Improvements other than buildings	7,683,920
Infrastructure	36,169,195
Machinery and equipment	16,148,103
Furniture and fixtures	2,939,168
Computer equipment	10,331,913
Construction in progress	<u>13,543,812</u>
Total governmental funds capital assets	<u><u>\$179,615,957</u></u>

Investments in governmental funds capital assets by source:

General fund	\$ 39,091,780
Special revenue fund	46,896,245
Capital projects fund	69,674,979
Donations	<u>23,952,953</u>
Total governmental funds capital assets	<u><u>\$179,615,957</u></u>

* This schedule presents only the capital balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets for the internal service funds are included as governmental activities in the statement of net assets.

El Paso County, Colorado
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY*
December 31, 2003

Function and activity	Land	Buildings	Improvements other than buildings	Infrastructure	Machinery and equipment
General government					
Office of the Board	\$ -	\$ -	\$ 6,387	\$ -	\$ -
Security	-	-	199,772	-	-
Facilities management	13,012,621	14,578,412	1,022,861	-	384,835
HR-personnel	-	-	-	-	-
Finance	-	-	88,433	-	-
Planning	-	-	-	-	-
Information services	-	6,415,114	19,698	-	7,582,597
County attorney	-	-	-	-	-
Clerk and recorder	-	-	-	-	163,999
Treasurer	-	-	-	-	13,000
Assessor	-	-	-	-	253,510
Public trustee	-	-	4,248	-	-
Parking	-	3,445,890	-	-	-
Total general government	<u>13,012,621</u>	<u>24,439,416</u>	<u>1,341,399</u>	<u>-</u>	<u>8,397,941</u>
Public safety					
Sheriff					
Sheriff operations	-	1,820,264	192,216	-	4,178,958
Commissary	-	-	-	-	495,013
Jail	-	5,817,506	-	-	-
District attorney	-	-	-	-	365,127
Judicial building	-	9,715,219	-	-	-
Criminal justice center	-	15,975,910	1,054,692	-	-
El Paso County Sheriff	-	-	-	-	-
Special Investigation Fund	-	-	-	-	658,896
Total public safety	<u>-</u>	<u>33,328,899</u>	<u>1,246,908</u>	<u>-</u>	<u>5,697,994</u>
Public works					
Department of transportation	<u>554,810</u>	<u>8,224,265</u>	<u>2,662,078</u>	<u>36,169,195</u>	<u>1,796,627</u>
Health and welfare					
Department of human services	-	4,982,081	46,998	-	134,939
Coroner	-	851,620	100,900	-	58,443
Health department	-	4,065,600	-	-	-
One Stop Job Center	-	-	113,493	-	-
Total health and welfare	<u>-</u>	<u>9,899,301</u>	<u>261,391</u>	<u>-</u>	<u>193,382</u>
Culture and recreation					
Parks	<u>227,745</u>	<u>3,112,789</u>	<u>2,172,144</u>	<u>-</u>	<u>62,159</u>
Total governmental funds capital assets	<u><u>\$13,795,176</u></u>	<u><u>\$79,004,670</u></u>	<u><u>\$ 7,683,920</u></u>	<u><u>\$36,169,195</u></u>	<u><u>\$16,148,103</u></u>

* This schedule presents only the capital balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets for the internal service funds are included as governmental activities in the statement of net assets.

<u>Furniture and fixtures</u>	<u>Computer equipment</u>	<u>Construction in progress</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 6,387
-	8,843	-	208,615
91,305	45,292	-	29,135,326
6,676	83,405	-	90,081
20,002	515,622	-	624,057
7,049	80,265	-	87,314
569,123	6,573,631	106,500	21,266,663
-	23,684	-	23,684
784,998	1,091,153	-	2,040,150
108,927	26,565	-	148,492
71,550	96,447	-	421,507
-	216,997	-	221,245
-	-	-	3,445,890
<u>1,659,630</u>	<u>8,761,904</u>	<u>106,500</u>	<u>57,719,411</u>
443,831	655,009	-	7,290,278
-	-	-	495,013
-	-	-	5,817,506
-	71,330	-	436,457
-	-	529,853	10,245,072
-	-	12,907,459	29,938,061
-	-	-	658,896
<u>443,831</u>	<u>726,339</u>	<u>13,437,312</u>	<u>54,881,283</u>
<u>277,330</u>	<u>215,488</u>	<u>-</u>	<u>49,899,793</u>
319,212	260,644	-	5,743,874
216,772	263,283	-	1,491,018
-	-	-	4,065,600
9,244	83,369	-	206,106
<u>545,228</u>	<u>607,296</u>	<u>-</u>	<u>11,506,598</u>
<u>13,149</u>	<u>20,886</u>	<u>-</u>	<u>5,608,872</u>
<u>\$2,939,168</u>	<u>\$10,331,913</u>	<u>\$13,543,812</u>	<u>\$179,615,957</u>

El Paso County, Colorado
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY*
For the year ended December 31, 2003

Function and activity	Governmental Funds Capital Assets January 1, 2003	Additions	Deductions	Governmental Funds Capital Assets December 31, 2003
General government				
Office of the Board	\$ 6,387	\$ -	\$ -	\$ 6,387
Security	208,615	-	-	208,615
Facilities management	29,072,130	63,196	-	29,135,326
HR-personnel	6,676	83,405	-	90,081
Finance	488,108	135,949	-	624,057
Planning	15,901	71,413	-	87,314
Information services	19,013,645	2,253,018	-	21,266,663
County attorney	23,684	-	-	23,684
Clerk and recorder	1,986,038	64,154	10,042	2,040,150
Treasurer	142,512	5,980	-	148,492
Assessor	422,355	9,400	10,248	421,507
Public trustee	136,245	85,000	-	221,245
Parking	3,445,890	-	-	3,445,890
Total general government	<u>54,968,186</u>	<u>2,771,515</u>	<u>20,290</u>	<u>57,719,411</u>
Public safety				
Sheriff				
Sheriff operations	6,324,220	1,329,385	363,327	7,290,278
Commissary	420,122	74,891	-	495,013
Jail	5,817,506	-	-	5,817,506
District attorney	418,367	39,140	21,050	436,457
Judicial building	9,715,219	529,853	-	10,245,072
Criminal justice center	16,962,981	12,975,080	-	29,938,061
El Paso County Sheriff Special Investigation Fund	585,436	73,460	-	658,896
Total public safety	<u>40,243,851</u>	<u>15,021,809</u>	<u>384,377</u>	<u>54,881,283</u>
Public works				
Department of transportation	28,912,235	20,987,558	-	49,899,793
Health and welfare				
Department of human services	5,671,934	111,179	39,239	5,743,874
Coroner	1,491,018	-	-	1,491,018
Health department	4,065,600	-	-	4,065,600
One Stop Job Center	163,060	43,046	-	206,106
Total health and welfare	<u>11,391,612</u>	<u>154,225</u>	<u>39,239</u>	<u>11,506,598</u>
Culture and recreation				
Parks	5,522,043	86,829	-	5,608,872
Total governmental funds capital assets	<u><u>\$ 141,037,927</u></u>	<u><u>\$ 39,021,936</u></u>	<u><u>\$ 443,906</u></u>	<u><u>\$ 179,615,957</u></u>

* This schedule presents only the capital balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets for the internal service funds are included as governmental activities in the statement of net assets.

MISCELLANEOUS

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

LOCAL HIGHWAY FINANCE REPORT		City or County: El Paso County
		YEAR ENDING : December 2003
This Information From The Records Of (example - City of _____ or County of _____) El Paso County Department of Transportation (Road & Bridge Fund)	Prepared By: Phone:	Sherri Cassidy, Budget/Grants Analyst 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

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	6,932,125
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	10,727,330
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	733,231
2. General fund appropriations	1,611,309	b. Snow and ice removal	1,105,113
3. Other local imposts (from page 2)	7,835,019	c. Other	3,165,707
4. Miscellaneous local receipts (from page 2)	2,211,231	d. Total (a. through c.)	5,004,051
5. Transfers from toll facilities	0	4. General administration & miscellaneous	1,351,812
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	24,015,318
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	11,657,559	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	8,944,126	2. Notes:	
D. Receipts from Federal Government (from page 2)	3,820,361	a. Interest	0
E. Total receipts (A.7 + B + C + D)	24,422,046	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	24,015,318

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	8,078,172	24,422,046	24,015,318	8,484,900	0

Notes and Comments:

See Attachment for Item III A.3.c.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2003

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 Assesments	7,231,636	a. Interest on investments	77,961
b. Other local imposts:		b. Other	1,994,207
1. Sales Taxes	0	c. Transfers	0
2. Traffic Fines	0	d. Capital Credits	0
3. Specific Ownership Tax	592,280	e. Sale of Assets	0
		f. Fees/Licenses/Permits	0
5. From Cities/Counties	11,103	g. Service Performed	31,583
6. Total (1. through 5.)	603,383	h. Refunds of Expenditures	107,480
c. Total (a. + b.)	7,835,019	i. Total (a. through h.)	2,211,231
	(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	8,414,268	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	10,697
a. State bond proceeds		b. FEMA	73,470
b. Project Match		c. HUD	0
c. Motor Vehicle Registration	529,858	d. Mineral Leasing	6,598
d. (Specify)	0	e. Pay Lieu of Tax	135,329
e. (Specify)	0	f. Other Federal	3,594,267
f. Total (a. through e.)	529,858	g. Total (a. through f.)	3,820,361
4. Total (1. + 2. + 3.f)	8,944,126	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	176,483	176,483
b. Engineering Costs	0	1,806,416	1,806,416
c. Construction:			
(1). Capacity Improvements	0	0	0
(2). System Preservation	0	4,949,226	4,949,226
(3). Safety And Other	0	0	0
(4). Total Construction (1)+(2)+(3)	0	4,949,226	4,949,226
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	6,932,125	6,932,125
			(Carry forward to page 1)

Notes and Comments:

See Attachment for Items II.A.3.a.; II.A.3.b.5.; II.A.4.a-h.; II D.2.f.

El Paso County Department of Transportation
2003 Finance Report
Attachment
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Item II. Receipts for Road and Street Purposes - Detail

A.3. Other Local Imposts:

a. Property Taxes and Assessments

Property Tax Collected by EPC Treasurer - R&B	4,033,788
Payments to Incorporated Towns/Cities	3,197,848
Shareback of the El Paso County Road and Bridge Property Tax Mill Levy	
Total Property Taxes and Assessments	7,231,636

b.5. From Cities/Counties

City of Colorado Springs	8,890
Town of Green Mountain Falls	522
Town of Monument	140
Town of Palmer Lake	1,551
	11,103

A.4. Miscellaneous Local Receipts

<u>a. Interest on Investments</u>	77,961
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b. Other:

Metex Metropolitan District Loan Repayment	1,453,460
Woodmen Road Metropolitan District Repayment	500,000
Miscellaneous Receipts	
Mountain View Electric Dividend	1,904
Sale of Used Scrap Metal	591
Restitution	960
Overbilling reimbursed by State 2001 Defense Access Rd	35,132
Rebate from Procurement Card (US Bank)	873
Envirotech Services	630
Charges for Copies	657
	40,747

Total for Other	1,994,207
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<u>g. Service Performed (Citizen Participation)</u>	31,583
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h. Refunds of Expenditures

Credits to Budget	54,057	
Compensation for Loss	53,423	107,480
	107,480	

Total Miscellaneous Local Receipts:	2,211,231
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El Paso County Department of Transportation
2003 Finance Report
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D. Receipts from Federal Government

2.f. Other Federal

Taylor Grazing Act		11
Sale of Materials (BLM)		52
State of Colorado Federal Projects		
Woodmen Road	978,050	
STU M240-062		
Woodmen Road Safety Project A	2,418,576	
STU C040-020 CFDA 20.205		
Major Transportation Corridor Plan	197,578	
STU C040-021 CFDA 20.205		
Total State of Colorado (Federal Projects)	3,594,204	
Total Other Federal		3,594,267

Item III. Disbursements

A.3.c. Other

Payments to Incorporated Towns/Cities		3,165,707
Shareback of the El Paso County Road and Bridge Property Tax Mill Levy		
Total for Other:		3,165,707

**El Paso County
Human Services Fund
Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures
For Year ending December 31, 2003**

Program	A EBT Authorizations	B County Share	C Expenditures by Warrant	D EBT plus Warrant Exp	E Total County Expenditures
Old Age Pension	\$ 4,407,651	\$ -	\$ -	\$ 4,407,651	\$ -
LEAP	\$ 3,178,146		\$ 324,389	\$ 3,502,535	\$ 324,389
TANF	\$ 8,829,230	\$ 2,231,678	\$ 7,595,559	\$ 16,424,789	\$ 9,827,237
Administration	\$ -	\$ -	\$ 8,943,015	\$ 8,943,015	\$ 8,943,015
Child Welfare	\$ 27,108,441	\$ 5,497,666	\$ 8,067,971	\$ 35,176,412	\$ 13,565,637
Core Services	\$ -	\$ -	\$ 4,785,316	\$ 4,785,316	\$ 4,785,316
AND	\$ 1,648,499	\$ 254,379	\$ -	\$ 1,648,499	\$ 254,379
IV-D Administration	\$ -	\$ -	\$ 3,842,486	\$ 3,842,486	\$ 3,842,486
Child Care	\$ 12,136,361	\$ 830,135	\$ 210,752	\$ 12,347,113	\$ 1,040,887
Medical Trans.	\$ -	\$ -	\$ 81,524	\$ 81,524	\$ 81,524
Aid to the Blind	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ 1,357,615	\$ 1,357,615	\$ 1,357,615
Sub-Total	\$ 57,308,328	\$ 8,813,858	\$ 35,208,627	\$ 92,516,955	\$ 44,022,485
Food Assistance	\$ 29,725,158		\$ -	\$ 29,725,158	\$ -
Grand Total	\$ 87,033,486	\$ 8,813,858	\$ 35,208,627	\$ 122,242,113	\$ 44,022,485

- 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 and County participation in Human Services programs
- E. Total County Expenditures reflects the net disbursements by warrant (C) plus County Share of EBTs (B)

Report of Independent Certified Public Accountants
on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Basic
Financial Statements Performed in Accordance With
Government Auditing Standards

Board of County Commissioners
El Paso County, Colorado

We have audited 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, 2003, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 1, 2004. We did not audit the financial statements of the El Paso County Sheriff Special Investigation Fund, which represents 3 percent and 5 percent, respectively, of the assets and 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 discretely presented component units, the El Paso County Department of Health and Environment and the El Paso County Housing Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. 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.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the County in a separate letter dated April 1, 2004.

This report is intended solely for the information and use of the management, the Board of County Commissioners, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Colorado Springs, Colorado
April 1, 2004